City Regions and the Governance of Economic Development in England: a study of emerging City Regions in the North East

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Referendum on an elected assembly for the North East of England

• Held in November 2004
• Resounding no vote (78%)

“The whole idea of regional government has been blown out of the water by this vote.”

(Bernard Jenkin, Conservative MP)

• Created a governance vacuum and an opportunity for the rise of City Regions in England?
City Regions – issues arising from literature

• Under-bounded cities (Bennett, 1997)
• Fuzzy boundaries (ODPM 2006)
• Multi-level governance
  ‘muddying of the waters’
• Layering of institutional bodies & politics of rescaling (Brenner 2009)
• The ‘missing middle’ in English Governance (NLGN 2000)
• Treasury led growth agenda (Pike & Tomaney 2009)
Four issues explored in the paper

1. An additional layer (in vertical hierarchy)
   ‘city regions share one characteristic: not one of them functions as a unitary actor’
   (Seberg, 2007)

2. Horizontal integration (Brenner 2004)

3. Differential status and selection

4. Relationship with central state (Rodriquez-Pose 2008)
Multi-level Governance of Economic Development in England

City regions may be regarded as an extra layer in the governance of economic development in England.

They create new vertical and horizontal relationships with institutions above, below and around them.
Multi-level Governance of Economic Development in the North East

Additional layer – Northern Way pan-regional strategy for North of England; promoted the concept of city regions but are pro-region

Complex horizontal and vertical relationships around MAAs e.g. Emergency Services, Health, Transport etc.
A wider perspective of City Regions

‘A city-region is essentially about the economic, social and environmental reach of the city into its hinterland. It is not a homogenous concept with clear boundaries. But it recognises that decisions taken by people – where to live, work, travel to work, shop, visit for entertainment and leisure – and the economic activity by firms and investors – with customers and suppliers – means that there are important economic, environmental and social interdependencies between the city and it’s neighbouring towns and commuter hinterland. These relationships are not usually accounted for in local authority administrative boundaries’

(Hildreth and Clark, 2005)
City Regions: an economic construct

‘...continue to be the construct of geographers and urban planners rather than politicians. They provide the basis for prescribing networks and policy coordination rather than new political institutions. Any new political institutions would require another round of local government reorganization, which would be fiercely resisted. There is a risk of urban dominance, with the cities and their leaders being perceived as neglecting the separate identities and interests of rural areas. Finally, some of the arguments advanced against city regions are similar to those advanced against regional assemblies: that they are essentially technocratic, of interest to elites not ordinary people, and at best a patchwork solution’

(Hazell, 2006)
<table>
<thead>
<tr>
<th>Designation</th>
<th>Examples</th>
<th>Mechanism</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Super Council’</td>
<td>Manchester seeking to become the first</td>
<td>Economic Prosperity Boards and senate of council leaders</td>
<td>Statutory governance structures established</td>
</tr>
<tr>
<td>Statutory City Region: (MAAwd with budgets)</td>
<td>Pilots: Manchester &amp; Leeds City Regions</td>
<td>may include EPB and may combine with Integrated Transport Authority (ITA)</td>
<td>Statutory</td>
</tr>
<tr>
<td>Multi Area Agreement with Duties (MAAwd)</td>
<td>None designated; consultation document published by CLG (2010)</td>
<td>To be determined</td>
<td>Statutory duty to meet targets</td>
</tr>
<tr>
<td>Multi Area Agreement</td>
<td>Tyne and Wear, Tees Valley, South Yorkshire, Liverpool, Leicestershire, Pennine Lancashire, Birmingham, Coventry &amp; black Country, North Kent, West of England, Fylde Coast</td>
<td>public agreement with Government; enhanced freedoms and flexibilities</td>
<td>Voluntary; no additional powers; agreement to work to targets</td>
</tr>
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Why study the North East?

‘The weak and fragmented governance structure in the North East suggests that consolidating governance functions of local authorities and strengthening governance capacity at the city region level may be a good option’

(OECD, 2006, p 12)

Two contrasting City Regions in the North East:

• Tees Valley - mature; forerunner of MAA
• Tyne and Wear – relatively new; developing
City Regions in the North East of England
Tees Valley
Tees Valley Governance

PRIVATE SECTOR ENGAGEMENT STRATEGY

LEADERSHIP BOARD

EXECUTIVE

PROGRAMME GROUP

PLANNING & ECONOMIC STRATEGY

TRANSPORT FOR TEES VALLEY

EMPLOYMENT SKILLS

HOUSING

TOURISM
Tyne and Wear United?
Tyne and Wear commuting patterns (TWCR 2006)
## Comparing Tees Valley/Tyne & Wear

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Tees Valley</th>
<th>Tyne and Wear</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>650,000 core/850,000 wider sphere</td>
<td>1,650,000</td>
</tr>
<tr>
<td><strong>Boundary</strong></td>
<td>Tight/prescribed</td>
<td>Fuzzy/permeable</td>
</tr>
<tr>
<td><strong>Profile</strong></td>
<td>Heavy industry; energy generation; petro-chemical; steel; Tees-port</td>
<td>Professional services; 4 large universities; Nissan; Port of Tyne &amp; offshore</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>Mature (10 years in the making); continuity following abolition of Cleveland Metropolitan County</td>
<td>Immature (2 years); little remained after abolition of Tyne and Wear Metropolitan County; have had to rebuild structures</td>
</tr>
<tr>
<td><strong>Partners</strong></td>
<td>5 metropolitan authorities; coherent but exclusive</td>
<td>7 councils (5 metropolitan; 2 unitary counties); more inclusive</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Non Local Government chair of leadership board; engagement with private sector</td>
<td>Representation by leaders of 7 authorities; technocratic organisation lacking external engagement at present</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td>Carbon capture &amp; storage; process industries; transition to low carbon</td>
<td>Creative sector; electric vehicles; wind turbine manufacture; research and development</td>
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</table>
How will you reconcile the quality of economic development with quantity?

‘through the prism of a low carbon agenda. We don’t want more growth for growth’s sake but a low carbon economy and society. We don’t want growth that has trade-offs on the environment or generates displacement.’

(City Region Director)
North and South Tees draft land use plan (TVU 2010)
Key Findings

• Policy development – incremental & chaotic
• Key drivers – economic growth and agglomeration
• Need for vertical and horizontal integration
• Locality matters
• History matters
• Striking differences between two city regions:
  – Tees Valley: robust governance; mature partnership
  – Tyne and Wear: weak governance; immature partnership
‘The rescaling of state power never entails the creation of a ‘blank slate' on which totally new scalar arrangements could be established, but occurs through a conflictual ‘layering' process in which emergent rescaling strategies collide with, and only partially rework inherited landscapes of state scalar organization’

(Brenner, 2009, p.134)
The Future

• New Coalition Government
  – Abolition of Regional Planning and reform of RDAs
  – Referenda for directly elected single authority mayors for 12 largest cities in England (anticipated in Queens speech 25 May 2010)

• Further research:
  – Did regional agenda provoke the city region response?
  – Are city regions the right spatial level?
  – Can the success of city regions be measured by their enhanced ability to influence government?
  – Will they force LAs to confront economic realities?