Regionalism in the UK: recent trajectories and future prospects

Link to publication record in Manchester Research Explorer

Citation for published version (APA):

Citing this paper
Please note that where the full-text provided on Manchester Research Explorer is the Author Accepted Manuscript or Proof version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version.

General rights
Copyright and moral rights for the publications made accessible in the Research Explorer are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Takedown policy
If you believe that this document breaches copyright please refer to the University of Manchester's Takedown Procedures [http://man.ac.uk/04Y6Bo] or contact uml.scholarlycommunications@manchester.ac.uk providing relevant details, so we can investigate your claim.
Regionalism in the UK: recent trajectories and future prospects

Assembly of European Regions Study on Regionalism

Iain Deas, Centre for Urban Policy Studies, University of Manchester
E-Mail: iain.deas@manchester.ac.uk

Lee Pugalis, Newcastle Business School, Northumbria University
E-Mail: lee.pugalis@northumbria.ac.uk

November 2014
Contents

Author Biographies .............................................................................................................................................. 3

1. Introduction ..................................................................................................................................................... 4

2. Context: the constitutional basis for regional governance in Britain ...................................................... 4

3. Political stimuli for regional governance and policy ...................................................................................... 7
   3.1 Regional consciousness as a driver for governance and policy reform ................................................. 7
   3.2 From administrative deconcentration to experiments in light-touch regional governance .......... 9
   3.3 From regional governance to regional government in England ......................................................... 12

4. Economic prompts for regionally-based policy and governance .............................................................. 14

5. What next for the English regions? ............................................................................................................. 17
   5.1 Celtic devolution and its implications for regionalism in England .................................................... 17
   5.2 Local Enterprise Partnerships: dismantling and rebuilding the architecture of spatial economic governance .................................................................................................................. 19
   5.3 City-regions and soft spaces of governance as the new focus for territorial policy ..................... 22

6. Summary and future prospects for regions ................................................................................................. 25

References ......................................................................................................................................................... 28
Author Biographies

**Iain Deas** is an advisor to the Assembly of European Regions. He is a senior lecturer in Urban and Regional Planning at the University of Manchester. He is co-director of the university’s cross-disciplinary Centre for Urban Policy Studies. He has published widely on the politics of urban regeneration and the governance of territorial policy, including recent articles on the development of city-regions (in *Urban Studies*, 2014), policy actor networks and sub-national economic development agencies in England (*Local Economy*, 2013), and agglomeration economics and regional policy (*Environment and Planning A*, 2014).

**Lee Pugalis** is an advisor to the Assembly of European Regions. He holds a Readership at Newcastle Business School, Northumbria University where he leads the Research group for Economic Development, Innovation and Entrepreneurship (REDIE). Before taking up an academic position at Northumbria University in 2010 he held several senior management and advisory positions across local, regional and national government, including Specialist Advisor to a Regional Development Agency. Lee has over 100 publications to his name, is the UK Editor of *Local Economy* and Early Career Editor of *Regional Studies, Regional Science*, and is a World Social Science Fellow.
1. Introduction

Relative to most other European countries, the governance of the United Kingdom has tended to be characterised by a high degree of centralisation. Some areas of policy-making – social security, defence – have typically been managed largely or exclusively from London, with a limited degree of administrative decentralisation to regional outposts. However, this general pattern of centralised governance is complicated by asymmetric devolution to the Celtic nations in respect of some aspects of government. The 2014 referendum on Scottish independence, which saw a narrower than expected majority of the electorate vote to retain the union, prompted the UK Government to promise further devolution, reigniting wider debates about territorial governance across Britain.

The report begins by explaining in brief the broad lineaments of the constitution of the UK as it relates to regionalism, before examining the historical approach to regions in England (section 2). One way of chronicling the evolution of regionalism is in terms of its political and economic dimensions. These are typically separate, but occasionally combine – as in the Blair government’s abortive regional project of the late 1990s and 2000s. The subsequent section of the report, therefore, summarises in broad terms the historical trajectory of political regionalism, focusing in particular on policy and governance developed for the English regions, in a wider context of reform relating to the government of the four national territories of the UK as a whole (section 3). Complementing this is discussion of the experience of economic regionalism and the array of recent sub-national territorial initiatives aimed at improving economic circumstances (section 4). This provides some of the context for the subsequent part of the report, which details contemporary experience of regional governance and policy, outlining the abandonment of much of the inherited regional institutional infrastructure and its replacement after 2010 with a series of new initiatives focused principally on inducing economic growth (section 5). The report concludes by considering the prospects for the future evolution of regional governance and policy in Britain (section 6).

2. Context: the constitutional basis for regional governance in Britain

Reflecting their historically separate status, the four national territories of the UK have long enjoyed variable levels of autonomy, in line with the uneven ways in which each fused with England. After union with England in 1707, Scotland, in particular, retained significant autonomy in respect of nominated matters such as education, and maintained a separate legal system. The governance of Northern Ireland has varied over time, with periods of direct rule from Westminster driven by concerns over security and the threat of violence based on conflicts around national identity, perceived inter-ethnic divisions and sectarian tensions, and the province’s disputed constitutional status within the UK and the island of Ireland. The extent of devolution to Wales has tended to be less marked, with many aspects of governance until recently fully or largely exercised from London. However, all three Celtic territories in recent decades have possessed separate territorial departments of government, each overseen by secretaries of state represented in the Westminster cabinet and with teams of supporting ministers working alongside a dedicated civil service on matters devolved from Whitehall.
One feature of the UK’s compound governance structure is the variable size of the constituent national territories. England – accommodating 53m of the UK’s 63m residents – is by some way the largest of the four main national territories. The actual or potential dominance of England has been one of the drivers of demands for increased autonomy for the other parts of the UK. Alongside variable levels of popular national consciousness in each of the constituent parts of the UK, asymmetry in population terms has fuelled arguments that some or all government functions ought to be devolved from London. These views have been reflected politically in the rise of national parties in Scotland and Wales demanding increased autonomy or outright secession, and more broadly in the emergence of a degree of political consensus in both countries about the need for a greater degree of legislative and administrative autonomy. The latter explains legislation enacted by the UK government in 1998 to establish devolved governance structures in Scotland and Wales. Legislative powers related to nominated competences (such as education and health care) were granted to Scotland, and executive powers devolved to Wales in respect of some defined functions. For Northern Ireland, too, the UK government legislated to devolve responsibility for nominated powers and oversight of spending decisions, but in this case as part of a peace process culminating in the Good Friday (or Belfast) Agreement in 1998.

The establishment of separate administrations for Scotland and Wales (and, in a different context, Northern Ireland) injected a significant dissonance to the established territorial politics of the UK after 1998. This is important because devolution of power and responsibility to the Celtic countries (and pressure for it) has long been a factor motivating demands for reform to territorial governance in England. Unlike the other national territories of the UK, England itself lacks a devolved administration, and legislative and executive powers continue to reside entirely in Westminster and Whitehall.

Demands for dedicated legislative and/or executive structures for England, or for some or all of its regions, have tended for the most part to be something of a minority preserve, although there has been sustained political sensitivity around the distribution of public resources across the four national territories of the UK. This has been compounded since 1998 by the constitutional anomalies posed by the asymmetric nature of devolution in the UK, and in particular by the unreciprocated ability of elected legislators from Scotland to influence matters in the Westminster parliament that apply solely to England. This has become an issue of still greater salience following Scotland’s referendum on independence, which rekindled concern about inter-territorial equity and apparent disparity in the form and extent of representation across the UK’s constituent nations in the Westminster parliament. Until recently, however, frustrations around perceived territorial disparities in the distribution of public monies, or around the enhanced capacity of the devolved territories to innovate in legislative and policy terms, have tended in the main to fuel periodic demands for strengthened governance at the scale of England’s nine administrative regions, rather than for England as a whole (Hazell, 2006). The notion of England as an identifiable cultural space within the UK around which to construct a distinctive set of political and institutional structures has tended not to feature prominently in discourses about regionalism; the weakly-developed nature of English consciousness has been part of what Taylor (1991) calls the ‘territorial enigma’.

Given the uneven size of the four national territories of the UK, the English regions have been viewed by some as constituting a more appropriate geographical unit on which to base a more systematic (or even quasi-federal) form of devolved governance (Morgan, 2002).
Again, however, demands for the development of formal governance capacity for the English regions have been limited in scale. Weakly developed levels of popular regional identity in England have meant there have been few concerted demands for the establishment of formal regional government, in contrast to Scotland or Wales. Instead, the increasing autonomy afforded to the Celtic nations has more commonly informed purely administrative reforms in England, with some functions of government – notably those linked to economic development and land-use planning – at times organised on a regional basis. For example, the establishment of national economic development agencies for Scotland and Wales in the 1970s was important in triggering demands during the 1990s (from policy elites rather than at a popular level) for the granting of powers and resources to help the English regions compete for mobile international investment and develop new areas of economic activity to offset the decline of manufacturing industry.

While demands for increased political autonomy for Scotland and Wales have played some role in stimulating the case for strengthened policy and governance capacity in the English regions, most of the case for reform in the latter has related to concern about longstanding interregional economic disparity across the UK as a whole. As this report will go on to document, there have been several periods of experimentation in regionally-based economic development in England. Beyond that, however, regional governance has usually extended little beyond routine administrative decentralisation of some civil service functions from Whitehall. Regional democracy in England has been a subject of only fleeting interest, both within the regions and in central government (Tomaney and Ward, 2000). In contrast to the situation elsewhere in Europe, English regions have no formal constitutional status. English regional structures have tended to exist as low profile entities with limited budgets and few statutory powers. Where regional institutions have been granted resources, it has been limited almost entirely to economic development, as in the case of Regional Development Agencies discussed below. Whereas English local government is underpinned by a system of fiscal equalisation that originated in 1929 and has only recently (and arguably) begun to be eroded, there has never been any systematic recognition of variable regional needs and allied transfers of resource from central government.

For the most part, then, regional government in England is weakly developed. Regionally-based institutions and policy initiatives in England have been dependent on Westminster and Whitehall for their existence. In general, regional government in England has been an area of intermittent experimentation and occasional tentative interest, rather than an established feature of the political landscape. But for the UK as a whole, reform to territorial governance, and increasing devolution of power to the Celtic nations, has emerged as potentially a profound challenge to the integrity of the UK as a hitherto largely unitary state. Indeed, the referendum on Scottish independence in 2014 potentially presaged an existential crisis for the UK as currently constituted. Whilst electors voted by an unexpectedly narrow majority to reject independence, apparently limited levels of support for the status quo nevertheless prompted far reaching questions about the future of territorial governance in Britain.
3. Political stimuli for regional governance and policy

3.1 Regional consciousness as a driver for governance and policy reform

Distinct identities have played an important role in underpinning the institutionalisation of regionalism across many European countries (Paasi, 2002). Cultural identity has played a variable role in respect of centrifugal pressures in the UK’s territorial politics. The distinctiveness of self-defined Scottish and Welsh identities, and their perceived contrast to Englishness, has been a major factor in the case for enhanced devolved powers or outright separation from the UK. Yet this ethnic nationalism has been relatively low key when measured against wider international experience. Notwithstanding sporadic threats to incoming English settlers to rural areas in Wales in the 1970s and 1980s, debates around ethnic nationalism have been confined to the realms of political discourse, free of much of the rancour evident elsewhere (not least in Northern Ireland).

Two primary factors explain much of this. One has been the existence of a sense of Britishness that is sufficiently pliable to allow many Scots and Welsh nationals to assume over many years a dual identity (Taylor, 1991). The ability to be simultaneously Scottish and British, or Welsh and British, has acted as a centripetal counterweight to secessionist demands constructed on the basis of separate ethnic identity. There is evidence that this dual identity is more widespread, and developed in a more thorough and nuanced way, in Scotland and Wales than in England, where Englishness and Britishness have sometimes been viewed as synonymous (Curtice, 2006). Indeed, the perceived failure of English residents (and also international observers) to distinguish between England and Britain has long been a grievance that has informed anti-unionist disquiet in Scotland and Wales.

A second counterweight to ethnic nationalism has been the deliberate attempts of nationalist politicians in Scotland and Wales to promote a residence-based civic nationalism. This has been a very conscious attempt to challenge the potential for prejudice and discrimination based on ethnic definitions of national identity, and instead to promote a more mature and inclusive sense of belonging (Nairn, 2000). The result of this thinking is that the 2014 referendum on Scottish independence was open to all Scottish residents eligible to vote, regardless of nationality; Scottish-born expatriates, in other parts of the UK and elsewhere, would have been eligible to become citizens of an independent Scotland but were denied the right to vote in the referendum. This is evidence of a more general attempt to downplay ethnicity as the principal rationale for separation and national self-determination, and instead to stress the benefits of independence in relation to other factors such as an enhanced capacity to manage economic affairs or deliver services that are more sensitive to local needs.

The complexities of national identity in Scotland and Wales, and the deliberate efforts to construct a broadly based civic nationalism, explain the limited potency of ethnic nationalism in comparison to secessionist politics elsewhere in Europe. At the same time, nationalism in both Scotland and Wales has often been driven by other factors, beyond popular identity. The unevenness of the UK’s electoral geography has been part of this. Right-of-centre Conservative governments dominated British politics for much of the twentieth century, but on occasion drew their electoral support disproportionately from England, particularly from areas outside the urban industrial centres of the north and (to a lesser degree) the Midlands.
After 1950, electoral support for the Conservatives in Scotland dwindled, not only in the most urbanised areas in which support for Labour had historically been strongest, but also in more affluent areas that would otherwise have been expected to lend support (McCrone, 2001). In light of this, nationalists have argued that Scotland and Wales have a broader political culture more in line with the social democracy said to characterise other small northern European countries than with the rest of the UK (see, for example, Béland et al, 2005).

It is this sense of political separateness that has helped fuel demands for increased autonomy in Scotland and Wales, reinforced (and also in part explained) by corresponding economic disparities and feelings of cultural or ethnic distinctiveness. By contrast, comparable levels of regional consciousness have failed to materialise in England. Regionalism based on feelings of cultural distinctiveness has tended to be weakly developed. Even in northern English regions in which regional identity is relatively stronger, it has been limited by a number of factors. The delimitation of England’s standard administrative regions, and the limited degree to which they correspond to patterns of popular affinity to particular places, explains in part the underdevelopment of political regionalism based on cultural separateness. So too does the array of competing sub-regional loyalties which cross-cut regional identity; popular affiliation with towns and cities, or with England as a whole, is often more potent than any loyalty to the region.

One limited exception to the general absence in England of regional sentiment driven by cultural or linguistic factors is in Cornwall, where Mebyon Kernow, the Party for Cornwall, has articulated the case for its perceived distinctiveness to be reflected in increased political autonomy. The argument here, as proclaimed on its website, has been that “[t]he historic Nation of Cornwall has its own distinct identity, language and heritage...[which means]...Cornwall has the same right to self-determination as England, Scotland and Wales”. Lending weight to calls for Cornish separatism, the Council of Europe recognises Cornish minority status and its right to protection along the lines afforded to national minorities in the Celtic nations.

Beyond the atypical case of Cornwall or a few other generally obscure and localised examples such as Wessex (MacLeod and Jones, 2001), the absence of dedicated regional political parties in England is further testimony to the limited extent of (and desire for) political regionalism. Nevertheless, regional variations in voting behaviour have sometimes been in evidence, in crude terms with support for Labour exceeding levels predicted on the basis of socio-economic circumstances in the northern regions and support for the Conservatives disproportionately stronger in the south east and the shires of middle England. This conceals a much more intricate patterning, however, with distortions linked to the degree of urbanisation (London, for example, has often departed from the general support offered to the Conservatives) and interrupted by other local allegiances (notably the traditional support for the Liberal Democrats in the South West or more recently UKIP in eastern England).

In general, then, cultural distinctiveness has been one of a number of stimuli for increased political devolution in the Celtic nations, but has been of much more limited importance in relation to England’s regions. Whereas the confluence of cultural separateness, interregional economic disparity and a perceived lack of political voice have featured amongst the drivers of demands for increased autonomy in Scotland and Wales, regionalism in England has tended to have shallower roots. Where demands for English regional political autonomy
have existed, they have typically drawn more on overlapping arguments about the need to challenge administrative centralisation, economic inequality and the ascendancy of London and its region in terms of both political and economic affairs. These demands, while modest in relation to those emanating from Scotland and Wales, have resulted in periodic bursts of interest in developing regional governance mechanisms, as the next sections go on to explore.

3.2 From administrative deconcentration to experiments in light-touch regional governance

What passes for political regionalism in England has generally extended little beyond administrative deconcentration, often linked to wider narratives about narrowing interregional socio-economic disparity. This has sometimes involved decentralisation of government or quasi-government employees, such as Whitehall civil servants working in clearly defined administrative subdivisions of government departments, or routine service delivery agencies. Policy-makers have attempted to justify this kind of regionally-based decentralisation on economic grounds, citing material benefits linked to the multiplier effects associated with collective institutional and individual employee spending. At the same time, decentralisation has been presented as a means of improving governance: increasing administrative effectiveness via enhanced alertness to regional circumstances or by enabling better public sector interconnectedness.

Political regionalism in England has been based largely on a geography of standard regions. Nine polycentric regions, whose roots lie in emergency war-time civil contingency planning in the 1930s (Parsons, 1988), have for many years formed the basis for limited attempts to develop regionally-based institutions. Examples of services delivered on a decentralised basis from regional bases away from London include the provision of passports (in Liverpool, Glasgow and Belfast), driving licenses (in Swansea), or the administration of income tax (Newcastle, East Kilbride) and social welfare (Leeds). Alongside decentralisation of specific areas of service delivery, there have also been periodic efforts to relocate some policy-making capacity from Whitehall. For example, parts of the civil service associated with oversight of training and other aspects of employment policy were relocated to Sheffield.

In addition to this partial deconcentration of clearly delimited administrative subdivisions of central government, Whitehall has also embarked on more systematic attempts to regionalise. National department such as home affairs, environment, local government, industrial development and employment maintained for several years a regional presence, with offices in each of the standard English regions. These provided what for the most part was a relatively unobtrusive government presence in each region. However, their significance began to increase incrementally as additional powers and responsibilities were added. Two examples stand out.

The first centres on regional strategic land-use planning, which from the late 1980s and early 1990s began to emerge as an area of policy interest, linked in part to political sensitivities around the allocation of housing land in order to meet burgeoning localised demand, notably in London and South East England. The role here for central government’s regional civil servants, in this case those working for the former Department of the Environment and its successors, was to reconcile competing sub-regional interests and broker agreement
amongst local authorities about the allocation of housing land and associated provision for other enhanced services and amenities. This mediative role for regional civil servants was fulfilled via non-statutory regional planning guidance documents to which local planning authorities were expected to adhere in their statutory land-use plans (Baker, 1988).

Regional offices of Whitehall departments also played an important coordinating role, secondly, in respect of liaison with the European Commission, contributing to the procurement and management of regional and sub-regional structural fund resources (Mawson and Spencer, 1997). However, in a context in which interest in regions as a building block for the governance of the European Union was growing significantly, there were prominent arguments in the 1990s that the limited scale and extent of regional governance relative to many other member states was placing England at a disadvantage in competing for an appropriate share of growing structural fund resources. Such arguments within Whitehall were reinforced within some regions by embryonic voluntary political associations – covering local authorities but also other actors from the quasi-public, private and voluntary sectors – which expressed similar concern about the lack of institutional capacity or political visibility and the resultant inability of the English region’s to garner a ‘fair share’ of EU resources.

The upshot was a decision by central government in 1994 to reorganise regional branches of the civil service by removing departmental boundaries and creating new integrated Government Offices of the Regions (GORs). The logic here was that these would provide politically more credible bodies as a result of their scale as regional players as well as their direct line of accountability to London. Enhanced institutional capacity, it was argued, would allow the GORs procure resources in larger volume, distributed them more efficiently and spend them in a more effective way (Musson et al, 2005). At the same time, the GORs would also assume increased responsibility in other areas, complementing their role in managing structural fund resources. They were given responsibility for managing the allocation of discretionary urban regeneration resources, as part of a new integrated funding programme, the Single Regeneration Budget Challenge Fund. Before their eventual demise in 2011, they were also tasked with developing regional strategy across a range of areas of public policy, including housing, infrastructure and skills (Stewart, 1997).

The advent of the GORs represented a systematic, if inconspicuous, attempt to reform the machinery of central government’s regional presence. Alongside them, there have been numerous, sporadic efforts to effect a territorial redistribution of public sector functions. Narratives around the need for a more equitable geographical distribution of public expenditure were redeployed in relation to the relocation, in 2011, of some of the broadcast facilities and staff of the BBC. Although separate from government, the BBC is reliant on it as part of the decennial charter renewal process, and the associated power vested in Whitehall to determine the level of the license fee, the de facto tax levied on television owners as a means of providing the bulk of BBC income. Responding to criticism about the centralisation of staff in London, and simultaneously under pressure to reduce its cost base, the BBC’s governing body chose to bolster its regional presence by expanding its facilities in North West England and relocating part of its news production and most of its children’s television and sport departments. This prompted a competition amongst Greater Manchester’s local authorities to host the relocated staff and production capabilities, with Manchester (historically the home of the BBC presence for the North West region) and neighbouring Salford (the eventual winner) vying to provide a suitable site. The resulting
development was called Media City, on land adjoining the long established regenerated former dockland area at Salford Quays. Media City proved controversial from the outset, partly because of the unwillingness of some BBC employees to relocate from London. Active lobbying on the part of regional and sub-regional actors to lure BBC investment prompted further controversy. Some critics pointed towards the apparently wasteful, duplicative efforts of local policy actors engaged in a zero-sum-game of attracting mobile investment to competing but neighbouring areas.

The examples of the GORs and the BBC, alongside earlier waves of administrative deconcentration, are essentially top-down, driven largely by decisions made in London. Equally, there are numerous examples of bottom-up forms of political regionalism. For instance, associations of regional local authorities like the North West Regional Association emerged initially as bottom-up entities, but subsequently formed the basis for more formalised top-down institutions, in this case a regional chamber, the North West Regional Assembly. The rationale for the establishment of bodies like the Association was partly about ensuring a joint local authority voice aimed at government ministers and civil servants in London, in the face of sustained cuts in local government expenditure and persistent difficulties tied to wider economic restructuring. In an institutional context of increasingly fragmented governance, linked to the proliferation of central government agencies and the increasing propensity of local bodies to think and act competitively, greater regional institutional cohesion was required, it was argued, in order to secure additional government resources (Burch and Holliday, 1993). For North West England, the watershed moment arrived at a gathering of political and business leaders at Manchester airport in 1990, when one senior European Commission officer, Graham Meadows of DG XVI, derided local actors for their seeming inability to abandon outmoded parochial and political rivalries and work together for the common regional good (Hebbert and Deas, 2000). In some parts of England, such external critiques of the destabilising effects of internecine local political conflict have been important in fostering a desire to build bottom-up political regionalism.

Interest in bolstering regional institutional capacity in respect of EU resource procurement also played an important part in the decision to reorganise Whitehall’s regional presence via the establishment of the integrated cross-departmental GORs. This coincided with wider shifts in the politics of the EU, with the growing salience for a time of the idea of a Europe of the Regions, in which regional territories, rather than nation-states, could ultimately constitute the basic building block. This was to prove a notion of short-lived significance; with the benefit of hindsight the idea that the political pre-eminence of nation-states might eventually be supplanted by powerful regions now appears implausible. Nonetheless, throughout much of the 1990s the concept of a Europe of the Regions exerted a powerful appeal to policy elites in the UK, underpinning a variety of collaborative efforts to build regional scale institutional capacity (Keating, 2008). It was reinforced by parallel academic thinking at the time, which talked of a re-scaling of governance: a fundamental reorganisation of the territorial basis on which nation-states were organised, with national governments less able to manage macro-economic change in the face globalisation, and their role under challenge from increasingly powerful and globally significant regional territories (Brenner, 1999).

For the English regions, the focus of region-building in the context of what was perceived to be the EU’s increasingly regional mindset was largely about practical considerations. The normative view that sub-national areas were intrinsically better suited to the changed
realities of the governance of the EU, and that regions represented more meaningful territorial units in the context of the supposed internationalisation of economic activity, existed only as a backdrop to more pragmatic considerations around resource procurement and policy coordination. The establishment of the GORs signalled a desire to develop the institutional infrastructure required to secure a greater share of Structural Funds; and to develop horizontal and vertical linkages between and across different branches of central and local government and the expanding quasi-government sector in order to utilise resources more effectively (Mawson and Spencer, 1997). In combination, the GORs and regional associations of local authorities, together with other regionally-based institutions such as inward investment promotional bodies and fledgling economic development agencies, began from the early 1990s to form a kind of inchoate regional governance apparatus, around which central government then began to construct more formal and permanent structures.

3.3 From regional governance to regional government in England

Much of the initial impetus for political regionalism in England derived from the regions themselves. Before the late 1990s, most of the efforts by central government to develop regional governance – whether via the deconcentration of public sector employees, decentralisation of some functions of government or the reorganisation of regional branches of the state – had been essentially ad hoc and invariably limited in scale. Regional institution-building and policy-making such as it was tended to be confined in the main to specific areas, notably economic development and strategic land-use planning (Baker et al, 1999). This began to change, however, after 1997, as the Blair Labour government began to embark on a more systematic, and potentially more fundamental, process of experimentation with new forms of political regionalism (Tomaney, 2002).

The process began with the 1998 Regional Development Agency Act and the establishment of voluntary regional chambers in eight English regions. London had its own assembly, with different powers and an elected mayor. Unlike the Greater London Authority, regional chambers lacked a direct democratic mandate; they comprised for the most part indirectly elected local politicians, with a third of their membership co-opted from other sectors. Through a small team of officers, the bulk of their role was devoted to developing strategy for contentious policy areas like waste management, transport and infrastructure and housing provision. These had proved problematic in the past, as competing local interests frustrated the agreement of shared regional priorities. Spatial planning was perhaps the area of strategy-making for which regional chambers made most obvious progress. Working alongside the continuing GORs, their task was to agree strategic land-use planning provisions, initially in the form of Regional Planning Guidance documents, and subsequently via the enhanced system of Regional Spatial Strategies, which from 2004 put regional planning in England on a statutory footing for the first time (Glasson and Marshall, 2007).

With the partial exception of spatial planning, however, the regional chambers generally proved throughout their lives to be low key bodies. Dominated by local politicians, their focus tended to extend little beyond broad-brush discussion around regional futures, with a much more limited role in agreeing detailed and implementable policy (Burch et al, 2009). In terms of strategic spatial planning, they were frequently criticised for developing lowest-common-denominator approaches, reiterating vague and readily agreeable regional priorities while
ignoring the more intractable issues – the location of housing land or the provision of sites for major inward investment – on which conflict between local areas had often focused (Baker and Wong, 2013).

That regional chambers were poorly placed to reconcile conflicting local interests was partly a reflection of their limited standing, and their resultant inability to manage complex and fragmented regional institutional environments. This in turn reflected the limited budgets at their disposal. With no tax-raising powers and only small amounts of funding allocated from central government, the regional assemblies often struggled to acquire legitimacy and secure commitment from constituent local authorities possessing incomparably larger resources. Whereas regional chambers were sometimes belittled as little more than talking shops, there was an obvious contrast with local authorities with extensive service provision responsibilities, wide-ranging statutory powers and a degree of local democratic accountability that enabled them to present a more credible presence to London (Pearce and Ayres, 2007).

The limited funding available to regional assemblies was compounded by the absence of any significant degree of popular support for regional governance from local citizens (Wistrich and Smith, 2014). Central to the Blair government's 'regional project' was the notion that indirectly elected regional chambers would have the potential to develop into fully-fledged regional governments, directly accountable to local electors. The idea, in the wake of a report produced by former European commissioner Bruce Millan when Labour was in opposition, was that regional assemblies could emerge in areas of the country where popular demand warranted it. Within and around the chambers themselves, there was a predictable desire to see regional governance strengthen – as evidenced by the decision of many of the chambers to style themselves as regional assemblies. However, the prospect of directly elected regional assemblies was from an early stage perceived as unappetising. This partly reflected the lack of overt popular support for political regionalism, but it also stemmed from the qualified nature of support within central government for enhanced regional governance. Commitment from the centre to a more formalised future system of regional government was equivocal, and remained contingent upon local electoral assent that seemed unlikely ever to materialise.

Nevertheless, this evolutionary perspective on the development of regional chambers was significant. It was informed by a view from advocates of political regionalism that governance arrangements could grow and mature over time. The expectation amongst enthusiasts for strengthened political regionalism nationally and locally was that the introduction of direct elections for assembly membership would help embed regional governance on a more formal and permanent basis. Alongside this, strengthened political regionalism would also involve giving elected regional assemblies the ability to augment increased government grants via ring-fenced increments to local domestic property (council) taxes.

This notion that initial forms of light-touch regionalism might in due course evolve into something more firmly rooted was underpinned by the view that political regionalism was a necessary counterpoint to economic regionalism: that regional governance ought to involve scope for stakeholder participation and enable democratically mandated representatives to hold to account policy delivery bodies. As a result, regional chambers acted as an informal quasi-constitutional check-and-balance on their counterpart bodies, the nominally business-led Regional Development Agencies (RDAs) created in the 1998 Act to oversee economic
development. In some regions, however, the ability of the regional chambers to exercise scrutiny over economic regionalism proved difficult to sustain. In North West England, for example, there was periodic conflict with the North West Regional Development Agency, notably over the degree to which narrowly defined economic development goals ought to be tempered by more balanced considerations around environmental sustainability or social cohesion (Deas, 2006). Ultimately, though, the bargaining position of the regional chamber, lacking the clout that would have been afforded by direct electoral accountability, was weak in the face of a generously resourced RDA with political backing from local business and central government (Haughton and Counsell, 2004).

The government White Paper of 2002, *Your Region, Your Choice: Revitalising the English Regions* reiterated the view political regionalism might eventually emerge as a foil for economic regionalism, subject to approval by the local electorate. The upshot of what Jeffery and Mawson (2002: 715) term this ‘devolution on demand’ approach was a planned series of referenda in the northern English regions. The North East, as the region in which local identity was perceived to be strongest, was selected as a test-bed for this transition towards more formal governance at the regional scale, with a referendum scheduled for 2004. In the event, regional electors rejected the proposed assembly by a margin of over three-to-one. The result reflected a combination of voters’ lack of enthusiasm for regional government, mixed with a wider antipathy to politicians and the perceived imposition of further unnecessary tier of government (Rallings and Thrasher, 2006). Fearing damaging political repercussions in advance of forthcoming national elections, central government shelved planned referenda in the neighbouring northern regions. The effect was to derail the Labour government’s regional project, leaving in place a troika of existing regional institutions in the form of the GORs, RDAs and regional chambers, but without any form of direct accountability to local electors.

The experience of regional governance under the Blair governments, and in particular the stalled efforts to develop permanent democratic institutions, perhaps emphasises the degree of unease felt in central government about the prospect of new bodies covering large territories, and which might have the potential to challenge the centre’s political ascendancy. It also emphasises the degree of inertia amongst local political and business elites, comfortable with limited forms of regional devolution aimed at narrowly specified policy areas such as economic development or land-use planning, but fearful of the disruptive influence of more powerful elected governments. In particular, the prospect of a direct democratic mandate for regional bodies represented a potential threat to the more limited form of economic regionalism with which local elites were comfortable and on which central government was increasingly keen to focus. Nevertheless, while political regionalism in England began to unravel in the wake of the 2004 referendum, support remained in evidence for enhanced devolved power to Scotland and Wales – and this had potentially important ramifications across Britain.

4. Economic prompts for regionally-based policy and governance

Britain’s experience of large scale industrialisation, and associated patterns of urban development over successive centuries, brought with it acute interregional economic disparity (amongst many examples, see Fothergill and Gudgin, 1982; Green, 1988; Martin,
The principal divide has been between, on one hand, the once heavily industrialised towns and cities of the English north and midlands, south Wales and the central belt of Scotland, and on the other hand London and its adjoining regions. This has been a geographical divide that has persisted, in terms of both the political and popular imagination. It has been one that has proved intractable in the face of multiple attempts by government to narrow interregional inequalities (Gardiner et al, 2013). The Barlow Commission in 1940 advocated the dispersal of economic activity away from London and towards under-performing regions. This heralded a post-war system of approvals for new factory openings which prioritised development in peripheral regions, but – in view of perceived problems of urban congestion and pollution and an associated desire to modernise industry – encouraged the relocation of economic activity away from the major industrial cities. As Britain’s manufacturing economy continued to decline throughout much of the second half of the twentieth century, interest in promoting development in peripheral regions continued. Regional Planning Councils were established during the 1960s and 1970s, in another attempt to address the unbalanced nature of Britain’s space economy (Baker et al, 1999). Efforts to promote overseas inward investment also focused on England’s provincial regions, and on the Celtic nations (Tickell and Dicken, 1993). The latter benefitted additionally from dedicated development agencies, such as the Scottish Development Agency, instituted in 1975 in a further attempt to trigger new economic development as the decline of manufacturing industry gathered pace (Wannop, 1984).

Interest in regional economic development waned in the 1980s, as neo-liberal ideas began increasingly to infuse public policy and government began to promote economic development in a less directive and more market-driven way. Regional economic planning was anathema, but sub-national policy intervention of a different sort continued. Pursuit of foreign direct investment was central to this, as central government sought to capitalise upon the increasingly mobile nature of international capital (Tewdwr-Jones et al, 2000). Supply-side interventions – linked for example to the provision of developable sites and efforts to develop more flexible labour markets – also played some part in influencing the geography of economic activity, exercised via a series of initiatives, including Enterprise Zones and Urban Development Corporations (Turok, 1992).

While national government commitment to regional policy and governance in England in most respects was at best lukewarm throughout the 1980s, organic pressures for economic regionalism remained – and began to grow. Much of this was attributable to the spatially uneven consequences of economic restructuring, as the national economy’s transition from predominantly manufacturing to service-based employment began to accelerate. With government in many respects seeking to use policy intervention to hasten this process, and prepared only to manage localised decline and ameliorate its socio-economic and environmental consequences, regional policy elites began increasingly to explore the possibilities for creating new bottom-up regionally-based institutions or to expand existing ones. The rationale here was about creating new institutional structures and policy initiatives to try to transcend historic divisions, both geographical (between urban areas within polycentric regions) and sectoral (between the state and business). This was a form of economic regionalism that differed significantly to earlier variants, in that central government no longer played a pivotal role. Instead, the impetus came from some of the regions themselves, and in some cases from the business community rather than the public sector. This latter feature meant that new regional institutions found a receptive external audience in
the form of a national government committed to imbuing public policy with private sector leadership and a business-oriented outlook. In North West England, for example, individuals such as the Duke of Westminster (one of the region’s principal landowners) and business representative bodies (such as the regional branch of the Confederation of British Industry and the government-initiated Business Leadership Team) were instrumental in promoting region-based thinking (Burch and Holliday, 1993).

Interest in economic regionalism from local actors, from business but also public and voluntary sector actors, was to culminate in a number of regions in the establishment of new regional bodies. Across a diverse territory including the metropolitan areas of Liverpool and Manchester, the North West Partnership emerged as a new structure, with the support of the region’s business and political leaders (Deas and Ward, 2000). While such bodies lacked dedicated funding and possessed no formal powers, their advent was significant in that it signalled the readiness of regional elites to champion the further development of governance arrangements for economic development. Perhaps with the notable exception of the Northern Development Company in the North East region, these voluntary bodies achieved relatively little in terms of tangible outputs, but their existence reflected the momentum that had built-up over the 1990s in respect of economic regionalism. They were in some senses prototypical regional development agencies, awaiting central government sanction in the form of the award of resources and the allocation of statutory powers.

Such powers and resources materialised in 1998, in the form of legislation to establish RDAs. Their creation in part reflected organic pressures for new regional bodies, but also indicated the willingness of the incoming Labour government after 1997 to embark on a more systematic process of institution building. Thinking within central government and the regions at the time increasingly emphasised the importance of cohesive, broadly-based political relations, stable institutional structures and locally-tailored policy in underpinning economic competitiveness. Ground-breaking research emanating during that period – the new economic geography – emphasised the importance of ‘institutional thickness’ in facilitating sustained economic development in geographical clusters in a small number of regions of growing international significance (Amin and Thrift, 1995). Such ideas proved influential in setting the agenda for regional economic development in Britain – and in particular for ex-industrial regions seeking to induce revival based on new areas of economic activity. For these regions, the advent of relatively well-resourced RDAs with statutory powers provided an opportunity to begin to embed the kind of institutional infrastructure required to propel new economic growth.

The experience of the RDAs from their establishment in 1999 was a mixed one, especially as their often expansive, polycentric geographies meant intra-regional conflicts that proved difficult to contain (Valler and Carpenter, 2010). Although their funds were significant in the context of typically poorly resourced territorial policy initiatives, they were criticised as too meagre to permit the transformation of regional economies suffering from deeply ingrained structural weakness built up over several decades (Pike et al, 2012). For the North East region – the most generously resourced of the RDAs in per capita terms – funding at its peak represented only 0.75% of regional economic output. RDAs were also criticised as being too narrowly focused on business needs. With board membership overseen by ministers, they were frequently dismissed as creatures of central government, accused of delivering national policies in the regions rather than instituting regionally-rooted strategy (Fuller et al, 2002). While some criticised the narrowness of their focus on economic growth, others bemoaned
apparent mission creep and the advent of new responsibilities linked to social and environmental objectives (Roberts and Benneworth, 2001).

Although Labour’s wider project of political regionalism foundered, economic regionalism endured. This was partly because local political and business leaders remained comfortable with the idea of narrowly focused agencies, without the potential to disrupt local political alliances or impose what some viewed as too great a bureaucratic burden on business. The persistence of economic regionalism also reflected continued interest within central government, as the Treasury championed regional structures as a way of contributing to the wider process of economic modernisation. This was reflected in a review of the sub-national governance of economic development, published in 2007, which concluded that RDAs, alongside more disaggregated city-regional structures, ought to be resourced to enable them to focus on economic growth (Pike and Tomaney, 2009). In the wake of the demise of regional chambers, one of the review’s proposals was that RDAs assume joint-responsibility alongside new Leaders’ Boards for creating new integrated regional strategies. These were to cover economic development strategy, but also statutory strategic land-use planning, combining the hitherto separate regional economic and spatial strategies produced by the RDAs and regional chambers (in harness with GORs) respectively. The demise of unelected regional chambers signified the stalled momentum underlying political regionalism. Nevertheless, interest in regional economic development continued undimmed for the time being.

5. What next for the English regions?

5.1 Celtic devolution and its implications for regionalism in England

Whereas the Blair administrations’ efforts to develop new regional governance arrangements for England proceeded haltingly and (in respect of political regionalism) ultimately disintegrated, the parallel process of devolution to Scotland and Wales was smoother and in most senses more coherent. Unlike the English regions, Scotland and Wales were able to transition more readily towards more permanent and wide ranging forms of political regionalism. 1998 saw the advent of a directly elected assembly for Wales, and a parliament with legislative powers alongside an executive function for Scotland. In an entirely different context, the same year saw the creation of an assembly for Northern Ireland.

The advent of comprehensive, if uneven, Celtic devolution continues to have important implications for the English regions. Interest in the notion of enhanced regional governance for England has often been driven by concern about the ramifications of Scottish devolution in particular. The greater autonomy afforded to Scotland and (to a lesser extent) Wales, together with what is perceived to be the relatively higher levels of public spending they enjoy, have long been important in stoking demands from the English regions for greater powers and increased resources (see, for instance, Ormston, 2012). This has applied particularly to North East England, the region in which popular support for some form of strengthened regional governance is generally held to be greatest. The region’s proximity to Scotland as well as its distance from London is sometimes seen as an important factor in stimulating demands for extended regional governance (Shaw et al, 2014). This also explains the relatively strong degree of consensus amongst elite actors across public,
private and voluntary sectors for a series of discretionary bottom-up regional entities developed in the region over many years.

Variable levels of devolution to Scotland and Wales since 1998 have reinforced longstanding unease in the British polity about the contradictions associated with the uneven nature of governance arrangements across the constituent parts of the UK. In the lead-up to the first referendum on Scottish devolution in 1978, a Labour politician posited what came to be known (after the parliamentary constituency he served) as the West Lothian question (or occasionally the English Question). This centred on the paradox that a devolved Scotland would exercise sole power over nominated areas of policy-making, but that Scottish MPs in Westminster could continue to exercise decision-making powers over matters which affected the rest of the UK.

Added to this contentious issue has been continuing dispute over the Barnett formula: the set of conventions employed to guide the distribution of some public resources to Scotland, viewed by some critics as unjustly generous (see, for example, Midwinter, 2004, for a wider discussion). Regional envy regarding the supposed generosity of public spending in Scotland has on occasion fuelled demands from the English regions for more abundant resourcing (McLean et al, 2008). As Ormston (2012) demonstrates, survey data suggest a consistent disquiet amongst English residents about what are viewed as the overly generous levels of public expenditure enjoyed by Scotland – even if this unease does not always translate into support for stronger English regional institutions.

At the same time, superimposed on this perennial issue has been growing interest in what some view as the inequitable distribution of resources amongst the English regions themselves, and a view that London and its region contributes disproportionately via its taxes to relatively higher levels of public spending elsewhere. Although there is dispute about the extent to which London is a net contributor or beneficiary in light of the difficulties of disentangling public expenditure and taxation and apportioning them geographically (Lever, 2014), this has nevertheless continued to inform debate about the nature of territorial governance in England and the UK. Proponents of increased governance capacity for London, led by the city's elected mayor, argue that London’s economic vitality means it is a net donor to government coffers, and that even though it enjoys relatively higher levels of per capita public expenditure, it ought as a capital city to benefit from additional resources in order to maintain and extend its role in driving national prosperity. From England’s provincial regions and the Celtic nations, a diametrically opposite argument ensues: that London’s economic pre-eminence is the result of higher levels of public expenditure, and that resources ought to be redistributed accordingly.

Perceptions amongst England’s regional policy actors outside London about this apparently inequitable distribution of resources are especially potent because they form part of a wider argument about corresponding economic disparity. The case emanating from political leaders in England’s major provincial cities and their surrounding regions is that their lack of economic competitiveness relative to London and other European cities necessitates increased powers and additional resources to match those of the capital and their principal international peers. This is pitched typically as an argument not about territorial redistribution and the restraint of growth in the London region, but as a means of facilitating economic development in under-performing cities and regions. The argument here is that this would benefit not only the provincial cities and regions, but could also help to relieve economic
overheating in South East England and thereby add to overall national competitiveness (ODPM, 2003a).

The case presented by the cities and regions of England’s north and Midlands has therefore been about continuing a process of adding gradually to the powers and resources accrued by territorial institutions in recent decades, but accelerating the pace of reform by beginning to formalise new structures of governance and granting more meaningful autonomy over revenue raising and expenditure. The experience of Scotland and Wales, in this respect, has been important because although political regionalism in England has waned considerably as a national political concern, the issue of territorial devolution has remained live. In this context it has been possible for England’s major cities and their immediate regions to continue to push for new forms of territorial governance and policy, in succession to Labour’s regional project. These new forms of territorial institution, as the next sections document, take a number of different forms.

5.2 Local Enterprise Partnerships: dismantling and rebuilding the architecture of spatial economic governance

The often limited degree to which regionally-based policy initiatives and governance structures have taken root in England, if not elsewhere in the UK, is attributable in part to a lack of commitment from central government and a sometimes modest degree of buy-in from the regions themselves. Commitment to regionalism based on the standard administrative areas of England has rarely if ever benefited from consensual support amongst Britain’s main political parties – and where there has been interest in regional policy and governance, as under Labour from 1997 to 2010, it has often been tentative.

What little support for political regionalism based on the standard regions remained after its steady decline over the course of the 2000s evaporated almost entirely in 2010, with the election of a Conservative-led Coalition government. This signalled the death-knell for political regionalism in England, at least at the scale of the standard regions. The Coalition, in effect, has to a large extent tried to erase the notion of the region from the contemporary English policy vocabulary. Ministers have dismissed England’s standard regions as ‘artificial’ and disparaged attendant governance arrangements as ‘undemocratic’. Subnational policy actors, in response, comment sardonically about representing places ‘formerly known as regions’ (Pugalis and Townsend, 2014).

While the pre-election pledges and manifestoes of both the Conservatives and Liberal Democrats proposed (in outline) to replace England’s nine RDAs with more locally accountable forms of governance, there appeared to be scope for at least some of the new subnational governance apparatus to be based on territorial configurations similar to the standard regions. In regions like the North East, for instance, a history of relatively cordial relations meant that the region continued to form an appropriate space around which to develop new institutions as the successor to the RDA and other bodies (Shaw and Robinson, 2012). What subsequently transpired after 2010, however, was a comprehensive dismantling of regional institutions. This spanned political and economic dimensions of regional governance, with the abolition of the GORs and RDAs as the two main instruments of central government regional policy. It also involved a wider retreat from regional governance, with lower key bodies such as Regional Observatories and Regional Leaders’ Boards abolished.
Regional Select Committees at Westminster were also discontinued (Sandford, 2013). Also of significance was the revocation of statutory Regional Spatial Strategies, viewed by government as an unwieldy vestige of top-down regional government. Inherited proposals for the creation of integrated regional strategies, consolidating the previously separate regional spatial and economic strategies, were never implemented. Instead, strategic land-use planning was to be exercised via *ad hoc* intergovernmental cooperation, with a statutory ‘duty to cooperate’ (though not necessarily a ‘duty to agree’) requiring local authorities to explore policy possibilities with their neighbours (Baker and Wong, 2013).

Reforms to strategic land-use planning were emblematic of the incoming coalition government’s distaste for wider regional governance and policy. The abolition of most of what remained of regional scale policy after 2010 was presented by government as an anti-bureaucratic means of freeing local areas from the disruptive influence of an overbearing (and financially overextended) state. It was portrayed by the Conservatives as an unavoidable step, necessary as part of a wider, radical attempt to curb government expenditure and reduce an unsustainable budget deficit. Alongside this rhetoric around the need for austerity, government’s incipient philosophy emphasised the importance of localism: reversing the growth of ‘big’ government and empowering local actors. Businesses were to be freed of the burden of increasing taxation but play a greater role in shaping, financing and implementing local policy. Reinvigorated civil society could also play a greater role, working in tandem with the private sector to fill the void left by the retreat of the state and provide locally relevant services and amenities (Lowndes and Pratchett, 2012).

This potentially far-reaching recasting of the relationship between the state, capital and citizens proved in many respects to be important more as rhetoric than concrete reform (Jacobs and Manzi, 2013). Nevertheless, it informed a series of apparently terminal reforms to regional policy, fuelling arguments that any residual commitment to regionalism had been abandoned. Tempting as it is to conclude that regionalism in England ended sometime around 2010, however, the more complex reality is that sub-national territorial policy remains important, albeit in different form. What has changed is the abandonment of the notion that the standard regions should represent the principal geometry around which sub-national territorial policy and governance are organised.

While contemporary support for political regionalism at the national level is difficult to discern, and vestigial local commitment is sometimes hard to detect, an economic regionalism of a sort continues. In the wake of the global financial crises of 2007 and 2008 and the subsequent ‘double dip’ recessions afflicting Britain’s economy, sub-national territorial policy was refocused, both substantively and spatially. In terms of the substance of policy, the emphasis of a slimmed down state was on cultivating new private sector led economic growth, as part of a wider legislative programme aimed at offsetting the contraction of the public sector and accelerating post-recession recovery (BIS, 2010). Spatially, the focus of sub-national economic development policy shifted from the standard regions of England to a more disaggregated geography, with the advent of a series of Local Enterprise Partnerships (LEPs).

LEPs, as cross-sector partnerships, were intended to be bottom-up creations. They are nominally led by business actors in the form of a private sector chair, but each board also benefits from a strong contingent of local authority representatives. This reflects a
government standpoint that to some degree has been permissive in respect of the precise form of LEP governance arrangements (Deas et al, 2013). However, proposals to establish a LEP in any given area were subject to government ratification; as with RDAs before them, government assent was required to formalise the composition of their boards and to ensure an appropriate balance of directors from different backgrounds.

Over 60 proposals for LEPs were submitted to government. Many were rejected, including those in direct competition with one another. The boundaries of LEPs were supposed to be derived locally in order to accord more closely to functional economic space, reflecting an underlying desire to move away from the more broadly-based remit of the RDAs and focus policy more on economic growth. This was a key reason for the government’s rejection of many of the initial round of LEP proposals. Over a period of several months between 2010 and 2011, 39 LEPs were endorsed by government (Ward, 2014).

Reflecting the wider programme of public expenditure cuts, LEPs were awarded few resources, initially with no core funding from central government. Although some produced bold visions, over their first few years most LEPs delivered few programmes of substance (Shutt et al, 2012). Critics argued that government was attempting to institute sub-national economic development on a shoestring (Pugalis and Townsend, 2012). LEPs, they contended, lacked the sort of statutory powers and resources required to deliver their occasionally ambitious and far-sighted strategies. Whereas the RDAs had access to a core budget from central government that at its peak exceeded £2b per annum, the initial expectation was that LEPs, as business-led and locally relevant bodies, would and should be able to raise their own resources. This model proved unrealistic in a context of prolonged recession, highly constrained resources available to potential contributors in the public sector, restrictions on the ability of local areas to retain a significant share of taxes, and the absence of any long-term tradition of business funding for economic development policy.

The result was that government was compelled to develop a series of largely improvised funding schemes, providing LEPs and other local agencies with some funding to offset the much larger contraction of both mainstream government spending and dedicated economic development resources. Much of this funding was accessible via disjointed processes of competition alongside broader moves to incentivise development. Localisation of business rate revenue was one attempt to permit local areas to retain a greater fraction of tax income previously pooled nationally and distributed on a needs basis. Local authorities were also encouraged to experiment with new funding schemes, such as Tax Increment Financing, drawing on the perceived successes of US cities in borrowing against anticipated future increases in local tax income resulting from new development (Squires and Lord, 2012). Many of these schemes, against a historical background of highly centralised funding for British local government, offered apparently greater autonomy to local areas by allowing them to raise a larger proportion of funds directly from local residents and businesses – but at the cost of assuming an additional degree of risk in the event that anticipated growth in local tax revenues associated with future economic growth proved not to be forthcoming.

In addition to these disparate forms of funding for local economic development, government has also reconsidered the issue of core funding for LEPs. In response to a government-commissioned review by former Conservative minister Lord Heseltine (2012), a £2b per annum Local Growth Fund has been established. Whilst this falls short of the multi-annual ‘single pot’ proposed by Lord Heseltine, it harks back to the Single Programme distributed by
the network of RDAs. In 2014, Local Growth Fund resources, augmented by expenditure from other government programmes, were used to support a series of Growth Deals agreed with each of the 39 LEPs. In these ways, LEPs began to become more established as a local institutional presence.

5.3 City-regions and soft spaces of governance as the new focus for territorial policy

Alongside the spillover effects of interest in enhanced devolution for Scotland and Wales, and concern about the interregional distribution of public expenditure, contemporary demands for the reform of sub-national territorial policy and governance in England also relate to a desire for greater administrative cohesion and a wish to promote more efficient and effective governance. Local government across Britain has historically been heavily reliant on central government for the majority of its funding. This de facto cross-subsidisation from economically rich to poor local authorities has enabled services to be delivered in an equitable need-based manner, but at the cost of limiting the fiscal autonomy of localities and increasing their dependence on central government. A consequence of the latter, especially during times when central government has tried to trim budgets, has been that local authorities have sometimes sought new cooperative ways to pool resources and deliver shared services on a (city-)regional or sub-regional basis.

Intergovernmental cooperation has therefore been a regular feature of the life of English local authorities, occasionally extending as far as regional structures but more commonly covering metropolitan city-regions. This has sometimes involved no more than extemporised collaboration based on networks of political leaders or local authority officers. Occasionally, though, it has taken on a greater significance in respect of particular areas of policy-making. Regional and sub-regional groupings of local authorities have worked collaboratively on a succession of environmental issues that crosscut municipal boundaries: on waste management or river catchment planning, for example. In other respects, local authorities have sought scale economies over some aspects of local government administration, such as shared pension funds.

Perhaps the most striking example of the way in which sub-national territorial governance has developed around intergovernmental cooperation on local authority services is in respect of land-use planning. British local authorities tend to be delimited around territories that sit incongruously alongside functional economic or environmental geographies, with some city-based authorities in particular hampered by the narrowness of their boundaries (Parkinson et al, 2006). One consequence is that many local authorities have faced difficulty in developing strategic land-use policies that relate to functional territories. This explains why both central government, and local authorities themselves, have on occasion attempted to promote different territorial units as the building block for strategic land-use planning. For example, regional planning in England from the late 1980s and early 1990s evolved as a means of reconciling local authority conflict around issues like the allocation of greenfield sites for economic development or the release of housing land in the context of unmet demand. In effect, supra-local spaces of governance, including regions and sub-regional spaces like city-regions, have been constructed for reasons of mediation, to provide institutions that can arbitrate in the face of competing local interests. Although there is now less emphasis in England on the standard regions that formed the basis for many
innovations in governance, notably from 1997-2010, the continuing contemporary need for some means of managing inter-local conflicts means that demand for some form of regional perspective is likely to endure (Morphet and Pemberton, 2013).

These pressures also explain the further expansion of a variety of largely piecemeal, bottom-up forms of regionalism. What Allmendinger and Haughton (2009) call 'soft spaces' of governance typically involve multi-actor cross-sector partnerships covering what might be termed 'unusual regions': areas configured in ways that sit incongruously alongside political and administrative geographies, but occasionally relate more closely to functional economic or environmental space (Deas and Lord, 2006). The Atlantic Gateway, in North West England, is a prime example of this. Led by the private sector in the form of Peel Holdings, one of the region’s principal landowners, the Atlantic Gateway is a long-term strategic economic development programme for the urbanised corridor of land linking Liverpool and Manchester (Wray, 2014). Although private sector activism in respect of regional economic policy is not new, the Atlantic Gateway initiative goes beyond lobbying efforts and peripheral involvement in the policy process. Here, it is the private sector, rather than the state, which occupies the pivotal position at the head of a wider growth coalition, driving the production of what in effect is a regional strategic economic development plan (Deas et al, 2014; Harrison, 2013).

The Atlantic Gateway is just one of a number of inter-city soft spaces that are in various stages of development. These represent a new type of polycentric region. Although some soft spaces have developed around environmental issues like river basin management (Deas et al, 2014; Menzies, 2014), their creation is more commonly linked to economic development and land-use planning concerns. In some parts of England this has been about boosting the supply of developable land, against a backdrop of unfulfilled demand linked to rapid economic development and local political dispute about the consequences of land release for residential amenity. Many such soft spaces have emerged in the regions surrounding London, where the goal has been to create new governance territories through which to ensure an adequate supply of land for housing and economic development, and to coordinate supporting infrastructural provision. In this way, these areas have been able more effectively to accommodate growth pressures rippling out from London (Allmendinger and Haughton, 2009, 2010; While et al, 2004). Government’s Sustainable Communities Plan for a time attempted to formalise and extend this kind of approach, establishing new growth areas and a Thames Gateway regeneration area as territories on which to focus regional growth pressures in a managed way (ODPM, 2003b).

Elsewhere in England, soft spaces have also been driven by economic development and planning concerns, but in a context of economic under-performance rather than spiralling growth. The Atlantic Gateway is one example, but there have been other efforts to develop polycentric soft spaces in northern England. The transPennine corridor, linking the principal industrial cities along the M62 motorway corridor from Liverpool to Hull, has for many years been an area of policy interest (Dembski, 2015). Paralleling government’s Sustainable Communities Plan, the area for a time was subject to attention through an initiative called the Northern Way. Promoted by three regional development agencies and the area’s major cities, the initiative was largely one concerned with developing long-term strategy around infrastructure and economic development. The aim was to boost economic performance and narrow the disparity with London and its immediate regions (although as González, 2011, notes, without seeking a northwards redistribution of economic activity away from the latter).
But while the vision was an ambitious one, there were few direct resources involved, and the initiative was reliant on sometimes reluctant local actors to provide resources to help implement the strategy (Goodchild and Hickman, 2006). With ministerial support for the initiative beginning to wane due to personnel changes in government, the already limited momentum underlying the Northern Way began rapidly to dissipate prior to the general election of 2010 (Haughton et al, 2013).

Nevertheless, some of the issues that underpinned the Northern Way have remained, and government interest in the area after 2010 has been rekindled. One of the areas of public expenditure largely immune to (or at least less affected by) wider cuts has been infrastructure, viewed by central government as important in order to stimulate economic growth. As a result, longstanding interest in modernising the transPennine transport corridor has been reawakened. Government has signalled its interest in developing HS3, Britain’s third high-speed train line, to connect the major cities of the corridor. This has been partly a political response from the Coalition government to criticism that London and the South East have again been the principal beneficiaries of major infrastructural spend, through the likes of the Crossrail line extending east-west across the capital at a cost of some £15.8 billion. But HS3 has also been linked to economic development, and government’s interest in developing a northern ‘powerhouse’ economy, linking the city-regions of the transPennine corridor. Proposals in 2014 for the devolution of additional responsibility to northern city-regions, notably Greater Manchester, were presented in these terms: as a means of developing a northern powerhouse (HM Treasury and GMCA, 2014).

Other alternative forms of regional space continue in the absence of formal institutions for England’s standard administrative regions. They include cross-border regions promoted by the EU. The UK possesses only one land border, between Northern Ireland and the Republic of Ireland, and it is around that relatively permeable border that most international cross-border cooperation exists, both politically and economically (Murtagh and Shirlow, 2012). Alongside this, a number of smaller scale cooperative territorial organisations exist, many of them highly dependent on EU funding. Most operate in a low profile way, often constituting exploratory forays into cross-national cooperation linked to strategic planning, economic development or infrastructure, typically under the auspices of wider EU programmes (Fricke, 2014).

One particular form of sub-national spatial policy innovation in England since 2010 has been at the scale of the city-region (Harrison, 2012; Lord, 2009). This follows in the wake of attempts by the previous Labour government to explore policy possibilities around city-regions, as an alternative to larger polycentric regions. For example, Labour experimented with Multi-Area Agreements (MAAs) as a means of promoting horizontal linkages between neighbouring local authorities and other (quasi-)state actors, while also developing better vertical integration with other branches of government. This model envisaged enhanced autonomy and devolved funding responsibilities for local areas able to construct cohesive MAAs. The Coalition government has extended and amended this model, linked to the underlying idea that policy ought to be geared towards agglomerative economic growth. The result has been a series of City Deals, an initiative in development under Labour but which the Coalition government has subsequently implemented (HM Government, 2011). It involves agreements between cities and city-regions and central government, in which devolved funding is allocated for centrally approved spending programmes linked to areas of government priority such as infrastructure, skills training or welfare reform. City Deals were
applied initially at the local authority scale, but have subsequently been extended to cover city-regions and LEP areas (Waite et al, 2013). Of the first round of City Deals, Greater Manchester’s generated considerable attention, partly for its ‘Earn Back’ model in which initial investment is aimed at engendering improved economic performance and increased local tax receipts, a proportion of which can then be retained locally and reinvested to stimulate further growth (Deas, 2014).

The opportunity to negotiate City Deals has been extended to a broader range of metropolitan areas. In 2014, Glasgow and the Clyde Valley agreed with the UK and Scottish governments a programme of £1.2b expenditure to fund training provision and new infrastructure. The geography on which the City Deal is based involves the city of Glasgow – like most British cities, a tightly bounded jurisdiction that covers only a fraction of the functional extent of the *de facto* urban area – and seven neighbouring authorities in a conurbation of some 1.3m residents. Over a period of twenty years, the resources involved are relatively slender, but the advent of a City Deal is significant in that it signals a continuing interest in more narrowly drawn city-based forms of regionalism – even in a context of substantial devolution to Scotland (Deputy Prime Minister’s Office and Cabinet Office, 2014).

Alongside City Deals, government has also encouraged city-regional governance via the establishment of combined authorities, extending across two or more local authorities. The goal here has been one of creating strategic level authorities spanning multiple policy fields, such as economic development, transport and housing, in order to make cities more competitive. As with City Deals, the advent of combined authorities continues a trajectory of sub-national territorial policy put in train by central government prior to 2010. Greater Manchester was the first area of England to establish a combined authority in 2011, followed by four more in 2014 (Deas, 2014). Although combined authorities are voluntary, their formal approval by central government means they are statutorily recognised entities. In this sense, their emergence represents a hardening of previously soft spaces of territorial governance. This is a form sub-national policy around which interest in likely to continue.

6. Summary and future prospects for regions

With the election of a Coalition Government in 2010, England’s brief flirtation with political regionalism based on a geography of standard regions was abruptly terminated. Committed to a programme of austerity, driven by the short-term desire to reduce public sector borrowing but also informed by a longer-term wish to shrink the state and check the growth of ‘big government’, regional policy was unsurprisingly pinpointed as an obvious target. Within weeks of entering government, the Conservative-led coalition began to dismantle the inherited apparatus of regional governance. The triumvirate of institutions on which most regional policy had been based – GORs, RDAs and what remained of regional planning bodies – was abolished. Existing regional spatial strategies were revoked, and the planned integrated economic development and planning strategies abandoned.

In place of this, the emphasis of territorial policy has shifted decisively to the scale of the city-region. LEPs and combined authorities, some of them based on ‘soft’ geographies developed initially by local policy actors, have emerged as the chief institutional vehicles around which to develop city-regional policy, principally as a means of engendering improved urban economic performance in England’s under-performing provincial cities.
Policy innovation is to be facilitated via Growth Deals (for LEPs) and City Deals (for combined authorities and local authorities). The latter has also extended to Scotland, and there remains interest in Wales, especially in the Cardiff metropolitan area, in securing a City Deal agreed by the UK Government and the Welsh Assembly.

Despite the demise of most institutions and policy initiatives based on the standard regions, then, sub-national governance continues to be an area of policy-maker attention. The combination of largely experimental funding schemes for new economic development, alongside more conventional commitment to state funding for infrastructure in the hope of inducing Keynesian multiplier benefits, has come to constitute a continued form of sub-national policy – if not one explicitly presented as regional in form. However, this is an as yet fragmented institutional and policy landscape, requiring substantial capacity on the part of local policy actors to procure resources and spend money in a coherent way. Much of the criticism of sub-national policy after 2010 has centred on the meagreness of resources available, but there has also been concern about the need to rationalise and simplify funding mechanisms for funding. LEPs, for example, have struggled to acquire momentum, hamstrung by limited resources, intra-area conflict and a lack of statutory powers. Over their first two to three years, most LEPs have been constrained by limited staffing levels and weakly developed administrative resources. Indeed, LEPs themselves – as well as other commentators and stakeholders – have been highly critical of what they see as government’s frenetic and ill-considered approach to the development of sub-national policy approach (Pugalis and Townsend, 2014).

In response to the earlier promptings of a government-commissioned report produced by a team chaired by former cabinet minister Lord Heseltine (2012), the Local Growth Fund emerged as the latest in a long sequence of attempts to consolidate the resources available for territorial development policy. The intention is that much of the £2b per annum Growth Fund can be aligned with European Structural Funds – an alignment that has been made more feasible because LEPs are the prime vehicle for accessing the former and managing the English share of the latter. One of the few things that remains clear is that the landscape of sub-national territorial policy in England continues to evolve, characterised by significant institutional churn and yet more experimentation.

A different history is evident in respect of political regionalism elsewhere in the UK, where territorial policy reform has been less prone to short-term experimentation. In contrast to the English regions, direct democratic accountability was from the outset an integral part of devolution to Scotland and Wales. Both employ variants of the additional member system, partly as a means of enabling diverse interests to be represented and preventing single party dominance. The existence of meaningful political autonomy in both countries is indicative of levels of popular backing that extend substantially beyond the kind of support evident in the context of the comparatively weaker forms of regional governance that existed for a time in England.

In the aftermath of the North East of England’s rejection of an elected regional assembly, political regionalism in England, to a large extent, fell into abeyance. However, despite the rejection of independence by electors in the 2014 Scottish referendum, the repercussions for (city-)regions across the UK could be far reaching. Demands from Scotland for increased self-rule have historically been an important driver for political regionalism in England, and this continues in the wake of the independence referendum. There is a political consensus
in support of increased devolution to Scotland, and possibly to Wales. While the Scottish and UK governments negotiate the precise shape and form of enhanced autonomy (‘Devo Max’) in the aftermath of the referendum via the Smith Commission, debate around regionalism in England has, to a limited extent, been rekindled.

Much of this reawakening of interest in sub-national governance in England has been directed not at standard regions, but at city-regions and groupings of city-region. It was announced in late 2014 that Greater Manchester – the English city-region generally perceived as having made the most rapid and coherent progress in building new city-regional governance structures – is to establish its own directly elected city-regional mayoralty, exercising oversight over transport, housing, planning and policing. As part of this new agreement with central government, further powers and resources are also to be granted to the Greater Manchester Combined Authority, giving it a status comparable with Greater London. This is what one think tank has referred to as a process of ‘Devo Manc’, (Morrin and Blond, 2014). Greater Manchester has often been the trailblazer for a succession of sub-national policy innovations over the past two decades, but other areas of England are also increasingly active in developing new city-regional structures and policy initiatives. The momentum underlying the construction of the city-region as a political space has grown over much of the past decade, to the extent that it represents the principal territorial building block on which sub-national politics in England is developing.

The prospects for sub-national policy, around the Celtic nations or the English city-regions, are complicated by continuing uncertainty about the UK’s membership of the EU. Prime Minister David Cameron announced in 2013 that a future Conservative government would stage a referendum to determine Britain’s future membership. Withdrawal was for many years a fringe concern, with mainstream political parties committed to EU membership. Scepticism regarding Britain’s membership rarely extended beyond occasional rhetorical posturing and periodic disputes with Brussels. In civil society more generally, after opposition to membership in the Labour movement in the 1970s and early 1980s began to fade, most major trade unions have advocated continued membership of the EU alongside reforms to democratise it and resist the encroachment of neoliberal thinking. Business representative bodies have also been long-term supporters of membership of the EU, principally due to the trading flexibilities it affords – despite reservations about the overly bureaucratic nature of the Commission and the resultant erosion of business freedoms. Polls suggest uncertainty on EU membership amongst the electorate. But if membership were to be relinquished, the implications for different types of regionalism across the UK would be far reaching.
References


Béland, D. and Lecours, A. (2005) the politics of territorial solidarity nationalism and social policy reform in Canada, the United Kingdom and Belgium, Comparative Political Studies, 38(6), 676-703.


ODPM (2003b) *Sustainable Communities: Building for the future*, London: ODPM.


