

Summary Paper for the RSA Winter Conference 2013

Rescaling Economic Strategy in the East Midlands

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1. Introduction and Approach

At the heart of both New Labour¹ and Coalition Government policy on local and regional economic development is a beguilingly simple proposition to the effect that if we can better align decision-making for economic development to 'functional economic geographies', better economic outcomes should result. Of course views of what are the functional economic geographies that matter diverged considerably. The decision to abolish Regional Development Agencies and invite the creation of Local Enterprise Partnerships in 2010 brought this proposition into sharp focus. It also offered an interesting opportunity to explore the consequences of this shift in the spatial scale of decision making for economic development. This paper addresses two questions relating to this shift:

1. What difference has it made to the practice of economic strategy development?
2. Has it resulted in any discernible change to the policy substance of the economic strategies that have resulted?

It does this by comparing the policy content and development processes associated with the economic or growth strategies produced by the East Midlands Development Agency (EMDA 2006), the D2N2 Local Enterprise Partnership (2012/2013) and Nottingham City Council (2012). The three strategies cover a set of 'nested geographies'. The D2N2 LEP, covering the counties of Nottinghamshire and Derbyshire and the cities of Nottingham and Derby and is wholly within the area for which the East Midlands Development Agency was responsible. Similarly, Nottingham City Unitary Authority is one of the 4 principal authorities that comprise the D2N2 LEP.

Following the abolition of the RDAs, LEPs were introduced to promote local economic development in England. However, their capacity to effectively discharge this responsibility has been challenged (Bentley et al, 2010; Liddle, 2010; Pugalys & Townsend, 2012; Harrison, 2011). Relatively little attention has yet been given to the impact that rescaling governance has had on the form and substance of economic and or growth strategies produced in this new institutional context. This paper draws on the author's direct experience of participating in the development of the economic strategies under review. It also uses content analysis of the published economic development strategies that resulted.

¹ The Sub-national Review of Economic Development and Regeneration (HMT, 2007) arguably represents the clearest articulation of this proposition under New Labour.

2. The Strategy Development Process

It is in the nature of the strategy development process that we see some of the most marked differences between the three strategies under review. Table one compares key aspects of the development process as it applied to each strategy.

Table 1. The Strategy Development Process

Process	EMDA	D2N2	Nottingham City
Approximate Duration	22 Months	6 Months	6 Months
Financial resources (excluding staff)	circa £400,000 ²	£49,000 (LEP Capacity Fund Grant from BIS)	Economic assessment commissioned
Strategic Environmental Assessment	Yes	No	No
Dedicated internal team	8 staff	0 – private sector board member led process	Partial – led by members of the Economic Development Team
University expertise/capacity used	Yes	Yes	Yes
Stakeholder consultation	Yes	Some	Some
Public consultation	Yes	Primarily business	Yes
Supporting evidence base	Yes (independently peer reviewed)	Yes	Yes – economic assessment completed but not published

Perhaps the most obvious differences between the strategy development processes under review lie in the timescales devoted to the process and the level and nature of the available resources utilised. Production of a Regional Economic Strategy (RES) was a statutory requirement that represented the key policy output of a regional development agency. As such, significant staffing and financial resources were devoted to the task. EMDA's 2006 RES was amongst the first to be subject to an SEA and the fact that CLG guidance was published after the RES review commenced resulted in the extension of the planned 18 month timescale to 22 months.

All of the strategies under review drew on external (university) expertise – particularly in relation to research and evidence preparation. But under EMDA, far more of the basic socio economic analysis required in order to evidence the strategy was undertaken in-house. Both D2N2 and Nottingham City Council sub-contracted the compilation of economic assessments to a university based research unit.

² Source: EMDA internal briefing paper dated August 2007.

3. Thematic Focus

Clear differences in the thematic focus of the 3 strategies are evident. EMDA’s RES demonstrates by far the greatest breadth – emphasising quality of life, sustainability, and equity alongside productivity enhancement.

In both the D2N2 strategy and Nottingham City Growth Plan the most obvious focus on sustainability takes the form of a sectoral priority described as ‘low carbon goods and services’ or ‘clean technology’. Both the D2N2 strategy and the Nottingham City Growth Plan have a narrower focus on supporting economic growth – measured primarily in terms of private sector employment creation. This is in part a function of the post-recessionary economic environment in which they were prepared. It also seems likely that it reflects the stated economic priorities of the Coalition Government and the objectives of the funding streams (such as RGF) to which both D2N2 and Nottingham City Council have bid.

Table 2 Structure of Economic Strategies

EMDA	D2N2	Nottingham City
Structural Themes (cross-cutting): Raising Productivity Ensuring Sustainability Achieving Equality	Strategic Priorities: Business skills Innovation Finance Infrastructure	Strategy for Growth (sectors): Digital content Life sciences Clean technology
Strategic Priorities: Innovation Enterprise & business support Employment, learning & skills Land & development Transport & logistics Environmental protection Resource efficiency Social capital Economic inclusion Economic renewal	Areas of economic focus/priority sectors: Transport equipment manufacturing Medical & bioscience Construction Visitor Economy Low-carbon goods and services	Actions for growth: Fostering enterprise Developing a skilled workforce Building a 21 st century infrastructure
Priority Actions: 64 actions identified across the 10 Strategic Priorities	Actions aligned to Strategic Priorities	Specific projects/programmes aligned to ‘actions for growth’

4. Sectoral Priorities

It is noteworthy that only one sectoral priority appears in all three strategies – healthcare/biosciences. In all three cases this reflects the recognition of the significant concentration of relevant activity in and around Nottingham: two universities with relevant research capability, BioCity (arguably the country’s most successful bioscience business incubator facility outside Cambridge), the presence of Alliance Boots and the Queens Medical Centre (a leading teaching and research hospital).

Table 3 Sectoral Priorities

Sectors ³	EMDA	D2N2	Nottingham City
Transport equipment	✓	✓	
Health/Biosciences	✓	✓	✓
Food and drink	✓	✓	
Construction	✓	✓	
Visitor economy		✓	
Low carbon goods & services/‘clean technology’		✓	✓
Digital content			✓

All four of EMDA’s sectoral priorities are included in the D2N2 strategy. This reflects the broadly consistent approach to the underpinning economic analysis. This analysis sought to balance a range of considerations including: scale of employment and output; evidence of distinctive local strength (location quotients/sectoral productivity estimates); employment quality (indicated by earnings) and forecast growth prospects. Two D2N2 sectoral priorities also feature in the Nottingham City Growth Plan: biosciences and low carbon goods and services/‘clean technology’.

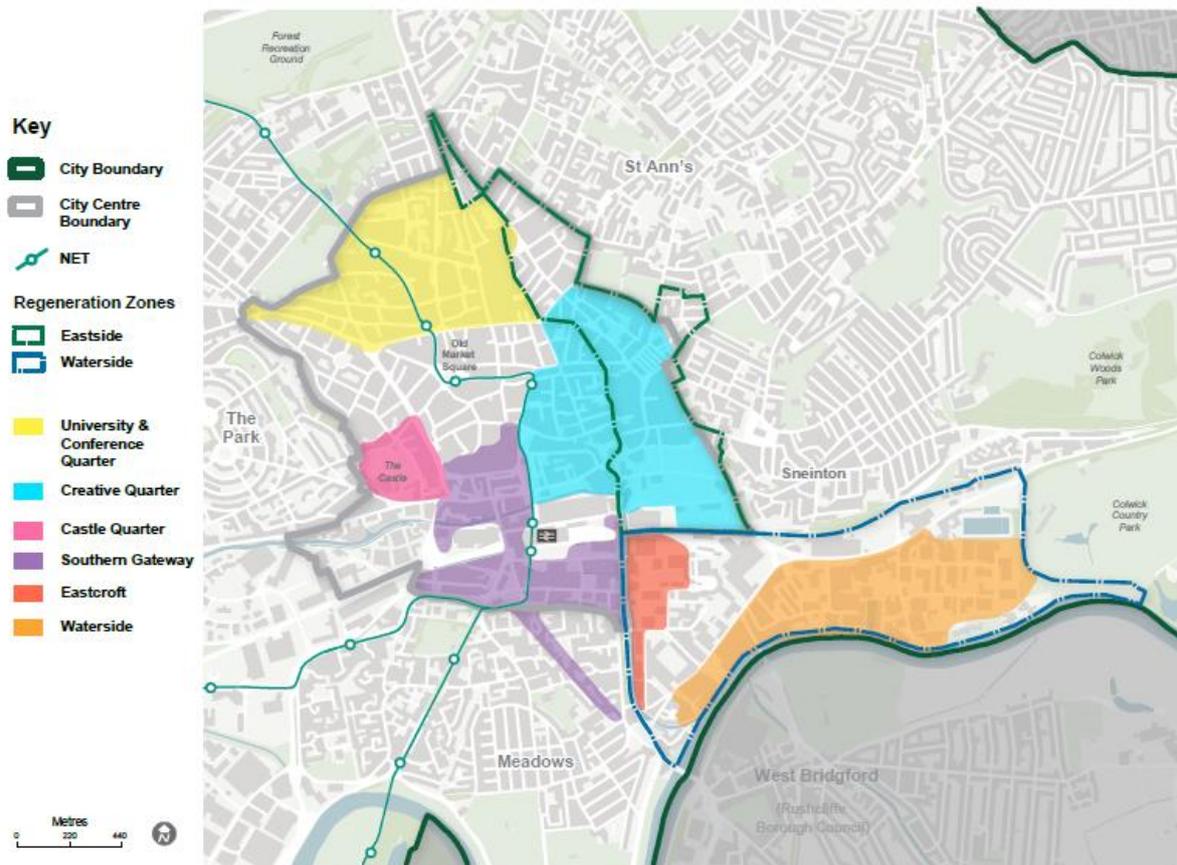
5. Spatial Content/Targeting

The EMDA RES included significant sub-regional content. The strategy described the region through the lens of sub-regions defined in the Regional Spatial Strategy that was then in preparation by East Midlands Councils (the regional planning body) concurrently with, but separate from, the RES. In general it eschewed the identification of priority areas/locations within the East Midlands. In part this may reflect the pressure, felt by EMDA staff, to be seen to treat all parts of the region equitably. It also reflected the division of labour between the regional development agency and the regional planning body – itself a function of their discrete statutory responsibilities.

In contrast to the regional strategy and the D2N2 strategy (with the exception of the Enterprise Zone), the Nottingham City strategy includes examples of quite specific spatially targeted initiatives.

³ The extent to which these sectors are defined in terms of SIC varies across the 3 strategies. The sectoral descriptors used here reflect the terms used in the published strategies.

Figure 1. City centre regeneration zones identified in the Nottingham Growth Plan



6. Conclusions

It is important not to be too categorical about the impacts of changing the spatial scale of the economic strategy process on the bases of case studies from a single region. However, this review of economic strategy making at three spatial scales within the East Midlands points to some tentative conclusions:

1. Timescales and resources devoted to the strategy development process have reduced considerably.
2. Relatedly – both the nature and extent of public consultation in the strategy development process has reduced.
3. The thematic focus of economic strategies has narrowed – largely at the expense of sustainability considerations. Economic growth defined in terms of private sector employment creation predominates.
4. The level and nature of spatial content in strategies appears to have changed significantly. It is noteworthy that the Nottingham City Growth Plan incorporates thematic elements of the

other economic strategies reviewed, but also adds significantly greater spatial planning content.

5. At lower spatial scales the character/presentation of economic strategies appear to have shifted significantly towards an 'action plan' format – including details of specific projects and programmes. The 2006 RES included priority actions, but references to specific funded programs and projects were very much the exception.

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