Cities, local growth and devolution: England’s noncodified urban policy

Abstract

The nature, significance and utility of urban policies continue to evade international political, professional and research consensus. Since the early 2010s, UK governments have deployed the narratives of localism and devolution as part of a state rescaling strategy attempting to recast the inherited English urban and regional policy system, which was scripted as being outdated and unresponsive to contemporary economic and societal requirements. This paper examines England’s noncodified urban policy and, in particular, the symbiotic relationship and cleavages between cities policy, local growth policy and devolution policy, which is illustrated through the case of the Northern Powerhouse initiative. Derived from fieldwork conducted over the past seven years, including a comprehensive body of semi-structured interviews with key local, regional and national policy actors, we piece together England’s largely unwritten urban policy framework and critically interrogate it. Analysing urban policy rhetoric and urban policy action, we question whether this noncodified urban policy is likely to contribute to reducing economic disparities between the North and South East of England. The research speaks to a broader international audience about the contested environment of urban policy, which conceptualised as an evolutionary spatial practice, is engendered by ongoing struggles.

Introduction

‘Policy has shifted too many times too quickly in the past with many promising urban policy babies thrown out with the bath water’ (Parkinson et al., 2009: 79).

The nature, significance and utility of urban policies continue to evade international political, professional and research consensus (Imbroscio, 2016; Kantor, 2016; Pugalis, 2015b). However, see the New Urban Agenda adopted by the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), which attempts to engender a concerted international effort. The notion of ‘urban policy’ is difficult to conceptualise, define and operationalise. For some, urban policies are about ‘special’ interventions and activities in particular urban areas, whereas for others it is a much broader policy approach that seeks to integrate and align traditional departmental policies (e.g. housing, planning, enterprise, education etc.) through an urban lens. The latter perspective is consistent with the view that policies should not be conceived as distinct ‘islands’ divorced from other policies (Valila, 2008). In light of the ambiguous scope and nature of urban policy, ‘We can even question whether or not there is actually such a thing as urban policy; whether it is ‘urban’; and whether it is a ‘policy’’ (Atkinson & Moon, 1994, xi). Nevertheless, whether ‘urban’ policies are explicit and codified in formal documentation or implicit and uncodified, it is apparent that most countries pursue urban objectives.
Since the early 2010s, UK governments have deployed the narratives of localism and devolution as part of a state rescaling strategy attempting to recast the inherited English urban and regional policy system, which was scripted as being outdated and unresponsive to contemporary economic and societal requirements (Bentley & Pugalis, 2013; Pugalis & Townsend, 2013). This critique and the subsequent partially reconstituted, albeit noncodified, urban policy framework (e.g. HM Government, 2011; HM Treasury & Business Innovation and Skills (BIS), 2013; Osborne, 2015) responds in part to an empirical experience of widening regional disparities (see Figure 1).

**Figure 1.** Gross Value Added per head

![Gross Value Added per head](image)

Source: ONS Gross Value Added, ONS population in (HM Government, 2016).

Drawing on data from the ONS, the view from central government recognises that ‘productivity is a longstanding problem in the North, where value added per worker is 13% lower than the UK average and 25% lower than the South. This gap has widened steadily over many decades. Narrowing it will not happen overnight’ (HM Government, 2016: 7).

The 2007 credit crunch and global financial crisis incited collapses in government tax revenues, sovereign debt crises and variegated forms of austerity across much of the OECD area (Donald *et al.*, 2014; Peck, 2014; Townsend & Champion, 2014). In the UK, targeted economic development and regeneration funds were one of the first areas to be cut with local government and those places with the weakest economies hit particularly hard (Pugalis, 2016; Pugalis & McGuinness, 2013; Southern, 2013). Over the course of the last parliament (2010-2015), the severe reduction in local government financial resources in England continued – on average, controlling for inflation and population growth, local government spending power reduced by 23.4% per-person¹ (Innes and Tetlow 2015). These cuts fell more heavily in areas most reliant on central grants – areas where need is greater than the ability to raise revenue – typically some London boroughs, the North West and North East. Subsequent austerity has raised the profile of local and regional economic development and regional disparities amid fears that it threatens to undermine tentative progress made in the reduction of spatial inequality over recent years (Camagni and Capello 2015). In addition, even taking into account devolution outside of England, the UK is one of the most politically and fiscally

¹ Excluding education, public health and a small component of social care.
centralised countries within the OECD area (Martin et al 2016). Nevertheless, Government has (contentiously – as we will discuss later) claimed in its Northern Powerhouse Strategy (2016) that recent policy has begun to put in place tools to successfully reduce economic spatial disparities in England:

‘We have made good progress in meeting this challenge in recent years. From the establishment of Transport for the North, which has moved a step closer following receipt of their proposal to form the first Sub-National Transport Body, to the agreement of mayoral devolution deals, and from the commitment to a £70 million Northern Powerhouse Schools Strategy to investments in northern scientific strengths like the Cognitive Computing Centre at Daresbury and the Sir Henry Royce Institute in Manchester, the government has started to take the steps necessary to make the Northern Powerhouse a reality’ (HM Government, 2016: 7).

Until recently, Greater London was the only area of England with bespoke governance arrangements following the demise of regional governance apparatus from 2010 onwards (Nevin, 2010; Pugalis & Townsend, 2012). The abandonment of regional institutional policy architecture, most notably the abolition of England’s nine Regional Development Agencies, was succeeded by a mixture of space-blind and place-based policies. Our focus is the latter, which incorporates cities policy, local growth policy and devolution policy (HM Government, 2010b, 2011, 2013, 2016, Cities and Local Government Devoltion Act 2016).

The notion of a Northern Powerhouse is the latest urban policy episode in the fast developing story of decentralisation in pursuit of urban economic growth: framed as the strategy that will begin to resolve the longstanding, entrenched and growing spatial economic imbalance in England (HM Government, 2016). At the heart of the Northern Powerhouse agenda is the policymaking practice of different tiers of government (and nongovernment actors) negotiating place-based deals, with the latest variant known as Devolution Deals (Cox, 2015; Kenealy, 2016; Pugalis, 2017; Pugalis & Bentley, 2016; Waite et al., 2013). However, the Northern Powerhouse agenda has a nebulous relationship with broader cities, local growth and devolution policy (Gray et al, 2017).

This paper examines England’s noncodified urban policy and, in particular, the symbiotic relationship and cleavages between cities policy, local growth policy and devolution policy – terms which in a policy sense are often used interchangeably (Pugalis, 2015a). Derived from fieldwork conducted over the past seven years, including a comprehensive body of semi-structured interviews with key local, regional and national policy actors, we piece together England’s largely unwritten urban policy framework and critically interrogate it. Analysing urban policy rhetoric and urban policy action, we question whether this noncodified urban policy is likely to contribute to reducing economic disparities between the North and South East of England. The fieldwork included three waves of semi-structured interviews with policy stakeholders initially covering every part of England before focussing in greater detail on two northern metropolitan areas together with interviews with central government officials working in subnational development.

The following section provides an overview of contemporary English urban policy and the three strands that we argue interplay in its formation: local growth, cities and devolution. In section two, the paper examines this noncodified urban policy in practice through the case of the Northern Powerhouse, which we find to be an incoherent, austere ‘sponge’ initiative, deploying the mechanism of opaque ‘place-based deals’. We conclude in the final section that
the Northern Powerhouse is unlikely to contribute to reducing economic disparities between
the North and South East of England. Thus, we argue that England’s uncodified urban policy
as illustrated through the case of the Northern Powerhouse has been limited in terms of policy
action, but much more effective as rhetorical policy device.

**England’s noncodified urban policy**

On assuming office in 2010 the UK’s Conservative-Liberal Democrat ‘Coalition’
Government immediately began to dismantle regional institutions such as Regional
Development Agencies (RDAs), and implement its own ‘urban’ agenda; while in opposition
the coalition parties had variously criticised the RDAs on the grounds that they were
inflexible, overambitious, expensive, unaccountable, configured to inappropriate geographies,
and failed in their objectives (Pike et al 2016a). The first stage was to invite local areas to
form Local Enterprise Partnerships (LEPs); initially small and sparsely funded public/private
partnerships tasked with exercising strategic economic leadership in their ‘functional’
economic area. In April 2014, LEPs were required to submit Strategic Economic Plans to
government to come into effect from April 2015. In theory, these plans were intended
to guide long-term development policy as well as being the basis for accessing a competitively
allocated Local Growth Fund, ostensibly just one element of a move to devolve power and
resources from central government in the form of Growth Deals. Almost simultaneously with
this process, central government began to agree a series of City Deals with local authorities at
the core of England’s largest urban conurbations outside of London – initially with a self-
selecting Core Cities group of higher profile regional centres who were nevertheless
encouraged to cooperate with LEPs and neighbouring local authorities.

More recently, new local government arrangements were legislated for in the form Combined
Authorities (CAs), which are intended to complement the business leadership of LEPs. While
every district in England is a member of a LEP, CAs are in operation in only some areas,
predominantly but not exclusively in metropolitan areas, where they are formed voluntarily,
but in effect a condition for further devolution of power and resources. In this context, it is
CAs that have more recently moved centre stage in the brokering of ongoing and high profile
Devolution Deals. For those areas that wished to pursue a Devolution Deal, Government
subsequently introduced a further governance condition in form of a directly elected Mayor; a
move presented as an attempt to address the democratic deficit in English devolution but one
that, our research suggests, has been a source of tension in some CA areas. Indeed, at the time
of writing, while elected Mayors have recently taken office in a number of CA territories, in
others deal negotiations remain stalled, contributing to the sense of a somewhat disorganised
and ad-hoc process (Pike et al 2016b). See Figure 2 for an overview timeline of key policy
events.

**Figure 2.** Timeline of key policy events

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2010</td>
<td>Publication of the Local Growth White Paper; Local Growth: Realising every place’s potential, which confirmed the first wave of Local Enterprise Partnerships.</td>
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The Government publishes *Unlocking Growth in Cities*, introducing proposals for City Deals; initially constrained to the eight core cities of England.

2012 City Deals for the 8 Core Cities agreed; elements of some of the deals apply to the wider LEP areas of which the Core Cities are part.

2013 City Deals Wave 2.
The Government publishes *Growth Deals Initial Guidance for Local Enterprise Partnerships* with a deadline of March 2014 for the submission of proposals.

2014 All 39 LEPs submit their Strategic Economic Plans to Government.
Combined Authorities are established in Liverpool City Region, Sheffield City Region, North East and West Yorkshire.
Chancellor George Osborne makes “Northern Powerhouse” speech in Manchester.

The last of 18 second wave City Deals completed.
First allocations of Local Growth Deals announced.
Greater Manchester Combined Authority devolution agreement – new powers and responsibilities and a directly elected mayor for the metropolitan area.

2015 An additional £1 Billion for Growth Deals over the period 2016-21.
Chancellor announced city-centric devolution plan for England.
Chancellor’s Comprehensive Spending Review; by then virtually all English Local Authorities have to formed groups which have applied to Central Government for a Devolution Agreement.
Provisional Devolution Deals announced for Cornwall, Sheffield, North East, Tees Valley, West Midlands, and Liverpool.

2016 Provisional Devolution Deals announced for East Anglia, Greater Lincolnshire, and West of England.
Cities and Local Government Devolution Act passed.
Third Round of Local Growth Fund Announced.
UK votes to leave the European Union; George Osborne leaves post as Chancellor.
LEPs produce revised Strategic Economic Plans.
Autumn Statement 2016 sees publication of a Northern Powerhouse Strategy.

2017 The third round of Local Growth Fund allocates more money per-head to northern LEP areas with confirmed Mayoral Devolution Deals.
Several Devolution Deals remain stalled with notable delays in Northern ‘core city’ areas; Leeds remains on the drawing board, Sheffield is delayed because of legal action and the North East deal has been withdrawn and possibly negotiated at a new geography.


Across the Commonwealth of Nations, the term ‘White Paper’ is used to denote a parliamentary paper enunciating government policy. Such documents tend to be scene setting and dogmatic – opting to provide a road-map for the direction of policy travel. Outlining spacious principles, White Papers tend to leave the detail to be deliberated during legislative procedures and consulted before the rollout of national policy documentation. The process can often take several years, with principles often reframed or recast during the course of the policy-making journey involving numerous *struggles* including performances, argumentation, discursive strategies and interpretation (Dryzek, 1990; Fischer, 2003; Fischer & Forester, 1993; Hajer, 2005; Lawrence *et al.*, 2010; Yanow & Schwartz-Shea, 2006). The policy-making struggle is therefore a social event, a lived experience and a political activity. Consequently, it need not be viewed as a linear progression of stages, wherein one is displaced by another, but as ‘an emerging *spatial practice* joining one new approach to another in the evolving production and reproduction of the relations of capital and the urban society attendant to it’ (Perry, 1995, p. 222, original emphasis). With this in mind, the urban
policy space under production – signified by the state-led publication of i) a White Paper on local growth, ii) a cross-departmental paper concerned with unlocking growth in cities, and iii) legislation and various announcements related to devolution – charts an emergent spatial practice inviting reshaping through policy struggles. Therefore, the principles and priorities constructed through the triadic local growth, cities and devolution policies (in essence an uncodified urban policy) remain in-motion, formative and practised. Considering the embryonic space of an emerging spatial practice, in this case a new mode of spatial production, is an opportune time to undertake policy-oriented research that could help inform these policy struggles.

Local growth policy

In November 2010, following several weeks of delay, the UK’s Coalition Government published the eagerly anticipated White Paper: Local growth: realising every place’s potential (HM Government, 2010b). In his foreword to the White Paper, Nick Clegg, Deputy Prime Minister, sets the scene for a local growth policy as a means of delivering the government’s ‘first priority ... to return the nation’s economy to health’ (HM Government, 2010b: 3). This economic imperative is predicated on creating the ‘conditions’ to support business growth, which covers a gamut of policy areas, including innovation, enterprise, skills, international trade, infrastructure and planning. Claiming to be more spatially sensitive than the previous administration’s national, regional and urban policy-framework by ‘bringing an end to the top down initiatives’ and ‘ending the culture of Whitehall knows best’, Clegg reasserts the administration’s intent to rebalance the economy through state-led restructuring (HM Government, 2010b: 3), which is a prominent objective of the Coalition’s programme for government (HM Government, 2010a).

In a thinly veiled attack on the previous Labour administration’s approach, which was perceived to work ‘against the grain of markets’ (HM Government, 2010b: 7) due to its target-driven centralist tendencies, Local growth sets out the Coalition’s case for change guided by four primary objectives. Firstly, to promote efficient and dynamic markets, in particular in the supply of land. Secondly and thirdly, incentivise and tackle the barriers to growth. Fourthly, enable enterprise by ‘shifting’ power to localities, which ‘means recognising that where the drivers of growth are local, decisions should be made locally’ (HM Government, 2010b: 8). In effect, local growth policy is applicable to all areas of England, although government stress a preference for LEP governance geographies reflecting functional economic areas.

Cities policy

The flagship initiative of the government’s cities policy is City Deals. From the start, central government favoured cities as a focus for subnational policies with the eight English Core Cities taking priority in the first wave of City Deals (HM Government 2011), with a second wave and a number of one-off deals taking the total number of City Deals to 30 (at the time of writing). The deals offered packages of funding and decision making powers, such as transport infrastructure investment and fiscal incentives to promote development in return for cities agreeing to specific targets, typically around jobs or new businesses.

The cities focus is informed by a hugely influential body of work New Economic Geography/Urban Economic exemplified in the work of Glaeser (2012). This approach offers evidence that large urban agglomerations benefit from a concentration of people and
economic activity that results in significantly higher productivity than smaller settlements. From this perspective, such agglomerations are increasingly important in a globalised economy and effective economic development policy should follow market signals that these concentrations of economic activity represent and aim to build upon them (Cheshire et al 2014). Informed by these ideas, cities policy in England assumes, or hopes, that attempting to create a stronger agglomeration effect centred on larger cities might lead them to be catalysts for wider city-regional growth (City Growth Commission 2014, Overman and Rice, 2008)

**Devolution policy**

In the UK, political and fiscal decentralisation has risen up the policy agenda, an approach that aspires to facilitate policy that is locally driven and tailored to place. It purports to represent the next step in addressing long standing spatial inequalities in the UK and, particularly, England. At the heart of this agenda are place-based deals, such as Devolution Deals and Growth Deals; conditional agreements to devolve funding and power to subnational institutions, such as LEPs and CAs. In May 2015, the new Conservative Government announced a Bill related to cities and devolution, which was subsequently enacted as the Cities and Local Government Devolution Act 2016. The Act enables further statutory moves to decentralise responsibilities to cities and local authority areas in the form of Combined Authorities led by a directly elected ‘metro’ mayor (Gains, 2016). This approach reflects an emergent policy canon that contends that decentralised arrangements are a primary means to address long-standing spatial inequalities alongside increasing democratic participation and accountability (Goodwin et al 2012), a new conventional wisdom which in recent policy discourse has tended to become intertwined with the narratives of agglomeration and focus on cities (Gray et al 2017).

**Table 1. Local growth policy, cities policy and devolution policy**

<table>
<thead>
<tr>
<th>Key principles/objectives</th>
<th>Local growth policy</th>
<th>Cities policy</th>
<th>Devolution policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• shift power to local communities and business, enabling places to tailor their approach to local circumstances; • promote efficient and dynamic markets, in particular in the supply of land, and provide real and significant incentives for places that go for growth; and • support investment in places and people to tackle the barriers to growth.</td>
<td>City Deals are agreements between government and a city that give the city control to: – take charge and responsibility of decisions that affect their area – do what they think is best to help businesses grow – create economic growth – decide how public money should be spent</td>
<td>Decentralisation of substantial aspects of public policy Decentralisation beyond economic development policy: public service reform Democratic accountability via directly elected mayors Multi-year funding agreements</td>
<td></td>
</tr>
</tbody>
</table>
Institutional architecture

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Local Enterprise Partnerships</th>
<th>Core City local authorities often working with wider LEP partners</th>
<th>Combined Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Core City local authorities</td>
<td>Metro Mayors</td>
<td></td>
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</tbody>
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Key policy tools

<table>
<thead>
<tr>
<th>Spatial focus</th>
<th>Enterprise Zones Regional Growth Fund</th>
<th>City Deals</th>
<th>Devolution Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional economic areas/sub-regions</td>
<td>Cities and city-regions</td>
<td>Cities and city-regions, and to a lesser extent other areas</td>
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</table>

In the next section we analyse England’s noncodified urban policy through the case of the Northern Powerhouse initiative; highlighting the symbiotic relationship and cleavages between cities policy, local growth policy and devolution policy.

The Northern Powerhouse

‘Here’s the deal. We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we’ll give the levers you need to grow your local economy and make sure local people keep the rewards. But it’s right people have a single point of accountability: someone they elect, who takes the decisions and carries the can. So with these new powers for cities must come new city-wide elected mayors who work with local councils. I will not impose this model on anyone. But nor will I settle for less’ (George Osborne speech on ‘Building a Northern Powerhouse’, 14 May 2015, emphasis added).

The Northern Powerhouse is an attempt to bring together the aforementioned disparate policies so that the North of England can ‘punch its weight’. Variously described as a brand, political motif, strategy and investment plan, the Northern Powerhouse initiative has attracted a lot of publicity in England as its proponents claim that it will rebalance the spatial economy, although detractors are less convinced. The term was first mentioned by the then chancellor, George Osborne, in a speech given in Manchester during June 2014:

‘The cities of the north are individually strong, but collectively not strong enough. The whole is less than the sum of its parts. So the powerhouse of London dominates more and more. And that’s not healthy for our economy. It’s not good for our country. We need a Northern Powerhouse too. Not one city, but a collection of northern cities – sufficiently close to each other that combined they can take on the world’ (cited in Lee, 2017).

Osborne refers to ‘four ingredients’: transport, science and innovation, devolution and arts and culture (see Lee, 2017 for further discussion and analysis). According to the Northern Powerhouse Strategy published by central government, it:

‘is a vision for joining up the North’s great towns, cities and counties, pooling their strengths, and tackling major barriers to productivity to unleash the full economic potential of the North … The Northern Powerhouse’s objective is to achieve a sustained increase in productivity across the whole of the North. It is at the heart of the government’s ambition for an economy that works for everyone’ (HM Government, 2016: 5).
To put the economic scale of the initiative into international context, see Figure 3 below which shows the GDP for the 30 largest European countries and the Northern Powerhouse.

**Figure 3.** GDP for the 30 largest European countries and the Northern Powerhouse

![Figure 3](image)


As illustrated in Table 2, the Northern Powerhouse is applied as a hook to hang a diffuse range of policy pegs. Thus, it can be characterised as a *piggyback initiative* that acts as a sponge for related and less related policies, interventions and funding announcements (Gray et al., 2017).

**Table 2.** Government support for the Northern Powerhouse

<table>
<thead>
<tr>
<th>Expenditure</th>
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<tbody>
<tr>
<td>£13 billion on transport in the North over the course of this Parliament</td>
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<tr>
<td>£150 million to support the rollout of smart and integrated ticketing across the North</td>
</tr>
<tr>
<td>£161 million to accelerate transformation of the M62 into a smart motorway</td>
</tr>
<tr>
<td>Over £3.3 billion allocated to Local Enterprise Partnerships across the North through Growth Deals for investment in local infrastructure projects</td>
</tr>
<tr>
<td>£60 million development funding for Northern Powerhouse Rail</td>
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<tr>
<td>£70 million for the Northern Powerhouse Schools Strategy</td>
</tr>
<tr>
<td>£235 million to the Sir Henry Royce Institute</td>
</tr>
<tr>
<td>£38 million for the National Graphene Institute in Manchester</td>
</tr>
<tr>
<td>17 Enterprise Zones across the North by April 2017 in addition to two University Enterprise Zones</td>
</tr>
<tr>
<td>£400 million Northern Powerhouse Investment Fund for investment into SMEs</td>
</tr>
<tr>
<td>£20 million to the National Ageing and Innovation Centre</td>
</tr>
<tr>
<td>£15 million to the National Institute for Smart Data Innovation, Newcastle, subject to business case</td>
</tr>
<tr>
<td>£6 million for Tech North, part of TechCity UK, to accelerate the northern digital economy</td>
</tr>
<tr>
<td>£15 million for Northern Powerhouse trade missions</td>
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<tr>
<td>£7 million to establish the Northern Powerhouse Investment Taskforce</td>
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<tr>
<td>£78 million for the Factory theatre in Manchester</td>
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</table>
England’s noncodified urban policy in practice: the case of the Northern Powerhouse

In the following sections, we examine in more detail the somewhat nebulous idea of a Northern Powerhouse. Firstly, its definitional slipperiness is a deep source of consternation but also hope and enthusiasm. Secondly, many of the funding announcements are what we refer to as ‘funny money’. In other words, previously committed funds are rebranded as Northern Powerhouse funds. Thirdly, local policy actors are unsure what the eventual ‘prize’ is, but nevertheless all recognise the need to obtain a ‘ticket’. Interviews reveals a broad acceptance that Ministers are serious about promoting economic growth in lagging places and, from a Treasury perspective, the potential for economically trailing places to generate tax revenue; “they know the north has to start generating more tax” in the words of one interviewee.

An incoherent notion and malleable geography

Whilst high profile, the Northern Powerhouse as a discrete policy initiative has limited substance and traction when viewed from the perspective of the formal workings of government. For example, many departments have shown little appetite in terms of ‘bending’ their standard practices in ways that might better serve Northern Way objectives. Consequently, we argue that the Northern Powerhouse initiative exists as a banner or brand and amalgamation of local growth, cities and devolution policies and mechanisms as applied to ‘northern’ regions of England (the definition of which is itself problematic, as we discuss below). In this sense, the Northern Powerhouse can be viewed as an uncodified urban policy for the north of England. Nevertheless despite apparent limitations of substance, Northern Powerhouse has succeeded in capturing policymakers’ imagination and remains prominent in national debates. For example, in late 2016, Government published a Northern Powerhouse Strategy (HMT 2016), which largely collates existing policy indicatives, claimed achievements, and a well-received independent review of ‘northern education’ (Weller 2016).

Lee (2017) questions the substance of the Northern Powerhouse, arguing that it risks being more of a brand than a concerted development strategy. He suggests that if the Northern Powerhouse has a distinctive characteristic it is in the top down direction of Whitehall funding to favoured territories including the centralised political overruling of technocratic cost/benefit analysis that might otherwise see greater investment in England’s economically leading regions (Lee 2017). Ironically, such an approach is arguably the antithesis of the localist rhetoric reflected in England’s noncodified urban policy.

The appropriate geography of governance is a key node of tension within debates around the Northern Powerhouse, encapsulating as it does the problem of defining the Northern Powerhouse. Indeed, an important critique of the Northern Powerhouse Strategy is that it never actually defines, maps or even describes ‘the North’ and there is a strong sense that this is due to political expedience and political opportunism:
“…the Chancellor wants a few things that he can put a Northern Powerhouse sticker on which creates opportunities. So you can make a case for something like the Smart Data Institute for example and it creates an opportunity for someone to come up with an idea of ‘look George, you can do this. You can announce this and you can call it a Northern Powerhouse Smart Data Institute and slap your sticker on it.’ And he says ‘great. I need three or four of those for my next Budget so that’s great. That goes through.’ But there hasn’t been any coherent strategy behind it” (Private sector stakeholder, North East).

In practical terms, a key unresolved distinction relates to whether the concept assumes a polycentric cities approach or one focusing on a single major agglomeration. In the major agglomeration narrative, Greater Manchester is perceived as the core of the Northern Powerhouse – a counter agglomeration to London, partly because of long term political positioning by local policy makers (Houghton et al 2016). This has prompted worry in other northern places that see themselves as outside of Manchester’s orbit – in a sense on the periphery of the periphery. Simultaneously, however, government has also promoted a polycentric model:

“Not one city, but a collection of northern cities - sufficiently close to each other that combined they can take on the world” (Osborne, 2014)

The polycentric approach has been reinforced by high profile think tanks such as the RSA with its City Growth Commission (Chaired by Lord O’Neil who would go on to serve for a time as Northern Powerhouse minister) and Centre for Cities with its emphasis on the growth potential of cities. Even framing the Northern Powerhouse in polycentric terms, there is confusion about the roles to be performed by areas outside of cities. For example, interviewees with stakeholders in rural areas of the north east and north west indicated that Whitehall had a very narrow view of ‘the north’, which tended to forget about places such as Cumbria and Northumberland.

A crucial point to note is that the substantive policy tools available under the emergent uncodified urban policy approach are in principle available to every territory in England, – not only to lagging places, northern regions or cities/metro areas. Indeed this has also prompted criticisms and concerns amongst policy makers in northern city-regions:

“We talk a good game, or the Chancellor does, about the Northern Powerhouse but then you get the Midlands Engine and then everybody says London’s important too. So actually suddenly everyone’s a winner. Cornwall’s got a deal because obviously they’ve got issues there…” (Senior LEP Official).

In this sense, England’s noncodified urban policy is a largely aspatial policy subject to some important instances of state spatial selectivity (not always apparent in official policies and statements), which prioritise government support and investment in a select group of cities and Manchester in particular. This draws attention to the relationships and cleavages between local growth, cities and devolution policy; each exhibits scalar preferences and favoured geographies of governance, which sometimes relate well with one another, but can also come into conflict and result in gaps, overlaps and confusion.

Northern Powerhouse, in itself, and as articulated and focused on polycentric cities through England’s uncodified urban policy framework (local growth, cities and devolution policy) is
replete with tensions and compromises. National policy intentions are, thus, unclear or, even, misleading, which engenders a sense of confusion. Hence, this analysis supports research that considers the Northern Powerhouse to be a relatively powerful brand, but a much more limited long-term development strategy, and thus unlikely to seriously dent uneven patterns of development in England.

**Funny money and austerity**

One interviewee suggested that in an austere environment, “There is no such thing as new money…” and in headline terms, the Office for Budget Responsibility (2017) calculates that Public Sector Net Investment has been historically low in recent years and is set to remain subdued. In the context of ongoing austerity where local government budgets in northern urban areas have been dramatically reduced, ‘additional’ money for local growth is difficult to identify or differentiate from investment that may have happened in any case (Lee 2017). This is what we refer to as ‘funny money’. Furthermore, the sums of money involved in local growth, cities and devolution policy are relatively marginal and with a tendency to be announced on multiple occasions as well as being badged as Northern Powerhouse and in this context Lee (2017) has attempted to disentangle the ‘fuzzy finances’ of the Northern Powerhouse with limited success.

Austerity is an explicit rationale within the Government’s approach to subnational policy, particularly the focus on decentralisation and on the local as being better placed to develop and implement more effective and cheaper interventions. This core idea of the efficiency of devolution prompts some nervousness amongst policy makers and the National Audit Office (2016) has suggested that these underpinning assumptions are unproven; an argument supported by some academic research (Pike et al 2012b).

Interviews with local policy actors revealed a concern with what we describe as the ‘devolution of responsibility’ and ‘delegation of risks’. Whereas our research in the early 2010s reveals that local policy actors were relatively reluctant to discuss austerity in the context of local growth policy, such as during Growth Deal negotiations, more recently they have become more vocal, which has tended to rise to the fore during the course of Devolution Deal discussions. This reached a head in the North East Devolution Deal negotiation, with more than half of the constituent local authorities withdrawing and calling for a suspension of negotiations, citing concerns about ‘fair funding’ - a development that led to the Devolution Deal’s collapse a few weeks later. At the same time, local growth pursuits, often involving the same local actors, austerity goes unmentioned amid uncritical celebration of government initiatives. This might reflect the asymmetric power relationship between the centre and the local under a regime of ‘conditional localism’ (Hildreth 2011) as well as a shared ‘boosterist’ approach to talking up the uniqueness and potential impact of interventions – national and local politicians each having an interest in being seen to make a difference to local economic circumstances. Indeed, some local actors accept this tendency, with one interviewee describing the tendency to overemphasise the impact of relatively marginal but high profile interventions as a “signal to the market”.

The financing to local growth initiatives is opaque, subject to conditions and renegotiations and often forms part of the ‘boosterist’ approach to talking up the local economy. Leeds City Deal, for example, included the core commitment to a West Yorkshire Plus Transport Fund, funding for which was actually delivered as part of the Leeds City Region Growth Deal and, of course, announced each time with much fanfare and political posturing. In part, the slow
negotiation and release of funds across several deals – which are increasingly difficult to disentangle – reflects an ad-hoc method of working where agreements made between government and places require further negotiation within Whitehall:

“that process [the city deal] had been led by some pretty free thinking people in the Cabinet Office. And then when that got pushed out to the departments, you got a real push back … the completely bottom up approach has fallen foul of the control still exercised by senior civil servants over their spend” (Senior LEP Official).

Often, behind the public announcements, there can be precariousness to deals and their funding that part explains the caution our research finds among local policy makers. The funding packages set out in Growth Deals, for example, were not actually guaranteed, but rather notional agreements subject to further deliberations, conditions and metrics. At the end of 2015, LEPs and local authorities/CAs waited for confirmation in the Autumn Statement of ongoing support for projects formally agreed 18 months earlier:

“So it’s been very much ‘sing for your supper’, through the project bidding arrangement, and then [we] receive the money in annualised tranches… it was only two or three weeks ago we finally had confirmation of the money for 2016/17, so from next April, for projects that were approved before the election. The Government is trying to manage this on an annual basis, and they won’t commit to future years. So it’s affected the delivery of those projects, because you can’t assume that you’re going to get the money that has been promised to you…” (Senior Local Government Official).

The initial formulation of the Local Growth Fund provides an instructive example of funding under austerity conditions. Central government accepted Lord Heseltine’s (2012) recommendation to draw together centralised resources and create a fund that could be decentralised to LEPs in order to promote local growth, at least part of which would be available via a competitive bidding process. Heseltine had argued around £49 billion per annum that could be directed to the fund. Following negotiations within Whitehall, government initially announced a low-key £2 billion per-year over five years. Furthermore, the content of the fund proved somewhat disappointing to many local stakeholders. The controversial scheme known as the New Homes Bonus (NHB) accounted for £400 million. While it was later removed and replaced, its inclusion led to consternation in many places because it was created by ‘top slicing’ council budgets and, therefore, amounted to making cuts to local authority budgets only to then reimburse as ‘new’ money.

Austerity draws attention to the relationships and cleavages between local growth, cities and devolution policy, whereby funding announcements are not as straightforward as they might first appear. It is for this reason that we suggest that England’s noncodified urban policy is beset by political opportunism employing a tactic of pronouncing ‘funny money’.

Operating under austere conditions, capacity is a serious challenge and there are limits to what an uncodified and under-resourced urban policy can achieve. This does not bode well in respect of the long-term challenge of sociospatial disparities.

**The opaque crafting of deals**
Conditional deal-making is central government’s favoured mechanism for working with actors and institutions. Deals typically set out a series of commitments from the centre and the local alongside devolved or additional resources and responsibilities. Despite their appearance of standalone agreements, deal-making tends to be a dynamic process with elements agreed in earlier deals part delivered or expanded in subsequent deals. Thus, in some places City Deals, Growth Deals and Devolution Deals are viewed as iterations and elements of a larger place-based deal.

Deal-making processes remain largely ad hoc and piecemeal, partly reflecting the austerity context, not only in terms of what resources might be available to local areas but also in the capacity of central government officials to negotiate with multiple areas simultaneously. As a result, some places and deal-making negotiations are prioritised (i.e. core cities/city-regions), at the direct expense of other areas (i.e. rural counties).

The process of place-based deal-making remains strongly technocratic and ‘post political’ with limited public engagement or, in fact, interest. For example, some policy makers in the North East were nervous about Durham County Council’s decision to hold a low-key referendum on the devolution deal, as they considered that it would stall proceedings and pose a risk that the area would “loose out”. Furthermore, there is a sense the opaque nature of the deals process and the weak lines of accountability can obstruct public (and business) understanding of what deals are intended to achieve or have achieved in practice and so damage the longer term legitimacy of local institutions negotiating such deals:

“…if you were to ask me now what’s been delivered off the back of either of the City Deals or by Growth Deals, I haven’t got a clue. There’s nobody as far as I’m aware…that’s actually gone through that and said right within these City Deals and the Growth Deal this is what was set down, this is what’s happened in the region” (Private Sector stakeholder).

There is a degree of scepticism among local policy makers alongside some confusion around what distinguishes the Northern Powerhouse from other policy initiatives. Stakeholders in Northern cities perceive a clear political motivation underpinning the approach and this can lead to party-political hostility from some local Labour Party politicians toward a Conservative Party policy – in part raw party politics and in part a lack of trust born out of experience of large scale funding cuts. Elsewhere internal Conservative Party Politics have played a pivotal role in Devolution Deal negotiations, with regional members of parliament intent on blocking a Leeds City Region Devolution Deal for fear it would create a Labour Party power block centred on Yorkshire’s biggest city:

“…the West Yorkshire Conservative MP’s know if it’s a West Yorkshire electorate for a West Yorkshire mayor which was what was originally envisaged it’s a labour mayor and where does that leave if you’re a back bench West Yorkshire Tory MP …? Well, with no influence. So who’s going to listen to them?” (Senior local politician)

The crafting of deals draws attention to the relationships and cleavages between local growth, cities and devolution policy. In some places, the geography and key partners involved has remained consistent (see, for example, the case of Greater Manchester). Whereas in other places there has been much more variation, which has engendered governance and policy complexity that is extremely difficult to disentangle.
Conclusion

There are few signs that the UK Government’s uncodified approach to devising urban policy, which favours the use of informal channels of negotiation, policy experimentation and unwritten rules, is set to change dramatically over the foreseeable future. Keeping policy documents, guidance and other official documentation to a minimum is consistent with the ethos of successive Conservative-led governments since 2010, which favour the flexibility afforded by what ministers refer to as a ‘light-touch’ mode of governance, in keeping with an ideology of a small state. Indeed, this is consistent with ministerial attacks on bureaucratic procedures and institutional arrangements.

A complex interplay between cities policy, local growth and devolution shapes the Northern Powerhouse initiative and this is clearly visible in the geography of, and relationships between, successive deals in particular places. The geography of the deals and the flow from one deal to another is clear in Greater Manchester to the extent that they might almost all be understood as ‘place-based deals’. In contrast, the North East deal process has been complex and muddied by political disagreements. The sub region had two separate city deals – one for Newcastle/Gateshead and one for Sunderland, with the added complication that some relatively peripheral elements around skills policy from the Newcastle/Gateshead deal apply to the wider LEP area. Next came a Growth Deal for the entire LEP/CA area, followed by the failed negotiation of a Devolution Deal across the same geography. Following the collapse of the initial devolution deal, the sub-region faces the possibility of the CA fracturing through the middle of the urban core into two separate entities, while retaining the links from the legacy of previous deals.

Importantly, there remains disjuncture between the rhetoric of devolution and urban policy and the reality as embodied in an initiative such as the Northern Powerhouse. Central government remains at the centre of local policy and, often in part politically motivated, top down interventions are common. Deals by definition remain conditional - not only upon local areas agreeing to particular targets and outcomes but also upon the adaption of Central Government’s favoured governance mechanism, directly elected mayors, the evidence for which is mixed (Tomaney 2016) and which remain controversial amongst local policy actors. The financing of urban policy is distinctly austere and often dependent upon the rebranding or re-announcement of funding for schemes that was likely to have occurred in any event (Lee 2017) – the sparse financing can result in the celebration or ‘talking up’ of relatively marginal interventions.

Consistent with urban policy repertoires around the world, we find that the Northern Powerhouse initiative emphasises growth and offers few clues as to how even an economically prosperous and productive north will tackle some entrenched and geographically concentrated socioeconomic issues. Our research results lead us to conclude that while there is significant enthusiasm for what is perceived as a city-focused growth agenda to boost the economy of the North of England, it is coupled with a lack of clarity and wariness among local stakeholders of central government’s intentions and motives. Our investigations reveal that lurking behind the public policy pronouncements, the opaque crafting of deals has been an intensely political process that shows little signs of helping to rebalance the spatial economy of Northern England. Furthermore, we find that place-based deals are highly spatially discriminatory as some places are omitted from the purview of this modality of state practice, which raises new issues, in particular, those concerning the spatial implications of pursuing place-based deals on an exceptional basis.
In more positive terms, the Northern Powerhouse has, perhaps surprisingly, generated broad-based support and enthusiasm, especially in comparison with the Northern Way, which was only ever on the margins of the priorities of the three northern RDAs and of very marginal interest to local authorities and stakeholders outside of the Core Cities Group. Therefore, we conclude that the initiative is an effective rhetorical tool, which has at a minimum brought together different policy actors from across the north to discuss and debate northern issues. It has also raised the profile of the north in Whitehall.

Whilst local policy actors remain sceptical that government will allocate sufficient funds to the Northern Powerhouse initiative given fiscal restraints and austerity politics, we identify at least three aspects of this concept that are significant. Firstly, its definitional slipperiness is a deep source of consternation but also hope and enthusiasm. Secondly, many of the funding announcements are what we refer to as ‘funny money’. In other words, previously committed funds are rebranded as Northern Powerhouse funds. Thirdly, local policy actors are unsure what the eventual prize is, but nevertheless all recognise the need to obtain a ticket.

The asymmetry in the priority accorded different places – in the broadest sense a focus on cities and core cities in particular reflects the assumptions of the ‘new spatial economics’ (Martin 2015), an agglomeration driven approach that Tomaney (2014) describes as the ‘new orthodoxy’ and most visible in at least the initial articulation of the Northern Powerhouse agenda. We have sought to demonstrate that in reality, England’s uncodified urban policy is a continuously changing and ad-hoc mix of sometimes competing and sometimes complementary ideas. In the background is the question of the overarching purpose of urban policy in England and there are tensions and contradictions running through the policy discourse. A key tension lies in the asymmetry of interventions and specifically, the question of which places should benefit from investment. This is illustrated by the fluctuating scale of the Northern Powerhouse; initially understood by many as an agglomeration policy built around Greater Manchester the scale of the policy quickly became unclear, at times appearing to be a label to apportion any government investment to the north of England (Lee, 2017). Indeed, our research reveals different understandings among local policy makers about the purpose of urban and the scale of intervention. For example, is the ambition of Northern Powerhouse to encourage agglomeration in a single rival to London or build on second order cities (Parkinson and Meegan 2013) or to facilitate growth potential in all places?

Perhaps most importantly, there is the question of whether or not emergent noncodified urban policy, illustrated here with the case of the Northern Powerhouse, is likely to deliver on its explicit objective of reducing spatial economic disparities in England. Recent research suggest that spatial equalities in England are so entrenched and at such a scale that the relatively marginal interventions that has characterised subnational and urban policy in England are unlikely to make a significant difference (Gardiner et al 2013). In this context, the (by historical standards) limited resources available to Northern Powerhouse, its policy and geography incoherence and, not least, the fact that the same tools are available to economically leading cities and regions means that the approach is unlikely to significantly change England’s economic geography.

Along with a concern at the local level that current policy might mean the decentralisation of austerity decisions, there is the potential risk for a subtler devolution of responsibility for regional economic disparities. That is, a growing tendency to seek and or assume factors endogenous to a particular territory are the main driver of persistent and cumulative spatial
inequality rather than the result of places’ relationship with the wider economy and society. Indeed, this critique has been levelled at normatively progressive place based approaches (Avdikos & Chardas, 2016).

Whether an uncodified (and presumably more flexible) approach to urban policy is more effective than prior practice is worthy of further research. The presumption that this is more responsive to contemporary economic and societal requirements, at present, is without any qualification. Moreover, some of the new local governance institutions, such as LEPs, that have been established to rectify the apparent failings of ‘cumbersome’ RDAs, continue to be lamented for some serious shortcomings, including accountability, capacity, inclusiveness and creativity.

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