

# SPATIAL RESCALING OF ECONOMIC PLANNING

## THE ENGLISH WAY

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***Across England, planning and governance modes of regulation of supra-local development strategies are undergoing important transformations. In particular, the UK's Coalition Government, which has been in office since 2010, has a political and financial mission of rescaling and simplifying sub-national economic planning. As a consequence of the abandonment of regional apparatus, which can be understood almost as a 'scorched earth' approach, a strategic leadership fissure has arisen 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 illustrates some of the key opportunities and dilemmas arising from these 'scalar shifts'. Drawing on the case of Local Enterprise Partnerships – which are supra-local non-statutory spatial governance entities – the paper questions whether these new public-private arrangements present a pragmatic way of resolving the strategic tensions between elected local authority areas that would otherwise be seriously ignored in England after regions. The paper examines whether state-led rescaling in effect provides a new 'cover' for some old politics.***

**Key words:** *Spatial rescaling, 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; Thoidou, 2011). Seven tiers have featured prominently in England over recent times:

1. The European Union
2. The United Kingdom
3. The nation state (i.e. England)
4. Nine administrative regions
5. An 'upper tier' of 119 principal local authorities (e.g. County Councils and 'Unitary' or 'Metropolitan Authorities')
6. A 'lower tier' of 201 local authorities (District Councils in County Council areas only)
7. A partial geographic coverage of more than 8,000 Parish and Town Councils<sup>2</sup>

In England, the Conservative and Liberal Democrats 'Coalition' Government has dismantled much of the inherited regional institutional structures (tier 4) devised by successive administrations between 1994 and 2010 but mainly by Labour governments post-1997, partly replacing these with 39 Local Enterprise Partnerships (LEPs), expected to operate across a 'functional' space, between tiers 3 and 5, but in effect smaller than redundant administrative regions (tier 4). Reforms are also seeking to strengthen plan-making flexibilities across tiers 5 and 6, and provide tier 7 with new statutory plan-making powers. In terms of town 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 (HM Treasury, 2012; HOC (House of Commons), 2011; Pugalis, 2011b; Pugalis and Townsend, 2010). These changes across the policy field of economic planning – understood here as interventions in the spatial economy involving governance, strategy-making, prioritisation and delivery activities – prompt international and theoretical consideration, especially as they represent broadly represent broadly a reversal in one country of dominant

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 (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 (Mazza, 2010). Distinct from the administrative 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 and has regular elections. However, the administrative regions of England, with the exception of London, lacked any devolutionary constitution.<sup>3</sup> England's

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<sup>2</sup> Estimates indicate that full geographic coverage of Parish and Town Councils would equate to between 17,000 and 18,000.

<sup>3</sup> 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.

failure to develop a 'strategic' tier of elected government, contrary to European nations, such as Germany and France, has produced multi-scalar confusion and competition that may go some way to explain the ongoing transfers of governance, planning and delivery arrangements (Pugalis and Townsend, 2012a). This is despite England's nine administrative regions possessing an average population much greater than the EU average.

For almost the first time since 1947, England is without a recognised strategic planning framework after the revocation of Regional Spatial Strategies<sup>4</sup> 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 and subsequent abolition of Regional Development Agencies (RDAs) in 2012, which were a flagship policy creature of New Labour (Pearce and Ayres, 2009; Pugalis, 2010). This has to be understood along with a recent gradual incorporation of the private and sometimes the voluntary sectors into partnerships with government (Mazza, 2010), as well as other variegated forms of neoliberal/entrepreneurial urban politics. Attention has 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), where the public sector is a market actor and its services are being marketed, outsourced, contracted and leveraged. Consequently, the interests of public administrations and private actors have combined in informal networks and cross-sector alliances. These governance communities of (economic) interest have been combining to reorder patterns of development. 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.

Firstly, processes of spatial rescaling are theorised. Secondly, some of the most significant 'scalar shifts' up to the change of government in 1997 are analysed. Thirdly, the policy narratives used to support both the rise and demise of regional economic planning between 1997 and 2010 are exhumed. Fourthly, the case of LEPs is investigated in terms of policy continuities and disconti-

nities. Fifthly, the paper concludes with an appraisal of this latest round of state-led rescaling. This is achieved through interpretive policy analysis (Yanow, 2004), involving analytical critique of formal government statements, political and policy discourse, as well as incorporating some views expressed by relevant policy communities. Empirical 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.

### **SPATIAL RESCALING: A THEORETICAL UNDERPINNING**

Across the public policy fields of planning and economic development, the reallocation of roles between tiers of governance and administration in processes of spatial rescaling has taken on added significance over recent decades (Brenner, 2003; Brenner, 2004; Gualini, 2006; Pugalis and Townsend, 2012b; Stead, 2011; Thoidou, 2011; Tsukamoto, 2012). 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 inter-scalar relations. Accounting for a geographically uneven 'filling in' of institutions (Goodwin *et al.*, 2005; Jones *et al.*, 2005; Shaw and MacKinnon, 2011), including the dispersion of services outwards to non-governmental societal actors, new 'geographies of governance' have emerged (Reed and 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 spatial organisation such as a 'region' or 'local' authority area. 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 bounded or 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 and 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'.

### **SPATIAL RESCALING: SCALAR SHIFTS UP TO 1997**

The main rescaling tendency over time has been one of concentration in larger units of local government. It was 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). Indeed, it could be argued that these moves to consolidate or 'upscale' units of local government are the precedents for sub-regional collaborative arrangements over more recent times (see below). Conservative governments on the other hand have had a leaning toward more local democracy. It was a Conservative administration which 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 the then Prime Minister John Major restored and regularised Government Offices for the Regions (GORs), whose boundaries were used in the establishment of RDAs with statutory powers and of Regional Spatial Strategies (tier 4). 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 as part of their 'Third Way' political project fusing communitarian ideals and neoliberal politics. Taking forward pre-election pledges on the back of gathering momentum for regionalism (Regional Policy Commission, 1996), Labour

<sup>4</sup> Regional Spatial Strategies were a key part of the statutory planning framework which were intended to go beyond land-use matters to consider broader 'spatial' issues including climate change, health, employment and transport.

strengthened GORs, legislated for RDAs and encouraged the creation of unelected Regional Assemblies. This tripartite regional relationship of GORs (viewed as regional tentacles of central government), RDAs (executive agencies or quangos directly accountable to ministers) and Regional Assemblies (comprised of locally elected councillors and other 'representatives'), stood more as the regionalisation of central government policy, as opposed to regionally embedded and democratically accountable policy apparatus. With each organisation possessing distinct, yet overlapping, responsibilities, including Regional Spatial Strategies (Regional Assemblies) and Regional Economic Strategies (RDAs), the system suffered contradictions, and was widely considered to be overburdened with process and regulatory requirements. A further layer of complexity was the momentum gathering behind the concept of city-regions and sub-regional collaboration (Harding, 2000; Harrison, 2007; Marvin *et al.*, 2006).

At the behest of HM Treasury (2007), a lengthy *Review of sub-national economic development and regeneration* (SNR) was initiated in 2007 which 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) and sought to simplify regional policy by way of a single Integrated Regional Strategy, which would in effect merge the statutory elements of the Regional Spatial Strategy with the Regional Economic Strategy. This political compromise resulted in a highly complex and confusing institutional landscape of overlapping and competing spaces of governance. 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 (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. Yet, the lack of 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 and Clarke, 2010, p. 1) while also revealing that 'national economic priorities will be handled in Whitehall' (Spelman and Clarke, 2010, p. 3). The Liberal Democrats also viewed regional institutions unfavourably as that Party too championed its own brand of localism (Liberal Democrats, 2010). Following the publication of their *Programme for Government* (HM Government, 2010a), the Coalition were prompt and systematic in announcing abolition of regional institutions, to the disquiet of EU policy-makers (Pugalis and Fisher, 2011).

Viewed through a political lens, the assault on regional institutions (see Table 1) reflects the interests of the Coalition Parties' local government councils, their elected leaders and voters in the south of England more generally. 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). 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, p. 7). 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 and Townsend, 2012a).

Irrespective of sub-national policy congestion and complexity during the Labour years,

administrative regions performed a pragmatic role as the interface between tier 3 (nation state) and tier 5 (principal local authorities) in particular. Regional Spatial Strategies, for example, provided legally enforceable *certainty* for applicants, strategic land use allocations (e.g. housing, employment land etc.), and addressed cross-boundary and supra-local policy matters (see Pugalis and Townsend, 2010). 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).

The extent to which the final demise of administrative 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). Interestingly, RDA impact evaluations were favourable and the National Audit Office (2012) has criticised the government's handling of the transition process. This may indicate that the abandonment of a regional framework was predicated on political ideologies, where short-term savings may also have overridden longer-term cost considerations. As a reaction to *formal* administrative regions, the *functional* sub-region is considered in the next section through the case of Local Enterprise Partnerships.

Table 1: Defunct regional policy apparatus

Policy function	Overriding remit	Coalition rationale for abolition/withdrawing funding
Regional Development Agencies	To create sustainable economic growth in each of the nine English regions	Unelected, expensive and unaccountable government quangos which fail to represent true functional economic geographies
Government Offices for the Regions	Implementation of national policy and the regulatory management (budget and contractual) of spending programmes of sponsoring government departments	Lack of democratic accountability; burdens and bureaucracy for local councils; arbitrary administrative boundaries imposed over real communities
Regional Spatial Strategies (RSSs)/Regional Economic Strategies (RESs)/Regional Strategies (RSs)	To provide regional-level planning, economic and spatial frameworks in collaboration with regional stakeholders	RSSs abolished as strategic planning and infrastructure issues were to be devolved to local authority level; RESs did not reflect natural economic geographies; RSs were time-consuming, expensive with inappropriate top-down planning targets
Unelected Regional Assemblies	Statutory regional planning role; hold RDAs to account; co-ordinate regional strategy; and provide a credible regional voice	Phased out by Labour, with some functions transferred to Regional Leaders' Boards

Source: Adapted from *English Regions Disbanded: European Funding and Economic Regeneration Implications*

## THE LOCAL ENTERPRISE PARTNERSHIP EXPERIMENT

LEPs have been promoted by the Coalition as the new scalar 'fix' for marshalling some activities such as transport, housing and business support, providing economic leadership and planning for economic prosperity (Cable and Pickles, 2010; HM Treasury, 2010a, para 1.89; Pickles and Cable, 2010). They are not prescribed in legislation and therefore lack statutory powers enjoyed by predecessors. Consequently, they are voluntaristic partnerships predicated on trust, cooperation, reciprocal relations and a process of working for the common good (Little, 2012; Pugalis and Shutt, 2012). Aligned with the government's localist discourse, LEP proposals were developed by groupings of local actors rather than their form, function and geography being entirely prescribed by Whitehall. Expected to have a geographic reach of a minimum of two or more upper tier authorities (tier 5) but not as expansive as formal regions (tier 4), LEPs are producing new geographies of governance. With their basis in 'bottom-up' deliberations utilising local government boundaries to identify 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 sub-national spaces of governance promoted under Labour, such as Multi-Area Agreement partnerships and City Region networks, were accepted among the least contentious of the original 62 LEP proposals. This is particularly the case with the 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 (Townsend, 2012).

The majority of the original LEP bids were rejected by government, but the eventual 39 LEPs cover all but one of England's 320 local authorities (see Figure 1). However, some LEPs have overlapping boundaries. This is a significant departure from many predecessors and particularly the formal regional boundaries adopted by RDAs, GORs and Regional Assemblies. LEPs, understood as new scales of policy organisation, could therefore be expected to develop new kinds of relations with other administrative organisations, while operating as part of inter-scalar relations 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 distanced 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 pre-eminent role in the governance of LEPs (Pugalis, 2012; Shutt *et al.*, 2012). 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 (Pugalis *et al.*, 2012). 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 2).

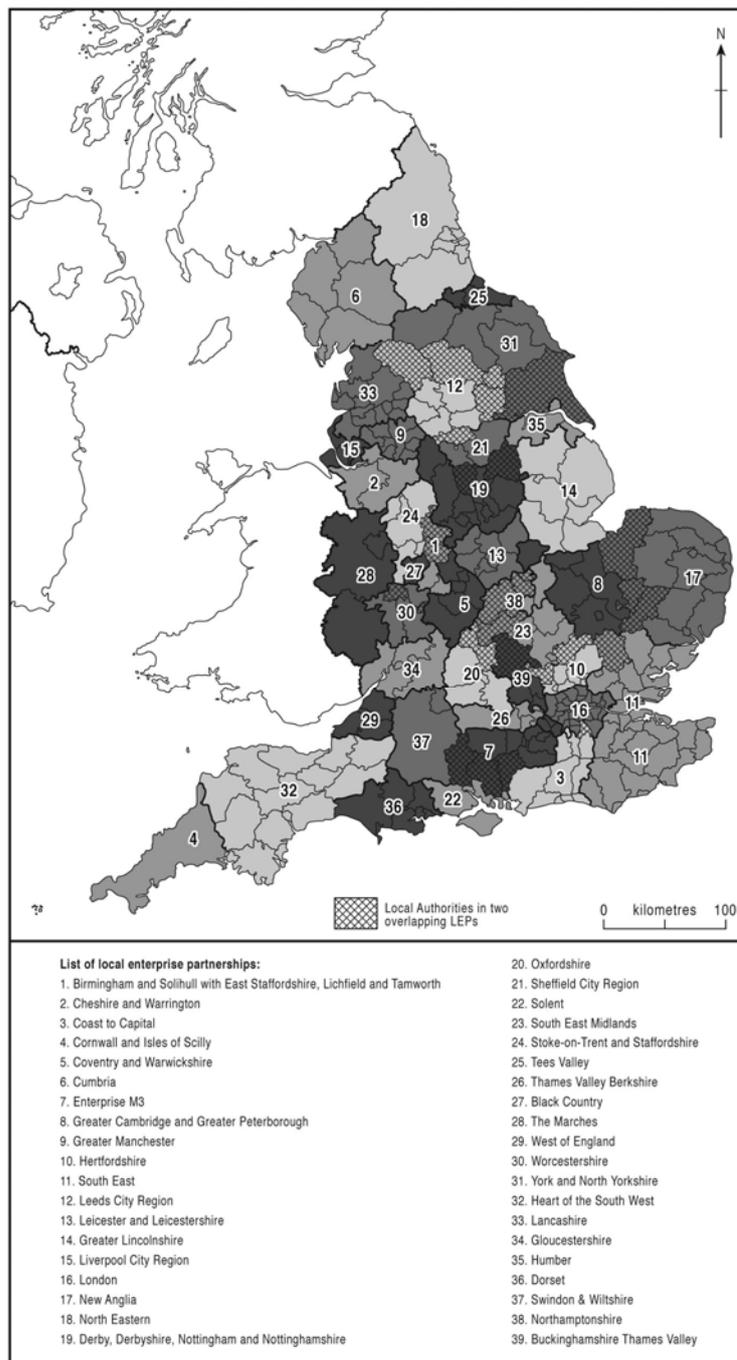


Figure 1: The map of Local Enterprise Partnerships

Table 2: RDA and LEP comparative functions

	RDA's	LEPs
Statutory basis and purpose	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.	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.
Number and geography	Nine – each with a geography coterminous with England's administrative regions.	39 – including geographical overlaps and one LEP-less local authority area.
Lifespan	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). Abolished at the end of March 2012.	LEP proposals called for in June 2010. The first round of LEPs were approved by government in October 2010. No fixed lifespan.
Governance	Accountable to ministers (i.e. national government). Government appointed board – majority of board representing private business interests.	Accountable to localities (i.e. local people and businesses). Government endorsed board – criteria expects strong business input and a chair from the private sector.
Powers	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.	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.
Funding	Funding support totalled £2.3 billion for the nine RDAs in 2007-08.	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 plus 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.

**Scalar shifts: do new ‘functional’ sub-regional arrangements help resolve some old issues?**

The transition from nine administrative regions (including London) to 39 voluntaristic sub-regions generated cause for concern from a variety of sectoral interests (Bailey, 2011; Bentley *et al.*, 2010; Pugalis, 2011a; Ward and Hardy, 2012). Some business groups, for example, complained of local politics impeding 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. The prevalence of local political disputes would suggest that old rivalries died hard and new relationships of trust took a substantial amount of time and effort to forge. For example, ‘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’ (Kelly, 2011, p.5)

Despite the rhetoric of LEPs operating across functional spaces, there are many examples where the substance is lacking (Townsend, 2012). 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 the Birmingham and Solihull with East Staffordshire, Lichfield and Tamworth LEP, which show a much higher degree of self-containment, over 80 percent in this case, but are widely considered to be a poor reflection of a broader

sub-regional spatial economy (Bailey, 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 and Coupar, 2011). Since 2011 LEPs have taken on a distinct role in implementing the government's ‘growth policy’, nevertheless recent research corroborates that LEPs are struggling to live up to ‘the hype’, particularly as they are constrained in financial and legislative terms (Pugalis and Shutt, 2012; Pugalis *et al.*, 2012; Shutt *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 and depleted finances, the lack of policy direction by government (which has afflicted the broader planning and regeneration landscape), and the lack also of clarity and/or commitment from non-government actors, together with deficient tools or resources. So whilst the 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 passing symbolic government policy ‘ideas’, which may offer little more than ‘talking-shops’, continue to persist. 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), despite some notable achievements (PriceWaterhouse Coopers, 2008), is likely to persist under the mantle of LEPs. More so, LEPs will arguably possess much less traction than RDAs. Relying on non-statutory voluntary arrangements without dedicated central government funding streams or any core funding, LEPs could be viewed as a loose economic entity befitting an age of austerity. In other words, a form of ‘economic planning’ on the cheap.

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 a question 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 via the introduction of an Integrated Regional Strategy. Some LEPs have devised strategic documents and priority statements that have considerable spatial implications, although these have been produced in the ‘soft’ spaces of governance outside of the statutory planning process. Many LEPs have expressed a wish to influence statutory plan-making processes and priorities but to date few have had the appetite to venture into the highly politicised and technical local planning system beyond an ‘advisory’ or ‘consultee’ role.

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 councils (tiers 5 and 6) 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. 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. 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 alone. 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 intended *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 Integrated Regional Strategies, by RDAs and Leaders’ Boards remain. Namely, allowing a lead role for non-elected business interests in matters that have much broader spatial implications.

Two years since the government invited LEP proposals (Cable and Pickles, 2010), 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 is 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 new government has replaced dedicated regeneration funding with cuts to welfare budgets as part of a strategy to ‘make work pay’.

## 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 administrative regions to voluntary sub-regional networks, which has accelerated since 2010. Given the factors identified in this paper it is not surprising that RDAs were abolished by the incoming Coalition Government; a process, arguably, accelerated by the budget deficit inherited from Labour. However, the full costs (social, environmental and economic terms) of such a reactionary policy may not be revealed for at least another decade. Although tools such as Regional Spatial Strategies had been important, they were also unpopular in the coalition parties’ grass-roots support 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 in promoting local growth which has nonetheless gained some strength since summer 2010 including the responsibility for overseeing the distribution of some central government funding initiatives. There has been a tendency for concerns to converge on the issue of economic objectives, marginalising social and environmental goals. The perpetuation of ‘partnership’ with business shows a thread of continuity 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.

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