

Institution: Newcastle University		
Unit of Assessment: 14 Geography and Environmental Studies		
Title of case study: Improving Subnational Economic Development and Decentralisation Policy in the UK		
Period when the underpinning research was undertaken: January 2008 – December 2019		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Louise Kempton	Senior Research Associate	2011-
Danny MacKinnon	Professor	2013-
David Marlow	Visiting Professor of Practice	2013-
Anja McCarthy	Research Associate	2011-2012
Peter O'Brien	Senior Research Associate	2013-2020
Andy Pike	Professor	1993-
John Tomaney	Visiting Professor	2012-
Gianpiero Torrisi	Research Associate	2009-2011
Vassilis Tselios	Temporary Lecturer	2008-2011
Period when the claimed impact occurred: 1 August 2013 – 31 December 2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact		
<p>The UK is distinctive internationally because of its related problems of large spatial economic inequalities and highly centralised governance. Demonstrating the extent and nature of these issues, CURDS' research has strengthened subnational economic development and decentralisation policy through 3 key impacts:</p> <ol style="list-style-type: none"> 1. Improved national level devolution policy for England by defining the aims, criteria, and forms of the decentralisation of powers and resources; 2. Strengthened subnational governance by clarifying the purpose and roles of Local Enterprise Partnerships in England and enhancing their accountability and performance monitoring; 3. Upgraded design and delivery of strategies, policies, and evaluations by assessing City and Regional Growth Deals in England, Scotland, Wales, and Northern Ireland. 		
2. Underpinning research		
<p>The Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has a longstanding national and international reputation for theoretically-informed and policy-relevant territorial development research. Since 2008, utilising geographical political economy theory and supported by national funding bodies, CURDS revealed the constraints of highly centralised governance and potential of subnational economic development and decentralisation policy to reduce UK spatial economic inequalities. The research has demonstrated how the UK's overly-centralised governance causes inefficient resource allocation, under-utilises economic potential, reinforces London-oriented decision-making, and entrenches spatial economic inequalities (G1, PUB1, 2). CURDS' research showed how the design and institutional arrangements of the UK Government's subnational economic development and decentralisation policy in England from 2008 shaped its effectiveness (G1, PUB2, 3). CURDS' research underpinned impacts in three key areas:</p> <ol style="list-style-type: none"> 1. <u>Defining the aims, criteria, and forms of decentralisation in England</u> <p>In 2009 CURDS was commissioned by the then UK Department for Communities and Local Government (CLG), responsible for subnational development and governance, to establish the principles, rationales, and evidence base for the UK government's new decentralisation policy in England from 2010 (G2). This research was amongst the first to identify distinct decentralisation</p>		

types with different powers and resources at specific geographical scales and demonstrate their influence on public policy outcomes and economic growth (**PUB3**). Additional CURDS research revealed the *ad hoc*, piecemeal, and rapid nature of decentralisation and the UK Government's patchwork of initiatives in England since 2010. This work identified these policies' limitations in reducing large spatial economic inequalities and highly centralised governance due to limited decentralisation of powers and resources, ongoing institutional reorganisation, and lack of national and subnational co-ordination (**G3, PUB2, 4, 5**). CURDS explained the rationales, principles, and types underpinning this approach to decentralisation, making one of the first calls for a 'road map' to clarify and strengthen the vision, purpose, and principles for subnational governance in England to better address spatial economic inequalities and over-centralisation (**G4, PUB1, 2, 3, 5**).

2. Clarifying the purpose and roles of Local Enterprise Partnerships (LEPs) in England

In 2013, CURDS undertook the first national review of the 39 new LEPs responsible for promoting local growth across England and over GBP10,000,000,000 funding from 2014. The research assessed their roles, strategies, and prospects, and revealed LEPs were attempting to lead and integrate decision-making with multiple funding streams. It also demonstrated that LEPs were constrained in boosting local economic growth and reducing spatial economic inequalities by their centralised governance framework, lack of long-term vision and strategy, relatively limited resources, and fundamental but unresolved issues (e.g. autonomy, scale) (**G1, PUB5**). Enhancing LEP development and effectiveness, CURDS' research demonstrated the need for clearer purpose and roles, enhanced powers and resources, and stronger governance and performance monitoring.

3. Assessing City and Regional Growth Deals in England, Scotland, Wales, and Northern Ireland

CURDS undertook the first national assessment of the 33 City Deals and their approximately GBP4,000,000,000 funding across the UK from 2011 (**G4, PUB6**). These deals between central and local governments devolved powers and resources with the aim of reducing spatial economic inequalities and over-centralised governance in England and extended into the devolved nations. CURDS' pioneering research explained the informal governance innovation of deal-making by identifying its advantages (e.g. local-national communication, vision) and disadvantages (e.g. central control, uneven resource allocation) in tackling spatial economic inequalities and over-centralisation. Proposing refinements of the City and later City Regional and Growth Deals, the research identified innovations to improve policy effectiveness, including clarifying their strategy, accountability, and evaluation (**G4, PUB6**).

3. References to the research

Publications

PUB1 Martin, R., **Pike, A.**, Tyler, P. and Gardiner, B. (2016) "Spatially rebalancing the UK economy: towards a new policy model?", *Regional Studies*, 50, 2, 342-357, <https://doi.org/10.1080/00343404.2015.1118450> (also published as a Regional Studies Association policy pamphlet, 2015).

PUB2 **Pike, A.**, Rodríguez-Pose, A., **Tomaney, J.**, **Torissi, G.**, and **Tselios, V.** (2012) "In search of the 'economic dividend' of devolution: spatial disparities, spatial economic policy and decentralisation in the UK", *Environment and Planning C*, 30, 1, 10-28, <https://doi.org/10.1068/c10214r>.

PUB3 **Tomaney, J.**, **Pike, A.**, **Torissi, G.**, **Tselios, V.** and Rodríguez-Pose, A. (2011) *Decentralisation Outcomes: A Review of Evidence and Analysis of International Data*, Report for the Department of Communities and Local Government: London <https://blogs.ncl.ac.uk/curds/files/2013/02/DecentralisationReport.pdf>, ISBN 978 1 4098 3159 4.

PUB4 **Pike, A.**, **Kempton, L.**, **Marlow, D.**, **O'Brien, P.** and **Tomaney, J.** (2016) *Decentralisation: Issues, Principles and Practice*, ESRC IAA project report, CURDS, <https://www.ncl.ac.uk/media/wwwnclacuk/curds/files/decentralisation.pdf>.

PUB5 **Pike, A.**, **Marlow, D.**, **McCarthy, A.**, **O'Brien, P.** and **Tomaney, J.** (2015) "Local

institutions and local economic development: the Local Enterprise Partnerships in England, 2010-”, *Cambridge Journal of Regions, Economy and Society*, 8, 2, 185-204, <https://doi.org/10.1093/cjres/rsu030>.

PUB6 O'Brien, P. and Pike, A. (2019) “Deal or no deal? Governing infrastructure funding and financing in the UK City Deals”, *Urban Studies*, 56, 7, 1448-1476, <https://doi.org/10.1177/0042098018757394>.

Research grants

G1 Pike, Tomaney, Torissi, Tselios, ‘Spatial Economics Research Centre’, ESRC, Department of Business, Innovation and Skills (BIS), CLG and Welsh Assembly Government (ES/J021342/1), GBP903,000, 10 December 2011 – 31 November 2013.

G2 Pike, Tomaney, Torissi, Tselios, ‘Decentralisation Outcomes: A Review of Evidence and Analysis of International Data’, CLG (ANS020377), GBP61,000, 1 March 2010 – 31 October 2011.

G3 Pike, ‘Structural Transformation, Adaptability and City Economic Evolutions’, ESRC (ES/N006135/1), GBP688,000, 1 October 2015 – 31 March 2018.

G4 Pike, ‘infrastructure **B**usiness models, valuation and Innovation for **L**ocal **D**elivery (iBUILD) research centre’, EPSRC and ESRC (EP/K012398/1), GBP3,600,000, 1 August 2013 – 31 March 2018.

The quality of this research is evidenced in the following ways. This research was undertaken as part of competitively funded, peer reviewed UKRI grant schemes with a combined value in excess of GBP5,000,000 (**G1, G3, G4**) and a direct commission from the UK government’s (then) Department for Communities and Local Government (**G2**). The findings have been published in leading international, peer reviewed journals (**PUB1, PUB2, PUB5, PUB6**), and as reports from competitively funded UK national government projects (**PUB3**) and UKRI Impact Acceleration Account (IAA) schemes (**PUB4**).

4. Details of the impact

CURDS’ research has resulted in improvements to subnational economic development and decentralisation policy to address better the UK’s large spatial economic inequalities *and* highly centralised governance in 3 connected ways:

1. Improved national level devolution **policy** for England by defining the aims, criteria, and forms of the decentralisation of powers and resources

CURDS’ research has significantly influenced UK Government perspectives on devolution and has provided new evidence to enable improved evidence-based decision-making and more coherent national policies to address the problems of spatial economic inequalities and over-centralised governance. Between 2014 and 2016, 2 key House of Commons CLG Committee inquiries into the department’s spending and policies drew substantially on CURDS’ research (cited 13 times) (**IMP1a, b**) to recommend the creation of a clearer framework for devolution. This proposal was acknowledged in the UK Government’s 2016 response in seeking to develop its “broad, enabling framework” to provide a “good basis for the devolution agenda to continue to evolve over time” (**IMP1c**). Reflecting CURDS’ critique and suggested reforms (**PUB1, 2**), the new framework developed since 2016 represented a substantial change beyond the UK Government’s *ad hoc*, bottom-up, and deal-by-deal approach towards greater clarity in the rationale, aims, monitoring, and evaluation of devolution policy. CURDS’ role in this policy change is further evidenced by the UK Government’s adoption of the language of a decentralisation “roadmap” in 2020 – a central recommendation of CURDS’ research – by the Minister for Regional Growth and Local Government (**IMP2**). The Area Director of the UK Cities and Local Growth Unit responsible for local growth and devolution in England acknowledged “*the significant impacts*” of CURDS’ research helped “*to strengthen and improve the evidence-base and robustness of the rationales for devolution and local growth policy*” and “*provided the arguments and rationales which have shaped thinking...in formulating the UK Government’s Devolution White Paper*” (**IMP3**). This evidence demonstrates the reach and significance of CURDS’ research in shaping this ‘road map’ which will be published as the UK Government’s

forthcoming Devolution White Paper for England (planned publication 2021 – see Mitigation Statement). CURDS' research has substantially influenced other high-profile initiatives shaping national government policy for subnational economic development and decentralisation. In 2019, CURDS was invited by the Chair of the UK2070 Commission's independent national inquiry into city and regional inequalities in the UK to provide evidence to inform its proposals for devolution in England. They acknowledged the "*substantive impacts*" of CURDS' research (**PUB4**) in forming its "*arguments, discussions and representations to the UK Government in framing the forthcoming White Paper for a clearer road-map for a structured and systematic approach to devolution in England*" to progress the UK Government's 'levelling up' agenda to reduce spatial economic inequalities (**IMP4**).

2. Strengthened subnational **governance** by clarifying the purpose and roles of Local Enterprise Partnerships in England and enhancing their accountability and performance monitoring

On the basis of his "*expertise in the area of English devolution*", Pike was invited to be an Expert Panel Member for the National Audit Office's (NAO) 2016 LEP study scrutinising public spending for the UK Parliament "*to advise and challenge our work from early conceptual design, to emerging findings and finally draft report*" (**IMP5**). This significant impact is evidenced in the NAO's 2016 report. It uses issues identified by CURDS' research in its analysis and recommendations, specifically: assessing the role of LEPs in tackling spatial economic inequalities; strengthening their evaluation; reducing their dependence upon local government; increasing their resources; and enhancing their accountability and transparency (**IMP6**). Pike's contributions led to his invitation to provide oral evidence to the House of Commons Committee of Public Accounts' 2016 inquiry scrutinising value for money in national cities and local growth policy. His inputs directly informed 6 of the final report's 9 recommendations (**IMP7a**) that were supported and implemented by the UK Government in strengthening its LEP National Assurance Framework (**IMP7b**). Pike was then engaged by the UK Department for Business, Energy and Industrial Strategy (BEIS), responsible for ensuring the economy works for people and places across the UK, to advise on their 2018 review of LEPs. Directly taking up key findings from CURDS' pathbreaking national research, BEIS' policy changed to clarify LEPs' purpose and role, streamline their geographies, strengthen their accountability, governance and performance monitoring, and support their capacity building. As a result of these changes, the NAO's later 2019 study concluded BEIS had improved LEP governance but needed to strengthen further their accountability. The Head of Local Growth Analysis in BEIS acknowledged the impact of CURDS' "*longstanding research expertise*", "*noteworthy contribution*" and "*valuable insights*" on subnational economic development and devolution policy informing the review and policy change (**IMP8**). Putting CURDS' research into practice to generate wider benefits for LEPs across England, Kempton's 2019 work directly impacted Greater Lincolnshire LEP's (GLLEP) strategy making it "*more innovative and more inclusive*" to "*ensure our strategy will impact on and benefit a wider range of citizens and businesses*" (**IMP9**).

3. Upgraded **design and delivery** of strategies, policies and evaluations by assessing City and Regional Growth Deals in England, Scotland, Wales, and Northern Ireland

In England since 2013, CURDS' pioneering City Deals research directly impacted on the development of the UK Government's approach to Devolution, City and Regional Growth Deals devolving powers and resources to increase economic development and reduce spatial economic inequalities. Resulting from CURDS' research, the new deals were upgraded to incorporate clearer strategy and stronger appraisal, monitoring, and evaluation frameworks to improve their delivery and effectiveness. The reach and significance of CURDS' research impacts extended beyond England to strengthen independent appraisal and evaluation in the deals introduced by the UK and devolved governments since 2014 (**IMP10a**). From 44 written responses, O'Brien was selected to provide oral evidence to the Scottish Parliament Local Government and Communities Committee which was cited and used in the final report recommendations (**IMP10b**). As a direct and substantive impact, the deal evaluation frameworks were changed to monitor and assess the potential displacement effects of deals in diverting economic growth and/or job creation between deal and non-deal areas (**IMP10b**). This change ensured the deals were better focused on maximising their economic development impact and

value for public money. In Wales from 2015, CURDS' research improved the design, development, and implementation of new City and Regional Growth Deals in Cardiff, Swansea and North Wales – covering 3,000,000 people and economies of GBP60,000,000,000 – by providing clearer and stronger rationales for their strengthened accountability, scrutiny, monitoring, and evaluation arrangements (**IMP11a**). The Wales TUC (Trade Union Congress), representing 48 unions and over 400,000 workers in Wales, confirmed that CURDS' research ensured that such deal-making was *“better understood by decision makers, particularly in local government”* (**IMP11b**). In Northern Ireland from 2019, CURDS' research helped the design and implementation of two new City Region Deals in Belfast and Derry City and Strabane, covering populations of 1,300,000 and economies of GBP30,000,000,000. Of the 106 participants from the public, private and civic sectors in a workshop on 'Learning from City Deals' in Belfast in 2019 organised by CURDS, UK Ministry of Housing, Communities and Local Government (MHCLG) and Belfast City Region Deal, a substantial majority committed to changes to improve their focus, formalise governance structures, and leverage private sector investment (**IMP12a**). The UK Cities and Local Growth Unit Deputy Director acknowledged *“the fresh perspectives”* from CURDS' research had *“positively supported the agenda and shaped thinking, in particular in regard to appraisal of business cases, monitoring and evaluation”* and helped *“equip the local partners with the best knowledge and tools to deliver city and growth deals that will transform their regions”* (**IMP12b**). The Belfast City Region Deal Programme Director stated that the impact of CURDS' research was *“the confidence it gave us to have a city deal that was transformative”* (**IMP12c**).

5. Sources to corroborate the impact

IMP1a-c: Citations in a: Communities and Local Government (CLG) Committee (2014) Devolution in England: The Case for Local Government, HC 503; b: CLG Committee (2016) Devolution: The Next Five Years and Beyond, HC 369. Use of CURDS points in c: Secretary of State for CLG (2016: 10) Government Response to the CLG Select Committee Report: “Devolution: The Next Five Years and Beyond”, CM 9291.

IMP2 Minister for Regional Growth and Local Government, Speech to Northern Powerhouse Education, Skills, and Employment Summit, July 2020, <https://www.wired.gov.net/wg/news.nsf/articles/Northern+Powerhouse+Education+Skills+and+Employment+Summit+2020+16072020112000?open>

IMP3 Testimonial letter, Area Director, UK Cities and Local Growth Unit, 2020.

IMP4 Testimonial letter, Chair of the UK2070 Commission's independent national inquiry into city and regional inequalities in the UK, 2020.

IMP5 Testimonial letter, Manager, National Audit Office, 2016.

IMP6 National Audit Office (2016: 10) Local Enterprise Partnerships, NAO: London.

IMP7a-b: Citation in a: House of Commons Committee of Public Accounts (2016: 5-8) Cities and Local Growth, HC 296. Use of CURDS points in b: HM Treasury (2016: 41) Treasury Minutes: Government Responses to the Committee of Public Accounts, Cm 9351.

IMP8 Testimonial letter, Head of Local Growth Analysis, BEIS, 2020.

IMP9 Testimonial letter, Director of Policy, Greater Lincolnshire LEP, 2020.

IMP10a-b: a: Testimonial letter, Chair, Economic Development Association of Scotland, 2020; b: Citation in Scottish Parliament Local Government and Communities Committee (2018: 26, 43) City Regions—Deal or No Deal?, SP Paper 254, 1st Report, Session 5.

IMP11a-b: Citation in a: Welsh Assembly Economy, Infrastructure and Skills committee (2017: 20) City Deals and the Regional Economies of Wales, National Assembly for Wales: Cardiff; b: Testimonial letter, Economic Policy Officer, WTUC, 2017.

IMP12a-c: a: Participant evaluation of 'Learning from City Deals' Workshop, Belfast, 2019; b: Testimonial letter, Deputy Director, UK Cities and Local Growth Unit, 2020; and c: interview, Programme Director, Belfast City Region Deal, 2020.