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**PROSPECTS AND CHALLENGES FOR CITY REGION  
DEVOLUTION IN NOTTINGHAM AND THE EAST  
MIDLANDS**

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# Prospects and Challenges for City Region Devolution in Nottingham and the East Midlands

A discussion paper prepared for the Great Nottingham Debate

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**DRAFT NOT FOR CIRCULATION**

*“Some name, then, for these city-regions, these town aggregates, is wanted. Constellations we cannot call them; conglomerations is, alas! nearer the mark at present, but it may sound unappreciative; what of “Conurbations?” That perhaps may serve as the necessary word, as an expression of this new form of population-grouping, which is already, as it were subconsciously, developing new forms of social grouping and of definite government and administration...” (Patrick Geddes 1915: 34)*

## **Introduction**

This paper will discuss the place of Nottingham in the spatial economy of the East Midlands with a view to considering the implications of current proposals to devolve greater powers to city regions in England. In so doing it will distinguish between short-term possibilities relating to enhanced coordination of functions such as transport and economic development (perhaps through establishing a Combined Authority) and longer-term moves towards city-region governance that would entail a more fundamental reorganisation of local government and require primary legislation.

The recent referendum on Scottish independence and the political reaction that it has provoked has given new impetus to the campaign to devolve greater powers to city regions in England. It may be no exaggeration to suggest that we stand on the threshold of an unprecedented ‘policy window’ (Kingdon 1995) within which the constitutional settlement between Central Government and English localities may fundamentally be redrawn. Recent months have seen the publication of a succession of documents addressing this theme emanating from a diverse array of think-tanks, learned societies

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<sup>1</sup> The views expressed in this paper are those of the author and do not represent the views of any of the organisations who have sponsored or otherwise supported the Great Nottingham Debate.

and other representative organisations<sup>2</sup>. Many of these documents make an economic case for greater devolution of powers to city regions. Alongside this economic rationale for devolution, particularly in the wake of the Scottish referendum, is found a growing political imperative: the result of a perceived need to correct the over-centralised character of the British state. In this vein David Cameron, responding to the Referendum on 20 September 2014<sup>3</sup>, identified the need to increase civic engagement if the stability of the Union is to be preserved:

*“It is also important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities”.* (David Cameron 20 September 2014)

The term ‘city region’ was first coined by Patrick Geddes in a landmark publication that sought to understand and explore the rapid urbanisation characteristic of the nineteenth century (Geddes 1915). In considering the implications of city region devolution for Nottingham, it is therefore not inappropriate to consider Nottingham’s distinctive place in the evolving spatial economy of the East Midlands.

In his classic text, Geddes described a process in which towns had expanded rapidly during the nineteenth century, merging with neighbouring settlements to create conurbations that dominated their surrounding city regions. In England his chief exemplars were Greater London, ‘Midlandton’ (Birmingham), ‘Lancaston’ (Manchester), South Riding (Sheffield), West Riding (Leeds-Bradford), and Tyne-Wear-Tees. It is noteworthy that he did not identify an emerging dominant city region in what we now know as the East Midlands (or indeed the South West and East Anglia). This view is reflected in the research of contemporary economic historians who have tended to view the spatial development of the East Midlands as atypical.

In the East Midlands it is suggested that the industrialisation and urbanisation of the eighteenth and nineteenth centuries reinforced the dominance of the historic county towns in the space-economy of the region. It was a pattern of development that contrasted markedly with that of neighbouring regions such as the West Midlands and the North West – where Birmingham and Manchester respectively became the dominant centres. This paper will explore the reasons for this apparently unusual pattern of spatial development for an English region, before considering its implications for the implementation of greater city regional devolution in Nottingham and the wider East Midlands.

### **A (very short and partial) Economic History of Nottingham**

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<sup>2</sup> See for example recent reports by IPPR North, The RSA City Growth Commission, The Centre for Cities and the Core Cities Group.

<sup>3</sup> <http://www.independent.co.uk/news/uk/scottish-independence/scottish-independence-referendum-results-read-david-camerons-speech-in-full-9742858.html>

In recent years evolutionary economic geographers have raised awareness that place-based development is, at least in part, a function of past histories (Boschma and Frenken, 2006; Martin and Sunley, 2006; Boschma, 2004; Bristow, 2005; Huggins, 2010). It is now widely appreciated that historical trajectories of development can influence the ability of local economies to weather exogenous shocks, such as the financial crisis in 2007/8 and subsequent 'Great Recession', and their ability to adapt to take advantage of new and emerging market opportunities (Martin 2005). If we are to understand the challenges and opportunities faced by a city like Nottingham in the present, it is therefore worth reflecting on its particular trajectory of development with a view to identifying both positive and negative legacies associated with this journey.

The city of Nottingham has a long history as centre of government and as market town servicing a wide rural hinterland. However, it was with the establishment of the hosiery industry after 1730 that the town emerged as a major centre of manufacturing industry (Henstock, Dunster & Wallwork in Beckett ed. 2006, p160). The physical legacy of this industrial heritage is apparent to anyone strolling through the Lace Market area of Nottingham today – although most of the old textile warehouses and factories have been put to new uses in recent years. Textiles continued to dominate the local economy but as the nineteenth century drew to a close and twentieth century advanced, there is evidence of diversification. Brewing, tobacco and coal became more significant. The development of the Nottinghamshire coalfield created a demand for labour that in turn provided a considerable stimulus to the economy of Nottingham.

Later, local economic historians have seen the decline of traditional industries linked to textiles and coal being offset by the rise of Boots, Imperial Tobacco and Raleigh as they became mainstays of the local economy in the mid Twentieth Century (Chapman in Beckett ed. 2006, p480). As the Millennium approached, the City was well on the way to becoming the more service orientated economy that we see today. The sustained decline in manufacturing employment continued (particularly in textiles related sectors and light engineering). However growth in business services, education and health was sustained and can be said largely to have compensated for the loss of manufacturing employment (in volume terms at least).

This is the trajectory that has led Nottingham to take on the form described in the accompanying benchmarking report – a City that is dominated by the service sector in general, but retains some interesting capabilities that still speak to the historic strengths of Nottingham's economy (ESRB 2014). An excellent example of this is the bio science/medical cluster that is in part a legacy of historic private sector strengths in pharmaceuticals (Boots), a product of the concentration of health related activity in the locality (the Queens Medical Centre), two large universities with relevant

research capabilities and the uniquely successful BioCity business incubation facility housed in a former Boots laboratory.

More of a cause for concern is the nature of some of the employment associated with business services in the City. As described in the accompanying benchmarking report, local employment is skewed towards lower value added segments of the sector. It is not that Nottingham does not provide higher managerial, professional and technical employment opportunities, but many of these roles are undertaken by people who commute from the suburban areas around the City or further afield. Nottingham's residents are disproportionately represented in more elementary occupations (ESRB 2014, p. 33). This in turn is reflected in lower average earnings and household disposable income.

### **Spatial and Economic Development in the East Midlands**

If we look at a contemporary map of the East Midlands, a number of features are immediately apparent. Unlike regions such as the South West or the North East, we do not see a region that is 'physically bounded' to a pronounced degree. The South West is a peninsula surrounded by sea. The North East is essentially a strip of land sandwiched between the North Sea and the Pennines. In both regions we can see a pattern of spatial development that is heavily influenced by this physical geography. The softer landscape of the East Midlands has not constrained spatial development in quite the same way – although the presence of natural resources such as coal, ironstone, limestone and water have undoubtedly been significant in shaping the spatial development of the region in other ways. One consequence of this relatively open configuration is a region that is influenced by major centres of economic activity located outside of its own boundaries – such as Sheffield in the north, Peterborough to the south east and Coventry to the south west.

Another defining characteristic is the relatively dispersed pattern of spatial development. The five historic county towns/cities of Nottingham, Leicester, Derby, Lincoln and Northampton have remained at the apex of the urban hierarchy in the region since the early Middle Ages. In this sense it is a polycentric region. The scale of these centres increased – particularly with the urbanisation of the nineteenth century. However, none of these centres came to subsume or dominate the others – certainly not to the extent that is evident in many other regions – or indeed as Geddes might have predicted.

What is it then that drove spatial development in the East Midlands down an apparently atypical path? One explanation may lie in the social and spatial organisation of production characteristic of the textiles industry that was so concentrated in the Region during and after the Industrial

Revolution. Latterly, the infrastructural requirements of moving large volumes of coal from sites of extraction to centres of consumption were also influential.

The evolution of the transport infrastructure was central to the economic development of the region in that it facilitated the emergence of spatial divisions of labour, served to integrate (to a degree) the regional space-economy and linked locations of specialised production to the markets in which the products of this industry were consumed (Raven & Stobart in Stobart & Raven ed. 2005, p. 80). This is the kind of generalised statement that can be made of many regions. If however we compare this evolution more specifically in the East and West Midlands, important differences become evident:

*“Dispersed and often domestic production of the East Midlands with its hierarchical divisions of labour encouraged and relied upon a dense, hierarchically structured transport system centred on the organisational centres of Leicester and Nottingham... In contrast, the concentrated production and detailed spatial divisions of labour seen in Birmingham and the Black Country engendered corridors of intense traffic and encouraged the early construction of navigations and canals.”* (Raven & Stobart in Stobart & Raven ed. 2005, p. 99)

In both regions we can see the transport network being both a product of and a stimulus for economic development – but the resulting spatial pattern is markedly different. The textiles industry of the East Midlands placed greater reliance on a hierarchical organisation of production (centred on Leicester and Nottingham) and made extensive use of relatively small scale domestic units in the surrounding areas to which work was ‘put out’. The result was a consolidation of the position of the historic county towns in the region:

*“...the increasing prosperity and continuing economic dominance of the county towns of Derby, Leicester and Nottingham appears to have had no parallel elsewhere in industrialising Britain.”* (Ellis in Stobart and Raven ed. 2005, p. 147)

The continued dominance of the county towns of the East Midlands in the regional space economy has had significant consequences for the pattern of development that we observe today. In essence it has left us with a morphologically polycentric region in which no single economic or population centre dominates the regional landscape – notwithstanding Nottingham’s status as the Region’s largest conurbation (Coombes et al 2005, Parr 2014). This in turn raises an interesting question as to the appropriate form of city regional governance appropriate to a region with these characteristics.

### **Polycentricity in the East Midlands**

The preceding section of this paper discussed the emergence of the East Midlands as a 'polycentric region'. It used the term in descriptively to characterise a region in which population and economic activity is dispersed to a number of significant centres. It is a term that also has a more technical or functional meaning in referring to a model of regional development in which a number of linked, but physically separate economic centres complement each other through specialising in different areas of economic activity or service provision (Parr 2004 and 2014). A key test of functional polycentricity, as defined by Parr, relates to the level of interaction evident between the centres in such a region.

Parr's definition of polycentricity (2004):

1. A region that has at least two and possibly more principal centres that are of comparable size/significance.
2. These centres are not in the same built-up area (i.e. not part of one conurbation).
3. The centres do not simply duplicate each other in the functions they provide – they evidence a specialisation of industry mix.
4. There is substantial interaction between the centres – perhaps indicated by levels of commuting and the 'inter-penetration' of their respective labour markets.<sup>4</sup>

Evidence as to how far the East Midlands fits this definition of a functionally polycentric region is somewhat mixed. Most commentators would probably accept that the East Midlands meets the first two of these criteria, but the third and fourth are more problematic (see Coombes et al 2005 for a systematic review). There is certainly some evidence that Nottingham and Derby have specialised to a degree – Derby focussing on manufacturing linked to transport while Nottingham has become more services orientated – as is demonstrated in the benchmarking report (ESRB 2014, p. 22). Whether the nature and strength of interactions between the two cities is sufficient to be regarded as an example of functional polycentricity is more debatable.

As a model of regional development, the polycentric urban region has excited interest in academic and policy circles because it would appear to offer the potential economic advantages associated with agglomeration without the disadvantages associated with congestion that are often experienced in large conurbations (Coombes et al 2005). This was the implicit and sometimes explicit

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<sup>4</sup> This is a simplified summary of Parr's approach. He also discussed degrees of separation at some length.



rationale for the identification of a 'Three Cities' sub-region in regional spatial and economic strategies prior to 2010 (EMDA 2006, EMRA 2007)<sup>5</sup>. If this potential is to be realised:

*"...polycentric development pre-supposes that connectivity between the cities and towns can reach a high level"* (Coombes et al 2005).

As an approach to regional development the polycentric model emphasises the importance of providing/planning for the kind of good infrastructure that can facilitate the development of spatial divisions of labour and complementarities between neighbouring centres. This in turn raises the fundamental question about the appropriate governance model for a region with polycentric characteristics. And if city regions are to provide the organising principle, what city region(s) should form the basis of these arrangements?

### **Boundaries and governance**

Debates about the (re)organisation of local government have a long pedigree. The current institutional framework of local government in England reflects the major reorganisation of 1974 (following the Local Government Act of 1972). In common with most of the English Core Cities (with the exception of Leeds), the 1974 reorganisation saw the boundary of Nottingham City Council tightly drawn around the core of the conurbation. As noted in the accompanying benchmarking report, in 2013 some 47.8% of the Primary Urban Area's population was accounted for by the Nottingham Unitary Authority<sup>6</sup>. This has led some to advocate an expansion of Nottingham City's administrative boundary to better reflect the built-up extent of the conurbation.

The 1974 reorganisation has been modified subsequently by a number of more or less piecemeal waves of 'unitarisation' - such as that of 1998 that established Nottingham City Council as a unitary authority. The modest voluntarist encouragement to local authorities to reconsider their boundaries following the Local Government White Paper of 2005 fits into this pattern of periodic interest in the subject. In the context of this paper, it is noteworthy as the last time that serious consideration was given to redrawing boundaries in Nottinghamshire. Discussions that at that time could not transcend the political difficulties.

At the heart of these debates lie three as yet unresolved questions about the role and spatial extent of local government that must be addressed if city region devolution is to be extended in England:

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<sup>5</sup> It is noteworthy that Coombes et al in their review of the evidence (2005) saw Leicester as a more self-contained centre, relatively independent of Nottingham and Derby.

<sup>6</sup> ESRB, NTU, Benchmarking the Economy and Labour Market of Nottingham 2014, pages 8 and 9.

- 1) To what extent should administrative boundaries reflect 'functional economic' or other areas?
- 2) What fundamentally is the role of local government (and its relationship with Whitehall) – is it an agent of central government or an autonomous authority responsible to its populace?
- 3) What is the optimal relationship (or fit) between spatial scale and functional competence to be delegated?

None has been adequately resolved and as a result, these questions have tended to resurface periodically – sometimes in the context of a royal commission or similar enquiry – as they have once again in the immediate aftermath of the Scottish Independence Referendum.

The 1974 reorganisation of local government was preceded by a royal commission on local government chaired by Lord Redcliffe-Maude that reported in 1969. The recommendations of this review were modified by the Heath Government prior to implementation. The review was notable for exploring in great detail the first of these questions. Indeed Derek Senior's often quoted dissenting memorandum went as far as advocating a radical redrawing of local government boundaries based on Travel to Work Areas as the means to aligning these boundaries to what we might now refer to as 'functional economic areas'.

Derek Senior's basic proposition has been echoed in more recent policy on local and regional economic development. At the heart of both New Labour<sup>7</sup> and Coalition Government<sup>8</sup> policy on local and regional economic development is an apparently 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 on what are the functional economic geographies that matter diverged considerably. Given the prominence of this proposition in recent policy discourse on economic development/local growth, it is perhaps surprising to find that as recently as 2011 Experian were able to conclude that:

*"There is no substantial evidence on the links between different governance arrangements and economic outcomes."*<sup>9</sup>

If the first question about the optimal scale of local government was most exhaustively explored as part of Redcliffe-Maude's deliberations, the second was posed most directly by the Layfield Report of 1976 following a major enquiry into local government finances. Layfield identified a fundamental

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<sup>7</sup> The Sub-national Review of Economic Development and Regeneration (HMT, 2007) arguably represents the clearest articulation of this proposition under New Labour.

<sup>8</sup> HM Government (2010b) *Local growth: realising every place's potential*, London: HMSO.

<sup>9</sup> Experian (2011) for CLG – *Updating the evidence base on English cities*.

choice to be made by central government about the role of local government. Identifying a growing reliance of local government on centrally allocated funds rather than locally raised taxes, Layfield felt that this risked undermining the local accountability of local government. He therefore suggested that:

*“National government had to choose between a continuing drift towards further centralisation or a reaffirmation of local responsibility by providing local government with a more extensive and robust tax base.... to create the conditions for local choice and local democracy by ensuring that local politicians have to raise the money to pay for their decisions about policy choices and service levels.”*

(Stoker and Travers, JRF, 2001)

The third question noted above concerns the relationship between function and geographic scale. The recent policy discourse of devolution in England has been dominated by the related concepts of localism and city regionalism. It has also been framed by a general concern about the excessive centralism characteristic of the British state. Since the abolition of the regional tier in England after the 2010 general election, the regional scale has faded from the debate. Indeed, the absence of an intermediate tier of government, has given this debate an oddly polarised character. Irrespective of the policy domain or service under consideration, the structural options for governance/management would now seem to be local or national.

This has led Professor Graham Pearce to conclude that in England the lack of an intermediate tier of governance is hard to justify. His view is that there are strategic policy concerns that transcend the capacity of individual local authorities to deal with them.<sup>10</sup> What then are the ‘strategic policy concerns that transcend the capacity of local authorities’? In general these are likely to relate to policy domains for which the relevant spatial scale is larger than the coverage of individual local authorities, but smaller than the national scale. Transport, utilities, economic development, some aspects of skills/innovation policy could all be seen as candidates. These tend to be characterised by significant scale (and capital requirements) to support investment, or obvious benefits associated with economies of scale/efficiencies of administration, and/or the need to plan in order to meet the needs of large/multiple areas. It is not coincidental that these policy domains have been the focus of the developing Combined Authorities in Manchester and the North. Hooghe et al (2010) make a very similar point:

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<sup>10</sup> Graham Pearce, Emeritus Professor of Political Science at Aston University, Policy and Politics Journal Blog, October 2014.

*“Functional pressures arise because some collective problems (such as town planning or fire protection) are best handled at a population scale of tens of thousands, some (such as secondary education or hospitals) are best dealt with at a scale of hundreds of thousands, others (such as tourism promotion or transport infrastructure) at a scale of millions, while yet other problems require jurisdictions that are vastly larger”.*

Even before the abolition of the regional tier following the 2010 general election, Hooghe et al (2010) in their major comparative study of the nature and extent regional devolution in 42 nations noted the modest extent of devolution to the then UK regions. In their survey, 2 tiers of regional government emerged as the most common configuration. Other commentators have also highlighted the extreme centralisation characteristic of the UK. Furthermore, this became a major theme in the debates surrounding the recent Scottish Independence Referendum as is evidenced by David Cameron’s quote cited above.

If we compare ourselves to other states in Northern Europe – we have a polarised governance structure – with national and local tiers but not much in between. If we look across the North Sea to the Netherlands, which is an interesting analogue as a densely populated country with many urban centres in close proximity, we see a much more highly developed approach to multi-level governance. Similarly, Germany has no fewer than three regional tiers of government. It may be that the institutional context of multi-level government in these countries makes it easier to achieve a pragmatic ‘fit’ between functional competence and spatial scale.

The next section will consider prospects for city region devolution in Nottingham and the East Midlands in the light of Manchester’s recent experience and the emerging policy positions Labour and the Conservatives as we approach the next general election.

### **City Regional Devolution in Nottingham and the East Midlands**

Manchester has long been at the centre of debates about the appropriate level of devolution to local government in general and city regions in particular. In recent years this has been a consequence of the creation of the ground breaking Greater Manchester Combined Authority (GMCA) in 2011 and now the Greater Manchester Agreement published on 3 November 2014<sup>11</sup>. The GMCA brings together the 10 metropolitan boroughs comprising the Greater Manchester area<sup>12</sup>. Crucially, all 10 of these authorities are unitary authorities and therefore have identical powers and functions. They

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<sup>11</sup> HMT and GMCA (2014) Greater Manchester Agreement: devolution to the GMCA and transition to a directly elected mayor.

<sup>12</sup> Manchester, Stockport, Salford, Tameside, Trafford, Wigan, Bolton, Bury, Rochdale and Oldham.

also have an extensive history of joint working at this spatial scale. Therein lays one of the most obvious differences between Manchester and Nottingham. Nottingham is a tightly bounded unitary authority surrounded by two tier local government in the County. Negotiating the political complexity associated with this structure proved insurmountable in 2005/6. There are signs, particularly in the wake of 4 years of public sector austerity that has weighed heavily on the local government sector, that this political complexity is no longer insurmountable.

The substance of the Greater Manchester Agreement<sup>13</sup> has also provided a tantalising glimpse of the potentialities associated with moves in this direction. As originally constituted, the GMCA subsumed the responsibilities of the pre-existing Integrated Transport Authority and the Passenger Transport Executive. The constituent councils also transferred their economic development functions, the Commission for the New Economy (economic research) and responsibility for inward investment promotion to the Combined Authority. To these responsibilities, the Manchester Agreement has added: the requirement to establish a directly elected Mayor to lead the GMCA and implement a comprehensive programme of evaluation; a consolidated multi-annual transport budget; greater transport responsibilities including bus franchising, stations and ‘smart ticketing’ on the model of the Oyster Card; a ten year housing investment fund (£300million); powers to develop a statutory spatial strategy – that could be seen as a return to regional planning; devolved business support budgets from BIS and UKTI covering the Growth Accelerator, Manufacturing Advice Service and Export Advice; responsibility for Further Education and Apprenticeship Grants to Employers; joint commissioning of the Work Programme (with DWP); and integrated planning of social care and health.

The emphasis on transport planning and provision, infrastructure, skills and business support and economic development is clear. The evident shift towards multi-annual budgets for key aspects of transport and housing is also noteworthy. Could Nottingham take on these responsibilities and how might this work in the context of a polycentric East Midlands? The Manchester Agreement is explicit in stating that:

*“Strengthened governance is an essential pre-requisite to any further devolution of powers to any city region.”*<sup>14</sup>

Clearly this is a key challenge for any Combined Authority/city region seeking to follow Manchester’s lead. A further consideration, in light of the economic geography of the East Midlands and the

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<sup>13</sup> Greater Manchester Agreement and House of Commons Library Note on Devolution to local government in England, 19 November 2014.

<sup>14</sup> Op cit HMT & GMCA 2014.

evident emphasis on transport in the devolution debate, is how devolution of these powers would work in a region like the East Midlands. Perhaps the single most important insight to take from the available research on polycentric regional development (see for example Parr 2004, Coombes et al 2005) is the importance of intra-regional connectivity.

Nottingham stands out as a city that is benefiting from a number of extremely significant transport infrastructure projects. Some are complete, others are underway or planned: the NET (tram) extension; the long awaited improvements to the A453; redevelopment of the station as a multi-modal hub; Midland Mainline electrification; and the planned High Speed 2 line with a hub at Toton. That a number of these projects have been realised in a climate of public sector austerity represents a major achievement for the City. How best to build on this success by maximising intra-regional (as well as inter-regional) connectivity in the future, will constitute a significant challenge for any future authorities in the East Midlands to which these kinds of functional responsibilities are devolved.

In legislative terms, we can regard greater local devolution in England as a project shared by both Gordon Brown's Labour Government and the present Coalition Government. The key enabling legislation was the Local Democracy, Economic Development and Construction Act 2009 and the Localism Act of 2011. If the Greater Manchester Agreement represents the clearest statement of Coalition policy on this issue, the Labour Party's clearest statement of policy was set out in a letter from Hilary Benn M.P. to local authorities on 25 August 2014<sup>15</sup> (and subsequently reiterated at the Labour Party Conference in September). The big headline was the stated plan to devolve £30billion to local authorities, Combined Authorities and Local Enterprise Partnerships over a five year period (presumably the life of the next Parliament). He also set out plans to devolve business rate income to combined authorities; create a single commissioning budget for health and social care; give local authorities responsibility for further education funding; and involve local authorities in the commissioning of the Work Programme.

The evident similarities between the policies of the current Coalition Government and the Labour Party, should provide a degree of confidence that irrespective of the outcome of the next general election, investment now in the creation of suitable local governance arrangements will pay dividends after the election.

### **Conclusions – Where next for Nottingham and the East Midlands?**

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<sup>15</sup> <http://press.labour.org.uk/post/97288906664/hilary-benns-letter-to-local-authority-leaders-from>

The case of Malmo<sup>16</sup> highlighted in the benchmarking report is instructive. A number of commentators have attributed its apparent turnaround to a high degree of local autonomy (over finances and policy) coupled with the single minded pursuit of an economic strategy born out of the trauma of sudden and massive de-industrialisation. It is important not to make too much of a single interesting case. It is also clear that the reinvention of Malmo is very much a work in progress. Nevertheless the Malmo experience suggests that it is possible to execute a step change in the economic development trajectory of an area facing deep seated structural challenges. It also points to some of the ingredients necessary to effect such a change. Nottingham aspires to effect a similar step change. The question is how? And, what role could city regional devolution play in facilitating this process?

In light of the policy context reviewed above, the creation of a Combined Authority would seem to be a necessary first step. Indeed this must be regarded as a prerequisite if Nottingham and the surrounding County are to position themselves to take advantage of the new delegated powers and budgets that both Labour and the Coalition have offered. It is heartening that discussions intended to achieve this are underway between local authorities in Nottinghamshire.

However, the character of the spatial economy and political landscape of the East Midlands presents some particular challenges for the implementation of city regional devolution. It is clear that any moves towards city regional devolution will need to be implemented in a way that is sensitive to this particular spatial and political context. The choice would seem to be between a governance structure comprised of a number of relatively small city regions based on the historic county towns/cities of the Region; or a structure that combines them in an entity encompassing more than one centre – as has been tried already in the form of the D2N2 local enterprise partnership. Greater clarity is also required on the relationship between functional competence and geographic scale – i.e. at what spatial scale is it appropriate to discharge specific functions. The Manchester experience provides some pointers as to the functions most likely to be devolved to this spatial scale in the near future.

In the longer term, we may have a more challenging issue to confront. For city regional devolution to be implemented in ‘pure’ form, Government will have to revisit the legislative basis of Combined Authorities. There is a clear tension between any notion of aligning ‘functional economic geography’ and the strictures of the enabling legislation which currently prohibits the establishment of Combined Authorities that cover only parts of existing local authorities. We may need to return to

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<sup>16</sup> ESRB, NTU, Benchmarking the Economy and Labour Market of Nottingham 2014, page 50.

something close to the radical vision of Derek Senior if we are to realise the aspiration to fit administrative to functional economic geographies. This would require a wholesale reorganisation of local government on a scale for which few contemporary politicians would seem to have appetite. It would also beg the question: what do we do with those parts of the country that don't obviously form part of an identifiable city region?



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