The scalar politics of economic planning

Lee Pugalis¹ and Alan R. Townsend²

ABSTRACT

Across England, modes of governing larger-than-local development strategies are undergoing far-reaching change. In particular, the new government of 2010 has a political and financial mission of rescaling and simplifying sub-national economic planning. Alongside the revocation of myriad and sometimes unpopular regional strategies, their supportive institutional structures are being rapidly disbanded, opening up a strategic leadership gap or fissure between national and local scales of policy. Analysing the theory and processes of spatial rescaling, including the emergence of new geographies of governance at the sub-regional scale, the paper draws attention to some of the key opportunities and dilemmas arising from these ‘scalar shifts’. The economic planning roles of the new, cross-boundary entrepreneurial governance entities – Local Enterprise Partnerships – are explored. A key question is whether these public-private arrangements, across what were intended as ‘functional’ economic areas, present a pragmatic way of resolving the strategic tensions between local authority areas that would otherwise be neglected in a post-regional era. The research is based on national monitoring of policy shifts and draws upon participatory observation as an instrument to enrich more formal policy narratives. The paper finds these new bodies lack powers and funding, and concludes that state-led rescaling in effect provides a new ‘cover’ for some old politics; namely neoliberalism including the deepening of entrepreneurial forms of governance.

Keywords: Strategic planning, sub-national development, economic planning, entrepreneurial governance and Local Enterprise Partnerships

INTRODUCTION

Most states produce policy across different tiers of governance and administration, including ‘regional’ elected bodies in the majority of countries of Europe (Brenner, 2003). In England, seven tiers have featured prominently over recent times:

1. The European Union

¹ School of the Built and Natural Environment
² Emiritus Professor of Repiral Regeneration and Development Structures, University of Durham.
2. The United Kingdom
3. The nation state (i.e. England)
4. Nine administrative regions
5. An ‘upper tier’ of 118 principal local authorities (e.g. County Councils and ‘Unitary’ or ‘Metropolitan Authorities’)
6. A ‘lower tier’ of 201 local authorities (e.g. District Councils)
7. A partial geographic coverage of more than 8,000 Parish and Town Councils*

In England, the Conservative and Liberal Democrats ‘Coalition’ Government is dismantling much of the inherited regional institutional structures (tier 4) devised by successive administrations between 1994 and 2010 but mainly by Labour after 1997, partly replacing these with 39 Local Enterprise Partnerships (LEPs), expected to operate across a ‘functional’ space, between tiers 4 and 5. Reforms are also seeking to strengthen plan-making flexibilities across tiers 5 and 6, and provide tier 7 with new plan-making powers. In terms of statutory planning these have, potentially, created a strategic leadership gap or fissure and for economic development provided greater flexibilities, albeit in a context of limited regeneration programmes and fiscal austerity (Harding, 2010; HM Government, 2010b; HM Treasury, 2010b; Pugalis & Townsend, 2010a; Pugalis, 2011c; b). These changes across the policy field of economic planning – understood here as interventions in the spatial economy involving governance, planning and delivery activities – prompt international and theoretical consideration, especially as they represent broadly a reversal of European thought and practice.

Across Europe it is almost considered a ‘policy truism’ that devolving power to the lowest appropriate spatial scale will produce optimum social outcomes, although the theoretical and empirical case is more disputed (see, for example, Rodríguez-Pose & Ezcurra, 2011; Pike et al., 2012). The notion of subsidiarity, including devising policy, making policy decisions and/or administering services, accords with the widely accepted view that grassroots engagement (‘bottom-up’ views) should be reconciled with (‘top-down’) policy activity, although the mechanisms of such a reconciliation is inherently complex. Compared with the regions at tier 4 the devolved ‘nations’ of the UK – Scotland, Wales and Northern Ireland – each possess legislative authority across a broad range of policy areas, such as road transport (MacKinnon & Shaw, 2010), and has regular elections. However, the regions of England, with the exception of London (Gordon & Travers, 2010), lack any devolutionary constitution.** England’s failure to develop a ‘strategic’ tier of elected government, contrary to European nations, such as Germany and France, has produced a ‘scalar messiness’ (Harrison, 2011) that may go some way to explain the ongoing transfers of governance, planning and delivery arrangements. This is despite England’s nine administrative regions possessing an average population much greater than the EU average (Townsend & Pugalis, 2011). For almost the first time since 1947, England will be without a recognised strategic planning framework after the revocation of Regional Spatial Strategies as set out in the 2011 Localism Act. The latest round of state-led rescaling is being implemented through fundamental institutional reconfigurations; most notably, the dismantling of Regional Development Agencies (RDAs) – a flagship policy creature of New Labour (Pearce & Ayres, 2009; Pugalis, 2010; 2011d). This has to be understood along with a gradual incorporation of the private and sometimes the voluntary sectors into partnerships with government (Peck, 1994; Codecasa & Ponzini, 2011). Over recent decades an entrepreneurial urban politics has been encouraged and often supported through public-private partnerships as infrastructural liberalisation and


** Different arrangements apply to London, which has had an elected mayor since 2000. Rescaling matters covered in this paper therefore apply to the rest of England outside of London. Reference to England’s administrative regions in this paper excludes London unless otherwise stated.
outsourcing of service provision continue almost unabated (Harvey, 1989; Webster, 2003; Coulson, 2005; Harvey, 2008; Purcell, 2009; Biddulph, 2011). The paper will go on to highlight the significance of this for the formation of LEPs (partly replacing RDAs) as part of a broader examination of the rescaling of economic planning in England by addressing the following central research questions:

1. How can processes of spatial rescaling be theorised and what have been the most significant ‘scalar shifts’ up to the change of government in 1997?

2. What policy narratives guided the rise and demise of regional economic planning between 1997 and 2010?

3. Do LEPs reflect a continuation of entrepreneurial governance arrangements?

4. In what ways do LEPs, as new ‘functional’ sub-regional arrangements, help resolve some old issues?

This is achieved through interpretive policy analysis (Yanow, 2004; Kisby, 2011), involving analytical critique of formal government statements, political and policy discourse, as well as incorporating some views expressed by the policy community. Consistent with an understanding of spatial rescaling as a process, theorised below, the paper conceptualises the public policy-making pursuits of planning and economic development as political actions that involve symbolic as well as substantive representations and practices (Fischer & Forester, 1993; Fischer, 2003). As different, and often competing, policy narratives are woven together to help create different versions of reality or a ‘regime of truth’ (Foucault, 1972; 1994 [1966]), the paper applies policy analysis to interpret views, ideologies and power relations that inform spatial rescaling. Insights were derived from more formal sources, including publicly available ministerial statements, and ‘grey literature’ accessed during an extended period of work (2010 to 2011), at meetings, forums, policy exchanges and deliberations primarily but not exclusively in the North East of England. It is for this reason that direct quotes are not used in this paper as a source of ‘evidence’. Rather, these insights accessed during participant observation research are used as an instrument to enrich more formal policy narratives. The next section theorises processes of spatial rescaling, which is used to identify some of the most significant ‘scalar shifts’ to 2010.

STATE-LED RESCALING OF ECONOMIC PLANNING ACTIVITIES

Across the public policy fields of planning and economic development, the reallocation of roles between tiers of governance and administration – processes of spatial rescaling – has taken on added significance over recent decades (Brenner, 2003; Brenner, 2004; Gualini, 2006; Brenner, 2009; Lord, 2009; Reed & Bruyneel, 2010; Stead, 2011). The processes of spatial rescaling are much more complex than effecting the reduced role or ‘hollowing out’ of the central state, which requires a more sensitive reconceptualisation of scalar hierarchies and relations. Accounting for a geographically uneven ‘filling in’ of institutions (Goodwin et al., 2005; Jones et al., 2005; Shaw & MacKinnon, 2011), including the dispersion of services outwards to non-governmental societal actors, new ‘geographies of governance’ have emerged (Reed & Bruyneel, 2010, p. 646), such as LEPs.

‘Scale’ is applied here not so much as a (constant) administrative unit or tier, but rather to describe the social organisation and evolving interactions, relationships and processes between tiers of an organisation such as a region or local authority. It is in this sense that new articulated forms of scalar organisation construct new policy narratives or reframed problems and associated solutions. Spatial rescaling, understood as a continuous and dynamic socio-political process, involves new scales of policy organisation, problem framing, targeting and interventions, which involve the development of new constellations of actors. As Stead (2011) observes, new geographies of governance emerge in addition to shifts in the flows of power across existing layers of decision making. These variable geometries of governance, in Stead’s words, are not necessarily contiguous, but open and porous. In this sense, ‘the politics of scale – as in other political dynamics – determine who gets involved and under what circumstances’ (Reed & Bruyneel, 2010, p. 651). Viewed through this theoretical lens, inter-scalar relations pertaining to economic planning in England...
are in the process of being renegotiated. Whilst change is continuous, more significant transformations can be understood as ‘scalar shifts’.

The main rescaling tendency over time has been one of concentration in larger units of local government. In 1931, for example, there were 97 voluntary Town Planning Regions covering two or more of the local authorities across England (then numbering more than 1000) (Cherry, 1974). It is in this context that in 1947 a Labour Government bestowed the regulation of land use through development plans to principal local authorities. It was also a Labour administration which instigated a move toward metropolitan scales of government in the Royal Commission on Local Government in England, 1966-1969 (the Maud Report) (Redcliffe-Maud, 1969) and in 1974 established, for the first time, a full coverage of regional economic planning institutions across England (tier 4).

Conservative governments on the other hand have had a leaning toward more local democracy. Indeed, they established the Local Employment Act in 1960 as their tool of development policy (in place of the more geographically expansive Development Areas designated by a Labour Government). It was a Conservative administration which also created the present (lower-tier) local authority Districts constituted in 1974 (tier 6), which they also designated planning authorities, in reaction to and augmenting Maud and abolished Regional Economic Planning Councils in 1979 (tier 4), and metropolitan counties in 1985 (partly comprising tier 5). Even so, the scalar modes of governance, planning and delivery instituted by competing political administrations have sometimes been the same. For example, the Conservative Government led by John Major restored and regularised Government Offices for the Regions, leaving only a small number of regional boundary changes to the incoming Labour Government of 1997, which were used in the establishment of RDAs (tier 4) with statutory powers. The next section examines the rise of regional economic planning under New Labour (1997-2010) and its demise since 2010 under the Coalition.

THE RISE AND DEMISE OF REGIONAL ECONOMIC PLANNING

Sub-national economic planning under New Labour was multi-scalar and multi-sector. An armoury of new tools had been instituted, from Local Strategic Partnerships, which were responsible for agreeing and delivering Local Area Agreements and developing Community Strategies (in turn informing local development plans), to city-region development programmes, and regional plans, such as Regional Spatial Strategies and Regional Economic Strategies. As a result the system suffered contradictions, and was widely considered to be overburdened with process and regulatory requirements (Shaw & Lord, 2009; Taylor, 2010; Morphet, 2011). The disjointed and overlapping processes failed to engender distinctive, locally-tailored spatial frameworks to guide implementation.

While there had been communitarian ideals expressed through Tony Blair’s Labour administration (1994-2007), exemplified through the flagship neighbourhood renewal strategy (Social Exclusion Unit (SEU), 2001), they operated in a state of ambiguity alongside neoliberal politics that promoted economic competitiveness and entrepreneurial governance (Valler & Carpenter, 2010; Bristow, 2011). The ‘Third Way’ approach was championed as a synthesis of these two paths in order to deliver the Blairite philosophy of ‘what works is what matters’. The latter years of ‘New’ Labour’s national political leadership (2007-2010) – under the stewardship of Gordon Brown – produced some subtle shifts in political meta-narratives, including the more vigorous application of central state targets in the provision of welfare services and ‘top-down’ monitoring of policy implementation (see, for example, Syrett & North, 2010).

At the behest of HM Treasury (2007), a lengthy Review of sub-national economic development and regeneration (SNR) was initiated in 2007. A key strand of SNR was the initiative to improve the integration of planning and economic development inspired by a brand of neoliberalism designed to meet the demands of business (see, for example, Barker, 2006). SNR maintained the decisive role played by regions and in particular the RDAs, albeit operating to the tune of central government, but also took
some tentative steps in recognising a greater role for sub-regions and city-regions (i.e. the geographies of governance between tiers 4 and 5). In the face of growing demands for greater identification of city-regions, which were recognised in Multi-Area Agreements (MAAs) between local authorities (Harrison, 2011), SNR outlined support for an inchoate arrangement of sub-regional entities, including:

- City Development Companies/Economic Development Companies
- Economic Improvement Boards/Economic Prosperity Boards
- Statutory city-regions and Combined Authorities
- MAAs and non-statutory city-regions
- City Strategies

Whilst some of these policy ‘innovations’, such as Economic Prosperity Boards, failed to materialise, the array of overlapping and competing spaces of governance resulted in a complex and confusing institutional landscape relating to planning and economic development (Catney et al., 2008; Lord, 2009; Valler & Carpenter, 2010). It was a safe prediction before the 2010 General Election that a different government might accept the largely unimplemented sub-regional tier and seek to remove some of the institutional congestion (Johnson & Schmuecker, 2009; Townsend, 2009b).

Some aspects of regional governance had become decidedly unpopular. During the RDAs’ reign, place competition and rivalry between major cities, in particular, were a major feature of several regions, placing RDAs in the unenviable position of unofficial arbitrators of almost irresolvable conflicts. Yet, lacking a clear democratic mandate arguably compounded the dissatisfaction with the relatively remote regional administrative bodies that informed the policy narratives of the incoming Coalition Government. Consistent with their localism rhetoric, the Conservative Party (2009), stated that it would ‘abolish regional planning, revoke all regional spatial strategies (including regional house-building targets), and repeal the national planning guidance that relates to regional planning’ (p. 28). Spelman and Clarke, then shadow ministers for the Conservatives, suggested a rescaling of lines of accountability, with enhanced responsibilities ‘going to local government and the local business communities’ (Spelman & Clarke, 2010, p. 1) while also revealing that ‘national economic priorities will be handled in Whitehall’ (Spelman & Clarke, 2010, p. 3). The Liberal Democrats also viewed regional institutions unfavourably (Liberal Democrats, 2010). Following the publication of their Programme for Government (HM Government, 2010a), the Coalition were prompt and systematic in their abolition of regional institutions, including Government Regional Offices, dating in their last form from 1994, RDAs from 1999 and Regional Select Committees and Regional Ministers from 1998 (Pugalis & Fisher, 2011).

Viewed through a political lens, the assault on regional institutions reflects the interests of the Coalition Parties’ local government councils, their elected leaders and voters in the south of England more generally (Harding, 2010; Williams, 2010). The narrative of localism was invoked to ‘[end] the culture of Whitehall knows best’, in the words of Deputy Prime Minister Nick Clegg (HM Government, 2010b, p. 3), as the administration’s post-regional, ‘localist’ brand of sub-national economic planning pronounced that ‘where drivers of growth are local, decisions should be made locally’ (HM Government, 2010b, p. 5). They contended that Labour’s regions were ‘an artificial representation of functional economies’, quoting that labour markets ‘do not exist at a regional level, except in London’ (HM Government, 2010b: 7). The reference to London is noteworthy as it implies that democratic sub-national or regional government (tier 4) is only appropriate at a ‘functional’ scale. In addition to the Coalition’s perception that the geographies of regions were unsuitable, two other intertwining political and policy issues combined in denouncing Labour’s ‘top-down’ regional approach: lack of democratic accountability and organisational effectiveness (Pugalis, 2011b; Pugalis & Townsend, 2012).

Notwithstanding some notable critiques of Labour’s system of economic planning discussed earlier, Regional Spatial Strategies (alongside previous sub-regional Structure Plans and unimplemented Regional Strategies), arguably performed a pragmatic role, especially in respect of cross-boundary decisions and
larger-than-local matters, as their approved policy provided legally enforceable certainty for applicants (see Pugalis & Townsend, 2010b). A plan which calculated the need for housing and identified suitable sites for it in District ‘A’ could be implemented to meet the expansion of employment in the adjoining District ‘B’ which had limited land available for housing. Hence, constraining this housing delivery could significantly hinder an economic recovery. Alternatively, undue speculative development activity in some localities could destabilise the wider urban land economy. Similarly, disputes about retail provision competing with centres in different Districts were decided on an agreed policy calculated across the region, which attempted to restrict over-provision of retail capacity. Within a strategic framework it is possible to prioritise development schemes in a manner that, at least, attempts to minimise negative (spatial) externalities and share the benefits from a wide range of necessary developments, although critiques of Keynesianism-informed notions of redistributive justice should be recognised (Varró, 2011).

A further risk brought about by the removal of the regional tier of strategy-making in economic planning is the possibility that some local planning authorities might find themselves out-maneuved by well resourced developers supported by seasoned planning consultants (see Peck et al., 2010 for a wider discussion of the ‘skills gap’ and challenges). It is well known for example that, looking to the financial viability of schemes, speculative developers will try to undermine sustainable development principles and design goals by exploiting loopholes (Coulson, 2007; Punter, 2007; Wakefield, 2007). In the context of local authority budget cuts and the ensuing service ‘transformations’, ‘restructures’ and redundancies, resources will be increasingly stretched and expert advisors, as in the fields of design (Carmona, 2010), face a particularly uncertain future. Also, abolishing the regional tier of economic planning strategy-making opens up the potential for innumerable boundary problems, with practitioners and academics suggesting that a disproportionate number of cross-boundary developments would stall indefinitely (Guy, 2010). With such development inertia in mind, others asserted that it will not take too long before a statutory form of strategic economic planning is reconstructed and a further round of institutional reorganisation takes place (Jones, 2010; Lock, 2010), suggesting that this latest round of state-led rescaling may be time limited.

The extent to which the demise of regions was brought about by the repercussions of the global credit-crunch (2007-2008) and subsequent stresses of recession in the UK (2008-2010) is not entirely clear, but it is notable that the Coalition Government’s Comprehensive Spending Review set out to reduce public expenditure on a permanent basis (HM Treasury, 2010b). Sometimes seen as complementary to this ideological shift is the concept of the ‘Big Society’, which promotes the dispersal of responsibilities and service delivery across a broader array of societal actors (Conservative Party, 2010), particularly the private and voluntary sectors. As a reaction to regions, the ‘functional’ sub-region is considered in the next section as part of a continuation of entrepreneurial governance arrangements.

**A CONTINUATION OF ENTREPRENEURIAL GOVERNANCE ARRANGEMENTS**

As mentioned earlier, attention to market forces and business opinion – under ‘neo-liberalism’ – played an increasing role in economic planning in the 1980s and thereafter. Attention shifted away from the local state as a key site of ‘collective consumption’ (Castells, 1977) towards a narrower interest in a more competitive brand of ‘entrepreneurial’ governance (Harvey, 1989). The result was a condition where a preoccupation with private sector leverage has been described as the ‘marketisation’ of the public sector (Minton, 2006, p. 8), not least now in tackling the public sector deficit. Local authorities were aiming to ‘steer’ development and ‘enable’ enterprise by sharing power through affording more effective private sector involvement in decision-making, development and service provision. Such a swing in modes of working escalated the requirement for local authorities to be proactive and to back potential or perceived ‘winners’. Consequently, the interests of public administrations and private actors have combined in informal networks and cross-sector alliances. These governance communities of (economic) interest – a
‘corporatised statecraft’ (Coleman et al., 2005) – are combining to reorder patterns of development. These multiple processes toward entrepreneurial governance appear to be having a considerable impact on the role of economic planning. It is from this reading of entrepreneurial politics that the paper now analyses the role of LEPs.

**THE LOCAL ENTERPRISE PARTNERSHIP EXPERIMENT**

While the Conservative Party had their longstanding interest in reducing the role of the state – pronounced during the Thatcher period but also traditional before (Parkinson, 1989; Thornley, 1991) – their Coalition partners, the Liberal Democrats, had moved somewhat toward right-of-centre politics since the publication of the ‘Orange Book’ (Laws & Marshall, 2004). Such shifts in political outlook are similar to ‘small state’ policies in other parts of the world, including China and the US (see, for example, Chongyi, 2001). Through the legislation contained in the 2011 Localism Act, the Coalition purport to devolve power, including the provision of services at large, across a range of governmental and non-governmental actors including elected councillors, direct consumers and local providers.

LEPs are embraced as the new scalar ‘fix’ for marshalling activities including transport, housing and business support, providing economic leadership and planning for economic prosperity (Cable & Pickles, 2010; HM Treasury, 2010a, para 1.89; Pickles & Cable, 2010). Expected to have a geographic reach of a minimum of two or more upper tier authorities (tier 5) but not as expansive as regions (tier 4), they are producing new geographies of governance. With their basis in ‘bottom-up’ deliberations utilising local government boundaries as the basic building-blocks (tiers 5 and 6), there is also a thread of continuity in these geographies of governance. For example, many of the voluntary MAAs or city-regions were accepted among the least contentious of the original 62 LEP proposals. This is particularly the case with two statutory city-regions of Leeds and Greater Manchester, which are larger than the smaller EU administrative regions in working population, and enjoy functional integrity and economies of scale.

The majority of the original LEP bids were rejected by government as the Coalition chose to endorse just 24 proposals (HM Government, 2010b). Many rejections focussed on geographical aspects, with government expecting LEPs to reflect ‘natural’ or ‘functional’ economic areas (Pugalis, 2011a). To date, a further 15 LEPs have been sanctioned by government. The 39 LEPs cover approximately 99 percent of the population, although are not necessarily contiguous as some LEPs have overlapping boundaries. This is a significant departure from many predecessors and particularly the administrative regional boundaries adopted by the RDAs. LEPs, understood as new scales of policy organisation could therefore be expected to develop relations and process that intersect other primary tiers of administrative organisation. This would be a divergence from RDA practice that can be characterised as operating as part of a scalar hierarchy involving the EU (tier 1), nation state (tier 3) and principal local authorities (tier 5). More so, if LEP geographies of governance are to be viewed as the nodal spaces of distanciated connections (opposed to bounded entities), then they could facilitate more dynamic interactions and evolve to suit multiple requirements.

In a continuation of entrepreneurial politics, private business interests have been granted a preeminent role in the governance of LEPs (Pugalis, 2012). Indeed, government also commissioned the British Chambers of Commerce to manage a national LEP Network to ensure ‘business is at the helm’, in the words of the Communities Secretary Eric Pickles. As a result, LEP boards are predominantly composed of businessmen with the remainder made up of local elected representatives and ‘other’ interests. Most LEPs have a nominal educational representative, such as a university vice chancellor, on the board and some have also opted for voluntary and community sector representation, although it is unclear whether these are tokenistic gestures. Due to their non-statutory nature, LEPs have adopted a variety of governance arrangements and organisational forms. In addition, government have repeatedly stressed that there will not be a dedicated funding stream to support the operation of LEPs or help deliver their priorities. As a result, there are some important differences between LEPs and RDAs that preceded them (see Table 1).
Table 1: RDA and LEP comparative functions

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<tr>
<th>Statuey basis and purpose</th>
<th>RDAs</th>
<th>LEPs</th>
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<tr>
<td>Quasi-Autonomous Non-Governmental Organisations (QUANGOs) Enshrined in an Act of Parliament – 1998 Regional Development Agencies Act. The Act provided RDAs with five statutory purposes, to: further economic development and regeneration; promote business efficiency, investment and competitiveness; promote employment; enhance development and application of skill relevant to employment; and contribute to sustainable development.</td>
<td>No statutory basis. Government issued a White Paper that expects LEPs to perform a broad strategic economic leadership role that could involve LEPs undertaking some delivery functions, although government has not specified a core set of functions.</td>
<td></td>
</tr>
<tr>
<td>Number and geography</td>
<td>Nine – each with a geography coterminous with England’s administrative regions.</td>
<td>38 – including geographical overlaps and less than one percent of England’s population in non-LEP areas.</td>
</tr>
<tr>
<td>Lifespan</td>
<td>Formally launched in eight English regions on 1 April 1999. The ninth, in London, was established in July 2000 following the establishment of the Greater London Authority (GLA). Set to be abolished by the end of March 2012.</td>
<td>LEP proposals called for in June 2010. The first round of LEPs were approved by government in October 2010. No fixed lifespan.</td>
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<tr>
<td>Departmental sponsor</td>
<td>Responsibility for sponsorship of the RDAs moved from the former Department for the Environment, Transport and the Regions (DETR) to the Department of Trade and Industry (DTI) in 2001, then to the Department for Business, Enterprise &amp; Regulatory Reform (BERR) from Summer 2007, which was restructured and renamed as the Department for Business, Innovation and Skills (BIS).</td>
<td>The Department for Business, Innovation and Skills (BIS) and the Department for Communities and Local Government (CLG)</td>
</tr>
<tr>
<td>Governance</td>
<td>Accountable to ministers (i.e. national government). Government appointed board – majority of board representing private business interests.</td>
<td>Accountable to localities (i.e. local people and businesses). Government endorsed board – criteria expects strong business input and a chair from the private sector.</td>
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<tr>
<td>Powers</td>
<td>Issue Compulsory Purchase Orders. Statutory planning consultee and regional planning body powers. Production of a Regional Economic Strategy (superseded by an integrated Regional Strategy) on behalf of the region. Land acquisition, holding assets and trading.</td>
<td>No statutory powers. LEPs are not precluded from acquiring land, holding assets and trading, although the majority are operating as unincorporated partnership entities which prevent such activities.</td>
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<td>Funding</td>
<td>A Single Programme budget (known as the ‘Single Pot’) since April 2002, which included contributions from BERR, CLG, the Department of Innovation, Universities and Skills (DIUS), the Department for the Environment and Rural Affairs (DEFRA), UK Trade and Investment (UKTI) and the Department for Culture Media and Sport (DCMS). Funding support totalled £2.3 billion for the nine RDAs in 2007-08.</td>
<td>A one-off £5 million Start-up Fund. A £4 million Capacity Fund over four years. Government has nominally allocated LEPs a share of a £500m Growing Places fund, although each LEP must submit a business case to government. LEPs are expected to maximise the funding of its constituent partners and coordinate bids from alternative funding sources, such as the Regional Growth Fund. It is anticipated that those LEPs that have an Enterprise Zone within their territory will be able to retain the business rates generated from these zones, which could provide a nominal income stream to reinvest.</td>
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The transition from nine regions to 39 sub-regions generated cause for concern from a variety of sectoral interests (Bentley et al., 2010; Bailey, 2011; Bentley, 2011; Pugalis, 2011a). Some business groups, for example, complained of local politics derailing the opportunity to establish LEPs of sufficient scale, with the Confederation of British Industry asserting that the government’s permissive approach was unleashing a ‘wave of parochialism’ across the map. However, the case of Northumberland, Tyne and Wear, and County Durham demonstrates that when government rejected some of the more parochial bids, a wider geography cannot necessarily mitigate local political disputes:

The seven-council North Eastern LEP got going very belatedly and appears to have been squabbling ever since. Witness the recent internal decision on what should be its Enterprise Zone bid: something of a “spat” if reports are to be believed, Newcastle/Gateshead pushing for development of the “urban core” both there and in Sunderland, everybody else favouring a “low-carbon zone” in the A19 corridor, tied to the much vaunted prospects of the offshore wind industry. One could wince to read the quotes of key players complaining of this or that person missing the relevant meeting, of mini-cabals forcing through an agenda.

If you’re a hopeful sort you might say these issues are worth fighting over. Were you more sceptical, you might worry that North East local authorities, in the teeth of a big test of leadership, are failing – over concerned with their own doorstep, trying to steal a march on their neighbour. Competition is usually healthy, but rather ruinous when it cuts across the common interest (Kelly, 2011, p. 5).

Assuming that such a scale of governance would produce more optimum policy outcomes does not take account of history. Initial media reports of the development of the North Eastern LEP augmented previous analysis (Townsend & Pugalis, 2011), also would suggest that old rivalries die hard and new relationships of trust take a substantial amount of time and effort to forge.

Despite the rhetoric of LEPs operating across functional spaces, there are many examples where the substance is lacking. For example, Hertfordshire LEP has less than 70 percent of its population working in the same area. Although, such travel-to-work calculations of self-containment go against the grain of porous boundaries and open geographies, it is such data that directly helped inform the government’s sanctioning of LEP proposals and underpins their claim that LEPs operate across ‘natural’ economic geographies. There are also other examples, such as Greater Birmingham and Solihull LEP, which show a much higher degree of self-containment, over 80 percent in this case, but are widely considered, for example by the Chair of the Regional Studies Association, to be a poor reflection of a broader sub-regional spatial economy (Bailey, 2011; Bentley, 2011).

Analysis undertaken by the Centre for Cities concluded that the first wave of 24 LEPs had made only limited progress over their first twelve months, arguing that they had failed to draw up convincing strategies for investment and growth (Bolton & Coupar, 2011). Although the accuracy of this research has been attacked by some LEPs (e.g. Tees Valley Unlimited) and critiqued by other observers (Gibbons, 2011), and the appropriateness of the metrics used to determine progress are questionable, alternative research also concludes that, as yet, LEPs are failing to live up to government expectations (Pugalis et al., 2012). Overall LEP progress has been slow and inconsistent. However, this is partly due to the shortage of staff at a time of cuts by local authorities, the lack of policy direction by government (which has afflicted the broader regeneration landscape) (HOC (House of Commons), 2011), and the lack also of clarity and/or commitment from non-government actors, and deficient tools or resources. So whilst the

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The local authority members of the Tyne and Wear City Region and MAA opted to submit four separate LEP proposals to government covering: Northumberland and North Tyneside, Newcastle and Gateshead, South Tyneside and Sunderland, and County Durham. Each of the bids were rejected by government, which in effect left the seven local authorities with little option but to come together to submit a revised bid to government that was approved under the name of ‘the North Eastern LEP’ in January 2011.
The scalar politics of economic planning

majority of LEPs have been busy doing work behind-the-scenes – recruiting board members, formulating governance arrangements, establishing partnership structures, agreeing priorities, developing business plans, and formulating bids for resources and Enterprise Zones to government – fears that LEPs are simply the latest in a long line of symbolic government policy ‘fads’, which may offer little more than ‘talking-shops’, continue to persist.

It is true, however, that LEPs have taken on a distinct role in implementing the government’s growth policy since the beginning of 2011. Their role in proposing the sites of Enterprise Zones has been followed by a similar role in recommending (mainly relatively small) transport investments, and in allocating spending to speed up infrastructure projects. This is beginning to transform LEPs from a role in ‘soft’ non-statutory planning towards a ‘harder’ approach to development management. Nevertheless, many of the roles and activities originally desired by LEPs, have either been recentralised to London (e.g. inward investment and business advice) (Bentley, Bailey & Shutt, 2010) or in the case of employment and skills remain firmly under the remit of the Department of Work and Pensions, which has traditionally been ambivalent to regionalisation and decentralisation (Ayres & Stafford, 2012). Therefore, the limitations of the RDAs’ role as strategic enablers and influencers, which according to some was undermined by a lack of discretionary power and resources (Fuller et al., 2002), is likely to persist under the mantle of LEPs. More so, LEPs will arguably possess much less traction than RDAs. But with the demise of regions, some LEPs are anticipated to develop into effective sub-national economic planning entities or at least the prime fora for strategic economic planning questions, over the coming years.

SCALAR SHIFTS: DO NEW ‘FUNCTIONAL’ SUB-REGIONAL ARRANGEMENTS HELP RESOLVE SOME OLD ISSUES?

From a professional vantage-point, the English sub-region has long been recognised as a workable scale for the planning and co-ordination of multiple spatial interactions, as seen for example in official requirements for transport evaluation based on land-use plans as far back as the 1960s (Solesbury & Townsend, 1970) and the formation of Metropolitan Counties and Passenger Transport Authorities analysed earlier. Whilst not suggesting that the sub-region is the optimum scale of work for all purposes, the English sub-region does benefit from an ability to address larger-than-local matters. If given time to develop, LEPs present a theoretically viable scale for the meaningful consideration of strategic economic planning matters. Yet, whether they have plugged the democratic deficit that was a repeated criticism of RDAs remains a valid question. Hence, whether some, if any, LEPs will evolve into legitimate and appropriate arenas for governing larger-than-local economic planning decisions is worthy of further empirical examination. As presently constituted, it is unlikely that LEPs are equipped to undertake a statutory plan-making role as envisaged for RDAs following the 2007 SNR.

Relating back to the notion of subsidiarity, without statutory powers there is a danger that the strategic spatial leadership role of LEPs and much of their work could prove nugatory. For example, a LEP covering several Districts could find each local planning committee approving ‘rival’ development schemes, despite previous broad strategic accords under the banner of the LEP. Such a scenario is likely to promote inefficient local competition. Guy (2010), for example, argues that the forthcoming period will see an intensification of a large number of clashes between local authorities over new retail developments. Indications of local place rivalries have already started to surface, including disputes between Bradford and Leeds, and Sunderland and Newcastle. Irrespective of the ‘duty to co-operate’ contained in the 2011 Localism Act, councillors are not elected to co-operate across local authority boundaries. Without some enforcement of an overall plan for the LEP area, local planning decisions will be largely divorced from the priorities and activities of LEPs, and could shatter broader political agreements and strategic collaboration.

Local Economic Assessments, intended to assess the ‘whole economy’ and thus incorporating wider
spatial endeavours such as housing and transport, are likely to retain some importance and inform the work of some LEps, although it is less clear what role other social and environmental assessments will perform. The role of LEps in economic planning or more holistic strategic planning is unlikely to be uniform and could, in turn, be marginalised by some LEps if they opt to concentrate on a narrow range of activities to stimulate the economy. There is a growing unease among some practitioners that LEps may accelerate the ‘neoliberalisation’ of planning, apparent in Labour’s SNR (Townsend, 2009a). This countered the balanced inclusion of the social and environmental aspects of Regional Spatial Strategies. A rescaling of strategic policy organisation across 39 sub-regions may go some way in filling the strategic leadership gap or fissure that has opened between national and local scales of policy. Nonetheless, the potential pitfalls that applied to the joint public-private sign-off of Regional Strategies, by RDAs and Leaders’ Boards remain (Counsell et al., 2007; Marshall, 2008; Warburton, 2008; Hildreth, 2009; Townsend, 2009a).

At this stage in the evolution of LEps it is too early to assess the material effects that this latest round of state-led rescaling will have on policy formulation and implementation. Nevertheless, since the original LEP proposals were submitted to government in September 2010 there have been some indications that socio-economic-environmental problems are being reframed to focus more ruthlessly on (economic) opportunities. This by no means a new policy direction, but rather a deepening of the entrepreneurial mode of governance analysed above. A major difference between New Labour’s and the Coalition’s larger-than-local economic planning strategies, however, is that the former retained a strong commitment to communitarian programmes whereas the latter has replaced dedicated regeneration funding with cuts to welfare budgets as part of a strategy to ‘make work pay’. The Coalition’s incentivised system has caused considerable concern across the regeneration and planning sector (Broughton et al., 2011; HOC (House of Commons), 2011). With LEps lacking the financial resources of RDAs, a major dilemma is that LEps will focus what little resources they do have on targeting resources towards those places, people and businesses that are perceived to offer the best chance of ‘returns on investment’. In other words, the ‘low hanging fruit’. Whilst there could be an appropriate policy role for this form of problem framing, what will be of the fruit most difficult to reach?

CONCLUSION

Conceptualising scalar shifts as part of a recurrent process, this paper has drawn attention to the role of politics and the use of policy narratives to rationalise new modes of policy. This practice of scalar politics has been illuminated through the case of post-1997 sub-national economic planning arrangements in England, and specifically the transition from working with regions to sub-regions, which has accelerated since 2010. Given the factors identified in this paper it is not surprising that RDAs, in a similar manner to the regional bodies of 1966 to 1979, later fell in both the Conservatives’ (Conservative Party, 2009) and Liberal Democrats’ (Liberal Democrats, 2010) sights for closure, a process, arguably, accelerated by the budget deficit inherited from Labour. Although tools such as Regional Spatial Strategies had been important, they were also unpopular in the coalition parties’ grass-roots and thinking. The transition from Labour’s state-centric regime to a more devolved system based on incentives under a Coalition Government showed a decisive change in the practice of economic planning.

The abolition of RDAs in concert with the purge on Labour’s regionalist policy-framework created the space for LEps. However, the process of setting up LEps and their decisions over priorities revealed some of the locally-rooted political tensions that RDAs had attempted to resolve. LEps have been given a clear, if weak, role which has nonetheless gained strength since summer 2010. There has been a tendency for concerns to converge on the issue of economic objectives, usurping social and environmental goals (Marshall, 2008; Townsend, 2009a) The perpetuation of ‘partnership’ with business shows a thread of consistency in placing emphasis on public-private collaboration: a trend that has grown since at least the 1980s and held sway irrespective of political ideologies. This is a strategy that attempts to provide a
new cover for some old politics; namely neoliberalism including the deepening of entrepreneurial forms of governance. Whether the geographies of LEPs reflect ‘functional’ economic areas is open to debate and will necessitate further research to examine the effectiveness of policy formulation/implementation at these new or ‘natural’ geographies in the words of the Coalition Government. The evolution of LEPs could also later be provided with a statutory basis and legislative responsibilities, potentially with a clear democratic mandate that the strategic tier across England has continually lacked.

REFERENCES


