Exploring the use of Spatial Concepts in the Planning and Development of the North West of England

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Contents

Abstract

This research explores the use of spatial concepts in sub-national land-use planning and economic development policy, and in the governance of these, by examining the application of policy from local, regional, national and European levels of government over the course of three decades. The research seeks to investigate how, and to what extent, spatial concepts have entered sub-national planning and development policy in order to better understand the ways in which policy has been able to account for the increased spatial complexity of contemporary social and economic life.

The prospects of cities and regions have been dramatically altered by increasing economic globalisation, leading to a shift in understandings of urban and regional growth towards models and explanations that incorporate spatial concepts. These global scale changes are affecting patterns of economic and social activity in cities and regions in such a way as to alter the roles of, and relationships between, territories and places. Policy-makers thus face challenges relating to the nature of economic development interventions under shifting interpretations of distance, the problem of coordinating different policy areas towards shared territorial aims and the difficulty of managing spatial development processes that transcend administrative boundaries.

Using as a case study region the North West of England, the thesis addresses these concerns by exploration of the roles played by a range of organisations lodged at a number of governmental scales and of the strategies used by these towards the achievement of planning and development aims. The thesis concludes that the integration of spatial concepts into the planning and development of the case study region is a process strongly mediated by political and other institutional agencies active there. The nature of spatial development policy is subject to the negotiated processes of the governance arena and the form taken by spatial strategies reflects the interaction of contemporary strategies with inherited and existing plans, strategies and spatial visions. It is suggested that the extent to which spatial development policy can address the spatial complexity of economic and social life in contemporary regions may be dependent upon the ability of policy-makers to engage in innovative and expedient solutions to spatial problems that span administrative boundaries and policy remits.

Acknowledgements

Acronyms and Abbreviations

AGMA	Association of Greater Manchester Authorities
CAF	Corporación Andina de Fomento
CAP	Common Agricultural Policy
CBI	Confederation of British Industry
CLCR	Central Lancashire City Region
CLLD	Community-Led Local Development
COR	Committee of the Regions
CSF	Community Strategic Framework
DCLG	Department for Communities and Local Government
DEA	Department of Economic Affairs
DETR	Department of Environment, Transport and the Regions
DoE	Department of the Environment
DTI	Department of Trade and Industry
EAGGF	European Agricultural Guidance and Guarantee Fund
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESDP	European Spatial Development Perspective
ESF	European Social Fund
ESPON	European Observation Network, Territorial Development and Cohesion
EUSF	European Union Structural Funds
FDI	Foreign Direct Investment
GCR	Global City Region
GDP	Gross Domestic Product

GOM	Government Office for Merseyside
GONW	Government Office for the North West
GOR	Government Office for the Region
GVA	Gross Value Added
HEI	Higher Education Institute
IDO	Integrated Development Operation
IMP	Integrated Mediterranean Programme
INWARD	Invest North West Agency for Regional Development
ITI	Integrated Territorial Investment
LALB	Local Authority Leaders' Board
LEP	Local Enterprise Partnership
MCC	Merseyside County Council
MDC	Merseyside Development Corporation
MELU	Merseyside European Liaison Unit
MIDO	Merseyside Integrated Development Operation
MPU	Merseyside Policy Unit
MSIF	Merseyside Special Investment Fund
MTF	Merseyside Task Force
NGO	Non-Governmental Organisation
NUTS	Nomenclature of Territorial Units for Statistics (from the French Nomenclature d'Unité Territoriales Statistiqes)
NWBLT	North West Business Leadership Team
NWDA	North West Development Agency
NWOP	North West Operational Programme
NWP	North West Partnership
NWRA	North West Regional Assembly

NWRAss   North West Regional Association

ODPM   Office of the Deputy Prime Minister

OP   Operational Programme

PMC   Programme Monitoring Committee

PUR   Polycentric Urban Region

QUANGO   Quasi-Autonomous Non-Governmental Organisation

RA   Regional Assembly

RCE   Regional Competitiveness and Employment

RDA   Regional Development Agency

RES   Regional Economic Strategy

RPB   Regional Planning Body

RPG   Regional Planning Guidance

RSS   Regional Spatial Strategy

RTPI   Royal Town Planning Institute

SEM   Single European Market

SME   Small and Medium Enterprises

SNR   Sub-National Review

SPD   Single Programming Document

SPG   Strategic Planning Guidance

SRB   Single Regeneration Budget

SRS   Single Regional Strategy

TCPA   Town and Country Planning Association

TEC   Training and Enterprise Council

TMP   The Mersey Partnership

TUC   Trades Union Congress

UDC   Urban Development Corporation

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Introduction

1.1   Introducing the Research

The inexorable integration of local and regional economies into global trade and capital flows has brought with it an increasing focus on the role of spatial concepts in the governance of sub-national areas and in the land-use planning and economic development policy used in these. A wide range of changes have taken place at a wide variety of scales and with an equally great variety of spatial implications for planning and development. The economic role of regions has changed following the challenges posed to the national scale by economic globalisation; the relationship between regions and the national state has changed as a consequence of this; multiple levels of government have become involved in spatial development issues; multiple policy communities and interest groups have also become involved, including private interests and investment; and transport and information technologies have caused daily activity and communication patterns to alter, resulting in changes to how people use and conceive of places and spaces.

In order to meet these challenges, those engaged in the governance of planning and development have sought to better understand the relationships between economic activities and places; to forge relations across policy fields and across territorial boundaries; to explore the links between places and activities; to understand the relationships between places; to comprehend which activities are best regulated at which scales; and to tailor policy to particular places. This wide array of responses has not been integrated wholesale into planning and development policy but, rather, can be observed with gradually increasing intensity over time, following the growing decentralisation of policy to sub-national scales in many European countries, the increasing use of spatially defined interventions in the European Structural Funds and the mounting penetration of network conceptions of activity into policy that has traditionally been exercised within bounded territories.

Yet no single and all-encompassing answer can be generated in order to address these multifarious and overlapping challenges across a range of cases. Instead, policy makers, politicians, administrators, technicians and actors within the governance arena attempt to locate the most appropriate solution for particular places at particular times. This process-based understanding of strategy-making in particular institutional contexts is informed by a range of external influences. These encompass: theory addressing the role of spatial concepts in the development process; policy

written at other scales of governance; demographic changes; long-term lifestyle trends; changes in material wealth; and shifts in the nature of economic activity and work.

The use of spatial concepts in planning and development policy is not confined to particular aspects of planning and development, nor are only particular spatial concepts used. Thus, while separate literatures address issues of state rescaling (e.g. Cox, 1998; Jessop, 2002; Brenner, 2004), spatial planning (e.g. Healey et al, 1999; Graham and Healey, 1999; Albrechts, 2004) and place-based development (e.g. Barca, 2009; Bachtler, 2010), at the centre of these distinct research fields is a concern for the spatial characteristics, whether static or dynamic, of the objects of policy, articulated by use of spatial concepts such as territory, scale, place and network.

The main hypothesis of this research is that there has been an increasing use of spatial concepts in sub-national planning and development policy, together with their governance, that have been incorporated from various policy spheres in various levels of government and that have been unevenly incorporated across cases, their incorporation being subject to the negotiated processes of the governance arena. While research has addressed the use of particular spatial concepts in particular policy areas, as outlined above, it is argued that approaches that conceive of planning and development as a singular endeavour, applying policy from a variety of levels of government that is informed by multiple spatial concepts, are lacking. It is the role of this thesis to address this shortage.

1.2   Spatial Development and Territorial Governance

This section briefly describes developments in research and policy that, together, provide the basis for the analysis undertaken in this thesis. These developments outline the shift in understandings of how spatial concepts influence patterns of economic and social activity and how planning and development policy has sought to make use of spatial concepts. First, research that has introduced non-territorial approaches to the study of cities and regions, incorporating networks of flows into what has traditionally been a field of inquiry based on enclosed territorial units, is addressed. This sub-section ends by relating recent calls for research and strategy-making that conceive of their subjects within a multidimensional spatial framework. Second, the notion of territorial governance is introduced, as a field of research with practical implications for planning and development policy that addresses the challenge of accounting for the spatial complexity of contemporary economic and social processes within spatial plans and strategies. In summarising these fields, it is intended to

provide a brief foundation in both theory- and policy-based research that informs the analysis that follows.

1.2.1   From Territories and Places to Networks and Flows: Polymorphic Approaches to Socio-Spatial Theory

The primacy of the region as a scale of economic activity and political organisation has been asserted as a consequence of the effects of economic globalisation on the ability of governments to regulate economic activity over the national space, with some authors heralding an era in which the region forms the principal geographical unit of the globalised economy (e.g. Storper, 1995; Florida, 1995). That it is the relationship between scales - the local and the global - that has brought about this rescaling of the economy and the state is instructive, as it points to the difficulties in the privileging of particular scales as contained units in research and policy (Cox, 2013). The simultaneous operation and coordination of multiple scales is addressed in 'the politics of scale', in which local bodies bypass parts of the scalar hierarchy in order to reach more powerful scales (ibid), and in multi-level governance, in which scalar hierarchies are jettisoned as powers are redistributed among a variety of scales (Marks, 1993). Yet these concepts maintain as their basis the assumption that discrete territories exist within which economic, social and political processes are largely bound.

Disputing what Painter (2008) terms 'cartographic anxiety', by which is meant the inclination among researchers to conceive of regions as bounded and integrated units in spite of evidence to the contrary, a number of authors have contended that the trend towards economic globalisation, together with developments in information communications technology – both of which have, in some quarters, been seen as having elevated the status of the region as a territorial unit – are in fact usurping the territorial altogether by situating cities as nodes within global networks across which move flows of capital, labour and information (Allen et al, 1998; Allen and Cochrane, 2007; Amin, 2002; 2004). These global networks constrain the ability of governmental agencies to influence development by intervening within their territories, rendering as their best course of action the positioning of territories as nodes within networks. The exercise of nodal power thus usurps that of territorial power (Amin, 2004). In this analysis, the experience of place will remain a material one to some extent, though it may just as well be a mental construct that is the product of individual and collective identities (Healey, 2004). As such, scale and extent are of little or no value in the relational conception, and relations can just as easily exist at the global level as at the local.

This 'relational geography' has important consequences for policy that aims to grow local and regional economies through the institutionalisation of particular scales, as fixed territorial units are regarded as unable to adequately address the network characteristics of contemporary social and economic processes. As Thrift (2004: 59), cited in Jones (2010), notes: '[s]pace is no longer seen as a nested hierarchy moving from "global" to "local". This absurd scale-dependent notion is replaced by the notion that what counts is connectivity'.

The relational approach finds antecedents in writing motivated by advances in communications and transport technologies that have been seen to have permitted changes in the organisation of urban life and in the organisation of capitalism. Wurster (1963: 73) remarked, of the altered urban pattern resulting from the changing nature of the economic and technological factors acting on the city, that these 'modern metropolitan trends have destroyed the traditional concept of urban structure, and there is no new image to take its place'. Following Webber (1963; 1964), this point might be expanded upon to say that there cannot, and neither should there, be a new image of the city to replace one that was, by the 1960s, already in the process of being outgrown by contemporary urban trends. Webber questions not only whether the traditional image of the city is an enduring one, but also whether our very notion of the physical city can endure the challenges posed to it by globalisation, tertiarisation, the increasing value placed on information and rapid advances in transport technologies.

According to Webber (1963; 1964) while we are naturally predisposed to see the city as either an artefact of buildings, roads and rail, a concentration of people, or a set of institutions or systems of governance, in fact such definitions and distinctions that centre around a conception of place are arbitrary. Rather, the visual symbols of urbanisation, as alluded to by Wurster (1963), are irrelevant in the face of urban change and the inclination to characterise as 'urban chaos' those places whose form does not match traditional notions of the city and of what constitutes urban order (Webber, 1963) is erroneous. It is posited that such settlements instead signify a newly emerging order characterised by complexity and diversity. While Webber (1963; 1964) and Wurster (1963) refer specifically to the city, their comments are also of relevance to the region.

If particular arrangements of land use and built form are no longer what characterise the city, how else might it be seen? Webber's (ibid) contention is that what is traditionally seen as being characteristic of the urban settlement is derived from social and economic structures that are no longer those most prevalent in the contemporary city. He thus suggests that the spatial aspects of the city should be seen as being coterminous with, and defined by the processes of, the urban society of today, in which space is distinguished from place and where interaction, rather than the

static notion of land-use, is the concept most worthy of attention. Hence, urban planning is not an attempt to reach a pre-defined end-state of built form but a continuous process of accommodating change in the spatial environment resulting from change in the social environment. This involves a conception of the city that eschews an emphasis on land and the static arrangements of buildings upon it and embraces the relationship between form and process, in order to understand the city as 'a social process operating in space' (Webber, 1964: 93) or a 'dynamic social system in action' (ibid: 92).

Webber (ibid: 147) puts forward that 'it is interaction, not place, that is the essence of the city and of city life' and sees the urban settlement as the population agglomeration that results from, and itself fosters, the specialisation of occupations and interests that is the essential quality of urbanism and that makes individuals dependent upon others. This dependency is expressed as information exchange, either by face-to-face communication, written or electronic means, exchange of money, or exchange of goods and services, and might be interpreted to encompass the agglomeration externalities that are seen as behind the trend towards productivity increasing in proportion with city size (McCann, 2001). Informed by this analysis, the role of metropolitan planning is to address local physical, economic and social conditions in order to best facilitate the non place-bound interactions of its firms and individuals (Webber, 1964), in a task similar to Amin's (2004) proposal for governance agencies to position their territories as nodes within networks.

Castells (1989) concurs on the heightened role of information in the post-industrial economy, noting that economies, and therefore the cities and regions in which economies are rooted, are subject to simultaneous forces of centralisation and decentralisation, in a process where neither is dominant. Castells (ibid: 142) observes a 'shift ... away from the centrality of the organisational unit to the network of information and decision. In other words, flows, rather than organisations, become the units of work, decision and output accounting'. These flows facilitate the spatial division of high-level decision-making, which is increasingly centralised, and organisational management, service delivery, and customised information retrieval and delivery, which are increasingly decentralised.

Castells (ibid) surmises that a 'space of flows' has emerged in firms within the information-based economy that has surpassed the 'space of places' that was previously the dominant determining spatial factor in the organisation of firms. Thus, while the working parts of firms are necessarily bound to places, by ties relating to product markets, skills and various agglomerative factors that serve to maintain the dominance of a limited number of metropolitan centres, the logic by which they are organised is not. This is because they are fundamentally dependent upon flows of information that are themselves without any locational ties. It is this 'space of flows' to which

relational geographers refer in making the case that, if decision-making in firms is based on their position within spatially extensive networks of social relations, then the reification of the regional scale in the scalar hierarchy of the state is counter-productive.

Beyond antagonistic conceptions of space and society that privilege either territories or network is an understanding of regions as dynamic social constructs emergent from political struggle (Paasi, 1986). In this interpretation, regions are not fixed and exclusive entities yet retain a degree of integration and internal coherence. Similarly, research on state rescaling conceives of regions, alongside other scales, as being constructed politically (MacLeod and Jones, 2001; 2007; Harrison, 2010), or as 'a confluence of powerful intellectual, social, economic and political forces' (Harrison, ibid: 26). The focus of much of the empirical work conducted under this theme has sought to uncover the processes by which state scales have been constructed by the interaction of these multiple interacting strands, noting that 'actually existing regions are a product of a struggle and a tension between territorialising and deterritorialising processes' (Varró and Langedijk, 2013: 21) as social relations are embedded and disembedded in places and territories.

Brenner (2009) points out the important role played by territorial regulatory frameworks and physical infrastructure in facilitating the circulation of capital and labour that constitutes the spaces of flows, thereby noting the dependence of networks upon territories. While networks of exchange do not map easily onto state spaces, the state is engaged in the reconfiguration of its territorial organisation in order to address this problem (ibid). Attempts to rescale the activities of the state around city regions in England have been seen as a response to this (Harrison, 2010; 2012).

Accordingly, a number of researchers have proposed that a binary distinction of territorial and relational approaches to the study of regions fails to adequately explain the spatial functioning of economic, social and political processes (MacLeod and Jones, 2007; Jessop et al, 2008; Jones, 2009; Harrison and Growe, 2012; Harrison, 2013a). In the terms of economic geography the globe-spanning space of flows is counterpointed by the tendency towards agglomeration, while in terms of political geography the need to carve out spaces on the map to determine political jurisdictions means that (relatively) fixed territories retain their importance (Faludi, 2013b). MacLeod and Jones (2007) relate how, in the case of the South West of England, actor networks have engaged in political struggle over the demarcation of regional entities, proposing that the question of whether to view regions as territorial and scalar or topological and networked might be best answered by ex post empirical investigation rather than ex ante theorisation.

Jessop et al (2008) make the case that attempts to understand sociospatial relations through the application of a single spatial concept are inherently flawed, as it is the 'mutually constituted and relationally intertwined' (ibid: 389) interaction of multiple spatial dimensions that determines the pattern of sociospatial relations at any given time. In order to avoid the problem of assigning exaggerated explanatory power to a particular spatial concept, as Jessop et al (ibid) attest has occurred in the case of the four spatial dimensions of territory, place, scale and network at various times, it is proposed that future research ought to '[explore] the mutually constitutive relations among those categories and their respective empirical objects' (ibid: 391). This entreaty to engage with the spatial basis of economic, social and political life in a multidimensional way that draws from a variety of theoretical and empirical sources is taken as the starting point of this thesis. The following sub-section explores the response, in terms of the governance of planning and development, to the issues raised here.

1.2.2 Territorial Governance

While governance is always related to a particular territory, the term 'territorial governance' has been used to signify a concern with the importance of territorially- or place-based factors in governance and with the need to integrate diverse sectoral concerns within a territory (ESPON, 2011; Schmitt et al, 2013). Janin Rivolin (2010) regards territorial governance as encompassing the complex process of interactions, including both vertical and horizontal coordination, between actors towards the end of territorial development, as conditioned by spatial planning systems. The incorporation of elements of spatial planning and place-based development signal the process by which the notion of territorial governance has been arrived at. Territorial governance is frequently invoked in the context of territorial cohesion, itself a concept whose definition is disputed (e.g. Waterhout, 2008; Evers, 2012; Faludi, 2013a). Janin Rivolin's (2010) assertion that territorial governance is a prerequisite for the achievement of territorial cohesion, alongside the case made by Davoudi et al (2008) that it is a way of developing territorial capital, itself linked to the concept of territorial cohesion, point to the origins of territorial governance in the European spatial planning and territorial cohesion narrative.

The meaning of territorial cohesion is widely disputed (Faludi, 2005; Zonneveld and Waterhout, 2005; Mirwaldt et al, 2008; Camagni, 2010) but must be somewhere beyond a simple guarantee of equity between regions and balanced growth across the European territory, as these are already covered by the existing aim of economic and social cohesion. Territorial cohesion has evolved as a

concept through numerous meetings and documents within the European Commission, culminating in the recent Territorial Agenda 2020 (TA 2020) (Hungarian Presidency, 2011), spelling out the present issues facing territorial growth in the European Union, priorities for territorial development, and proposed methods for governance and implementation for territorial cohesion. Faludi (2012) has suggested that territorial cohesion essentially represents a relabeling of spatial planning, as understood in the European Spatial Development Perspective (ESDP).

Territorial cohesion echoes the ESDP in seeking to achieve a Europe of harmonious, balanced, efficient, and sustainable territorial development (CEC, 1999; Hungarian Presidency, 2011). Yet it is not yet clear how this differs from the achievement of overall harmonious development and a reduction in disparities in development across the European territory, as economic and social cohesion are defined as realising in Article 158 of the EC Treaty (EU, 2008). As an objective, then, territorial cohesion may not fully differentiate itself from economic and social cohesion, but as a method, with an emphasis on accounting for the spatial impacts of policy and on tailoring development opportunities to the specificities of an area, it expresses something better defined, conveying conceptions of regional development, such as place-based development (Barca, 2009; Bachtler, 2010; Farole et al, 2011) and spatial planning, that have been influential across Europe and elsewhere.

The concepts of territorial cohesion and territorial governance to a great extent continue the work of the ESDP, in seeking to fill the strategic deficit in the management and development of territory. They aim to do this by providing strategic orientations for territorial development, coordinating a variety of sectoral policies both in order to achieve this and to increase their success on their own terms, and by using a place-based approach to development that unleashes the potential of places using territorial capital (a concept used to describe the combination of social, human or physical capital that is intrinsic to a place and that, to an extent, determines the possibilities for growth that exist there (see OECD, 2001) in a method based on horizontal integration and multi-level governance, though these are not specific to territorial governance.

Relevant to the incorporation of multi-level governance as a facet of territorial governance is Hooghe and Marks' (2003) distinction of the former into Type I and Type II. In this, Type I refers to governance that is applied within bounded territories such that the concerns of a particular territorial unit are encompassed within a geographically matching unit of governance, whereas Type II is framed around particular policy issues or problems whose spatial effects may not coincide with territorially defined units of administration or government. The concern in territorial cohesion and territorial governance for functional regions and for the spatial processes that may transcend

boundaries, inherited from the attention granted in the ESDP to non-territorial spatial metaphors such as 'gateways' and 'corridors', is salient here.

Faludi (2013a; 2013b) argues that the task of achieving territorial cohesion is dependent upon reaching an understanding of territory – something that he regards as being, so far, elusive – that does not conceive of it as a 'container' for economic and social processes but rather recognises the negotiated processes by which territories are defined and the need for policy that addresses the dynamic nature of these. Similarly, Waterhout et al (2009), in common with Friedmann (1993) and Healey (2007), posit that planning, traditionally understood as a way of regulating land-uses within a particular bounded scale, is unfit to cope with the challenges posed by the spatial complexity of contemporary society.

A widely accepted definition of territorial governance is yet to be fully reached but, as Stead (2014), following Davoudi et al (2008), points out, the notion of territorial governance as concerned with the management of territorial dynamics, or spatial development, is a useful basis from which to begin, as this adequately captures the concerns of the narratives of spatial planning and territorial cohesion that have fed into the debate. This preliminary definition can also be understood as an attempt to configure policy around the growing recognition that contemporary issues and problems in spatial development cannot be effectively addressed without first addressing the nature of planning and development policy.

Taking this difference between territorial governance and governance more generally as a starting point, the ways in which territorial governance is practiced appear to differ from 'ordinary' governance in two respects. First, while governance is concerned with the transformation of a plurality of interests into coordinated action through the vertical and horizontal coordination of public and private actors and agencies (Kohler-Koch, 1999; Hooghe and Marks, 2003; ESPON, 2011), the more specific object of territorial governance is the increasingly complex nature of the governance of spatial development. This includes not only land-use planning and economic development strategies but the multiple plans and strategies with implications for the spatial development of an area. Thus, while governance must align interests and reach consensus as to the wider functioning of the region, territorial governance must do the same towards the specific objective of achieving an acceptable form of spatial development. This involves the integration of multiple strategies and plans, as well as the more conventional coordination of interests.

Second, territorial governance may use the strategy-making tools of spatial planning. While the tools of land-use zoning and area designation that are found in planning documents, as traditionally

conceived, address physical – or 'hard' – development in a static sense, more flexible tools such as spatial visions and strategies use visual aids to express dynamic understandings of both 'hard' and 'soft' spatial development. The latter refers to public interventions in, for instance, skills and business support that have spatial implications yet do not readily manifest themselves in a physical way. The concern of territorial governance to coordinate distinct sectoral policies is encompassed in this. Spatial strategies use visual representation of spatial processes to illustrate dynamic change and to indicate strategic direction in a way that is consensus-building rather than deterministic, and that therefore facilitates cooperation and coordination. By maintaining a non-binding status, spatial visions can articulate policy along patterns formed by spatial processes rather than administrative boundaries.

1.3   The Structure of the Thesis

The integration of spatial concepts into theory on planning and development, and the resultant effects of this in policy, has been a gradual process in which particular spatial concepts have been integrated during particular eras, responding to the influence of particular prevalent theories and policy regimes. Following this, the thesis structures its analysis of the application of spatial concepts in the planning and development policy of the North West by associating particular themes in spatial development with particular eras of policy-making.

Accounts of state rescaling that organise state spatial forms into distinct periods have been used in order to associate periods of capitalist development with distinct scalar narratives (Brenner, 2009). Brenner (2004) makes the case that stark changes in the spatial organisation of the state, from spatial Keynesianism to endogenous growth and interregional competition, constitute the response of the state to unmanageable crisis tendencies in capitalist organisation. The changing role of regional governance in influencing economic outcomes and the shifting relationship between economic activity and spatial concepts, such as place and scale, are thus intrinsically bound to particular historical periods to which theoretical understandings of spatial development, and the integration of these into policy, are associated. Brenner's (2009) suggestion that specific state policies, such as housing, employment, innovation, monetary policies or, it may be added, planning and development policies, might be analysed in terms of their relationship to scale over time, is relevant here.

Thematic accounts are more conventional in research on planning and development policy and governance, with separate bodies of work addressing state rescaling (Jessop, 2002; Goodwin et al,

2005), the application of the European Structural Funds (Meegan, 1994; Rodríguez Pose and Fratesi, 2004), strategic spatial planning (Albrechts et al, 2003; Healey, 2004) and cross-boundary planning (Fabbro and Haselsberger, 2009). An aspect in which this thesis seeks to differentiate itself and to provide added value to the body of research already available is in its coverage of a range of themes within a single piece of analysis. By addressing four separate themes – of regional institution-building, the application of European Union policy, the multiscalar and multidimensional approach to planning and development policy taken under the New Labour governments and the use of pan-scalar approaches to planning and development in the Mersey Belt – the thesis attempts to undertake a broadly-framed analysis of the North West that integrates spatial concepts from all policy areas that directly address the spatial development of the region.

This association of historical periods with discrete themes in planning and development theory and policy is used to structure the thesis into four essays, each one addressing a distinct period-theme in the recent history of planning and development policy in the North West of England. While each essay can be understood without reference to the remainder of the thesis, the thesis attempts to integrate the essays into a cohesive whole. While each essay is distinct from the others, there is a degree of overlap, in both periodised and thematic aspects, resulting from the fact that both of these aspects are combined, making it difficult to configure a set of essays that sit neatly apart from one another, as in an entirely thematic account, or that can be arranged in sequence, as in an entirely periodised account. While effort has been made to avoid overlap in terms of analysis between chapters, where one chapter touches on an aspect of theory or policy covered elsewhere, this is indicated in the text.

1.4 Methodology

1.4.1 Research Questions, Aim and Objectives

The methodology employed in the thesis flows from the research questions, together with the overall aim and objectives that are generated in order to answer these. The questions, aim and objectives are given in the sections below. Following this is a discussion of the methods used.

Research Questions

The research questions to be answered by the thesis are:

1. What spatial concepts are used in the planning and development of the North West in each of the themes and time periods covered in the four chapters?
2. To what extent are policy areas of planning and economic development integrated in each of the four chapters?
3. Can a characteristically 'spatial' approach to the governance of planning and development be said to have emerged over the course of the four themes and time periods?
4. How can the spatial complexity that characterises contemporary regions be effectively addressed by spatial strategies?

Aim and Objectives

The four research questions above are rendered in operational form in the overall aim and research objectives:

Aim

To explore the use of spatial concepts in planning and economic development policy, together with the governance of these, in an English region since the late 1980s, by examining the application of local, regional, national and European policy in order to provide a multifaceted understanding of the role of space in the development process and its governance.

Objectives

1. To review literature relating to the use of spatial concepts in planning and development policy and its application.

2. To examine and elucidate the policy context within which spatial concepts are applied in each of the four periods addressed.

3. To explore the use of the multiple spatial concepts that have emerged from research addressing the planning and development of sub-national areas by empirical analysis of the case study region.

4. To contribute to debates on spatial development and governance, in both academic and policy communities.

1.4.2 What sort of Research Methodology to use?

1.4.2.1 Quantitative versus Qualitative Research

Quantitative and qualitative approaches to data collection and analysis can be understood in terms of a particular set of benefits and drawbacks that each brings to the researcher's practice, as well as in terms of their appropriateness as ways to answer different research questions. Quantitative analysis allows for the simple aggregation, summarisation and comparison of data, in which statistical techniques can be used analyse relationships and interactions between variables (Babbie, 2004). Quantitative methodological techniques are thus useful in aiding the understanding of broad empirical patterns and trends, and for modelling future scenarios based on available data. In order to collect and analyse data statistically, however, that data must be linked to a concept whose meaning is established and clear.

Qualitative analysis, on the other hand, brings the benefit of allowing for an exploration of the meaning of complex concepts and thus provides a basis from which concepts can be analysed without their meaning being calibrated at the outset of the analysis. In terms of drawbacks, though, qualitative research is unable to produce evidence of a precise and emphatic nature. As Winchester (2000) puts it, 'quantitative research uses a narrow lens to produce sharper results, while qualitative research uses a wide angle lens to produce distorted results' (cited in Maginn, 2006: 3).

Regional studies, as the area from which this research draws most strongly, is a field of research that uses a plurality of methodologies, in which quantitative and qualitative approaches are typically given equal weight, and in which 'mixed methods' research is not uncommon (Boschma et al, 2014).

This is perhaps unsurprising, given the region's utility as a geographical unit of analysis below the national scale for which a range of data are available and within which social and economic processes are seen as operating, yet simultaneous status as a repository of complex concepts and processes, which are increasingly seen as acting without constraint to the regional scale.

In the development of this research, a methodology that can adequately identify and investigate spatial concepts was required. Spatial concepts have been defined in generally accepted terms in research that addresses regions, for instance in work on industrial clusters (e.g. Coenen et al, 2004) and on local and regional labour markets (e.g. Suedekum et al, 2014), while other regional research has treated spatial concepts as unique and context-specific (e.g. Allen and Cochrane, 2007), the investigation into which is designed not to explain broad empirical patterns but to elucidate complex phenomena and processes. Certain themes in regional research have been addressed using both quantitative and qualitative techniques, leading to a complementary body of work. Research on uneven regional development, for instance, has been addressed by quantitative (e.g. Massey and Meegan, 1982; Gardiner et al, 2013) as well as qualitative research (Peck and Tickell, 1995; Pike and Tomaney, 2009), leading to an arguably improved overall understanding of the dynamics explaining regional change.

1.4.2.2 Selecting a Research Strategy

The aim and research questions of this thesis posit that a range of spatial concepts have been used in the governance of planning and development and examine how these concepts manifest themselves in policy-making and application. In selecting a methodological approach it is necessary to decide whether spatial concepts are well-established and universally agreed-upon phenomena that exist across a variety of contexts, or difficult-to-define, complex and context-specific phenomena. If the former interpretation holds true, an approach that defines the nature of the concepts to be measured before collecting data for each concept across a range of planning and development contexts might be used as a way of understanding the variable application of spatial concepts in policy. If the latter interpretation is made, an approach that explores the application of spatial concepts within a particular context could be adopted in order to gain an insight into the character of the concepts explored and the nature of their application.

Given that the concepts employed, as well as their interrelationships and those between agents within the frame of the research, are of a complex nature, a qualitative analysis is called for. As it has been acknowledged that the spatial concepts explored are context-specific, at least in terms of

their being irreproducible in precisely the same form across multiple cases, a case study strategy is deemed appropriate.

Stake (2000), cited in Silverman (2004: 142-143), identifies three types of case study:

1. The *intrinsic case study*, in which the particular case being researched is of interest in and of itself and from which no generalisation is undertaken.
2. The *instrumental case study*, in which a case is researched as a way of shedding light on an issue or revising an accepted generalisation. Thus while the case is studied in depth, the research's focus is on a separate issue.
3. The *collective case study*, in which a number of cases are investigated to the end of exploring a particular phenomenon.

The instrumental case study provides a useful template for this thesis, in which the nature and use of spatial concepts are the primary concern, but which explores this within the context of a specific case.

1.4.2.3   Applying a Qualitative Case Study Approach in Regional Studies

Before selecting such an approach, however, it is worth noting the doubts that have been expressed with regard to methodologies that seek to explore the nature and use of concepts through context-specific qualitative investigation. Markusen (1999: 870) criticises the 'conceptual clarity' and selective marshalling of evidence in some regional studies research, calling for work that supplants the role of ill-defined and politically neutral 'processes' with more specific roles played by 'agents' and 'actions', together with the establishment of causal relationships. In addition to the emphasis on processes in theory-building, Markusen (ibid) takes to task some of the qualitative methodologies that have been employed in the service of such theory. While accepting the need for case studies in regional research, Markusen (ibid) posits that representativeness and generalisability should be foremost in the researcher's mind when selecting case studies.

Lovering (1999), in a critique of research associated with the 'new regionalism', makes a similar case in suggesting that much of the empirical basis for an observed resurgence of regional economies, together with its associated features of vertical disintegration of industry and re-agglomeration of factors, is in fact limited to certain 'winner' regions, most notably Silicon Valley and the 'four motors of Europe'. The consequences of this somewhat selective evidence gathering, in terms of policy, are

the universally-applied model of science parks and innovation centres, often in places too far from the innovation frontier, and lacking the necessary skilled labour force, to succeed.

Peck (2003: 730), in a response to Markusen, suggests that 'a fundamental strength / premise of qualitative methods is that they provide a means of accessing and understanding the social world by way of the experiences, perspectives and constructions of social and political actors themselves, developing accounts that should be both credible and meaningful in these situations'. This, it is implied, is a distinct benefit of qualitative research methods that cannot be replicated using quantitative techniques. Peck (ibid) contends that the study of certain contingent and context-dependent outcomes is inherently impossible to replicate and cannot be generalised from representative cases, therefore must be studied using the strategy of the single case study and the methodology of interview and documentary analysis.

1.4.2.4 Negating 'Fuzzy Concepts' by Engaging with Policy

MacLeod (2001), following Lovering's (1999) critique of the new regionalism, acknowledges that the study of urban and regional growth under globalisation has tended to focus on the spatial effects of social and economic processes with too little recourse to an analysis of the role of the state, or else with too simplistic a view of the decline or disappearance of the nation state, to be replaced by an enhanced regional state. Since the time of Lovering's and MacLeod's interventions, a wealth of research has sought to rectify this lacuna by conceiving of the rise of the regional state not as a replacement of the national state but within an understanding of the politically selective nature of state intervention towards sub-national areas (MacLeod and Goodwin, 1999; Jones, 2001; MacLeod, 2001; Brenner, 2004; Goodwin et al, 2005). Furthermore, some authors have sought to acknowledge and integrate the wealth of factors – economic, social, cultural and political – whose interplay contributes to the production of regions (Paasi, 1986; Jones and MacLeod, 2004; Harrison, 2008).

Lovering (2007), in a subsequent rejoinder to literature on the 'neoliberalisation of space' (Peck and Tickell, 2002), suggests that, in order to avoid the explanatory application of overly deterministic abstract historical-structural forces, research should focus on particular examples of policy application. Within these, projects that have neoliberalising effects should be understood in terms of how they are put into practice as outcomes of negotiations between actors in urban and regional governance (ibid: 359). What Lovering's critiques of new regionalist research (Lovering, 1999) and of the focus on processes of neoliberalisation in urban regeneration research (Lovering, 2007) have in

common is their eschewing of the invocation of abstract forces and processes. In place of these it is suggested that research should explore the operation of social relations, governance and the ways in which policies come to be constructed and applied out of the conflicts and compromises of competing groups.

This thesis takes on board the criticisms of some qualitative regional research outlined above and in the previous sub-section by analysing how spatial concepts such as territory, place, network and scale are articulated in the actions of the state and of other governance actors enacted at multiple scales. In this way it is intended that the conceptual basis for the research, while inevitably subjective to a degree, is firmly situated within the practices of actors and enacted in policies.

1.4.2.5   Single Case Study Approach

The single case study is regarded as appropriate when researching poorly understood and complex phenomena and analysing new trends, while being unsuitable as an aid to understanding broad empirical patterns (Boschma et al, 2014). Case studies, of the instrumental sort, are selected for their explanatory power, that is, the extent to which they are able to shed light on the relationships suggested by theory, rather than their representativeness. Research of this sort is therefore based on analytical induction rather than statistical inference.

This research uses a single case study strategy as a way of penetrating the dense and complex ways in which spatial concepts are held to have entered into the construction and application of sub-national planning and development policy. The paths by which spatial concepts enter policy are not universal, but contingent and context-specific. Therefore, while a multiple case study approach would further understandings of the contexts and factors that shape planning and development policy, such an approach could not be undertaken for the purposes of generalisation or replication of results. Furthermore, it is necessary to investigate a case study in sufficient depth in order to gain an insight into the process being researched, limiting the scope for the use of multiple case studies within the given time and budget constraints.

1.4.2.6   Case Study Selection

The research analyses the use of multiple spatial concepts, including, but not limited to, scale. As such, the standard approach within case study regional research of selecting a singular scale set at a

particular region delimited by administrative or governmental boundaries is inappropriate. The bounded territory as a (relatively) contained arena in which social and economic, in addition to political, processes are at play is not jettisoned in this research, however. Instead, the thesis takes a multi-scalar approach, adopting as its case study unit the North West region of England but not confining its analysis to policies and governance arrangements active at this scale. Rather, the local, city regional and regional scales are analysed over the course of the four essays, each of these receiving different levels of attention dependent upon the theme and period covered in the essay. These scales are represented by formal scales of local government and administration in the form of district authorities, metropolitan counties / city regions / sub-regions and regions, respectively. The relationships between these scales are considered at various points in the analysis, while chapter five explicitly addresses spatial strategies that transcend governance scales.
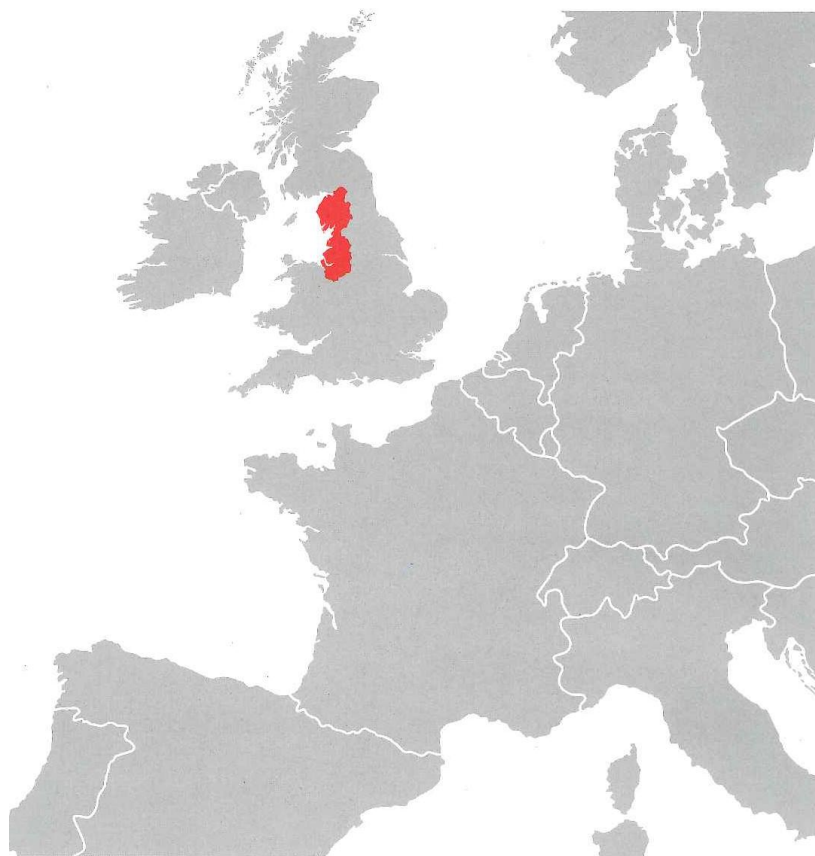
Figure 1: The North West of England within Western Europe. (Source: NWDA, 2003.)

The choice of the North West region was made for two reasons. First, the North West's recent history of institutionalisation and evolution of spatial policy makes it a profitable arena in which to

explore the use of spatial concepts in planning and development; the North West's particular characteristics render it an interesting and fulfilling region on which to undertake research. The North West has already proven to be a fertile case study region in the new regionalist literature (Jones and MacLeod, 1999; Deas, 2006; Harrison, 2008, 2013a), reflecting the period of institution-building prior to New Labour's introduction of regional agencies, as well as the region's relative size and importance, considered alongside its social and economic polarisation (Harrison, 2013a). The North West's territorial composition, encompassing neighbouring sub-regional scales with their own identity and economic profiles, is of particular interest here, as this facilitates the adoption of a multiscalar approach to the research that acknowledges the geographically uneven institutionalisation of the region. Second, the researcher had access to a wealth of potential interviewees and documentary sources by virtue of undertaking this research at a North West-based institution.

Each substantive chapter draws on a distinct aspect of the region's institutionalisation and evolution of spatial policy. The weak basis from which the region belatedly institutionalised at the turn of the 1990s is of interest with regard to the process of constructing scales of governance covered in chapter two. Merseyside's Objective One status for the receipt of European Structural Funds from 1994 until 2006 provides the opportunity for a concerted analysis of spatial concepts in regional development policy in chapter three. Chapter four's exploration of multiple scales of governance and of a greater diversity of spatial concepts is well serviced by the prominence of city- and sub-regional working and the more sophisticated use of spatial concepts in the planning and development of the North West during the period in question. The spatial vision of the Mersey Belt, meanwhile, is of interest in the study of pan-scalar and pan-governance agency spatial strategies, as addressed in chapter five.

1.4.3 The North West in Context

The North West is one of one of 12 NUTS (Nomenclature of Territorial Units for Statistics) 1 regions in the UK and one of 9 in England, with a population of 7,052,200 in 2011, around an eighth of the total population of England, and covering an area of 14,165km^2. The region is composed of 39 local government areas, made up of the 15 metropolitan districts and six non-metropolitan districts that are unitary authorities, together with the 18 districts of Cumbria and Lancashire that sit within the two-tier county and district model.

The region was a key site in the expansion of British trade and the industrial revolution during the 18th and 19th centuries, with development focused on the two major cities of Liverpool and Manchester and their surrounding areas, the former a port of international significance and the latter the centre of the textile industry in Britain. The domestic textile industry already in existence in Lancashire by the 16th century had been developed first using machinery powered by water and, by the final decade of the 18th century, by steam (Smith, 1969). As a result of the latter innovation, locally abundant coal became of crucial advantage to the Lancastrian textile industry, as did access to materials and global markets through the port city of Liverpool, by now facilitated by steam ship. The transport infrastructure necessary to make this industrial and commercial base possible grew between and around these main urban centres, comprising a dense network of canals and the first timetabled and ticketed intercity railway in the world.

In the 20th century, however, the importance of the region to the British economy declined rapidly for a number of reasons, among which are the decline in demand for industrial goods; technological substitution, as for instance synthetic fibres began to replace cotton; and as new industrial powers from around the world increased their share of international markets. Simultaneously, those new industries that would come to replace the textile, coal mining and heavy engineering of the North West, such as pharmaceuticals and electrical engineering, tended to concentrate in the midlands and the south, precipitating a long-term discrepancy in rates of growth between the former industrial heartlands of the north and the now increasingly prosperous south and midlands.

1.4.3.1 Spatially Uneven Regional Resurgence in the North West

In the context of literature that highlights a regional resurgence, the North West's economic and political status in the latter half of the 1980s, which this research takes as its starting point, is weak in both respects. The North West has been cast at this point as a poorly institutionalised region and one whose industrial economic structure has hampered its growth in output and employment during a period in which those parts of the UK with a greater proportion of employment in services compared to manufacturing gained most in these terms (Tickell et al, 1993). In fact the North West's economy has the largest share of the UK's manufacturing industry of all regions, making up 13.3% of the total in 2010 (ONS, 2013). Yet, after London and the South East, the North West is the most highly populated region in the UK (ibid) and contributes the greatest proportion of the UK's total GVA (ibid). The region's local areas also figure highly in rankings of deprivation, however, (DCLG,

2010), reflecting the difficulties encountered in its ongoing economic restructuring, whose positive impacts have been unevenly distributed in terms of both geography and population.

Across a range of indicators, the North West's economic and social performance paints a picture of a highly diverse region, with its relatively high GVA not matched by its productivity or its benefit claimant levels (ONS, ibid). Furthermore, the geographical distribution of the region's economic performance is markedly skewed, with 40% of its GVA contributed by Greater Manchester in 2011 (ibid) (see table 1). These within-region differences reflect the long-term endowments of assets and economic structure of each of the sub-regions, but also the spatially uneven extent to which a regional economic revival has taken place. While the fortunes of every sub-region have improved since the mid-1990s, when Liverpool, as the sub-region perhaps furthest from achieving its potential, began to improve its economic performance (Pion Economics, 2009), the rate of improvement varies strikingly among sub-regions, with Greater Manchester and Cheshire and Warrington performing much better than the others in terms of GVA per head (ONS, 2013).

	Cheshire and Warrington	Cumbria	Greater Manchester	Lancashire	Liverpool City Region
GVA (£)	21bn	7bn	46bn	22.5bn	19bn
Contribution to total North West GVA (%)	18	6	40	19	16

Table 1: GVA and contribution to regional GVA for each sub-region of the North West in 2010. (Source: ONS, 2013.)

The improvement in the economic fortunes of Manchester is the most marked across the region and heavily symbolic of a transition from manufacturing to services, with the preference for urban locations among knowledge-based sectors key to the city's revival (Rees and Harding, 2010). In line with this observation, the spatially uneven resurgence of the region's economy has above all benefited its urban centres while many smaller towns have taken on the role of providing housing for those working in the larger towns and cities (Wilson and Baker, 2006), thus coming to function as part of more spread out and more polycentric urban regions.

1.4.4 Research Methods used

As noted already, the complexity of concepts considered in the thesis is such that a qualitative single case study research strategy is adopted. Within this, qualitative methods of investigation used are documentary analysis and semi-structured interviews.

1.4.4.1 Documentary Analysis

The shift from government to governance has meant a corresponding turn in policy-making from the normative to the empirical, as top-down institutional decision-making has come up against governance networks whose practices are open-ended and ad-hoc, leading to a more wide-ranging problem-solving capacity and creating scope for learning as part of the policy-making process (Hajer and Wagenaar, 2003). The result for scholars of the policy process is that empirical research, involving discourse analysis among other methods, can offer a great deal of insight into how policy is made in systems of governance. Discourse analysis has, correspondingly, become a commonly used methodology in urban policy research, and is regarded as an effective means of investigating policy implementation in a way that scrutinizes the ways in which power is exercised and exposes the ideological conflicts that can influence the formulation of policy (Jacobs, 2006). It is thus a useful method of analysis where policy is contentious and where actors with differing agendas seek to influence policy.

In spite of this, the thesis does not use discourse analysis as an exclusive way of interrogating the range of documents analysed in the course of the research. The reasons for this are twofold. First, documentary analysis is not the sole analytical method used in the research but one that interrogates a source of data that complements that drawn from interviews to produce an understanding of the region and of the processes explored that is sufficiently wide-ranging. To employ discourse analysis in its full form would entail the analysis of a reduced and more focused range of documentary evidence, which would limit the scope of the research. Therefore, while discourse analysis would be a useful and profitable technique for research of this sort, it is deemed more important in this instance to focus energy and attention on the scope of documents available, rather than on the more extended analysis of a more limited range of documents. Secondly, while the understanding of policy-making in this thesis is consistent with the position of Hajer and Wagenaar (2003), in that policy is understood as resulting from the conflicts and compromises occurring between competing interests, much of the policy that has been applied in the planning and development of the North West was constructed at national and European tiers. While the

governance interactions that dictate the application of this policy are the subject of analysis in this research, in terms of the governance scales at which policy is constructed, only policy that has been formulated within the region is analysed with regard to this.

It is thus intended to adopt an approach informed by discourse analysis, in order to take advantage of the ability of that method to draw intentions from, and identify underlying agendas in, a text, without formally applying that technique. As much as identifying unwritten and not explicitly acknowledged content, the documentary analysis employed here is intended to reveal the expressed spatial content of plans and strategies, as a starting point from which interview data can yield a greater level of depth and detail.

The documents selected for analysis encompass plans and strategies for land-use planning and economic development at local, city regional and regional scales, produced by a variety of authors and agencies. These include local government, metropolitan / city regional scale government, partnerships of governmental and non-governmental actors at various scales, non-government agencies, regional development bodies and regional partnerships of local authorities. Programming documents and associated documents such as programme complements for European Structural Funds are produced by local government and state agencies under the considerable influence of the guidelines of the European Commission, which themselves are included among the documents analysed. In addition to these are a number of documents falling into the category of 'grey literature'. These relate to the workings of the North West Development Agency (NWDA) and are made up of memos, notes, sketches and unpublished strategic documents, used to inform the writing of chapter five.

1.4.4.2 Interviews

While literature and documents pertaining to the subject matter of each of the essays illuminate the process by which spatial policy has been constructed and applied, interviews with key actors in planning and development in the case study region are thought necessary in order to reveal more about the motivations and intentions behind policy, plans and strategies, as well as the interactions between governance actors and agencies.

Given that the interviews aim at 'digging deep' into the policy and planning process, a semi-structured format is chosen for its adaptability in the face of interviewees' willingness to diverge

from specified topics into areas that, by intention or serendipity, might yield otherwise unobtainable data. Robson (2002: 270) summarises the qualities of the semi-structured interview:

'The semi-structured interview has pre-determined questions, but the order can be modified based upon the interviewer's perception of what seems most appropriate. Question wording can be changed and explanations given; particular questions which seem inappropriate with a particular interview can be omitted, or additional ones included.'

Variation in questions asked between interviewees was an outstanding feature of this research, in which a fairly wide range of interviewees active across different periods and in different policy fields required the tailoring of questions around particular experience and topics. The tendency of interviewees to move the interview onto topics that had not been specified at the outset and the propensity for the semi-structured interview to, at times, take on the form of a conversation, produced some of the most interesting and arresting data revealed in the research.

A number of interviewees were selected at the outset of the research, based on a representative group of governance actors from a range of institutions across the themes and periods to be analysed. During the course of the interviews with those candidates originally selected, a number of other potential interview candidates were suggested by interviewees, via the technique of 'snowball sampling' in which interviewees act as 'informants' in suggesting the names of other potential interviewees, a process that can be repeated *ad infinitum* (Robson, 2002). Additionally, an iterative process of interviewee identification was used as a way of covering gaps in the evidence base that could only be identified during the course of the research. Interviewees are referenced throughout the course of the thesis by their role and the organisation to which they belonged at the time to which the reference refers. Where interviewees have occupied multiple roles over time, only the role relevant to the reference is given, though at times more than one role is considered relevant, with all roles duly referenced.

While one interview lasted only thirty minutes, due to time constraints imposed by the interviewee, all other interviews were of between one-and-three-quarter hours and two-and-a-half hours, reflecting the researcher's intention to delve deeply into the processes investigated and to allow interviewees to range widely as a way of accessing information unobtainable elsewhere. Interviews were conducted under Chatham House rules and were recorded, with the permission of the interviewee, and transcribed. A number of interviewees requested that certain responses of sentences not be quoted, Chatham House rules notwithstanding, an appeal the researcher was happy to comply with. The guidelines established in the Economic and Social Research Council's

Framework for Research Ethics 2010, Updated September 2012 (ESRC, 2012) are complied with, in order to ensure high ethical standards and to follow the stipulations of the funding body for this research. While the interview data was not coded according to specific themes or analysed using qualitative data analysis software, word searches were heavily used in order to access particular topics within lengthy transcriptions.

A standard set of questions is given below:

1. What roles did you play in which organisations?
2. What strategy documents were you involved in the production of, whether published or unpublished?
3. Where did the balance of power lie among the institutions active at this scale during this period?
4. What was the nature of interactions between your organisation and others active during this period?
5. Was there a linear path of capacity building over the course of the period?
6. Was there a clearly defined shared strategy or were there shared strategic priorities among the various institutions and bodies active during the period?
7. Were funds combined towards a shared end during the period?
8. Was it the intention that a range of sectoral interventions would be planned together as part of a single integrated strategy, or as separate initiatives within a generally agreed or assumed overriding imperative? Were investments planned to complement each other e.g. training and local economy; transport and sustainability?
9. At the scale of strategies and policies, was there a strong idea of the spatial scale over which these would be effective, e.g. urban or neighbourhood regeneration, as opposed to growing the regional economy?
10. Was there a broadly agreed-upon spatial conception of the local area / sub-region / region?
11. How were the sub-region and the region conceived of as places, in terms of their identity and resources?
12. What was the relationship between the component parts of the sub-region / region? Were different parts seen as playing different roles?
13. Was there a coherent visualisation and representation of the sub-region / region in the thinking of your organisation and more widely during the period?

This list of questions would form the basis of the interview, which would be added to by questions specific to the interviewee and by additional questions and enquiries provoked by unplanned and off-topic comments made by the interviewee.

Questions 1 and 2 are intended to establish the role(s) of the interviewees within regional and sub-regional institutions and to understand which policy documents were subject to the influence of the interviewee. Questions 3, 4 and 5 attempt to uncover the configuration of governance during particular periods covered in the analysis. Questions 6, 7 and 8 relate to the possibility that a relatively diverse array of governance bodies may come to function in a coordinated way in order to achieve an explicitly or implicitly agreed strategy. Question 9 addresses the relationship between policy interventions and spatial scale, relating to the multiscalar approach of the thesis. Questions 10, 11 and 12 are concerned with the spatial understanding of the region, together with its component parts, in order to measure interviewees' attitudes to spatial organisation at various scales. Question 13 relates to the ways in which such attitudes are visualised, a consideration to be placed in the context of the gradually increasing use of spatial visions and other diagrammatic representations of spatial policy over the course of the period analysed in the thesis.

All interviews were conducted between July 2012 and February 2014.

Constructing the Region: the Emergence of the North West as a New Political Space

2.1 Introduction

This chapter explores the use of spatial concepts in the creation of governance frameworks in the North West region and in the city regions of Merseyside and Greater Manchester, covering the period from the dissolution of the metropolitan county councils in 1986 until the election of the first New Labour government in 1997. The chapter limits its scope in terms of spatial concepts to the construction of regional and city regional scales for governance during this period. While the use of other spatial concepts is evident from planning and development plans and strategies issued at this time, these are of a relatively limited nature, while the actions of institutions in the governance of planning and development have been held to constitute a 'rescaling' of governance activity that is of greater interest here. The chapter is divided into two sections: a literature review and an empirical investigation.

Discussion on the scale of the state has been motivated by challenges to the nation state posed by economic globalisation and the role of regional economies within this, together with a tendency towards decentralisation observable across Europe (Lobao et al, 2009). While a number of regions and national states have embraced decentralisation and the mobilisation of resources of regionally-based state, private sector and civil society actors towards the construction of regional governance regimes (Jones, 2001), the move towards regional governance in England has been less straightforward. While the same challenges resulting from integrating global and regional economies have been felt in the UK as elsewhere, the response of the UK government towards these has not taken the form of decentralisation that can be observed in other parts of Europe.

The restructuring of regional and city regional governance in England during the period covered in the empirical part of this chapter followed a dismantling of capacities for planning and development activity at sub-national scales. The construction of governance frameworks that followed thus responded not only to contemporary theoretical and policy discourse that championed the role of regions in the global economy and of regional governance as a way of realising regional economic potential, but also to the national government's efforts to reduce the size of the regional state.

In addition to the regional scale, the city regional scale is dealt with, in accordance with the approach set out in the introduction in which no single scale is deemed to be overwhelmingly influential. According to Storper (2014: 116), 'metropolitan governance is the governance problem

par excellence', because of the degree of interdependence exhibited in metropolitan regions, or city regions, in terms of economic, social, environmental, infrastructural, and 'public order' connections, coupled with the typical lack of a governance body with jurisdiction over the whole of the metropolitan area. Efforts to construct a metropolitan, or city regional, scale of governance in Merseyside and Greater Manchester during this era addressed these challenges with quite different results.

The process by which configurations of regional and city regional governance were constructed in the period explored are understood within the notion of an 'institutional void' which is reconstituted as a 'new political space' in which new governance rules and norms must be created through the interaction of governance agencies and the power relations that exist between these (Hajer, 2003).

2.2   Restructuring Regional Government

This section reviews literature relating to the restructuring of the regional state and the associated change in form taken by efforts to govern planning and economic development at sub-national scales. First, the notion of a rescaling of governance is discussed in the context of processes that result from economic globalisation affecting the national state, before the idea of a 'hollowing-out' of the state is introduced. Second, the ability of the state to privilege certain places and regions through policy is discussed. Third, the transition from government to governance is covered together with the potential problems encountered by regions and sub-regions taking part in this. Fourth, a brief history of post-war regional planning in England is outlined. Fifth, the notion of the hollowing-out of the state is situated within the context of the actions of the Thatcher and Major governments of the 1980s and 1990s, addressing both urban and regional policy spheres. Sixth, the city regional scale is dealt with, through the abolition of the metropolitan counties. Seventh, the process by which the 'institutional void' in the regions and city regions was 'filled-in' is covered, in terms of both top-down and bottom-up coordination.

2.2.1 Transforming the State: Rescaling and Hollowing-out

This dismantling of the sub-national state in the UK under the Thatcher and Major governments has been interpreted as part of wider processes of economic restructuring taking place across Western Europe during this era that have been associated with a rescaling of economic activity. From this

economic rescaling has been interpreted a rescaling of the state, in which the role of the national state has been challenged by local and regional scales in the governance of economic development (Jones, 2001). In the case of 1980s and 1990s England, as elsewhere, this process of rescaling involved the animation of local and regional institutions of a variety of types, from elected local government to executive arm's length bodies acting in local areas and regional branches of private sector membership bodies, in the name of generating a degree of corporate self-governance along the lines of that exhibited in such exemplars as the Baden-Würtemburg region of Germany (Mawson, 1996). Yet the bottom-up institutionalisation of the English localities and regions also responded to their loss of statutory and administrative power under the Thatcher and Major governments and to the proliferation of agencies whose collective activities required just the sort of network and partnership forms of governance championed elsewhere.

Thus while the restructuring of the local and regional state in 1980s and 1990s England cannot be directly read off from literature that addresses the rescaling of the state, such research can provide a theoretical basis from which the English case can be explored. Jessop's strategic-relational approach (Jessop, 1990; 2001; 2002) offers a framework which has been used to interpret the uneven nature of state spatial restructuring by positing three ways in which the state is being reorganised in response to globalisation: 'denationalisation'; 'destatisation'; and the 'internationalisation of policy regimes'. Denationalisation describes the process by which the capacities of the national state are dispersed upwards, to supra-national bodies, downwards, to local and regional states, and outwards, to relatively autonomous groupings of local and regional states with shared interests. This is demonstrated empirically in the 'hollowing-out' of the national state (Jessop, 2002). Destatisation is the reassignment of functions between public and private spheres within the national territory, depicted in the shift from government to governance. The internationalisation of policy regimes describes the growth of international networks of policy transfer and the increased significance of the global context in which states, as strategic actors, exist.

The shape taken by governance rescaling is not a deterministic consequence of the structural trends undermining the primacy of the spatial order that prevailed before the crisis of spatial Keynesianism, weakening the role of the national scale and hollowing-out the capacities of the national state (Jessop, 1997), but is dependent too upon how these powers are reassembled and manifested at other scales, in a process of 'filling-in' (Goodwin et al, 2005). Within this understanding scale is not the product of a hierarchically ordered managerial state but, rather, is dependent upon an interaction between the national state and the institutional context of each specific locality, and consequently varies in form across cases. This corresponds to conceptualisations of governance as a

trial-and-error process in which outcomes are not dictated by fiat but, rather, are negotiated and subject to conditioning factors of variation, selection and retention (Jessop, 1995).

The shift from government to governance is used by the state in the regulation of economic activities, as it withdraws to a great extent from a direct engagement in the planning of economic development and engages non-state funds, knowledge and expertise through the means of partnership agreements with non-state actors, in which the state is but the 'first among equals' (Jessop, 1997). In this the state maintains, however, the role of strategic coordinator, assuming responsibility for the governance of governance by providing the ground rules by which it is conducted and ensuring that the coherence of the national state is maintained amongst the dispersion of governance systems and solutions (ibid), illustrating the fact that governance operates in the shadow of (hierarchical) government (Jessop, 2002).

While authors have referred to a hollowing-out of the local and regional state (e.g. Patterson and Pinch, 1995; Williams, 1999), Jessop's notion of denationalisation refers explicitly to the process by which powers disperse from the national state. As such, the diminution of the local and regional scales during the 1980s and 1990s in England cannot be understood as a hollowing-out of these, but rather must be seen in the context of processes of denationalisation and destatisation taking place at the national scale. As government functions that were devolved to or delivered at the local and regional scales are reassigned to QUANGOs and other arm's length agencies that may involve the private sector, the responsibilities of the local and regional state for the welfare of citizens and for growth in employment nevertheless increase, as the national state relinquishes control over the maintenance of growth across the national space. The result of this appears contradictory, as the capacities of the local and regional state are reduced just as its responsibilities are increased. Yet it is posited here that it is this dilemma, prompted by national state policy in combination with the need for the restructuring of regional economies and changes in European regional policy, which prompted the voluntary coordination of governance activity at the local and regional scales during the 1980s and 1990s in the North West region.

2.2.2 The Spatial Selectivity of the State

Jones' (1997) assertion that the selective capacity of the state is manifested in the spatial dimension draws attention to the role that space plays in the institutional organisation of the state and as a consequence the importance of the spatial selectivity of the state in assigning significance to particular scales and places, as well as to the interactive process by which state spatial selectivity

takes place. This notion is useful here in understanding the diminution in local and regional governance capacity in 1980s and 1990s England. Jones highlights the uneven ways in which much centrally orchestrated economic policy initiatives are applied, noting the importance of contingent local economic and institutional history in differentiating the application of such initiatives and, in a formulation analogous to Jessop's strategic-relational approach, posits that the uneven institutional and policy landscape is the result of the interplay between national state initiatives targeted at the local and regional scales, and their interaction with spatial structures present at those scales, themselves the legacy of previous contestations on spatial selectivity.

In this understanding, the state is hollowed-out but power is reassigned to the local and regional scales in uneven and spatially-selective ways. The state thus has a tendency to privilege certain geographies over others and does so using experimental forms of policy whose nature is contingently dependent upon particular interest groups and representational forces that are supportive of interventions of this sort.

2.2.3 From Government to Governance

Increasing local and regional differentiation is also due, however, to the associated shift from government to governance, as local scales mediate overarching policy prescriptions in variable ways (Jessop, 1997) and are endowed with a degree of responsibility for growth within a conception of local scales as being engaged in inter-territorial competition fuelled by place-specific economic crises (Harvey, 1989). Following an increase in market forms of intervention during the early 1980s, through privatisation, liberalisation, deregulation, the introduction of quasi-markets in the allocation of public goods, tax cuts intended to promote consumer choice, and the promotion of international capital mobility and knowledge exchange, a shift from government to governance is seen to have taken place, as a way of mediating the failure of the market-led approach to achieve the claims of efficiency and growth that had been made on its behalf (Jessop, 2000).

The notion of governance conceives of market and state not as irretrievably separate and opposed modes of organisation and intervention but as potentially complementary spheres of activity, in which the failings associated with the anarchy of the market and the rigid hierarchy of the state can be negated through a 'heterarchy' that describes 'horizontal self-organisation among mutually interdependent actors' (ibid: 15). Governance relies upon a system of interpersonal networking, inter-organisational negotiation, flexible communications and adjustments of position between a variety of public, private and voluntary agencies (Jessop, ibid; Wegener, 2010). The prospects for

systems of governance are thus highly variable across space, being dependent upon the existing institutional capacities in different regions and on the scope for partnership-working within these. The purported benefits of governance are that problems of bounded rationality are addressed through the privileging of information exchange through dialogue between partners, that time horizons are expanded by ensuring buy-in between partners rooted in the region, that risk is shared through the building of interdependencies between partners (Jessop, ibid), and the scope offered by governance for learning within a policy context (Jessop, 1998).

Problems associated with governance have also been identified, however. Given the relative newness of governance and its tendency to be used in particular policy fields, such as economic development, the integration of governance systems into wider systems of government has proven problematic, in terms of the support offered by the state the tendency towards duplication of effort (Jessop, 2000). Disjunctions of a temporal and a spatial sort may occur, given that potentially contrasting time horizons may exist between government and governance mechanisms and that governance mechanisms typically operate at particular spatial scales yet rely on other scales of government for their support. That the scales of government and governance are not neatly hierarchically nested, following a loss of what has been termed 'territorial synchrony' (Hajer, 2003), poses further problems of scalar organisation and coherence (Jessop, 1998).

Additional problems of governance are associated with difficulties of coordination and partnership between organisations. These include a proclivity to produce 'lowest common denominator' policies, inefficiency in communication and time consuming processes of reaching agreement due to a lack of formal methods for doing so, a confusion of roles, responsibilities and accountability, unequal power relationships between partners (Danson et al, 1999), difficulty in maintaining trust between partners who may be cooperative or competitive, questions over how open governance networks should be, the need to strike a balance between strong, coherent guidance and flexibility, and the inherent risk of losing accountability where state functions are fulfilled by non-state organisations (Jessop, 1998; 2000).

The dispersal of power from sovereign governments to governance networks has introduced a climate of policy-making in which 'there are no clear rules and norms according to which politics is to be conducted and policy measures are to be agreed upon' (Hajer, 2003: 175). As a result, policy-making is increasingly conducted in an institutional void in which actors use deliberation as a mechanism to reach agreement on solutions to policy problems, in the process establishing context-specific rules and norms that govern their behaviour in governance and generate new concepts of legitimate political intervention (Hajer and Wagennar, 2003; Hajer, 2003). This institutional void is

reconstituted as a 'new political space', to be contrasted with the classical-modernist institutions of representative democracy, a differentiation between bureaucracy and politics, a commitment to ministerial responsibility and a reliance on expert knowledge, all of which operated within an established framework of rules and norms. The institutional configuration of new political spaces is a more flexible and therefore more unstable ensemble of arm's length agencies, NGOs, professional membership organisations, industry lobbying bodies, environmental bodies and others, contributing to policy-making within an environment in which rules and norms are unstable and are permanently in the process of being established (Hajer, ibid).

The remainder of the chapter outlines developments in policy towards local and regional government, in addition to local and regional planning and economic development, during the 1980s and 1990s in England, before turning to the case of the North West region. It has been suggested that the specific dilemma facing the English regions during this period was that a simultaneous increase in the responsibilities of regions for the economic and social welfare of their populations and a relinquishing of their statutory powers and funds had taken place, following Jessop's notions of denationalisation and destatisation. These processes had left an institutional void into which a new political space (Hajer, 2003) was, at this time, in the process of emerging. The empirical part of this chapter addresses the building-up of governance activity in the North West of England from which, it is suggested, emerged ad hoc a system of regional governance with its own particular rules and norms of policy-making.

2.2.4 Regional Planning in England

Much of the impetus for post-war regional planning had been the need to accommodate a rapidly increasing population within a strategy of population dispersal and new town construction, as had been prevalent in British planning thought since Abercrombie's London Plan, itself influenced by Ebenezer Howard's garden city movement (Hall, 2002). The beginnings of regional coordination for planning purposes had been the need to produce plans for the redistribution of the urban population and of industry from the existing industrial cities, following the Royal Commission on the Distribution of the Industrial Population and Industry (1940), which called for the production of regional plans to mediate this process, together with the establishment of regional offices (Mawson, 1996).

The regional agenda gained momentum following the first Wilson government's introduction of Regional Economic Planning Councils (EPCs) in 1965, as groupings of representatives from local

government, regional branches of the Confederation of British Industry (CBI) and the Trades Union Congress (TUC), together with Higher Education Institutions (HEIs), that would prepare regional strategies integrating economic and land-use planning concerns. Alongside these, Regional Economic Planning Boards (EPBs) were established to represent central government departments in the regions. EPCs and EPBs functioned under a newly established system of indicative planning led at the national scale by the Department for Economic Affairs (DEA) and emblematic of attempts to modernise the relationship between the British state and industry by introducing elements of a planned economy (Sandbrook, 2006) and as a way of counterbalancing the Treasury's short-termist tendencies (Wannop and Cherry, 1994). By 1969 the DEA had been abolished, and while the EPCs continued until 1979, their regional plans were produced under the aegis of the Department for the Environment (DoE) and lacked the indicative nature originally intended under the DEA (ibid), whose purpose had been to straddle the policy areas of planning and economic development.

2.2.5 Thatcherism and the Hollowing-out of the State

Yet the decline of population and urban growth during the 1970s obviated the need to plan for population dispersal (Wannop and Cherry, 1994) and combined with a public and political climate of receding interest in planning. Economic decline in the UK and elsewhere from the recession of the mid-1970s, felt most powerfully in manufacturing industry and therefore in manufacturing regions, begat a political strategy of adaptation to the longstanding shift in employment from manufacturing to service industries that was implemented through an ideological stance of non-intervention. Given that spatially uneven growth had been apparent in modern Britain since the 1930s, having been addressed since that time by regional policy that sought to correct this trend, the withdrawal of the state from such policy arguably exacerbated the effects of external economic trends.

While the existence of a distinct and consistent political movement under Thatcher has been questioned (Hirst, 1989), there is general agreement among a range of authors that the Thatcher governments pointed Britain in the direction of a more open, free and competitive economy, and a more authoritarian and repressive state (Gamble, 1988). This broad analysis is reflected in attitudes towards the regions, to regional policy and to regional governance. Two facets of Thatcherite policy in the regions are most telling: a reorientation of regional policy towards urban policy; and a diminution of the local and regional state, with a centralisation of its powers.

2.2.5.1   Urban Policy

Urban policy, as distinct from regional policy, had been used to address problems related to economic decline and social deprivation in the cities since 1968, with the introduction of Urban Programme (initially the Urban Aid Programme) (Robinson and Shaw, 1994). Thus urban policy and regional policy were pursued simultaneously and with sometimes overlapping aims, though with the clear differentiation that urban policy addressed a growing socio-economic problem that regional policy had not assuaged. This failure of regional policy, combined with an antipathy towards state planning in the incoming Conservative government and the changes to the scale and spatial distribution of unemployment during the recession of the 1970s, which meant that regional policy could not alone be sufficient to address its primary aim of reducing unemployment in lagging regions, contributed to a reorientation from regional to urban policy in the 1980s.

Under the 1979 Conservative government the state drastically retreated from regional policy, narrowing the boundaries of assisted areas, which had grown during the recession of the 1970s to encompass 43% of the UK population, to cover only 25%, while removing the need to acquire an industrial development certificate, a way of controlling the regional distribution of investment, from the vast majority of new factories (Hall, 1992). The use of Regional Development Grants was reduced in 1983 before they were replaced in 1987 with the more restrictive Regional Selective Assistance (Cullingworth and Nadin, 2006).

As regional policy was curtailed, urban policy was extended. Urban policy had been used by governments since the end of the 1960s to address social deprivation in narrowly spatially defined areas, such efforts being focused on difficulties rooted in individuals and communities, rather than structural problems such as unemployment or low pay (Lawless, 1979). By the 1980s, though, urban policy began to take up the baton, from regional policy, of increasing growth rates in areas with high unemployment. This task was to be achieved by the use of measures divided by Lawless (1991) into three categories: liberalisation of regulations; land development; and the coordination of stand-alone initiatives.

The casting of state regulation as an inhibitory factor on economic development was a familiar theme for the Thatcher Conservative governments, and so the relaxation of planning regulations, combined with freedom from local property taxes, together with other concessions, within Enterprise Zones (EZs) was a fitting policy. EZs were not necessarily in declining parts of the country, with some located in a resurgent London, and were not in fact an inner city policy, though they are

usually grouped into that category, given that some were located at the urban fringe, such as in Speke, Merseyside.

Land development had been a part of urban policy from the beginning (ibid) but was expanded greatly in both scale and funds with the advent of Urban Development Corporations (UDCs), public bodies which were able to assemble and develop land and to provide local infrastructure and environmental improvements as part of this. UDCs were outside of local government responsibility, being created in areas of central government's choosing and accountable only to central government. Two UDCs, in London's Docklands and Merseyside, were established in 1981, with a further nine created by 1988 (Lawless, 1988). Given their weight of funds, together with an impetus to lever in further private sector investment and extensive planning powers, UDCs have been able to undertake large scale urban development of a sort that local government has been unable to.

That the coordination of stand-alone initiatives should be a category into which urban policy measures can be grouped may appear counter-intuitive, given that it is an area that researchers have typically found urban policy to be lacking (Audit Commission, 1989; Hall, 1992; Robson, 1988). Yet the concern generated by such research had prompted attempts to address the issue of there being an uncoordinated response to the inner city problem, with the creation of City Action Teams and Task Forces by the late 1980s representing channels by which it was intended for greater coordination to be achieved.

2.2.5.2   Restructuring the Regional State

As well as reducing the scale of policy aimed at addressing spatially uneven growth, during the 1980s and early 1990s the capacity for governance coordination at the regional and city regional scales was reduced. An acknowledgement of the need for some sort of state intervention in local economies combined with a distrust of local government, which was characterised as inefficient and not necessarily agreeable to national policy aims, resulted in the creation of 'non-elected local states' (Peck and Tickell, 1992), executive bodies that were in, but not of, local areas, such as UDCs, Training and Enterprise Councils (TECs), Housing Action Trusts (HATs), Local Enterprise Agencies (LEAs) and Task Forces. The common attributes of this range of executive bodies active in the regions are described by Jones (1997) as being: their specific, rather than multi-functional, remit; their being located in the major metropolitan areas, which had been the domain of 'municipal socialism'; their contractual and financial relationship with central government and evaluation by targets set according to this; their highly spatially concentrated approach; their use of local representatives,

often from the private sector, on governing committees; and their exemption from local democratic control.

This reduction in local government power combined with abolition of the metropolitan tier of government severely reduced the capacity of local governments to address the fortunes of their areas at a time when, particularly for the cities whose surrounding metropolitan county had been lost, economic decline demanded it most. Responsibilities for education and training, land-use planning, and economic development, previously the preserve of local government, were allocated to executive agencies delivering central government policy, in what Bradbury and Mawson (1997: 286) refer to as an 'executive regionalisation'. This has been interpreted in tactical terms as a deliberate sidelining of local government that resulted from its identification as a site of electoral and political dissent to Thatcherite reforms (Cochrane, 1991), though was also the consequence of a strategy aimed at reducing the size of the state that was enacted especially strongly at the local and regional scales. That strategic planning had been a key imperative behind the coordination of government at the regional and city regional scales placed these under particular pressure, as the Thatcher governments' preference for market, over planned, forms of allocating uses of land rendered regional planning machinery redundant (Sharpe, 1997).

Representative of the change in form of local and regional policy is the change in the delivery of urban policy from the approach of Urban Programme, in which programmes of initiatives were delivered under partnership agreements between central and local government, to that of UDCs, as executive bodies appointed by and accountable to central government while acting at the local scale (Meegan, 1994). TECs, introduced in 1992 under the first Major government, combined similar traits of being locally active while remaining outside of local democratic accountability, as privatised bodies led by business representatives and engaged in a contract with central government to deliver training that would be informed by private sector input (Peck and Tickell, 1995).

While the involvement of the local private sector in UDCs and TECs was in part a way of transferring influence over local policy from elected local government to market actors, it was also intended to deliver locally-tailored interventions, albeit within a strategic direction dictated by central government. In this sense, while local economic development policy of this sort was being undertaken by central, rather than local, government, the motivation for doing so in central government was not to impose blanket policy across diverse regions but to ensure that state intervention was minimal and was undertaken only in specific circumstances. The Local Government and Housing Act 1989 provided a statutory basis for economic development activity to be undertaken by local government while dictating what form this might take. That policy should be

differentiated by area in accordance with a shifting emphasis towards place-based regional policy was thus evident in the approach used by the Conservative governments of the 1980s and 1990s and broader patterns of regional policy at that time, as enacted by the European Commission and by national governments across Europe (Bachtler, 2001).

2.2.5.3   The New Public Management in Local and Regional Governance

The shift from government to governance outlined above has been most clearly evident at the local scale and within the policy field of urban regeneration, relating to changes in central-local and public-private sector relations. Both Thatcherites, critical of inefficiency and dominance of government in bureaucracies, and the 'new urban left' Labour-led local authorities, arguing that local government had failed to address the needs of marginalised groups, became interested in non-traditional approaches to the organisation of the local state. New concepts emerged such as customer focus, service quality, provider diversity, third-party regulation (Lowndes, 2005).

The term 'New Public Management' is used to encompass a range of reforms made to public sector bodies and their practices, intended to bring their organisation, management and accounting practices in line with those found in business. This has taken place in terms of two main factors: the extent to which the public sector is insulated from the private sector, with regard to its personnel, structure and business methods; and the extent to which discretionary power can be exercised in public sector decision-making units, with regard to staffing, money and contracts. The practical expression of these reforms can be seen in the switch to output budgeting, performance indicators, separation of roles and a contract-network structure (Dunleavy and Hood, 1994). While the potential for diversity in public sector practices and organisation is held to foster increased dynamism, innovation, competition and a greater possibility of renewing embedded practices, the tendency for the rational behaviour of each individual organisation to be countered by a lack of coordination, resulting in overlaps and 'underlaps' of responsibility, instability and confusion (Hill, 1994; Dunleavy and Hood, 1994).

The New Public Management has been subject to further criticisms of the incomplete nature of its integration of markets into public sector practice, in which quasi contracts, rather than contracts enforceable by law, are used; of its giving little weight to strategy; of the potential for perverse outcomes from the use of narrow performance targets; of its erosion of high trust relationships among public bodies and consequent raising of negotiation costs between these; and that a cumulative fragmentation of governance results as reforms are implemented with increasing

intensity over time, further reducing coordination between agencies and narrowing the focus of individual bodies (Dunleavy and Hood, 1994).

2.2.6 The Abolition of the Metropolitan Counties

The antipathy towards strategic planning during the post-1979 era was perhaps most clearly evident from the abolition of the Greater London Council and the six metropolitan county councils in 1986. The argument for metropolitan governance in the post-war era coincided with contemporary arguments for city regional governance – what is now most commonly referred to as the city region being known in the 1970s and 1980s by the term 'metropolitan area', now used more often in the USA – these being that patterns of urbanisation and social and economic activity no longer corresponded to areas governed by district authorities.

More specifically, the introduction of a tier of government at the city regional scale followed the expansion of local government service provision under the post-war welfare state, a desire to provide fiscal equivalence between the central city and its outlying suburbs, towns and villages, a search for economies of scale in service provision, and an intention to encompass the range of social groups which make up the city yet which tend towards spatial segregation (Williams, 1999; Sharpe, 1991). The Royal Commission on Local Government in England (1969), chaired by Lord Redcliffe-Maud, had proposed a unitary system of local government nationwide, excepting the cities of Liverpool, Manchester and Birmingham, in which a two tier system was put forward, made up of upper tier authorities with responsibility for strategic services and for overseeing and coordinating lower tier authorities concerned with local service delivery. In the three two tier cities all planning powers would be lodged with the strategic authorities. A minority report from Derek Senior, a dissenting member of the Commission, proposed a two tier system of strategic and local service delivery to be implemented nationwide, in which all planning powers would be lodged with the strategic authorities.

The actions of the incoming Conservative government that implemented changes to local government following the Royal Commission deviated from its prescriptions, establishing six Metropolitan County Councils (MCCs) in 1974, Greater London having already been established in 1964, to act as upper tier authorities in a two tier system, the MCCs undertaking the strategic coordination of land-use planning, economic development and transport within this structure. This role was, however, limited by the sharing of planning and economic development functions with the

lower tier authorities, while transport is regarded as having been addressed in a more successful manner, through the Passenger Transport Executives.

The case for the abolition of the MCCs, just twelve years after their formation, was made on the basis of their perceived costliness and lack of utility, it being deemed that their functions could reallocated to the local and national scales (Roberts, 1999). As stated though, the removal of the metropolitan tier of government was also widely seen as a means to negate opposition to Conservative national government policies in mostly Labour voting cities.

In order to account for those responsibilities that were still seen as requiring city region scale coordination following the abolition of the MCCs, joint boards for police, fire and transport were set up. Unitary plans would replace the two tier system of local and structure plans. Joint boards have been found to be orchestrating metropolitan scale functions in a more fragmented fashion than the MCCs that preceded them (Leach et al, 1986). Those matters addressed by the joint boards were seen as having lost importance in comparison with district responsibilities by virtue of not being attached to an elected entity and as a consequence becoming routinised functions, while the political status of the joint boards were seen to have disconnected them from mainstream local politics (ibid). The maintenance of joint working procedures leads Williams (1999: 48) to understand the 1986 local government reorganisation not as an abolition of metropolitan government but rather as 'a transition from one form of metropolitan government (with a directly elected upper tier) to another form (with an indirectly elected upper tier)', in which a precedent was set for partnership working between district authorities, with consequences for resource allocation, comprehensibility of governance actions and public accountability.

2.2.7 Filling-in the Institutional Void

The restructuring of the regional and sub-regional state and the accompanying embrace of a more widely felt shift from government to governance during this period has been criticised for being both democratically unaccountable (Sharpe, 1991, 1997; Williams, 1999; Tickell et al, 1993) and for putting into place an institutional and policy environment whose fragmented nature and complexity made cooperative working between local bodies difficult (Audit Commission, 1989) and resulted in an uncoordinated and sectorally splintered approach (Lawless, 1991; Robson et al, 1994).Bounds (1994) attests that, while the need for local government to work collaboratively with other local bodies as a means towards more effective governance was by this time established, the pattern of local governance in England by the mid-1990s was not the result of a strategic attempt to account

for such an impetus but rather constituted the product of a series of disconnected, ad hoc decisions taken without reference to an overarching search for the most effective way of governing. This negation has resulted from the absence of politicians or appointees who would be in a position to conduct such a search within a governance framework in which power had been distributed from local government to central government and local executive agencies. Given the limited time in office for government ministers and the limited remit of local executive agencies, within metropolitan counties that by now lacking a level of government at that scale, only the metropolitan districts carried the longevity and continuity to take responsibility for local areas, yet lacked the means to exercise this.

A paradox generated by the fracturing of local and regional governance through reforms such as those associated with the New Public Management is thus that the range of bodies active in governance are required to work in partnership in order to provide a measure of coordination that has become increasingly lacking over the course of their proliferation (McQuaid, 2000; Bounds, 1994). The degree of success achievable through coordination by partnership has been cast into doubt, however, given that inter-agency relationships within partnerships can range from those in which levels of trust are high and where short-term benefits are deferred by partners in order that long-term shared goals might be achieved, to those in which self-interest predominates at the expense of the long-term success of the partnership (McQuaid, 2000). Where trust relations are weak, fragile consensus is seen to lead to the avoidance of difficult decisions such that, while partnership activities are based around lobbying for funds, issuing bland mission statements and conducting marketing exercises, partnerships function effectively, but once decisions around setting investment priorities and locations for activities arise, they may break down (Bassett, 1996).

In addition to its use as a means to coordinate separate agencies, partnership is said to confer benefits over hierarchical public sector bureaucracy through the securing of additional resources for a particular project, purpose or area; the generation of synergies through the joint working of different bodies; the introduction of new ways of working (ibid); and the achievement of a degree of bottom-up political self-determination through the introduction of horizontal networks of interaction into the governance of places (Davies, 2002). The extent to which the latter has led to strategic autonomy in the case of partnerships in the UK has been questioned, however, due to what is seen as the overwhelming regulatory influence of central government policy initiatives that have created a template for local governance partnerships that reduces the possibility of local difference from which innovation and synergies might result (ibid). Indeed, Davies (ibid: 308) regards as the pre-eminent partnership form in Britain the 'top-down bureaucratic structure, pre-occupied with

tailoring local political strategies to prescriptive funding criteria set by central government'. As such, partnerships in local governance do not represent a shift from hierarchical-vertical relations to network-horizontal relations but rather a re-ordering of central-local relations (ibid).

As well as reducing the potential benefits of partnership, this may lead to reduced levels of engagement among partners. Where the overall purpose and strategy adopted by a partnership comes from outside of the partnership itself, key stakeholders are seen to be less committed to the partnership, which may take the form of a 'talking shop' in which partners are not engaged in strategic issues (Carley, 2000).

Other criticisms of partnership are its tendency to focus on a narrow range of interests, aims and activities, such as property and place-marketing; doubts raised over the 'staying power' of business elites; that limited resources and remit may limit effectiveness, for instance TECs had resources within a narrow remit while BLTs had few resources but a wide remit (Bassett, 1996); that goals may be uncler; that there may be negative impacts on the 'mainstream' services of local government as partnership activities come to be seen as an alternative to improvements in or coordination of these; and that power may be unequally distributed and informally assigned (McQuaid, 2000). On the last point, the balance of power in partnerships may be resultant less from documents specifying how the partnership will function than from the underlying relationships between actors (ibid).

2.2.7.1   Top-down Coordination

Criticism of the 'patchwork quilt of complexity and idiosyncrasy' (Audit Commission, 1989: 1) that made up the range of remit- and, often, time-limited central government programmes for economic development prompted a partial reversal of government's approach, as the policy of the Major governments turned towards coordination and cooperation in urban policy. Programmes such as Challenge Funding, City Pride and Single Regeneration Budget aimed to incorporate a strategic aspect to local economic development by enabling the combination and coordination of funds towards specific ends.

In the background to this was a shift in thought with regard to the 'urban problem' such that a holistic understanding of the problems of the inner city invalidated the single issue interventions used to date and looked to a more strategic approach (Hill, 1994). In response to this, the Government Offices for the Regions (GORs) had been set up to administer the operation of, originally, the departments of transport, industry, employment and the environment within each

region (for more on which see chapter four), representing an attempt at accounting for regional context in applying policy.

Nevertheless, GORs engaged in regional working not by fostering greater decentralisation of powers but by extending the reach of central government in the regions, while attempts to coordinate regeneration initiatives and organisations in the regions were regarded as insufficient to allow for a cohesive regeneration strategy to emerge, while failing to resolve the lack of transparency in the activities of government agencies (interview, senior local authority officer). Thus the introduction of GORs by the Major government and allocation of control of Single Regeneration Budget and European Structural Funds to them rather than to local elected government has been seen as further evidence of this (Stewart, 1994), albeit couched in reforms that have the appearance of decentralisation.

In land-use planning, too, a renewed, though limited, coordination in the regions took place. This resulted from an acknowledgement by central government that housing shortages, especially in the South East region, were a consequence of a failure to build due to pressure from 'NIMBY' (Not In My Backyard) groups on local authorities and that some form of regional coordination in this matter would relieve pressure from local elected members to restrict urban growth (Thornley, 1993). With the abolition of MCCs, the two tier planning system in the metropolitan counties was replaced by a system of Unitary Development Plans in metropolitan districts, which became unitary authorities. Replacing the metropolitan county structure plans was Strategic Planning Guidance (SPG) issued by the Department for the Environment following consultation with metropolitan district authorities. This change has been criticised as a removal of the strategic tier in those areas where strategic planning is arguably most necessary (Cullingworth and Nadin, 2006).

Following more than a decade of hiatus, planning at the regional tier was reintroduced in the form of Regional Planning Guidance (RPG), issued, in a similar fashion to SPG, by the DoE following consultation with district and county authorities of each region. In contrast to SPG, however, regional groupings of local authorities existed only informally and inconsistently across the regions. The introduction of RPG thus required an increase in regional institutional activity and a cooperation over strategic planning that had been absent since the first Thatcher government came to power. While SPG is seen as having been limited in impact and having gained only limited commitment centrally and locally, RPG is regarded as having fostered a renewed consensus around planning and a commitment to joint-working at the regional scale (Williams, 1999).

2.2.7.2 Bottom-up Coordination

Voluntary regional governance arrangements had long existed in the form of 'standing conferences' of associations of local authorities working at the regional scale, which were set up to help to address the issue of the dispersion of population and industry from towns and cities in the years following the war. These were funded by their constituent local authorities and received support from these in the way of seconded officers, while their political legitimacy came from the local elected members who made up the conferences. The regional standing conferences grew in authority during the era of indicative regional planning of the 1960s and 1970s, representing the local authorities in the EPCs, yet declined or disappeared during the 1980s (Wannop and Cherry, 1994). It was the regional standing conferences which were reanimated or resurrected in order to write RPG and whose renewed activity and legitimacy contributed to a reinstitutionalisation at the regional scale.

Added to the need to coordinate economic development programmes and for a strategic tier of planning was the motivation for regional capacity-building provided by the introduction of the programmatic approach and the partnership principle in the allocation of European Structural Funds in the 1988 reforms to these. The former necessitated the production of regional development plans detailing how funds would be spent in order to coherently address regional deficiencies, while the latter required that these plans be produced by regional authorities. In the English case this meant that a regional presence would have to be constructed in order to take on this task. As well as the overt motivation of needing a regional institutional presence in order to access European funds was a perception that, following the Single European Act in 1992, the English regions would enter a more competitive Single European Market without the level of regional business support and inward investment structures that were present elsewhere in the EU (Bradbury and Mawson, 1997).

Mawson (1996: 312) outlines the 'consensus partnership model' that can be observed in the Audit Commission's (1989) advice to local authorities on the coordination of regeneration activities, the 1991 agreement between TECs, Chambers of Commerce and Enterprise Agencies, and in CBI and Business in the Community advice to Business Leadership Teams. This is held to encompass a construction of regional institutional capacity that is congruent with the particular configuration of institutions in each region, together with their strengths and competencies, which addresses the strengths and weaknesses of each region, and which is based on trust between corporate partners in order to facilitate partnership-working. Mawson (ibid) highlights, though, the lack of accountability in such approaches, their private sector dominance, and their potential to exclude disadvantaged groups and areas through their focus on economic development over other aims. Additionally, this

gradual bottom-up capacity-building in sub-national governance was, by its nature, highly inconsistent both between regions and within them, as varying levels of cooperation and interest from different partners affected its success (Bradbury and Mawson, 1997).

2.3   Regional Institution-Building in the North West

This section is an empirical investigation into the construction of governance frameworks at the North West regional scale and in the city regions of Merseyside and Greater Manchester. First, the institutional context from which efforts to construct a configuration of governance in the North West emerged is outlined. Second, the roles played by the European Commission and the European Structural Funds, both directly and indirectly, are addressed. Third, the consolidation of the early efforts at institution-building through the formation of the North West Regional Association is covered. Fourth, the regional strategies for planning and developed produced during this period are dealt with. Fifth, the form taken by city regional governance following the abolition of the metropolitan county councils in Merseyside and Greater Manchester is discussed, with reference to the notable differences between these two city regions.

2.3.1 The context for Building Regional Governance

A feeling that the North West had lost out, in terms of its ability to lobby for resources and to attract inward investment, through its lack of regional institutional presence as compared to other regions, can be detected from literature (Burch and Holliday, 1993; Tickell et al, 1993; Jones and MacLeod, 1999) and from a number of interviewees. Tickell et al (1993: 262), reflecting on this period, argue that the North West is 'an intensely fragmented region – politically, geographically, economically and institutionally'. Deas (2006) points to three reasons behind the historically weak institutional presence in the North West: a fragmented system of local government that has at times fostered tension between local government areas; economic decline that has been highlighted by the rapid growth of the London and South East economies; and a perception that the lack of regional presence in the North West was inhibiting its ability to access European Structural Funds.

Following the lull in regional planning and development during the 1980s, the North West did not begin to institutionalise until the 1990s and at that point entered the process of institutionalisation with a blank slate (Jones and MacLeod, 1999). As Burch and Holliday (1993) note, institutional

emergence into a new political space, if Hajer's (2003) term is applied, as opposed to the development of existing institutions in a given space, is not strongly represented in the study of institutions. In the case of the English regions the challenge of institutional emergence is made more difficult by the historical lack of regional government, meaning that a nascent institutional presence must establish, from a limited starting point, a sense of regional awareness and identity, as well as a forum through which the region can be governed (Burch and Holliday, 1993: 32-33).

This institutional fragmentation mirrored the geographical and economic fragmentation of the region, which unites the relatively diverse sub-regions of Merseyside, Greater Manchester, Cheshire, Lancashire and Cumbria. The North West Industrial Development Association was established in the 1930s to coordinate inward investment in the region and was replaced in the 1980s by Invest North West Agency for Regional Development (INWARD), though both of these are seen as having been of limited effectiveness (ibid). The failings of INWARD were attributed, by Dicken and Tickell (1992), more to the lack of buy-in from local government and other agencies in the region than to a lack of funds, with the latter being seen as partly a consequence of the former. In addition to INWARD, a range of government and non-government institutions were engaged in the governance of regional economic development and regeneration from the early 1980s onwards, as shown in table 2.

From this complex configuration of institutions, a regional elite with a shared impetus for regional coordination is seen to have formed out of local government (in particular from the county councils and large metropolitan districts), the TUC, INWARD, TECs, the regional branch of the CBI, the Chambers of Commerce, the Tourist Authority, the Group of Eight that represented the construction industry, and the North West Business Leadership Team (NWBLT) (Burch and Holliday, 1993).

Significant in this build-up of a regional institutional presence is the increased involvement of organisations representing the interests of businesses in the governance of the region. This follows a change in attitudes on the part of North West business leaders, as well as a change in the attitudes of elected representatives concerning the need to engage with business. The latter dynamic is made clear by a comparison of the 'municipal socialism' of the local authorities of Liverpool and, to a lesser extent, Manchester, during the mid-1980s, with the position taken by local councillors by the end of that decade and the beginning of the next one. From 1983-87, during which period the Militant Tendency group held Liverpool City Council, the local authority had a position of almost total disengagement with the private sector and with economic development matters, illustrated in the comments of one Liverpool City Council senior officer:

	Public Sector	Public-Private Partnerships	Private Sector
Regional	North West Regional Association	INWARD	North West Business Leadership Team
	Government Offices for the Regions	North West Partnership	North West Regional Group of Eight
			Civic Trust in the North West
Sub-Regional	County Councils	Sub-Regional partnerships (e.g. Business Opportunities on Merseyside)	Business in the Community
			Manchester Olympic bid Committee
Local	Local Authorities	Urban Development Corporations	Chambers of Commerce
	City Action Teams	Training and Enterprise Councils	Local physical infrastructure programmes (e.g. The Phoenix Initiative)
	Task Forces	Local Development Agencies and Enterprise Boards (e.g. West Cumbria)	Business support for inner cities (e.g. Moss Side and Hulme Business Support Group)
		Local regeneration initiatives (e.g. Hulme Regeneration)	
		City Challenge	

Table 2: North West institutions of governance organised by geographical scale and by form of ownership. (Source: adapted from Tickell et al, 1993.)

'That administration was not interested in economic development; basically they were interested in building houses.' (Interview with Liverpool City Council senior officer.)

Yet by the turn of the 1990s, a change in outlook is perceptible, with politicians and business leaders becoming aware of the need to engage the other party in order to achieve mutual benefit. While national government had introduced public-private partnerships at the local level, through such agencies as TECs and UDCs, and while INWARD had involved both public and private sectors at the regional scale since the mid-1980s, this shift towards a model of regional governance appears to be the result of a gradual realisation of the shared interests and mutual interdependence of the public and private sectors following a period of protracted political friction, especially in the region's cities. As a private sector interviewee prominent in regional governance at this time remarked:

'I think there are times, there are periods in history, when a partnership approach is desirable. The period I'm talking about came after quite a lengthy period of confrontation, quite a lot of extremism left and right, and I think people had had enough of that and there was an unspoken desire to find another way. We could understand each other and so partnership was very much the flavour of the month – the flavour of the decade – in the 1990s.' (Interview with private sector representative.)

The need to connect public to private interests was equally clear in the local authorities, evident in the comments of a senior metropolitan district officer, below.

'When I was talking to the business community, I had a script that said "which of you wants to be running your business in an area of environmental dereliction, demotivated people, high crime levels, poor school performance? Are these recipes for your success?" And of course no-one would say "oh yes, that's exactly what we want" because it was exactly what they didn't want. So the appeal was, in a sense, to *an enlightened self-interest*, to say that you can't just sit here with a high wall around you and expect to be successful if you don't take some care for what happens in the community around you. This is the area where you're going to recruit your people, you want people to come and work for you and live around here. *There is a sense of social responsibility on the part of many people but, while you can't talk to everybody about social responsibility but you can talk to everybody about self-interest*.' (Italics added.) (Interview with former Liverpool City Council senior officer.)

The appeal to 'enlightened self-interest' is highly instructive and illustrates the form taken by inter-organisational negotiation in governance, where joint-working arrangements are as strong as the inter-dependency that they are underpinned by. The phrase also captures well the motivations of

business leaders in becoming involved in urban and regional partnership bodies and echoes the findings of Wood (2004), Bassett (1996) and Rogerson and Boyle (1996) that business involvement depends less upon the prospect of direct economic gain, as in the growth coalition model (Logan and Molotch, 1987), and more upon a sense of responsibility for the area in which firms are based. The prospect of tangible economic returns flowing to the membership of the NWBLT could only be seen as a long-term aim, though those business leaders involved certainly maintained material interests in the regional economy.

The formation and growth of the NWBLT has been crucial to the development of governance in the region following its formation in 1989 as one of the regional progeny of the national Business in the Community organisation, whose aim had been to stimulate the private sector to address challenging social issues on the basis that economic gains could be made from this. The NWBLT's membership originally consisted of a limited number of leaders of North West businesses, ultimately expanding to 30, selected according to the strength of the business they belonged to and the power they were able to wield in the region, in terms of employment and investment. The organisation's management and decision-making structure was equally minimal:

> 'there was no permanent secretary, there was no office; it was just a group of people who got together in each other's offices, 7 or 8 of them, no more, and shared a coffee or a sandwich and attempted to come up with some ideas for the North West.' (Interview with NWBLT member.)

The organisation is unashamedly elitist, deliberately limiting the scale of its membership in order to maximise the decision-making power of its members and thus operating by the 'power of clout' rather than drawing on the strength of a wider body of members. The NWBLT's self-selecting membership can be contrasted with more traditional business organisations such as the Chambers of Commerce (Bassett, 1996) and is reflected in its organisational structure and operational form. The NWBLT's mode of operating in the regional interest is most strongly felt through its lobbying role, served by the influence of its members – including the Duke of Westminster, with extensive property interests in the region and beyond, Terry Thomas, the leader of the Cooperative Bank, and David Plowright, the chief executive of Granada Television – over politicians elected to the national parliament. In terms of establishing an identity for the region, important in the process of institutional emergence, the NWBLT is seen as having been successful at least in Westminster and Whitehall if not in the popular imagination (Burch and Holliday, 1993). Given its focus on lobbying as a way of achieving its aims of improved transport infrastructure, environmental protection, urban regeneration and inward investment, however, it has been seen as lacking a strategic capability

(Tickell et al, 1993). The view within the NWBLT was that the organisation would be a contributor to regional governance, however, rather than a formulator of strategy. For this function, an enhanced statutory presence in the region would be welcomed, as outlined by a NWBLT member:

> 'it was always our view that we're not the democratically elected authority for anywhere, we are, I like to think, a reasonably intelligent and certainly experienced group of business leaders but we are only as effective as the official bodies who can actually decide things and legislate at the end of the day. So that was how we got to the sense of partnership.' (Interview with NWBLT representative.)

The formation and increasing prominence of the NWBLT occurred at the same time as a wider movement towards regional governance. The introduction by central government of public-private partnership bodies into the regional governance arena was accompanied at that level by a view, noted by Deas (2005: 85), that the North West should 'get its act together' in terms of institutional representation, while the Labour opposition's Regional Policy Commission, authored by European Commissioner Bruce Millan, had recently advocated a stronger institutionalisation of the regions (Regional Policy Commission, 1996). Also evident was a district and county council movement, encompassing councillors and officers, for governance of the North West. This movement was led politically by the county councils, with Louise Ellman of Lancashire County Council, which had traditionally been unwilling to engage with neighbouring areas, seen as being prominently behind it. The demise of the Metropolitan County Councils meant that the county councils remained as the only strategic planning bodies in the region, altering the sub-regional balance of power in favour of Lancashire and Cheshire, while Cumbria's relative isolation, geographical, economic and institutional, together with its rural character, meant that it remained at the margins.

The production of two regional strategies in the early 1990s by voluntary and private sector bodies with an interest in the region also helped to lay the foundations for regional strategic working. The North West Branch of the Royal Town Planning Association's (RTPI) *North West 2010: the Pressing case for Strategic Planning* (RTPI North West Branch, 1990) argued for the resurrection of regional planning in the North West overseen by governance arrangements, in the absence of more formal regional government.

England's North West: a Strategic Vision for a European Region (CTNW, 1992) was produced by the Civic Trust for the North West in 1992 as a means of promoting the region's profile in the rest of the UK and Europe. The document was commissioned by the North West Group of Eight, a consortium of construction industry interests, trade unions, and professional associations, of which the North

West Civic Trust was a member. Formed in the recession of the 1970s as a way for the construction industry to lobby government, the Group of Eight had since been disbanded across the country excepting only the North West branch, which continued to lobby on behalf of the region into the 1990s, and had published *Renaissance North West: a Plan for Regional Revival*, a report on development opportunities in the region, in 1987 (CTNW, 1987).

2.3.2 The Role of Europe

While the institutionalisation of the North West has wide-ranging, if not especially deep, roots across the public, private and voluntary sectors, if a trigger is to be identified for the coherence of these various regional bodies it is the invitation to Graham Meadows, of DG XVI (later DG Regio), to speak in the North West in 1991. Meadows had made informal contact with local politicians, the Labour Party and professional membership organisations which had interests in regional development, conveying the changes to the mechanism by which the European Structural Funds would be allocated for the forthcoming programming period. That contact was made directly with regional politicians and agencies rather than passing first through central government is an illustration of the perception of central government concern for EU (then EC) matters, regional policy and regional governance at this time.

> 'I think it's fair to say that the EC had at that time been standing watching what was going on in England in particular, being informed only really by civil servants in Whitehall, with very little dialogue [with the regions] ... I well remember the famous speech when [Meadows] spoke of the proposed programming document for the North East, and it was the same document as had been proposed for the North West except that they had tip-exed out the West and put East, but had forgotten to do it in a couple of places. So this caricatured the situation where the North was feeling very much governed, or shall we say miss-governed, from London, and a sense of "we could do this better ourselves" [prevailed].' (Interview with private sector representative).

At an event at Manchester Airport organised by the North West branch of the RTPI, the Town and Country Planning Association (TCPA) and the NWBLT, Meadows was invited to speak before an audience of local elected members and business leaders. Here he outlined the requirements for social partnership and the consequential importance of regional governance in the allocation of the forthcoming round of European Structural Funds. The implications for the North West of failing to fulfil these requirements would be a substantial missed opportunity in being allocated funds for

regional development, especially in light of the increasing amount of Structural Funds that had been allocated to the region. The case was made, as a result, for the need to organise politically at the regional scale, through the formation of a partnership organisation, and the need to engage in strategic planning, through the production of a regional strategy that would have buy-in across government, business and social bodies.

> 'That conference basically launched the politicians in the North West onto a flight path, which was how it was described at the time by one of the politicians, towards creating some form of regional machinery.' (Interview with former Liverpool City Council planning officer.)

The immediate reaction in the region to Graham Meadow's speech was the NWBLT's decision to propose and part-fund fund a regional strategy. The NWBLT's role in inviting Meadows to speak and their rapid response to his proposals shows the extent to which events had been proceeding behind the scenes, as well as the scale of the NWBLT's desire for regional working.

> 'We had, I think, done a clever thing, in arranging a board meeting of the Business Leadership Team for 5pm on the afternoon of the conference, in the venue of the conference. So we got the full team to come to the conference and they took part in the conference and then sat down for a board meeting afterwards. It was that immediate – and I think this shows how quickly business can act – it was at that 5pm meeting that we said it has become apparent during the day that the North West needs to write its own strategy rather than to rely upon Whitehall to inform the Commission.' (Interview with NWBLT member.)

2.3.3   The North West Regional Association and the Consolidation of Regional Governance

The need for regional institutionalisation as a precondition for accessing European Structural Funds added weight to the existing mobilisation of regional institutions in the North West. The North West Regional Association (NWRAss) was a partnership of all of the local authorities in the region, but was assembled by the invitation of the NWBLT:

> 'The NWBLT approached the local authorities for the North West. Bit by bit we had a couple of social gatherings at which the local authority leaders were invited and we just, if you like, talked around the problems, talked around the possibilities for a few months, and met in our ones and twos, and then by 1992 we had developed more or less total confidence between the NWBLT, the North West local authorities, and other key partners like the Coop movement,

like the Trade Unions, like the Higher Education sector as well, which has always been

important to the North West.' (Interview with NWBLT member.)

The NWRAss was split into six working groups, made up of councillors and attached to groups of officers, of: planning, economic development, transport, Europe, environment and waste. This array of interests is more wide-ranging than those addressed in the immediate goal of the NWRAss, which was to produce a regional strategy that would satisfy the Commission. While the pursuit of a relatively narrow interest is generally characterised as a failing of governance initiatives in 1980s and 1990s England however (Audit Commission, 1989; Peck and Tickell, 1995; Stoker and Mossberger, 1994), Burch and Holliday (1993) suggest that the selection of a particular issue as the basis from which to build a governance initiative is crucial to the subsequent success of the initiative. Furthermore, the goal of producing a regional strategy was an effective one, in terms of partners being able to build relationships and work together, given the scope for accessing Structural Funds and the perception that difficult questions that might divide areas could be avoided in an economic development strategy.

The efforts at partnership-building that led to the formation of the NWRAss have been criticised for being overtly based on the carrot of European Structural Funds and thus on an instrumental rather than a strategic foundation (Jones and MacLeod, 1999). The emergence of partnership institutions in the North West could not be described as a collaboration on the scale of conceptualisations of urban and regional public-private partnerships such as growth coalitions (Logan and Molotch, 1987) and urban regimes (Stone, 1989). In Stoker and Mossberger's (1994) division of the urban regime into the 'organic', built on strong social fabric, the 'instrumental', built around particular interests, markets and projects, and the 'symbolic', constructed around attempts at lobbying for funds and image building, the North West appears somewhere between the 'instrumental' and the 'symbolic'. As Bassett (1996) notes of Bristol, though, the question is not so much which category of urban regime a given city should be placed in but whether a coherent urban regime can be discerned there at all.

While the carrot in this case was sizeable and clearly influential, given the timing of the NWRAss's foundation, the process of institutionalisation in the North West was, as has been argued, a more gradual one than the notion of the Structural Funds as a defining factor allows. Additionally, while the prospect of accessing funds connotes an instrumental, rather than a strategic, logic, the product of this logic was an increase in strategic thinking at the regional scale.

2.3.4 Regional Strategies

The Regional Economic Strategy for North West England was completed in 1993 and revised in 1996. The funding for the strategy was shared between the 46 local authority members (whose combined contribution made up 25% of the total), the NWBLT (25%), and the European Community (50%). The strategy was framed around a strategic vision of a region of high environmental quality with excellent links to Europe and beyond that would be a centre of world class in the production of goods and services. While visioning processes are seen as being of importance to the success of partnerships (Carley, 2000), their tendency towards becoming bland and non-committal statements of intent must also be noted (Bassett, 1996). This vision would be achieved by addressing the issues of economic development, internal and external transport links and the image and environment of the region, over the period until 2010, the same time frame as covered in the RTPI North West Branch's 1990 document. For each of these issues a number of strategic objectives were drawn up and under each of these a series of measures for intervention.

The environmental agenda, allied to a notion of quality of life as linked to environmental quality, was a relatively novel concern for a mainstream economic strategy at that time, and reflected a growing realisation of the links between sustainability, though the term was not then widely used, and economic growth. The necessity of addressing sustainability concerns within the North West was seen as especially relevant in the light of the region's industrial history and the acknowledgement that its future would deviate yet further from heavy industry.

> 'They ... latched onto the issue of sustainability, with the various reports showing that the carbon footprint – it wasn't called the carbon footprint in those days, it was called pollution – but the carbon footprint of the North West was amongst the worst in Europe. So there were issues ... [we were] very far ahead of the game in identifying that environmental strand to economic development, which is one of the key planks to a successful and a sustainable regional economic policy.' (Interview with NWBLT member.)

The strategy was written by the consultants *Pieda* and made use of the NWRAss officer groups as well as central government departments, representatives of DG Regio, and social partners such as the NWBLT, CBI, TUC, INWARD, TECs, Chambers of Commerce and representatives from institutions of higher education. The use of a social partnership model was in line with the views of DG Regio, which was keen to extend the region's institutional presence beyond elected representatives to encompass a wide-ranging selection of organisations with a stake in the future of the North West,

while ensuring that the goals of private sector partners were not restricted to the purely commercial (McQuaid, 2000).

In contrast to the limited joint-working in the region during the 1980s, the existence of the NWRAss and the need to work in partnership towards the production of a regional strategy is seen by interviewees as having inaugurated a more effective period of inter-organisational relations and working practices than hitherto:

> 'What you had then, instead of people coming into that room prepared to fight their own corner, they came into the room as professionals, they already knew what their agenda was, they already knew and trusted each other personally, and they very rapidly produced a document and then went off and sold that document to their respective organisations.' (Interview with former Liverpool City Council planning officer.)

The only discordant note in the production of the Regional Economic Strategy was over the issue of airport policy, for which an amendment was proposed after the endorsement of the strategy across the NWRAss' membership that sought to develop a second runway at Manchester Airport. Elected members representing Merseyside districts objected to this on the basis that it might harm the prospects of expanding Liverpool Airport, and the strategy was not ratified. Intervention from outside of the NWRAss followed, with the European Commission attempting to forge agreement, before personal involvement from the Labour Party leader John Smith is seen to have resolved the issue:

> 'Quite acrimonious negotiations [took place], between Liverpool City Council and Manchester City Council over airport policy, over a second runway for Manchester or letting Liverpool develop its airport more, and eventually with some very timely intervention by John Smith. He intervened and, I believe – I wasn't in the room – but I believe, was quite influential in persuading Graham Stringer, who was then the leader of Manchester City Council, and Harry Rimmer, who was then the leader of Liverpool City Council, to bury their differences and agree one approach to airport development for the North West as a whole. That was a really significant breakthrough.' (Interview with NWBLT member.)

The suggestion by Bassett (1996) that a potential failing of partnerships is to base agreement around blandly worded goals and mission statements on a fragile consensus that has a tendency to break down on the setting of investment priorities and locations for investment is salient here.

The Regional Economic Strategy had been intended partly to create a regional institutional presence from which the aims of the strategy could be implemented. In the first instance this would result in

the setting up of a Strategy Secretariat. The alignment of European Structural Funds towards shared regional ends would be entailed in this, though it was not proposed that the Funds should be programmed at the North West scale. Instead the Integrated Development Operations that had been used to programme the Funds at the city regional scale would be continued, though under an overarching set of regional aims.

Preparation of advice towards the publication of RPG in 1996 was a further signal of greater commitment on the part of the North West local authorities towards collaboration at the regional scale (Batey, 1999). *Greener Growth* (NWRAss, 1993) was the North West's advice to the DoE for the preparation of RPG 13. This was prepared under the NWRAss by a team of planners seconded from local authorities across the region. Liverpool City Council was influential in this endeavour, providing the secretariat and a number of secondees. According to Deas (2005: 90), Greener Growth was a 'cautious, unassuming document which barely reflected the more ambitious, North West-focused agenda that was beginning to emerge', yet the emergent regional agenda had as its focus the relatively open policy field of economic development rather than the more constrained arena of statutory land-use planning. Deas' (ibid) point is nevertheless endorsed by one of the co-authors of *Greener Growth*:

> 'It was quite a short document and we hadn't put a plan in it that would set out the spatial concepts and I remember an officers' meeting in which somebody said "you shouldn't put a plan in it; the members will understand what we're saying and there'll be an enormous argument and we'll never get it through". So of course we didn't put the plan in.' (Interview with former Liverpool City Council planning officer.)

In 1994 the NWRAss and the NWBLT established the North West Partnership (NWP), which drew representation from across the public, private and voluntary sectors in order to create a vehicle to oversee the overall implementation of the North West Regional Economic Strategy. The NWP prepared a number of 'daughter' strategies that addressed aspects of the Regional Economic Strategy, which by 1997 included strategies for transport, human resource development, information technology and landscape. The last of these was the first strategy addressing the strategic use of open space at the regional scale since the 1974 Strategic Plan for the North West (Batey, 1999).

The 1996 update to the Regional Economic Strategy for the North West, now called the 'Sustainable Regional Economic Strategy' (NWP, 1996), stressed the role of sustainability in economic growth, this being still a relatively novel focus within an economic development strategy at the time, though

continuing a theme that had existed in the original document. The update notes the particular challenge of preparing the 1993 iteration of the regional strategy in a 'regional vaccum' (NWP, 1996: 7) and cites as a benefit resulting from its publication the diversity of actions and range of specialised projects being undertaken in the North West.

Produced by the Government Office North West (GONW) and the Government Office Merseyside (GOM), together with a range of partner organisations, in the wake of the updated Regional Economic Strategy, the Action for Competitiveness documents (GONW, 1996; GOM, 1996) brought together a central government agenda hailed by the publication of a number of competitiveness-focused White Papers, with the recent spate of North West strategies. These documents stated a number of priority actions and targets against three cross-cutting themes of 'supporting business', 'developing people' and 'an environment for growth', while framing their analyses of the region's performance and potential within the premise of the need for, and existence of, strong partnerships. Progress was evaluated against these in the subsequent Regional Competitiveness Strategy for the North West and the corresponding Merseyside version (GONW, 1998; GOM, 1998), published in the knowledge of the forthcoming creation of a North West Regional Development Agency (NWDA) following the 1998 Regional Development Agency Act.

In terms of their effects on the governance practices of the North West, Burch and Holliday (1993) relate benefits of socialisation and identity-building as resulting from the working practices of the NWRAss and NWP. Socialisation, as having occurred through the co-production of the Regional Economic Strategy, is seen as having aided organisational negotiation through dialogue that enabled different bodies to gain an understanding of each other's perceptions, problems and objectives (ibid: 40). Identity-building is regarded as a result of this socialisation process, whereby a common identity was formed across the elite organisations that made up the NWRAss and NWP which could not be detected outside of these circles. With regard to its wider effects, in the region and beyond, Burch and Holliday (1993) identify four benefits contingent to the production of the Regional Economic Strategy: the generation of an authoritative voice for the region, such as had traditionally been lacking; the possibility of making that voice heard in London and Brussels; by extension the ability to to positively influence policy and funding decisions taken there; and the work it undertook in mobilising support for a regional identity.

Tickell et al (1993) take a more negative view on the effectiveness of the North West's voluntary governance arrangements, positing that the inherent fragility of 'business-oriented' (ibid: 250) public-private partnerships renders them unable to make difficult decisions and results in an automatic adherence to depoliticised issues and the status quo. A further criticism, relating directly

to the fragmented nature of the region's governance arrangements can be made around the difficulty of achieving a long-term vision given the potentially conflicting contributions made by the varied array of strategic documents that emanated from the wealth of governance agencies and partnerships active during this period (Carley, 2000).

If an outcome of the Regional Economic Strategy for the North West was the setting up of the NWP in order to address the implementation of the strategy, it is apposite that the NWRAss' ultimate demise was due to the more formal approach to regional governance adopted by New Labour and their creation of Regional Development Agencies (RDAs). The change of government in 1997 and the associated political will that mobilised behind a more formal sort of regional institutionalisation under New Labour supplanted the prospects of the NWP as a mechanism for the implementation of the Regional Economic Strategy.

'The North West Partnership was an informal association ... but in that crucial time when there wasn't a regional assembly or anything like that, there was only the North West Partnership, from 1993 I think it was formed, to actually sign off the strategy, until after the 1997 election, it would have been about 1998 by the time it wound up.' (Interview with NWBLT member.)

While the establishment of the NWDA appears, in the institutional history of the North West, to be a revolutionary development, in fact a degree of continuity exists between the end of the NWRAss and NWP and the beginning of the NWDA and the NWRA. While the NWDA was equipped with its own funds and staff, continuity in leadership and the relations between regional bodies already established by the voluntary arrangements of the 1990s set a basis from which the New Labour institutions could build.

'In the early days of the RDA, its chair was the selfsame Lord Thomas, who had chaired the North West Partnership, who had been one of the leading proponents of forming the NWBLT, back in the 1980s. So he grew from that to becoming the selected chair of a partnership with local authorities and other partners and then ... he was a natural choice as the first chair of the NWDA when it actually opened its doors in 1999 I think, following the Act in 1998. Because he knew us extremely well, trusted us, knew that he could work with the business leaders, he could work with the local authorities, who were to a large extent the same people still in office, and of course he could work with central government because he was very close to the Prime Minister.' (Interview with NWBLT member.)

2.3.5 City Regional Governance after the Metropolitan Counties

The dissolution of the two tier system of local government in the largest English cities left a 'strategic vacuum' (Roberts, 1999: 33) in the city regions, as those parts of England arguably most in need of strategic planning. As noted, while the metropolitan, strategic, tier of local government was abolished, metropolitan government was not abolished, instead transitioning from a directly elected forum to a joint-working arrangement between directly elected bodies (Williams, 1999). A perception therefore was clearly prevalent that city regional governance was necessary, both in central government, which had encouraged the establishment of joint boards, and in the district authorities, which engaged in joint working practices. While institutionalisation at the regional scale had taken place from a very limited starting point in the North West, the former metropolitan counties of Merseyside and Greater Manchester had, by 1986, worked below a strategic upper tier authority for the previous 12 years, with the established inter-organisational relationships that followed from this.

In addition to the relationships formed under the metropolitan county councils, European Structural Funds had been administered at the sub-regional level, with IDOs in Merseyside and Greater Manchester. While the European Commission had encouraged the establishment of institutions and economic development at the regional scale, the practice of programming the Structural Funds was taking place at the sub-regional scale.

2.3.5.1   Governance Fragmentation in Merseyside

The Merseyside County Council (MCC) had operated against a prevailing context of economic and social decline, reflected in its strategic planning which, through the Merseyside Structure Plan, continued the theme found in the 1974 Strategic Plan for the North West of advocating a concentration of resources in the existing urban footprint rather than an expansion of urbanisation through New Town policy and expansion at the urban fringe. The MCC's strategic outlook was set out in the Structure Plan Stage One Report of 1975, which noted the difficulties posed by the centrifugal movement of people and jobs from the older industrial and dock areas of the county and the disused land and socio-economic problems left in the wake of this. The Stage One Report was an attempt to set out the planning strategy for the metropolitan county without submitting to the lengthy timescale necessary for the production of a formal Structure Plan, which in Merseyside did not arrive until 1980. The use of an urban re-concentration strategy ran firmly counter to existing policy in central government, as remarked upon by a former MCC planning officer interviewed:

'These were the early days when this Stage One Document was produced, and it received no support at all from the civil service in government at the time because it went completely against the trends. They were still running with the new towns at the time, while what the county wanted to do was to axe the new towns and to redeploy that money back into the city.' (Interview with former Liverpool City Council planning officer.)

The notions of urban regeneration and brownfield land used in the strategy were to gain momentum, however. Both the Stage One Report and the Structure Plan made the point that land-use plans would be insufficient to address Merseyside's problems, with interventions in employment creation, transport, housing and environmental conditions also necessary. This approach was in line with contemporary ideas of a more holistic approach to the solving the problems of inner cities.

The setting up, in 1981, of Merseyside Development Corporation (MDC), one of only two nationwide, alongside London Docklands Development Corporation, demonstrated the approach that central government advocated towards urban regeneration. This was to introduce, in local areas, executive arm's length agencies, appointed by central government, which would attempt to lever in private sector investment, on the back of public investment, towards property-led regeneration. Urban Development Corporations were emblematic of the Thatcher governments' approach to economic development and planning, yet the actions taken by MDC were not so different to those that had been intended by MCC, perhaps limiting the extent of any negative reaction to its establishment among local politicians.

'the county council was poised to purchase the south docks and to lead the regeneration of the south docks, and Heseltine called the county council, which was Tory-run, by Sir Kenneth Thompson, ex-Tory minister, and told him, first of all, that they were abolishing Merseyside County Council, and secondly, that they were going to create an Urban Development Corporation to lead the regeneration of the docks, so all the government was really doing was picking up the policy agenda which had been formed up here ... ' (Interview with former Liverpool City Council planning officer.)

The separation of functions that occurred when aspects of policy were removed from local government control, however, had negative consequences for the coherence of regeneration interventions. If the Stage One Report and the Merseyside Structure Plan had demonstrated the capacity for coherent strategy-making and planning in Merseyside, the introduction of the MDC, to be followed shortly after by the Merseyside Task Force (MTF), which brought together public and

private interests in the name of coordinating a response to economic and social problems, represented a fracturing of governance in Merseyside.

The Agenda for Merseyside document, published by MCC in 1985, argued to central government, in the light of the forthcoming dissolution of the metropolitan counties, that the county council and the Structure Plan regeneration strategy had built a consensus across political parties and administrative geography. This is disputed by Batey (1999), who argues that, by this point, regeneration in Merseyside could not be effectively coordinated due to the range of separate bodies and initiatives present in the sub-region, almost all of which were imposed by central government. These include MDC, the county Structure Plan, the Liverpool City Council housing strategy, the Enterprise Zone, the Free Port, the Housing Action Trust, MTF and Safer City. Batey (ibid) suggests that the idea of urban regeneration, extolled by MCC in Liverpool in the mid-1970s as a locally-formulated, public sector-led activity, had become the concern of a multifarious and poorly integrated range of institutions and interventions. 'The fact that all of these approaches were being pursued simultaneously meant that, contrary to the county council's claim in its Agenda document, there was actually no consistent county-wide strategy for achieving urban regeneration. Urban regeneration was by now an ambiguous concept subscribed to by almost all politicians and public officials from local and central government alike' (ibid: 102).

The closure of MCC in 1986 left a challenging governance climate for the city region as, in addition to the plethora of agencies and funding schemes operating there without reference to an overall strategy, the contrast between Liverpool and the other Merseyside districts was quite stark. In political terms, the radical Militant Tendency that controlled Liverpool City Council had disengaged from partnership-working with other local authorities while focusing its attentions on its own area. In terms of the wider local context, Merseyside's economic, social and environmental problems, while extant across all of its districts, were concentrated in the Liverpool local authority area. The outer Merseyside districts thus faced the dilemma of having to either cease to act in partnership with their main employment and retail centre or to cooperate with a city council whose name had become a byword for urban dereliction.

> 'The problem for the other local authorities was that in one sense they had a vested interest in making Liverpool successful, because most of their residents worked in Liverpool, certainly in the case of Sefton or the Wirral, but on the other hand they didn't want to be too closely associated with a dysfunctional so-called "loony left" authority.' (Interview with former Liverpool City Council senior officer.)

Without the upper tier county council, the metropolitan districts largely retreated into more local concerns, though the joint boards were maintained. Where before relatively fragmented governance arrangements had been coordinated around the MCC as the central actor, now only a range of auxiliary actors remained (Wood, 2004). The Merseyside European Liaison Unit (MELU) provided an additional coordinating function around the policy area of European Structural Funds, as the city regional scale had been used in programming Structural Funds already, had been the geographical basis of a scoping report for the European Commission, and would be the scale at which the forthcoming IDO would be programmed. The MELU was set up to address shared concerns around European funding, with an initial staff of only two, though it was to grow to cover housing, transport, planning, economic development, regional concerns and, later, the joint boards, taking on the title of the Merseyside Policy Unit. At both the regional and the sub-regional scales, then, the European Commission had strongly influenced the process of institutionalisation in the North West.

> 'I think people had been living in their own little patches, largely, once the county had been abolished. There was a lot of ambivalence towards the county. While it was there it wasn't treated very well by the sum of other organisations underneath it but when it was gone people understood what had been lost.' (Interview with former Liverpool City Council senior officer.)

As well as the European influence, the normalisation of Liverpool City Council, after a number of Militant-aligned councillors were disqualified on the judgement of the district auditor, gave cause to the other Merseyside districts to resume closer ties with the central city. Liverpool City Council's leader and deputy leader following the return of the council chamber to mainstream Labour Party councillors were Keva Coombes and Harry Rimmer, who had been the leader and deputy leader of MCC at the point of its dissolution. While this continuity might be thought to have resulted in a continuity of specific policy aims of MCC in what had been its central metropolitan district, it is apparent that the task of primary and overwhelming importance in Liverpool at this point was to address the severe financial and organisational problems that had been visited on the council over the preceding four years (Cocks, 2010).

> 'What Harry Rimmer and Peter Bounds did was to make Liverpool like a normal local authority. They turned it into a normal local authority that you could do business with.' (Interview with former Liverpool City Council officer.)

The Mersey Partnership (TMP) provided an additional forum for joint working in Merseyside. Set up with funds from the Merseyside TEC, TMP was a membership company, limited by guarantee, with a focus on promoting and marketing the city region. TMP's membership was comprised of local manufacturing and trading companies as well as the six metropolitan districts, the universities, media organisations, professional bodies and other government agencies. By 2005, it had assumed the role of the sub-regional partnership for the NWDA, by that point being active mainly in tourism and economic development activities, including inward investment.

> 'TMP was quite important at the time because ... well it gave the game away. There were a lot of comments [at the time] that if you have to have a Mersey Partnership to change the image, your image must be pretty awful. So they were slightly saddled with that ambiguity; why are you spending so much time trying to change the image of a place and are you actually going to be successful? Is the image so embedded in the psyche that ... people used to say that those who knew Merseyside best were those who'd never been here, and that was the basic problem TMP had: they had to convince people who thought they knew everything about Merseyside. I think they were quite instrumental in at least beginning to change some of the perceptions, but it was an uphill struggle.' (Interview with former Liverpool City Council senior officer.)

TMP, while seen as a relatively narrowly focused organisation, was a pan-Merseyside partnership of public and private sector interests that existed during a period of relatively weak governance relations at the city regional scale. The importance of TMP can be demonstrated by its role under the NWDA as the sub-regional partnership and, following the disbanding of the NWDA, as the seat of the Liverpool City Region Local Enterprise Partnership and the secretariat of the Liverpool City Region Combined Authority. The latter is a vehicle for the strongest joint working arrangements in Merseyside since the MCC.

2.3.5.2   The 'Manchester Regime'

Harding (2000) builds on the concept of the urban regime (Stone, 1989) to describe as a 'Manchester regime' to describe the coherent and effective form of governance taken at the city regional scale from the late 1980s onwards. This is seen to have formed strong vertical connections to regional and national tiers of government and governance, positioning Manchester firmly at the vanguard of the city regional decentralisation agenda, and horizontal connections to the city region's constituent local authorities, other public service delivery agencies and business groups. While doubts have

been expressed about the scope for cross-national application of the urban regime concept (Wood, 2004; Dowding, 2001; Cochrane et al, 1996), such a strong city region governance model contrasts with the more fractured configuration of governance relations found in Merseyside during the same period.

At the point of the Greater Manchester Metropolitan County's demise, the city's institutional capacity was weak, fragmented and took a low profile (Rees and Harding, 2010), while Manchester City Council adopted an approach of 'municipal socialism' similar to, though less extreme than, that of Liverpool. By the national election of 1987 and the return of another Conservative government to Westminster, a change of strategy is evident in Manchester City Council, just at the point in Liverpool when the Militant-led council had pushed its opposition to national government policy as far as it could, resulting in its removal from office. As Harding et al (2010: 984) comment: 'The political and executive leadership of Manchester City Council – which has remained remarkably stable for 25 years – moved from a position in the mid-1980s of entrenched opposition to national government strategy that bordered on illegality and insurrection, to one whereby the city region has developed a clearly articulated framework for the governance of economic development, transport, housing and planning'.

Quilley (2000) argues that Manchester's local economic strategy during the first half of the 1980s, while nominally falling under the tag of municipal socialism, achieved little in comparison to Liverpool's housing policy or Sheffield's local strategies, suggesting that a move towards the Sheffield model, with a significant expansion in the council's economic development department, was under way, only to be abandoned after the 1987 national election. This was due to recognition of the futility of resolute political opposition in the face of a further term of Conservative government, as well as an acceptance that local economic policies pursued under municipal socialism had proven to be poorly developed and ineffective (ibid).

The encouragement, by central government, of public-private partnerships in regeneration, laid the path for a model of city and city regional governance based on cooperation and consensus, which was to be embraced in Manchester, exemplified by investment in projects such as the reconversion of industrial areas to residential uses and the construction of new museums, galleries and concert halls, as well as the regeneration of poorer neighbourhoods. All of these were aimed at changing the image of the city and were delivered using private sector and competitively allocated central government funds, in a mechanism in which the city council's role was in brokering agreement, providing land, granting planning permission and delivering associated mainstream services (Harding, 2000). The ability of Manchester to engage with central government, gaining funds

through competitive bidding and presenting an image of a transformed former industrial city with a strong service-, consumption- and visitor-based economy has been fundamental in positioning the city in vertical governance relations. Successful engagement with business and among the city region's local authorities has been equally essential in fostering the horizontal governance relations necessary to position the city region as the scale at which the Mancunian economy operates.

The geographical position of the Manchester local authority area, at the centre of a conurbation that reaches outwards in every direction, with the nine other constituent metropolitan districts of Greater Manchester governing the remainder of this territory, is such that a mutual reliance exists. While the economic heart of Greater Manchester lies in the central zone that is encompassed mostly by Manchester and partially by Salford, as well as an area of significant economic activity in Trafford (Rees and Harding, 2010), the conurbation's housing and employment base, as well as a growing amount of economic growth at the southern end of the metropolitan county boundary and over the border in northern Cheshire, lies in the outer authorities.

As a consequence, the major infrastructural works necessary for the Manchester's economic turnaround during the 1990s, in the form of the expansion of the airport, the completion of the motorway network, and the building of the tram network, required cooperation from the outer districts. The Association of Greater Manchester Authorities (AGMA) had been formed immediately after the end of the metropolitan county, formalising joint working arrangements at the city regional scale, while by the early 1990s a range of economic development partnership bodies were being set up between the Greater Manchester districts, such as the MIDAS inward investment agency, the international marketing and tourism agency Marketing Manchester and City Pride, a nationally-orchestrated urban investment strategy based on competitive bidding (ibid). Prior to the national government's announcement of City Pride, Manchester City Council had been lobbying central government on the importance of cities to national economic growth and, significantly in terms of the city region, on the importance of conurbation-wide approaches to economic development (Williams, 1995).

The potential for shared benefits to be reaped across the Greater Manchester districts was reinforced by strong buy-in from politicians across the city region. The commitment to the city regional agenda of Peter Smith, leader of Wigan Borough Council, is seen as important, given Wigan's size and peripherality, it being the only one of the Greater Manchester districts whose boundary is not congruent with Manchester's. The granting of a leadership role for Wigan in AGMA was seen by an academic interviewee with experience of the city region's political evolution as crucial:

'But Wigan being put in the driving seat for AGMA is a very deliberate political strategy. That's something ... if you can convince Wigan, that's a common story in Greater Manchester, then you can convince anybody. Wigan is completely peripheral to the city.' (Interview with academic.)

The alignment of a peripheral local authority with the interests of the central city of the conurbation is contrasted, by a different academic with research experience of both city regions, with the political climate in Merseyside, where such a degree of cooperation among districts is seen as severely lacking:

'What they had was the smaller authorities arguing for it; Peter Smith was very powerful in arguing for a Greater Manchester. Now over here [in Merseyside}, to get, I don't know, St Helens arguing for Merseyside, might be harder, because they're more worried about the dominance of a greater Liverpool, and also, places like Sefton and Wirral, their politics is very different. So there was that sense of consensus.' (Interview with academic.)

Another crucial factor in the success of Greater Manchester's ability to foster an effective cooperative model of city regional governance is the political continuity of Manchester City Council, where Graham Stringer was leader from 1984 to 1996, at which point he was replaced by Richard Leese, still leader at the time of writing in 2014. This continuity in party and individual leadership is remarkable because it encompasses both the period of municipal socialism and that of the 'entrepreneurial city' (Quilley, 2000). Throughout the course of Manchester's political continuity, with the basis this provided from which a turnaround in political and economic approach could be instigated, Liverpool City Council transitioned from Militant Labour, to alternating periods in which the Labour Party failed to provide a stable majority or in which there was no overall control, to, in 1998, the council's leadership being taken on by the Liberal Democrats.

Given the tendency for officer stability to follow political stability, Liverpool City Council's revolving door of political leadership led to a changeover of staff that was more rapid than would have been desirable during a period of trying social and economic context. Indeed, two former Liverpool City Council officers interviewed for this research claim to have left the employment of the Council following a change of political office. This lack of continuity restricted officers from planning for more than one political term of office at a time, in contrast to Manchester City Council's ability to generate a shared vision among political and officer groups.

The notion of a 'Manchester regime' (Harding, 2000), while persuasive in the context of the city region's relatively effective negotiation of the reduction in size of local government and ability to

involve business interests in the governance of the city region, has been cast into doubt. Cochrane et al (1996) argue that the partnership organised aroung the Olympic bid, seen by Harding (1997) as the 'real' partnership for the city, in which a limited number of participants came together to represent the interests of different organisations within a shared developmental agenda and provides mutual support towards the realisation of initiatives, resembles more a 'grant coalition' than a 'growth coalition'. This observation functions as both a commentary on the nature of contemporary business leaders, whose reliance upon public funds is contrasted with the image of property owning elites realising their interests in urban economic growth, as in the urban growth coalition concept (Logan and Molotch, 1987), and the downsizing of the UK state. While the Manchester Olympics bid partnership may well fulfil the functions assigned to it by Harding (1997) of presenting a unified front and voice in dealings with central government, aligning the various interests of different organisations and providing mutual support towards the realisation of initiatives, it is ultimately reliant upon the centrally and competitively orchestrated reorganisation of local state funds (Cochrane et al, 1996). As Bassett (1996: 550), cited in Wood (2004), remarks on the difficulties of cross-national application of concepts, while the US urban politics literature concentrates on horizontal governance linkages, in the UK it is the vertical governance linkages, tying local and central government together, that are of the greatest influence.

2.4   Conclusion

It has been posited in this chapter that the central dilemma of local and regional government during the period explored is that an increase in responsibility for welfare and job creation falls on those scales of government due to the national state's abandonment of spatial Keynesianism, yet at the same time there is a reduction in powers and funds available to aid in exercising this responsibility, as these are lost to externally appointed agencies outside of local and regional control. The process by which institutions were formed and by which a system of regional governance came about has been explored, under these conditions, at the regional and city regional scales within the North West region.

The institutional emergence of the North West into a new political space, following the creation of an institutional void there during the previous decade, represents an attempt on the part of local government, together with other public, private and third sector bodies, and with encouragement from the European Commission, to form a stable basis on which to take on this responsibility. This was a task made more difficult by the historical lack of regional government, with the consequence

that an incoming institutional presence must establish a sense of regional awareness and identity, in addition to a creating a forum for government (Burch and Holliday, 1993).

By the early 1990s, the market-friendly, centrally imposed and institutionally diverse array of bodies that had been divested upon the regions in place of strategic regional planning and centrally administered regional policy had given way to a renewed regional coordination in the North West. An antagonistic relationship between Thatcherite centralist and market-oriented tendencies and leftist regionalist tendencies suggests itself, yet the dynamic of industrial restructuring, by the early 1980s focused on spatial differentiation and local entrepreneurship, was common in some sense to both left and right (Cooke, 2006). In this context the renewed faith expressed in a regional strategic approach to development appears to be based on objective agreement between the variety of public, private and voluntary bodies that took part in it, on the need to give strategic direction to, and coordinate resources in the name of, the local and regional distinctiveness observed at that time (see, for instance, Piore and Sabel, 1984; Scott, 1988; Saxenian, 1996).

In a relatively short space of time, the North West was able to organise itself into a form of governance that achieved its immediate goals of satisfying the requirements of the European Commission for the programming of Structural Funds and of producing a regional economic strategy. The formation of regional governance arrangements appears to have gained buy-in from across the region's institutions, given the commitment towards the production of the regional economic strategy from the regional CBI, TUC, TECs, Chambers of Commerce and others, though the NWRAss was made up only of local authorities and the NWP, while being a public-private partnership, in fact limited its private sector membership to the NWBLT. In the background to the construction of regional governance were the European Commission, the Labour Party and the professional membership bodies of the RTPI and the TCPA, while bodies such as those contributing to the production of the regional economic strategies continued to be active in the North West.

The balance of power during this era lay firmly in the hands of the elected politicians, acting in partnership, together with the influence of the NWBLT. The rules and norms of governance in the North West at this time appear to be strongly influenced by the logic behind the setting up of regional governance, this being the prospect of receiving Structural Funds coupled with the 'enlightened self-interest' (interview with former Liverpool City Council senior officer) of the private sector. Some interviewees suggested that this more cynical understanding of the region's institutionalisation meant a regional governance configuration in which relations between governance bodies were predicated on the extent of their immediate mutual interdependence. These accounts are leant weight by the difficulty had by the NWRAss in making politically difficult

decisions such as on the location of regional airport expansion and in the selection of regional investment sites in its contribution to RPG. Burch and Holliday's (1993) more positive interpretation that the North West's institutionalisation made the space for a shared dialogue to take place and allowed for the creation, perhaps for the first time, of a 'regional voice' that could influence policy and spending in London and Brussels is also persuasive, however.

Tickell et al (1993) make the point that while partnership and cohesion are necessary conditions, they are not sufficient for the renewal of the regional economy, which would require a reorientation to prevalent patterns of economic growth and would need the national state, as well as supranational governance mechanisms, to invest strongly in the region's future. Jones and MacLeod (1999) suggest that the North West's claims of regional governance through collective representation are in fact limited to a fragile institutional fix tied to national government-imposed criteria of public-private partnerships. While much was expected of regional governance during this era, following configurations of governance observed in some of Europe's resurgent regions (Amin and Thrift, 1994) the emergent institutions of the North West were charged with the task of reinvigorating a lagging region without the benefit of any formal tier of government or regionally-based investment agency. Thus the overwhelming need to secure common funds limited the regional arrangements to their status as 'grant' as opposed to 'growth' coalitions (Jones and MacLeod, 1999).

At the city regional scale, the dissolution of the metropolitan counties removed a scale of urban strategic government to leave a much more loosely tied together form of joint working on a limited range of policy areas. This caused difficulties in governance due to the disconnection between elected representation and policy-making, the concomitant routinisation of city region scale functions, and the fragmentation of decision-making (Leach et al, 1986). While the task of joint working in the metropolitan counties was a more difficult one than had been the case under the two-tier system of government, the legacy of the metropolitan county councils and the mutual interdependence between metropolitan district authorities meant that a basis for governance coordination at the city regional scale was there that did not exist at the regional scale. The difference in effectiveness of governance arrangements between Merseyside and Greater Manchester reveals a difference in inherited structures, but also in the scale of the social and economic problems faced and in the nature and success of the process by which the new governance arrangements emerged.

In terms of inherited structures, the extent of mutual interdependence between the Manchester district authority area and the other local authorities in Greater Manchester was more pronounced

than was the case in Merseyside, with Manchester as a tightly-bounded local authority supplying employment and retail to the more suburban surrounding districts. While this same functional relationship existed in Merseyside, Liverpool's employment core was reduced to a greater extent than Manchester's had been during the 1970s and 1980s, and did not recover, as Manchester's did, in the early to mid-1990s. That Greater Manchester's infrastructure needs, which would require cross-county consensus, were located at the fringes of the city region was also helpful in this respect, as was the fact that Manchester Airport was owned jointly by the local authorities. Liverpool's social and economic difficulties, worse than those of the surrounding districts, and associated image problem, made the prospect of unified Merseyside governance with buy-in across the district authorities difficult. With regard to the nature of the interactions between governance agencies that contribute to the process of institutional emergence, the roles played by Manchester City Council, in its engagement with an agenda of economic development cognate with the approach of central government, and Wigan Borough Council, as a large peripheral local authority with the ability to convince other districts to commit to a unified approach, were seen as crucial. By contrast, Liverpool City Council disengaged entirely from economic development concerns in the mid-1980s and went through a process of normalisation following this, while Merseyside's district authorities remain, at the time of writing in 2014, unable to present a unified front.

The institutionalisation of the North West region and of the city regions of Merseyside and Greater Manchester embodies the transition from government to governance. This process appears to echo a more widely occurring 'institutional turn' and 'spatial turn' in which the institutions engaged in the governance of economic development are connected to the scale at which contemporary capitalism is held to function (Jones, 2001). In the case of the North West during the early to mid-1990s, however, governance institutions were created not only to address the scale at which economic processes were seen to operate, but to fulfil the basic functions of strategic governance that had existed in previous decades. The extent to which the form of institutional governance taken during this era was successful must be judged in terms of this weakened starting position.

At the city regional scale, the ability of the Greater Manchester districts to act strategically without formal government has enabled them to forge a strong image for the city region while securing investment from central government and the private sector alike and placing it in the vanguard of more recent central government schemes to grant greater powers to city regions (HM Treasury, 2009). The extent to which Greater Manchester's success in this endeavour is replicable, or whether it is an outlier of city regional governance (Deas and Giordano, 2001; 2002), is open to question,

though its coherence as a governance entity may be strongly connected to the local structural conditions under which it emerged as such.

Scale Construction and the Spatial Approach to Local and Regional Development: the North West in the Europe of the Regions

3.1 Introduction

This chapter examines the use of spatial concepts in the programming of the European Union Structural Funds (EUSF). It is suggested here that the EUSF have been associated with spatial concepts above all in two respects: the rescaling of governance, from the national to other scales; and the strategic spatial approach to local and regional economic development. The chapter is divided into three sections: a literature review that covers the revival of interest in regions in the context of the 'Europe of the regions' narrative; a literature and policy review that covers the changing nature of regional development policy in the context of the European Structural Funds; and an empirical investigation into the application of the European Structural Funds in Merseyside and the North West.

These are examined in the case of the application of the EUSF in Merseyside, a NUTS 2 region, within the North West, a NUTS 1 region, according to the European Commission's system of regional classifications. For this chapter, the geographical focus thus turns to the sub-regional, rather than the regional scale. The reason for this is that the variability of the size of areas over which the Structural Funds can be applied has allowed localities, regions and member states to forward their own interpretations of what might be termed a 'region', with the result that separate bidding and governance arrangements have been used within the North West region. In sacrificing breadth for depth, this chapter chooses to examine the use of the European Structural Funds in Merseyside, while making reference to the use of the Structural Funds in other parts of the North West and covering the region more extensively in its analysis of the 2007-13 Structural Funds programming period, for which Structural Funds addressing Merseyside and the North West were programmed within the same document. Merseyside is seen as the most interesting example of EUSF programming in the North West for three reasons: its status as one of the first urban Objective One regions in Europe; the exceptional characteristics of economic and social decline that led to the designation of this status; and the fractured nature of the governance arrangements there prior to the first Objective One programming period.

The application of the EUSF has been associated with a purported process of governance rescaling, as the process of 'hollowing-out' that is said to have taken place with regard to the nation state transfers powers upwards, to supranational bodies, downwards, to sub-national bodies, and sideways, in trans-border governance linkages (Jessop, 1997), resulting in a 'recomposition of political space' (Keating, 1997). The notion of a 'Europe of the Regions' describes the role attributed to sub-national governance institutions as state powers are re-territorialised at the regional scale, a process mediated through the evolving territorial politics of the European Union and, moreover, through the mechanism of the EUSF. This 'hollowing-out' process is a response to the failure of the national state to address the challenges of globalisation, with a concomitant reassignment of responsibility to the regional scale as a necessary conduit to the recuperation of some state control over the functioning of the economy.

Associated with this change in scale is a change in understandings of the role of space in economic development. The invigoration of the regional scale has been accompanied by an approach to the delivery of public goods that emphasises the mobilisation of place-based assets and potential, as well as the use of place-based knowledge. This approach can be seen in the use of spatial planning as a tool for the coordination in space of policies from a range of spheres, alongside a renewed strategic focus in land-use and infrastructure planning. It is also evident in the application of the EUSF, as the involvement of place-based institutions and actors, the spatially-delimited focus of the funds, and the programmatic approach taken all integrate aspects of space into regional development policy.

The Structural Funds thus exemplify both of these traits, as their effects in increasing the influence of sub-national governance and in building capacity at sub-national scales are accompanied by a strategic, spatially-focused approach to regional policy that contrasts with the traditional emphasis on directly intervening in order to influence the location of firms and industries.

Jessop's (1997) three facets of state restructuring, discussed in chapter two, can be used to interpret the effects of the Structural Funds on the sub-national governance of economic development within this wider context. The use of Jessop's (1997) hollowing-out metaphor in the context of what is seen as the increasing influence of the European Union in building regional governance capacity has proven fruitful (Hudson et al, 1997; Brenner, 1999; MacLeod, 1999), while the notion of the 'destatization of the state' has been investigated in the use of partnerships and the associated transition from government to governance in the context of the Structural Funds in the case of Merseyside (Lloyd and Meegan, 1996). Furthermore, Jessop's (ibid) 'internationalization of policy regimes' can be seen in the formation of a pan-European policy community around the normative

design of Structural Funds programming. This is evident in the proliferation of policy documents emanating from DG Regio and the willing engagement of academics in debates around the Cohesion Policy (for the most prominent recent examples of which see Barca, 2009; CEC, 2008; Barca et al, 2012).

MacLeod (1999), drawing on criticism of the new regionalism that emphasises the difficulty in reproducing the particular economic, institutional and political facets that contribute towards the success of certain regional economies (Hudson et al, 1997; Dunford and Hudson, 1996), notes that the reassignment of power from the national state to the regions is not a theoretical explanation but an empirical trend. Thus not only should the inference of a causal relationship be discounted in regional research but the focus of such research might be best served by approaches that account for 'the conjunctural, the complex and the contextual' (MacLeod, 1999: 232). MacLeod goes on to examine the process by which the governance of economic development in the case of the Strathclyde region of Scotland has evolved in close relation to the application of the EUSF there, emphasising that the rescaling of governance in Strathclyde has been a process of structuration, in which scales of governance are produced, rather than of contagion, in which a model of governance is unreflexively applied.

There are parallels between the rescaling of governance and the developmental approach to regional policy that has been described as the 'new paradigm' (Bachtler, 2010) as both are responses to the decline in inter-regional convergence in economic performance and the associated shift in the objective of social and economic policy with regard to space, from the achievement of balance across the national space to the differential engagement of regions in inter-territorial competition (Jessop, 1997). While governance rescaling is concerned with the shifts in power between scales and the ways in which scales are constructed, however, the new paradigm addresses space in multiple ways, from its sometimes variable conception of territory, expressed through spatially-bound externalities; the prominence afforded by it to place, as the location of assets valuable in inter-territorial competition; and the role of networks of various sorts, from knowledge networks extant in clusters to governance networks spanning territories. These aspects, associated with the new paradigm, have gained a presence in the application of the Structural Funds over their periodic reforms, from the introduction of a 'non-quota section' in the 1979 reforms that allowed the Commission to finance programmes rather than projects, to the establishment of programming, partnership, additionality and a concentration on particular objectives, as principles of the Cohesion Policy in the 1988 reforms (Manzella and Mendez, 2009).

The reforms to the Structural Funds that introduced a more strategic approach through spatially delimited programmes of interventions took place during the transition outlined by Brenner (2004) as having taken place throughout the course of the 1980s, from an agenda aimed at reviving declining cities and regions within an overriding framework of spatial redistribution, to one whose intention was to position cities and regions in global and European spatial divisions of labour, within an overall framework of inter-territorial competition. Thus the rescaling of political space and the increasingly spatial rationale of regional policy are intrinsically linked as aspects of the same process of transformation in the economic role of cities and regions.

While issues around state restructuring in the context of the Structural Funds have been addressed to some extent in the previous chapter, this chapter attempts to integrate scalar concerns with other spatial concepts. The rescaling of economic governance on Merseyside in response to the introduction of EUSF programming is regarded as being of transformative importance, and is covered for that reason here, though it is furthermore suggested that the Structural Funds and the periodic reforms that have dictated their application, are reflective of the introduction of additional spatial concepts into the governance of economic development, a process in which the Cohesion Policy has been at the vanguard (Bachtler and Yuill, 2001; Davies, 2006). This has culminated in the explicit exploration of spatial factors in development policy that has taken place with regard to debates around place-based approaches and territorial cohesion. Accordingly, in addition to matters relating to theories of state restructuring, this chapter examines the spatial nature of the content of the Structural Funds programmes used in Merseyside and the North West of England from the first use of integrated programmes of interventions until the recently completed 2007-13 Operational Programme (OP).

Following MacLeod (1999), an approach to the construction of a Merseyside sub-region within the context of the Structural Funds is taken that regards such an area not as a singular actor but as a relational construct that is the product of 'particular place-based or place-sensitive agents or coalitions acting in the name of and on behalf of particular cities and regions' (ibid: 237). This echoes Paasi's (2001: 16) assertion that 'the region should not be regarded merely as a passive medium in which social action takes place ... [regions are] social constructs that are created in political, economic, cultural and administrative practices and discourses'. As such, the political construction of the Merseyside sub-region is explored in the context of the European Structural Funds programmes applied there, identifying the agents engaged in (sub-) region-building and the interactions that have contributed to the construction of the sub-region as a scale for the governance of economic development.

Through an analysis of the application of the EUSF to Merseyside that integrates the effects of the Funds on the construction of a Merseyside scale of governance with the more diverse spatial concepts that can be identified by examining the spatial characteristics of EUSF programmes, it is intended here to gain a more coherent understanding of the spatial effects of the European Structural Funds on the Merseyside sub-region than has been achieved by literature addressing either regional policy or state rescaling in isolation.

3.2   The Europe of the Regions

This section reviews literature relating to the role of regions in Europe, as well as policy relevant to the development of European Union regional policy and its effects on regional governance. First, the notion of a 'Europe of the regions' is discussed, with reference to research on regional economic growth and EU policy pertaining to regional governance. Second, the 1988 reforms to the EU Cohesion Policy and their implications for the application of the Structural Funds and for the governance of these are addressed. Third, the framework of multi-level governance is covered, this being a theory that links the application of the Structural Funds with regional governance more generally. Finally, the role of EU policy in aiding regions to assume the position of political players in their own right is briefly summarised.

3.2.1 Europe's Regional Institutionalisation

The resurgence of regional economies that gained widespread academic interest following the work of such authors as Piore and Sabel (1984), and Storper and Scott (1989), and which will be examined in the following chapter, has been given a particularly strong credence in the case of European regions. The reason for this, besides the presence of certain strong examples of regional economies there, such as the 'four motors' of Catalonia, Lombardy, Baden Wurttemberg and Rhône-Alpes, is the suggestion that, with the increased movement of factors between EU member states after the Single European Act, the standard way of understanding international trade, through the unit of the national state, will cease to be effective. A more effective way of understanding the European economy will then be to use the lens of regional economics (Krugman, 1991). This economic and political privileging of the region within the EU has led to the notion of a 'Europe of the Regions', to be contrasted with a Europe made up of its constituent national states.

Keating (2008) identifies three distinct sources of influence for the notion of a Europe of the Regions: the reforms to European regional policy in 1988 that entailed a dramatic revision to its mechanisms and structures, as well as a significant increase in its scale; the regionalist movements which have, in some form or other, existed in Europe since the late 19th century; and the representation of regions in EU policy-making. To address these in reverse order, the regionalist tendencies that signify certain of Europe's constituent regions as among its most prominent, such as Catalonia and Scotland, are a correlate of the disjunction between nationhood and statehood. As Keating (ibid) is keen to point out, the EU is a union of states and thus not a body whose structure is conducive to the marking out of nationalist claims by regions within existing states. Rather the EU provides an opportunity space for such regionalist movements, allowing them to support the idea of an EU in which regions are able to play a powerful role in shaping policy, in spite of their lack of statehood.

The means by which regions have found representation in the EU have been through areas in which European and regional policy-making overlap, typically in those EU policies that have spatial effects and most explicitly in regional policy. In relation to the latter various regional groupings have been formed, most notably the Committee of the Regions (COR), while Brussels offices of a number of local and regional authorities have opened, raising the profile of regional actors and forging channels of communication with the EU institutions that bypasses the nation state. That these channels are relatively weak when compared with the role of the member state governments in the EU is duly noted by Keating (ibid), however, who also calls attention to the fact that the strongest channel of communication between the regions and the EU is most often the one that travels through the national government of the region concerned. The 1988 reforms to the Structural Funds are of most interest here, as it is the influence of the Structural Funds on shaping spatial development and its governance that is the primary concern of this chapter. This theme will be elaborated on during the remainder of the section.

3.2.2 The Effects of the 1988 Reforms to the Cohesion Policy

While the Cohesion Policy is based firmly on regional economic development, the need to create the institutional capacity to facilitate this, especially following the spatial targeting of funds according to logics of intervention determined by the Commission, has meant an increasing encouragement on the part of the Commission for the mobilisation of regional bodies. The introduction of the programmatic approach, which shifted the application of the funds from individual projects to

programmes of interventions, meant that regionally situated bodies provided greater input to the programmes, which were agreed between regions, national governments and the Commission. The partnership principle explicitly required that regional bodies be involved in the generation of programmes of interventions, subsequently alongside social and economic partners based in the region.

The principles of subsidiarity and additionality similarly enhanced the role of regions, as the former ensured that decision-making took place at the lowest possible scale, while the latter guaranteed that the Structural Funds were paid out in addition to existing state spending on regional policy. The increasing emphasis on indigenous development over infrastructure projects on the part of the Commission inevitably placed a greater responsibility on locally situated institutions in the programming of funds, due to their access to locally specific information and knowledge. Of most crucial importance here, those states that lacked regional structures prior to their accession to the EU and their subsequent eligibility for receipt of Structural Funds, such as Greece, Ireland and the Scandinavian states, have found cause to implement some form of regional government (Hooghe and Keating, 1994). While regional government structures of a limited sort have existed in England in an inconsistent form across different time periods, the effect of the application of the Cohesion Policy on the English regions was to bolster their institutional capacities.

The introduction, in the 1988 reforms, of regional programmes in which regional governments were granted responsibility for the funds posed difficulties in the UK, especially given the lack of regional governments that would be expected to assume this task, as noted Jones and Keating (1995). While the Scottish, Welsh and Northern Irish Offices were granted responsibility for implementation in their respective territories, no such institutional structures existed for the English regions, where a complex interaction of local government with working committees of the regional offices of the Departments of Trade and Industry and Environment, and representatives of the Commission, assumed this task. The lack of a formal regional basis for Structural Funds programming was to endure until the establishment of the Regional Assemblies (RAs) and RDAs following the election of the Labour government in 1997, and while the RDAs did not assume responsibility for the programming of the Structural Funds until the 2007-13 programming period, the joint working arrangements in place prior to this generated a degree of institutional capacity around the shared end of the programming of the funds.

3.2.3 Multi-Level Governance and Partnership in the Governance of the European Structural Funds

The scope for institution-building at the sub-national scale offered by the Structural Funds has been explored most enduringly in the theory of multi-level governance. The origins of this lie in the proposition by Marks (1993) that the emerging political order in Europe may exist beyond the debate between an integrated supranational institution in the process of acquiring sovereignty from national governments and an intergovernmental arena for decision-making formed out of national governments. Marks (ibid) suggested instead a model in which governments situated at multiple scales – supranational, national, regional and local – engage in continuous negotiation. Multi-level governance was formulated in the context of the 1988 Structural Funds reforms that greatly expanded the role of sub-national bodies in the Cohesion Policy. The responsibilities assumed by local and regional bodies in designing the Community Strategic Frameworks (CSFs) and OPs, the close contact between these bodies with the Commission over the course of the programming periods as a result of consultation and monitoring arrangements, and the establishment of offices in Brussels by sub-national institutions in order to maintain close links with the Commission, all evidence a relationship that connects the EU with the regions while bypassing national governments. The tendency towards heterogeneity in European regions, in terms of powers, size and identity, however, complicates the pathways by which governance networks operate in multi-level governance.

Marks's (ibid) formulation, in which decision-making powers are delegated upwards, to supranational institutions, and downwards, to sub-national institutions, parallels Jessop's (1997) 'denationalisation' thesis. While based on the specific empirical example of the EU, multi-level governance's concerns with an increasing complexity in governance arrangements, a proliferation of sub-national jurisdictions, a greater involvement of non-state actors in decision-making, and the consequent challenge to state power (Bache, 2004) are shared with wider discourse on the rise of regional political power and the erosion of the nation state.

The complexity of governance arrangements whose vertical relations are explored through multi-level governance are also observable in their horizontal relations through the notion of partnership. Partnership was, as noted, one of the principles of the 1988 reforms to the Cohesion Policy, indicating the involvement of national, sub-national and supranational actors in the design and implementation of programmes. Harding (1997: 307-8) explains the rise of multi-level governance and partnership in terms of the changes in vertical and horizontal relations in governance: 'as a result of ... changes in orientation, policy and institutions, horizontal links between institutions and

sectors have become more common and vertical links between levels of government have begun to rely less upon formal controls and more upon informal bargaining and deal-making [exemplified in a shift in the mode of decision-making on development projects from] clear lines of authority, accountability and public consensus to networking, problem-solving and elite consensus'.he partnership principle encouraged a more bottom-up approach to development, in which multiple tiers of government, together with non-governmental partners, would engage in the design, implementation and monitoring of regional policy. Within the range of sub-national partners, the notion of social partnership includes actors from the private and third sectors, in an acknowledgement that the actions necessary to reach a particular objective within a designated area may require a wider range of stakeholders than those in government. While in some member states social partnership between employers, employees' representative bodies and government is institutionalised, in others, such as the UK, social partners have been recognised solely as a requirement of the Structural Funds process (Mays, 1995).

While partnership has been seen as a vehicle for the integration of business elites into policy-making circles, such that benefits to be accrued relate to an introduction of business practices and a channelling of business expertise into local and regional government (Carley, 2000), social partnership broadens the range of partners with the intention of empowering local communities, widening forms of representation, engaging new forms of expertise and producing new and more cooperative types of strategic decision-making that go beyond party political divisions (Bassett, 1996).

Bailey and de Propris (2002) argue that, if the 1988 reforms, and increase to, the Structural Funds, are viewed from the perspective of Rawls' (1971) notion of justice, they can be seen as a 'levelling of the playing field', in terms of the distribution of initial endowments of resources, prior to the introduction of the Single European Market, from which point fair competition along market principles could take place. The flaw in this process, according to Bailey and de Propris (2002) is the difference in institutional capabilities among regions, which determine their ability to compete. Regions' institutional capabilities depend upon the strength of formal sub-national government and arms' length agencies, as well as private and third sector stakeholders, whose presence has been found to be weaker in lagging regions than in better performing regions (Carley, 2000; Bassett, 1996; Harding, 1997). A tendency resulting from these discrepancies in institutional capacity is that relatively well performing regions that are entitled to Structural Funds on the basis of localised areas of economic decline within them are able to more successfully access and utilise the Funds than are regions more in need of investment yet lacking in institutional structures. As noted by Harding

(1997: 302): 'While EU regional programme resources are distributed according to needs criteria, at the margin they are likely to be captured by areas with a track record in intergovernmental and public-private partnerships, particularly when they are also adept at selling themselves and their strategies in Brussels'.
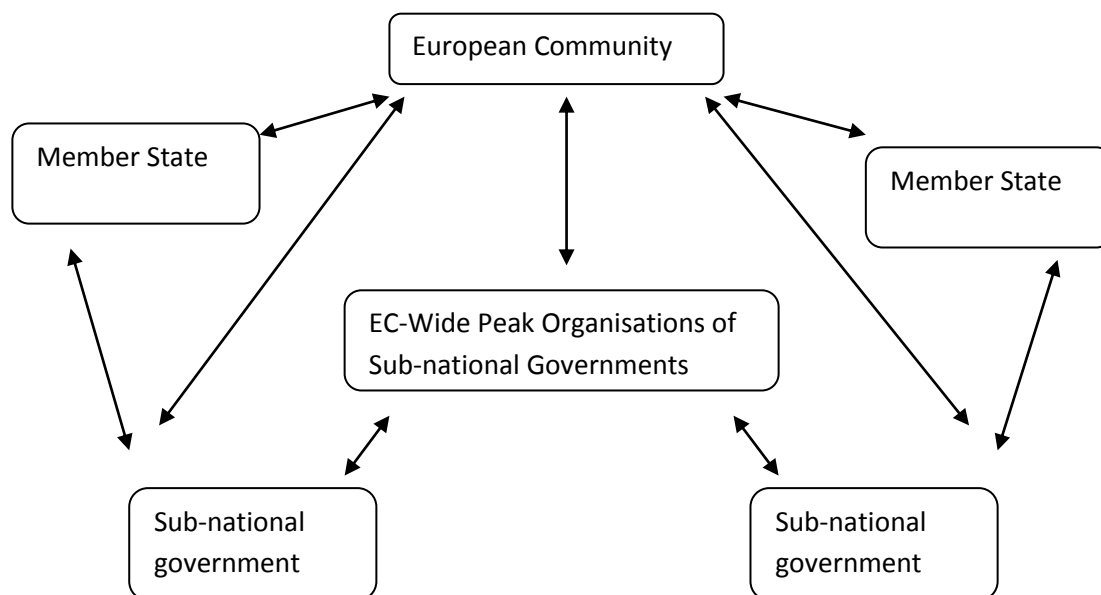
Figure 2: Territorial policy networks post-1992. (Source: Marks, 1993.)

3.2.5 Resurgent Regions in Europe

As Keating (1997) notes, the link between territory and power has been weakened, with the latter being dispersed across various levels and throughout various networks. This dispersal has formed sites of political power other than the national state, among which are cities and regions, whose *raison d'être* is to act in order to embed, using their economic, social, cultural and institutional presence, the global processes of economic development (Jones, 2001). While this theme is explored further in the following chapter, its significance in terms of the Europe of the Regions narrative is that the approach taken by sub-national bodies consequent to this logic is to attempt to secure the power and resources that they deem necessary in order to foster the economic development that is vital to their areas in the light of the declining ability and inclination of national governments to achieve geographically even patterns of growth.

One such source of power and resources in the European case has been the EU, most significantly through the provision of Structural Funds. The EU has thus provided a context for the emergence of regions as political players (Keating, 1998). The interrelationships between regions, national states and supranational bodies are, in the European case, strongly mediated by the EU, which has strengthened regional institutions not only by the process of decentralising power and resource, as is the case within national states, but by establishing networks of governance between the regions and its own institutions. It has also sought to influence the practices by which regional institutions engage in economic development, by establishing norms of policy and practice, such as the concept of partnership and the encouragement of indigenous development.

Yet the notion of resurgent regions in a denationalised economy and society, together with the proposed benefits that would result, has frequently been seen as overstated (Lovering, 1999). Keating (1997) examines the question of what would result if regions were to take over nation states as the primary units of political territory, highlighting potential negative consequences. The economic reasoning behind regional autonomy is based on competitiveness, thus the result would be highly spatially unequal, albeit to some extent assuaged by the effects of an EU regional policy. The social cohesion presently most evident at the national state scale may also be reduced to a secondary importance behind the imperative of inter-territorial competition. Policy-making might become excessively distanced from the democratic legitimacy it holds at national state level, coming to be diffused among scales and networks of public and private action. The nature of the EU as a polity adds a further caveat to the concept of a Europe of the Regions, in that there is no standard point of access for regions to reach the decision-making structures of the EU (Hooghe and Keating, 1994). Thus whilst those regions embedded firmly within a national hierarchy can accompany their national governments in the Council of Ministers, and others of particular political organising capacity are able to lobby the EU through partnership bodies, as in the case of the Four Motors group or the Coalfield Communities Campaign, other less well organised regions are left in the cold.

3.3   The European Union Structural Funds and a Spatial Approach to Development

This section examines the role the Structural Funds have played in determining the spatial characteristics of economic development policy and its governance. First the regulatory context of the funds is outlined, from the inception of the European Regional Development Fund (ERDF) in 1975 to the reforms made prior to the 2007-13 programming period. Subsequently, an analysis of

trends in regional policy is undertaken, describing an evolution in this that is evident in the increasingly spatial nature of policies. The section culminates in a brief description of the reforms made to the Cohesion Policy for the 2014-20 programming period, which are related back to the developments in regional policy analysed beforehand.

3.3.1 The Regulatory Context of the European Union Structural Funds

The European Regional Development Fund (ERDF) was introduced in 1975, following the accession of Denmark, the UK and Ireland, and in direct response to the UK's failure to benefit from the Common Agricultural Policy (CAP) and status as the new greatest net contributor. In addition to the ERDF, the European Social Fund (ESF), aimed at retraining workers, the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF), which targets depressed agricultural areas, the aid granted by the European Coal and Steel Community (ECSC) for areas with declining industries in those sectors, and the European Investment Bank (EIB), making low interest loans to lagging regions, have also provided assistance to Europe's disadvantaged regions. These instruments are known collectively as the 'European Structural Funds'. As well as the financial instruments, attempts to coordinate member state regional policy, through the provision of information relating to regional policies undertaken at member state level, and a Regional Impact Assessment mechanism, to monitor the regional effects of EU decision-making, were undertaken (Armstrong, 1995).

The aforementioned introduction of a 'non-quota section' of the ERDF in the 1979 reforms represents an early innovation that was a precursor to a genuine EU regional policy, as opposed to a supplement to, or replacement for, the member states' own regional policy (Manzella and Mendez, 2009). This enabled the Commission to pursue aims determined at the European scale and allowed for the spatial targeting of areas not necessarily designated for aid by the member states. Above all, the non-quota section involved programmes of initiatives, in contrast to the standalone projects otherwise funded by ERDF, leading to the Integrated Development Operations (IDOs) used as a way of tailoring aid programmes to the problems of particular urban areas, and pioneered in Belfast and Naples.

The amount of the funds taken up by programmes was to increase in proportion to that taken up by projects following the 1984 reforms. As well as leading ERDF further in the direction of the integrated programming approach, this entailed a shift in power from the member states to the Commission, under whose responsibility the programmes fell (Bachtler and Mendez, 2007). The

1984 reforms also altered the system of fund dispersion, exchanging the fixed quota method for one in which allocations were made on the basis of 'indicative ranges' in the total budget of the funds within which each member state would be allocated project assistance, depending upon approval by the Commission of projects put forward. The 1984 reforms additionally saw a greater emphasis on aiding indigenous development and providing support for small firms, over the encouragement of inward investment (Armstrong, 1995).

The 1988 reforms of the Structural Funds took place in the shadow of the Single European Market (SEM) process, and were cast as a necessary counterweight to the expected deepening of geographically uneven growth as a result of the further erosion of barriers to trade and factor movement that would take place as a result of the SEM. An additional imperative for the reform was the accession of Spain and Portugal, whose economies already compared unfavourably with the rest of the EU and the lagging regions of which would require assistance in order to address their significant developmental weaknesses (Manzella and Mendez, 2009). The reform united the ERDF, the ESF and the EAGGF under a common framework as the delivery mechanisms for the achievement of the overall policy objective for the Cohesion Policy of 'economic and social cohesion', established in the Single European Act. Community Support Frameworks (CSFs) would define development priorities for regions and identify funding obligations for the EU, national, regional and local government, prior to the design of implementation programmes, known as Operational Programmes (OPs). Four principles, by which the Structural Funds would operate, were introduced:

- concentration on five major objectives, for the achievement of which different combinations of the funds would apply;
- programming, as a mainstreaming of what had already been undertaken since 1979;
- partnership that would involve local and regional authorities in the design and implementation of programmes of funds;
- additionality, ensuring that the Structural Funds would not substitute for member state spending.

While the five major objectives were not all spatially selective, Objectives 1, 2, and 5b were explicitly so, targeting, in the case of Objective One, the development of structurally backwards regions; Objective 2, the conversion of regions in industrial decline; and Objective 5b, promoting the development of rural areas. The use of spatial selectivity in identifying areas for regional aid meant a shift in responsibility from the member states to the Commission, whose mapping of eligibility replaced a system under which the member states determined where the Structural Funds would be

spent, though the system of indicative allocations for each member state remained in place within the totals for each objective. 13 Community Initiatives additionally allowed the Commission to exert its influence outside of the formal designation of areas, by allocating funds according to particular categories of region. The role of regionally representative and administrative bodies was enhanced by the partnership principle, which has been seen as essential both to provide the necessary local knowledge to produce programmes of funds and to forge a stronger link between the decision-making centres in Brussels and the wider expanse of the EU (Borrás-Alomar et al, 1994). The overall budget for the Structural Funds was greatly increased as part of the 1988 reforms, from 7.7 billion ECUs (European Currency Units) (£5 billion) in 1988, to over 14 billion ECUs (£9.2 billion) in 1993, at 1988 prices (Armstrong, ibid).

The 1993 amendments to the 1988 reforms were made in expectation of the forthcoming ratification of the Maastricht Treaty, which established economic and social cohesion as a core objective of the EU, alongside the single market and the monetary union. The Maastricht Treaty also, with regard to the role of regions in the EU polity, created the aforementioned COR, a body of regional representation that would advise the Commission and the European Parliament on regional matters. Of most significance in the amendments were the introduction of a new financial instrument, the Cohesion Fund, used in order to co-finance infrastructure projects in the poorest member states of Greece, Ireland, Spain and Portugal, and the expansion of the partnership principle to include economic and social partners alongside local and regional government. Also introduced was the requirement to produce a European Regional Development Strategy as a framework within which implementation programmes would fit. These would be prepared through local authority joint working in the absence of regional government, and would assess the strengths and weaknesses of the region, evaluate previous EU strategies there, and identify regional and sub-regional strategies for the forthcoming round of Structural Funds. In terms of implementation, the requirement to produce a CSF was limited to the larger Objective One programmes, with other regions offered the option of using a Single Programming Document (SPD) that would effectively combine the CSF and OP.

The 1993 amendments have been seen in some quarters as a step back from the wholesale changes wrought by the 1988 reforms that reined in the power of the Commission by enhancing the role of the member states in the area designation system for Objectives 2 and 5b and allowing the Council of Ministers to apply changes to the monitoring and evaluation process and the involvement of partners (Hooghe and Keating, 1994; Bachtler and Mendez, 2007).

Such criticisms have also been extended to the 1999 reforms, which reduced the number of objectives to three and the number of spatially selective objectives from three to two, meanwhile decreasing the proportion of the EU population eligible for Objective 1 and 2 status from around 50% to around 40% (Manzella and Mendez, 2009). The Community Initiatives were reduced from 13 to four, while the role of the Commission was also reduced in terms of its ability to determine the content, management, monitoring and evaluation of programmes, with control passed to the member states through a more powerful Monitoring Committee and the establishment of a Managing Authority that would take on ultimate responsibility for the programme. Also during these reforms, evaluation was enhanced, with a 'performance reserve' of funding initially withheld and to be allocated only following the fulfilment of certain criteria following the mid-term evaluation.

The 2006 reforms took place in the context of the accessions of 2004 and 2006 that would result in the addition of 12 new states of significantly weaker levels of economic development to the existing EU members. The hallmark of the reforms was the integration of the funds with the EU's Lisbon Agenda, thus linking regional policy to developmental policy focused on competitiveness. 'Lisbon earmarking' tied spending to themes drawn from the Lisbon strategy. Cohesion Policy objectives of Convergence, Regional Competitiveness and Employment, and Territorial Cooperation were introduced in place of Objectives 1, 2 and 3, while the Community Initiatives were abolished save INTERREG. Area designation was subject to Commission rules for the Convergence and Territorial Cooperation objectives, while the Regional Competitiveness and Employment objective was subject to the decision-making of the member states.

In terms of the increasingly strategic nature of the Structural Funds, a range of reforms have contributed to this trend over the period of existence of the EUSF. An expansion of the IDOs and Integrated Mediterranean Programmes (IMPs) entailed an increase in the influence of the Commission and the regions, over the member states, in the allocation of resources and responsibility, while the sort of interventions permitted under the programmatic approach was much wider than the limited range available as individual projects. In addition to this, an attempt was made to reduce expenditure on infrastructure projects, which in 1987 consumed 91.1% of ERDF, and to increase investment in industrial projects (Armstrong, ibid). Similarly, the increased emphasis on indigenous development heralded in the 1984 reforms has continued steadily since then. That the allocations for ERDF were combined with those for ESF and EAGGF further indicates a desire to reap the benefits of strategic coordination of investments, though this development was subsequently reversed as EAGGF was integrated into the CAP and ESF was taken outside of local and

regional control where member states chose to do so for the 2007-13 programming period. The integration of the Cohesion Policy with the Lisbon agenda represents an alignment of regional policy with competitiveness concerns that is in line with the new paradigm and represents a more strategic focus, though carries with it the danger that a primarily redistributional policy could be subsumed within an overall orientation towards the enhancement of competitiveness. This may be evident in the allocation of responsibility for area designation for the Regional Competitiveness and Employment objective to the member states.

3.3.2 The Evolving European Context for Regional Policy

Regional policy, in the form of assistance granted to particular regions, has existed in Europe since the Great Depression of the 1930s, and in most OECD (Organisation for Economic Cooperation and Development) countries since the 1950s and 1960s (OECD, 2009a) largely without challenge to its fundamental logic though with a shift in approach evident from the 1970s onwards (Bachtler and Yuill, 2001; Bachtler and Raines, 2002). This has taken place as the theoretical and structural bases upon which regional policy rests have been subject to significant revision, as assumptions in both economic geography and policy making that remained constant throughout the post-war years began, by the 1980s, to be tested by empirical observations of economic change and shifting political ideology.

Relating broad structural change to growth trends and policy, the assumption of interregional convergence as part of a process of national economic growth has been severely tested as, while local and regional economies become ever further integrated into global networks of capital, products and labour, regional economic performance appears to become increasingly differentiated. Just as globalisation has fostered the integration of national economies and the convergence of incomes across the world, as a result of the same processes within-country disparities have increased, with spatial disparities being among the most marked (Farole, 2012). As a result, the ability of governments to influence the spatial distribution of growth within their jurisdictions has been questioned as theories of development have begun to unpick the determinants of growth, with a consensus emerging that these are, to a much greater extent than was thought to be the case hitherto, embedded in cities and regions and, moreover, that in certain cities and regions these determinants are much more effectively embedded than in others (McCann, 2008).

This is exemplified by a variety of theoretical approaches, including theories exploring the role of agglomeration economies in growth, such as the New Economic Geography (Krugman, 1991; Fujita

et al, 1999) and urban economics approaches (Glaeser, 2011), cluster theories (Porter, 2003), endogenous growth theories (Romer, 1994; Lucas, 1988), transaction costs theories (Scott, 1988), metropolitanisation theories (Florida, 2002), theories that emphasise the role played by local and regional institutions in development (Putnam, 1993; Saxenian, 1996; Storper, 1997), as well as those that focus upon industrial organisation (Piore and Sabel, 1984). This broad range of theoretical literature on development includes contributions from across geographical economics and economic geography, encompassing quantitative modelling, in addition to qualitative case study analyses and, more recently, evolutionary economic geography approaches that incorporate elements of both of these, analysing by means of modelling the micro-histories of firms that operate within a regional context (Boschma and Frenken, 2006).

The tendency for economic development to be unevenly distributed over space that these theories seek to explain runs counter to the expectations of neoclassical models, whose predictions of dispersed capital and labour in response to inflationary pressures had, by the 1980s, ceased to effectively explain the pattern of growth in Europe and the USA. The reasons behind this agglomeration of economic activity in particular places are held to be largely associated with the integration of markets at the global scale as a result of falling transportation costs through containerisation, reduced trade tariffs and communications costs, productivity gains in the traded goods sector and increasing disposable income (Dean and Sebastia-Barriel, 2004); the organisational and geographical fragmentation of production; the uneven geography of innovation within a technology-driven model of economic development; and the uneven quality of place-based institutions (Farole et al, 2011).

The effects of these trends on territorial governance and regional policy are associated with the wave of economic restructuring that has been taking place in Europe and the USA from the 1980s onwards, as nation states have been forced to adapt to an industrial model rendered increasingly ineffective under conditions of rapidly integrating international trade. The (re-)emergence of the region as an economic, social and political unit has been in large part response to this challenge to the effectiveness of the nation state as the institutional scale of choice for the territorial organisation of social and economic processes. The breakdown of the spatially-redistributive model of government that characterised post-war Keynesianism and the dislocation of cities and regions from national systems of state-controlled planning and development has, according to the new regionalist literature, allowed regions to break out from within their national borders as actors within the global economy, becoming economic, social, political and institutional spaces in their own right (Keating, 1998). The role played by the state in this process has been characterised as a

transition from the promotion of spatial convergence within a strongly conceptualised national space to the endorsement of particular places as growth nodes within a global network of capital and labour, in which the provision of the spatially fixed prerequisites for growth, such as infrastructure and basic scientific research, is the primary task of the state (Brenner, 1999; Brenner, 2004).

3.3.3 Regional Policy under Keynesianism

The closed space of the nation state was intrinsic to Keynesian approaches to economic regulation, where common currency, laws and institutions, together with trade tariffs across international borders, permitted containment of fiscal interventions and the possibility of common dialogue between state, capital and labour (Radice, 1984; Martin and Sunley, 1997). Intertwined with regulation of development was regulation of welfare, to the common end of achieving similar standards of living throughout the national space. Both of these interventions would be achieved by the actions of a highly centralised state with redistributive powers, adhering to the aim of economic convergence across the national space (Martin and Sunley, 1997).

Thus, in addition to being redistributive across income levels of individuals, the Keynesian state is redistributive across space, stimulating demand to support production centres based in the regions, in some cases taking ownership of industries, thereby maintaining local economies heavily reliant on them. In its characteristics of production, Fordist industry is dependent on large, inflexible production plants that receive inputs in unprocessed form, and steady supplies of semi-skilled labour; as a result it is not dependent upon local supply chains and lends itself to the possibility of relocation and starting from scratch, a facet of industrial policy under the Keynesian state.

Bachtler and Yuill (2001) build on these characteristics to identify a model of regional policy that was in place across Western Europe between the interwar years and the late 1970s, encompassing the era of 'organised capitalism' (Wagner, 1993) under which spatial Keynesianism held sway. The overriding objective of regional policy during this period was interregional equity, and the defining characteristics were policy interventions along two axes: infrastructure investment and industrialisation (Pike et al, 2006). Industrialisation policies can be divided into three types: financial incentives, such as grants, loans and concessionary tax rates; the setting of investment targets for, and attachment of social obligations to, state owned and state controlled industries; and the strategic relocation of industry and services from rapidly growing to lagging areas, by the use of development controls and public sector expansion (Bachtler and Yuill, 2001). Areas were

administratively or statistically defined, designated for assistance on the basis of measures such as economic growth rate, unemployment and income levels, and policy was designed and administered from a top-down perspective, with the involvement of sub-national tiers limited outside of federal countries (ibid).

Traditional regional policy is regarded as having proved ineffective due to failures in policy design as well as its ineffectiveness in the face of structural economic changes, and fell out of favour in part because of a shift in the dominant ideological basis of government. Criticism of policy design tends to focus on the tendency for interventions to be limited to specific aspects of development to the exclusion of others, illustrating an incomplete conception of the range of factors that make up a local economy.   Examples of policy failure include: attempts to encourage Foreign Direct Investment (FDI) into specific regions that resulted in branch plants that were only weakly integrated into the local economy and exhibited low levels of innovative activity (Potter, Moore and Spires, 2002); and investment in infrastructure without accompanying investments in other developmental factors, such as skills and business support, with the consequence that local places were insufficiently integrated into the national and international economies (Pike et al, 2006).

Changing structural conditions were such that, by the mid-1970s, the Fordist regulatory model that the Keynesian state is taken to have embodied (see, for instance, Jessop, 1993) is held to have been in crisis, due to a mixture of factors associated with its technical and social limits as a production system and the extent to which it was dependent upon the nation state which, as a largely enclosed system of production and consumption, was being undermined by the beginnings of the present era of globalisation. Globalisation has ushered in a transition from comparative to competitive advantage, opening up competition for the manufacture of (mainly) consumer goods and, more recently, tradable services, so that nations and regions of widely varying background economic conditions compete against each other, with the result that the established manufacturing regions whose wage costs, especially, are uncompetitive, suffer. Globalisation has also harmed the precept of demand management, central to the Fordist state, as demand for goods produced at home is increasingly fulfilled abroad, and vice versa. The consequences of these developments were to limit the effectiveness of regional policy interventions while at the same time reversing the process of economic convergence that had been a feature of western industrial economies. Persistent slow growth in output and productivity, as well as rising unemployment, at the aggregate level were the backdrop to this, meaning that possibilities for growth in lagging regions as a result of trickle-down effects from leading regions were diminished, as was the potential for a degree of relief from rising unemployment that would have been granted by mobile labour (Bachtler and Yuill, 2001).

The dominant characteristics of the neoliberal system of political economy that was beginning to push against the prevailing post-war social democratic orthodoxy, privileging individual liberty, free markets, and property rights as a route to the maximisation of entrepreneurial activity, in which the role of the state would be limited to ensuring these freedoms through the maintenance of a stable institutional framework (Harvey, 2006), was fundamentally at odds with some of the rationales behind regional policy. The notion that market mechanisms may not lead to socially acceptable outcomes, the justification behind the social justice rationale for regional policy, conflicts with the priorities of neoliberal governments, as does the need to offset problems of localised high unemployment in the name of maintaining national stability (Bachtler, 2001).

3.3.4 The Emergence of the 'Place Based' approach to Regional Policy

Bachtler (2001), Bachtler and Yuill (2001) and Bachtler and Raines (2002) more than a decade ago discussed the notion of a paradigm change in regional policy, and the OECD's Territorial Development Policy Committee has existed since the 1990s, with the organisation's Directorate for Public Governance and Territorial Development producing numerous territorial reviews of nations, regions, metropolitan areas and rural areas, in addition to a range of publications on a variety of issues salient to regional development. However, it is only since the publication over the course of 2009 and 2010 of a number of reports explicitly advocating either a place-based or a space-neutral approach to regional development policy that the empirical observations of change in the geography of development and advances in theoretical understandings of this process have been accompanied by a high profile correspondent transformation of policy design and implementation (Barca et al, 2012).

Reports published by the OECD (2009a, b), the European Commission (Barca, 2009), the Corporación Andina de Fomento (CAF, 2010), and the World Bank (2009) all examine the issue of uneven development from the perspective of policy making. The approach advocated by the World Bank (2009) highlights the importance of cities and regions in development, following the logic of the New Economic Geography in understanding growth as uneven and the result of agglomeration, while encouraging policy that allows for the most efficient means of achieving this inevitable outcome. The development process is examined along variables of density, distance and division, which are held to be the result of spatial processes of agglomeration economies, factor mobility and accessibility, respectively. The main message of the spatially-blind approach to development is that growth is, by its nature, unevenly distributed at any given time, and may not reach certain places at

all (Gill, 2010). This being the case, the main policy recommendation of the report is for spatially-blind improvements in the basic institutions of law and order, regulation of land, labour and property markets, macroeconomic stability and the provision of basic services such as education and health. Once these improvements have been achieved, the issue of spreading the efficiency gains made can be addressed by investing in connective infrastructure in order to encourage market integration by reducing travel times to more prosperous places, while spatially-targeted interventions are reserved where economic and social problems exist within cities and regions, such as slums. In this way, it is suggested, aggregate growth is addressed in the most efficient way possible while the benefits from this can be shared across the population, if not the geography, by encouraging labour mobility between lagging and leading regions (World Bank, 2009). As such, the most effective way to increase income and enhance living standards is to encourage interregional migration and enable people to choose to live in places where economic activity is greater (Gill, 2011).

The reports published by the OECD (2009a, b), the European Commission (Barca, 2009), and the Corporación Andina de Fomento (CAF, 2010), on the other hand, are of a piece in advocating a place-based approach to development, sometimes referred to as the 'new paradigm' of regional policy (Bachtler, 2010). The use of place-based interventions by policy-makers is not new, for instance Regional Selective Assistance, a business grant policy used in the UK since the 1970s, targets areas based on measures of unemployment and per capita GDP, while similar examples exist across Europe and, at the greatest scale in the form of the EUSF. Theoretical treatment of place-based policies has focused on the tendency for intangible capital to be generated by locally-specific factors and combinations of factors (Bolton, 1992), as well as on the case for place-based interventions where market failures exist (Kline and Moretti, 2012). In particular, these are encompassed by the immobility of capital, labour and land, the monopoly power granted by space, fixed costs as a barrier to market entry and exit, the existence of spatially-bound externalities, and the distance decay effect present in knowledge (Kraybill and Kilkenny, 2003). Criticisms have charged advocates of place-based interventions with failing to come to terms with the inherently unbalanced nature of growth (Gill, 2010), of protectionism carried out by powerful local interests, of misattributing wage differences to areas rather than individuals (Gibbons et al, 2010), of encouraging poor people to remain in poor areas (Glaeser and Gottlieb, 2008), and of increasing economic activity in less productive regions at the expense of more productive regions, thereby reducing the rate of aggregate growth (Glaeser, 2008).

The underlying premise of the place-based approach endorsed by the European Commission (Barca, 2009) is that economic and social behaviour are fundamentally activities that are embedded in place, and as such are subject to local economic, social, cultural and institutional context. In the post-Fordist knowledge economy, this is of particular importance because the exchange of untraded interdependencies that is vital for competitive firms is dependent upon contextual factors and therefore varies markedly between places in relation to these (Storper, 1995; McCann and Rodríguez-Pose, 2011). 'Underdevelopment' – the failure of regions to make productive use of the resources available to them (Farole et al, 2011) – occurs due primarily to a failure to deliver effective investments and institutions, the consequence either of local elites being unable or unwilling to do so or because of flows of capital and labour out of the region following a process of agglomeration (Barca, 2009).

The debate between advocates of place-based and spatially-blind approaches to regional development that ensued following the publication of this series of reports (Scott, 2009; Gill, 2010; Barca and McCann, 2010; Garcilazo, Oliveira Martins and Tompson, 2010; Rodríguez-Pose, 2010; Murphy, 2011; Van Oort, 2011) appears to rest on differences in assumptions in relation to the causal factors behind the process of agglomeration (Kim,2011) and the resulting degree of efficiency derived from regional policy measures. Where agglomerations are the result of market forces, public investment outside of agglomerations is inefficient and can be justified solely from an equity perspective, thus in the name of an optimal distribution of mobile factors regional development should take the form of spatially-blind investments that support market-driven agglomerations. If the process of agglomeration is strongly affected by non-market forces, however, the determination that large urban centres are the most productive is problematic. The inference is that spatially-blind investments are rarely spatially-neutral (McCann and Rodríguez-Pose, 2011) and, moreover, that they frequently actively encourage the promotion of particular cities at the expense of others.

Indeed, spatially-blind policies may in fact have strong differential effects over space (Barca, 2009), as incentives are granted to industries whose presence is stronger in some regions than in others, or transport investments are made solely where there is shown to be a demand-oriented case, reinforcing existing agglomerations rather than investing in the growth of lagging regions. Additionally, private investments are frequently made in concert with public investments, due to the need for public goods and services to make possible the efficient functioning of the markets in which private actors exist, whether over the medium and long term in education and training or potentially more directly in urban and land use planning, with the result that a cumulative process results, in

which state investment follows private investment which, in turn, follows state investment (Barca, ibid).

OECD research (OECD, 2009a, b; OECD, 2012) similarly eschews the notion that there is an inevitable trade-off between equity and efficiency as investment aims, noting that, while the contribution to aggregate growth made by individual non-core regions is small, the sum of the contribution of the 'long tail' of regions makes up a significant share (OECD, 2012). As a result, small improvements in productivity across a range of non-core regions make a significant additional contribution to aggregate growth (Garcilazo, 2011). Given that all regions show potential for growth and that different bottlenecks exist in different regions (OECD, 2009a), an effective approach to regional policy that simultaneously addresses equity and efficiency concerns requires the provision of 'integrated bundles of investments', tailored according to local knowledge that is the product of a deliberative process involving a range of actors (Barca, 2011). This approach is thus dependent upon open and inclusive stakeholder engagement and improvements in local governance and institutions (Barca, 2009).

3.3.5 A Paradigm Change in Regional Policy

The justifications for, and the fundamental premise of, the place-based approach advocated by the OECD and the European Commission, is reflective of a gradual evolution of regional policy. This has progressed from a top-down approach that was primarily concerned with influencing the location of industry via the use of subsidies and infrastructure investment, and whose aim was to reduce spatial inequality, to a place-based model that seeks to influence the wide and varied array of regionally-embedded factors that it regards as influencing growth through an approach designed and operated by local institutions, and whose aim is not regional convergence but the fulfilment of regional potentials for growth. This paradigm shift is the culmination of two decades or more of evolution in the design of policy (Bachtler, 2010), and is the combined result of: the failure of the previous model of regional policy (Bachtler and Yuill, 2002); a resurgence of geography in models of economic development and a recognition of the place-contingent nature of economic and institutional factors (Bachtler, 2010; Garcliazo, 2011; Farole et al, 2011; Barca et al, 2012); the perceived damage done to the ability of the nation state to influence the spatial distribution of growth in an era of rapidly increasing integration of global trade and the concomitant heightened importance attached to the region as the primary scale in a transition from Fordist to post-Fordist production systems (Piore and Sabel, 1984; Amin, 1994) and as a unit of territorial governance (Keating, 1997; Lovering, 1999;

MacLeod, 2001). The manifestation of this in the European Union narrative as the 'Europe of the regions' is of relevance especially, given the influence of the European Commission in reforming the Structural Funds towards a place-based approach (Borrás-Alomar et al, 1994; Hooghe and Marks, 1996; Elias, 2008).

A number of dimensions of development efforts emblematic of the new paradigm of regional policy are identified:

- The use of strategic frameworks and plans to align sometimes diverse policy fields (Bachtler, 2010) such that a range of direct and indirect factors influencing growth are addressed (OECD, 2009b) (echoing spatial planning's concern with the horizontal integration of a range of sectoral dimensions into a single spatial strategy);
- an emphasis on endogenous assets rather than exogenous investments (OECD, 2009b);
- a shift from goals of convergence achieved through a redistributive regional policy, towards endogenous approaches designed to foster territorial attributes in pursuit of growth and competitiveness (Bachtler, 2010), encouraging opportunity rather than addressing disadvantage (OECD, 2009b);
- the employment of an array of different spatial scales of intervention, and an emphasis on the networking and connection of places (Bachtler, 2010);
- the application of policy in all regions, rather than only in lagging regions (Bachtler, 2001);
- the strengthening of sub-national tiers of government, sometimes through the devolution of political powers, or the adoption of administrative forms of multi-level governance (Bachtler, 2010) and the use of a negotiated approach to governance that includes a range of stakeholders (OECD, 2009b);
- a programmatic approach using multi-annual programming periods (Bachtler, 2001); and
- an enhanced emphasis on accountability and learning (Bachtler, 2010), with evaluation conducted at ex ante and interim stages, in addition to ex post (Bachtler, 2001).

These dimensions are observable to a greater or lesser degree across a number of European countries (Bachtler, 2001) as part of a shift in paradigm that is ongoing (Garcilazo, 2011), while a considerable influence has come from the European Union, both in the 'Europeanisation' of member state regional policy, for instance through EU competition policy limiting the extent to which governments are able to use subsidies or bid for FDI, and more directly through the influence of Cohesion Policy on national and regional strategies (Bachtler, 2010), where the engagement of a wider range of actors in development and the strengthening of sub-national levels of government are seen as the consequences of exposure to the Structural Funds (Leonardi, 2005). EU Cohesion

Policy clearly exhibits a number of facets of the new paradigm in advocating horizontal coordination, through the partnership principle, and vertical coordination, through the OPs, which in the 1988 reforms established shared goals over multi-fund, multi-annual agreements between national and regional levels of government, while the focus on factors such as innovation, productivity and skills, over interregional convergence, has been echoed by the competitiveness agenda of the EU's Lisbon and Europe 2020 strategies (Bachtler, ibid). The addition of territorial cohesion to the existing objectives of economic and social cohesion in the preamble of the European Union Treaty formalises this focus on place which permeates recent documents on the reform of Structural Funds (CEC, 2010).

3.3.6 The Place-Based approach and EU Cohesion Policy - the emerging landscape of EU Structural Funds for 2014-2020

As the 2013 EU budget negotiations approached the European Commission came under significant pressure from some member states to 'renationalise' aspects of the Cohesion Policy, in terms of decision-making power (Bachtler and Mendez, 2007), and funding, while the focus on innovation as part of the Lisbonisation of the Structural Funds was subject to question in the context of a policy aiming to foster growth across the European territory, given that research activity in Europe is concentrated in relatively few places (Begg, 2010). As a response to these pressures, in 2007 Regional Policy Commissioner Danuta Hübner requested the production of what subsequently became known as the Barca Report (2009), appraising the Cohesion Policy and proposing potential reforms. The report has been characterised as an attempt by the Commission to re-legitimise the Cohesion Policy and to provide a more solid basis from which to defend it ahead of the forthcoming budget negotiations (Mendez, 2013).

Fabrizio Barca, Director General of Italy's Finance Ministry, had for several years been President of the OECD's Territorial Development and Policy Committee prior to being appointed as a special advisor to the Commissioner of Regional Policy and authoring the eponymous Barca Report. He had thus been at the heart of the OECD's delineation of the place-based approach and used it as the basis for his appraisal of the Cohesion Policy. Mendez (ibid) detects a fluid spreading of the place-based development discourse throughout the Cohesion Policy community, citing the appearance of the term in speeches, European Commission papers and reports, EU Presidency Initiatives, member state consultation responses, ESPON research outputs and among researchers at a wider scale.

The new paradigm and the notion of place-based development advocated in the Barca Report (2009), and already present in the Cohesion Policy to some extent since the 1988 reforms, are aspects of an ongoing concern with space and territory in the European Union, manifested in the Cohesion Policy and in the concept of territorial cohesion. Strong regional governance, strategy-making, strategic visions, participation of stakeholders, partnership, actor networks, institutions, a role for sub-national governments, and multi-level governance are all present in the model of regional development policy discussed by the OECD and the Barca Report (ibid). The influence of the place-based approach, channelled through the Barca Report, can be observed in the reforms to Cohesion Policy effective for the 2014-20 programming period.

While the place-based approach's major contribution to development policy is to emphasise the role of local context in the effectiveness of interventions and local knowledge in the design and programming of these, the importance of vertical governance relations and the need for a division of policy-making between territorial scales is a key component of this, as a way of challenging the dominance of local vested interests and providing a platform for performance monitoring. Such a division of tasks between national or supranational scales and local and regional scales endows the latter with divergent functions, dependent upon the task at hand. For instance in the case of innovation, whereas patent law set at national or supranational scales allows for the establishment of consistent market conditions, the interaction of research institutions and firms might best be governed at a lower scale. Thus as autonomous policy-makers, under the model of subsidiarity, local and regional institutions are those best-placed to design and implement policy, while as embedded delivery agents, under the model of multi-level governance or implementation, policy is best set at higher territorial scales (Farole et al, 2011).

The reforms to the Structural Funds made prior to the 2014-20 programming period can be understood within this context, as the place-based approach has made its influence felt alongside other stimuli for change, such as the need to make more efficient use of the funds in the context of the Europe-wide fiscal crisis and the budget debate, as well as the criticisms of the delivery of the Funds as being too fragmented and the procedures too complex. The increased strategic coherence of the funds, to be achieved through integration into a Common Strategic Framework of the Cohesion Fund, the ERDF, the ESF, the European Agricultural Fund for Rural Development, and the European Fisheries Fund, together with the thematic concentration on a relatively small number of priorities that are consistent with the Europe 2020 agenda, represent the Commission's acknowledged need for the setting of developmental policy at higher territorial scales. These strategic reforms are supplemented by an increased focus on performance, addressed by imposing

ex ante and ex post conditions that will govern the initial disbursal of funds and the issuing of additional, performance-based, funds.   The reorientation of the funds from convergence to competitiveness is also redolent of the place-based approach, though given that it is consistent, too, with the Lisbon and Europe 2020 agendas, the source of inspiration for this shift is debateable. Indeed, Mendez (2013) notes that the Commission has acknowledged that it has used the discourse of competitiveness as a way of tying the Cohesion Policy to Europe 2020.

The scope for local and regional autonomy, meanwhile, is addressed through what is referred to in the guidance as 'territorial development', an aim to be achieved primarily through the territorial instruments, which allow for cross-sectoral and cross-(administrative) border interventions within and across OPs. These are comprised of Community-Led Local Development (CLLD), Integrated Territorial Investments (ITIs), and sustainable urban development. CLLDs adopt the LEADER approach used in rural development, facilitating the use of multi-dimensional and cross-sectoral interventions within place-based strategies as a way of addressing needs in particular sub-regions, undertaken by local partnerships of public and private socioeconomic bodies. ITIs constitute an acknowledgement that the space over which interventions are effective is not necessarily congruent with the boundaries within which an OP is implemented. Their implementation is appropriately flexible, with administration to be delegated to intermediate bodies such as regional development agencies, local authorities, or NGOs. Resources are ring-fenced for interventions that address sustainable urban development, with mechanisms for knowledge transfer in the case of innovative actions in this field.

The Partnership Agreements between member states and the Commission should outline how the Funds will be used in an integrated way to address the territorial development needs of different regions and sub-regions, as well as, where necessary, describing the particular characteristics of the territories covered (whether urban, rural, cross-border, or with particular needs such as especially low or high population density). The territorial instruments thus introduce territorial and scalar variety into the use of the Funds, allowing interventions to be tailored to specificities of place and scale. Smart Specialisation, a major element of the Europe 2020 strategy, provides an additional tool for place-based policy. It is a framework for innovation interventions that was initially based on a sectoral logic but that has since been reoriented to a place-based logic, following recognition of the link between divergent regional innovation capacity and path dependency (McCann and Ortega-Argilés, 2011).

While the thematic consistency with Europe 2020 is consistent with the place-based approach's competitiveness orientation, however, the alignment of Cohesion Policy with a limited number of

sectoral objectives detracts from its territorial aspect, and the Commission's position papers, in which a yet further restricted list of priorities for funding is offered to each member state, assume a degree of national internal coherence that may not exist. A usurping of the territorial by the thematic, or sectoral, may, then, remove the necessary freedom to tailor interventions to local context that is the hallmark of place-based development (Mendez, 2013).

3.4   The Use of the European Structural Funds in Merseyside and the North West

This section is an empirical investigation into the use of spatial concepts in the application of the European Structural Funds in Merseyside and the North West of England. The section focuses on the gradual adoption of a spatial approach to development policy and the effects on governance capacity of the Merseyside city region through the programming of the Structural Funds. First, the route by which the Funds were allocated to Merseyside is covered, revealing the process of negotiation engaged in by governance agencies in order to achieve this. Second, the first period of Objective One funding in Merseyside, between 1994 and 1999, is addressed, with sub-sections exploring the transition from urban policy to strategic spatial policy ushered in by the Funds, the revival of strategic governance as a result of the need to programme the Funds, specific spatial policy initiatives within the programme and the role played by Higher Education Institutes (HEIs), in order to give an example of horizontal partnership-working. Third, the 2000-06 programming period is covered within the context of a regional institutionalisation implemented by the national government during this period. A sub-section covers how the strategic spatial approach to development introduced in the 1994-99 programming period evolved during the 2000-06 period. Fourth, the 2007-13 programming period is addressed, with an emphasis on the integration of the Merseyside programming region within the North West programming region.

3.4.1 Bidding for the Structural Funds in Merseyside

Unlike certain other regions across the UK (for instance Strathclyde, for which see Danson et al, 1999 and MacLeod, 1999, Kent County Council and Birmingham City Council, for which see Martin and Pearce, 1993), including close neighbours such as Lancashire, Manchester and the fellow Merseyside borough of the Wirral, which had become involved in a number of Community Initiatives (Meegan,

1994), Liverpool's engagement with the European Structural Funds was, until the early 1990s, limited.

That the EU was low on the agenda of Liverpool City Council throughout the 1980s reflected its tumultuous local politics that encompassed the single minded focus of the radical Militant Tendency-led council of 1983-87 on housing renewal and the need for the mainstream Labour Party council that gained control of the city following Militant Tendency's disqualification to wrest back control of Liverpool City Council's finances while bedding-in a significant number of first-time councillors. Meegan (ibid) additionally cites the weakened cultural and political presence in Liverpool that followed the city's sharp social and economic decline as a constraining factor in its ability to engage in collaboration with external agencies generally.

While interest in the EU shown by local elected members at the district council level was minimal, Merseyside County Council, operating at the city regional tier, had, prior to its abolition in 1986, lobbied the European Commission to fund a feasibility study into Merseyside's problems and opportunities with a view to considering the potential benefits of the application of the Structural Funds there. The results of this proposed the use of the programmatic format IDO initiative that had been progressively expanded since its introduction in 1984 (Armstrong, 1995). The Merseyside Integrated Development Operation (MIDO) ran in two successive programmes between 1989 and 1993 and was viewed positively in terms of the working relationships involved (Boland, 1995). Its greater significance, however, lay in three other factors: the encouragement it gave to sub-regional actors in terms of engaging further with Europe; the fact that it entailed a programme of funds, in contrast to the then-dominant approach of urban policy, which encompassed a range of central government determined issue-specific measures that were not applied in an integrated way (Pike et al 2006); and that its coordination demanded a Merseyside-scale tier of governance following the abolition of the formal metropolitan county council.

In the absence of the Merseyside County Council a governance structure at that scale had to be put in place in order to match the Commission's desire for the participation of regional government in the programming of the funds. As such a voluntary steering group for the first MIDO programme was formed by local officers and MEPs that included representation from the five Merseyside local authorities, North West Water, the MDC and the Merseyside TEC (Meegan, 1994). That the steering group had been set up by officers and MEPs was significant, as it displayed the lack of interest in doing so among local councillors. A planning officer who worked at Liverpool City Council during the period made clear in an interview that this lack of interest in European matters was a particularity of the councillors belonging to that district:

'Well, the other districts were very interested from the start. They wanted to support it from the start, but before, when the Militants were in, it was difficult. Alan [Chape – Assistant Chief Executive at Liverpool City Council] wanted to push [the EU funding application] forward, but they weren't really interested, so he must have found it very frustrating at that time. But after that they were a new Labour group on the city council and they were keen to pursue it, with Keva Coombs as leader, who had been leader of the county council.' (Interview with former Liverpool City Council planning officer.)

The disqualification of the Militant-led Labour council in 1987 and its replacement with mainstream Labour Party councillors thus paved the way for the officer-led movement for Structural Funds to progress. This was aided by the fact that, as well as the MIDO steering group, efforts had been made by some of the same officers to maintain a governance presence at the Merseyside scale. After the abolition of Merseyside County Council, an assistance chief executive at Liverpool City Council, Alan Chape, had set up an informal group among the chief executives of the Merseyside local authorities in order to maintain a strategic level discussion. One interviewee referred to the combination of this group, together with the MIDO steering group, as a form of 'shadow Merseyside governance' (interview with senior academic active in policy-making discussions, 2012).

A more formal mode of coordination was established as the Merseyside European Liaison Unit (MELU) in 1992 as the governance mechanism for addressing European matters. The MELU was ultimately expanded, as the Merseyside Policy Unit (MPU), to encompass joint working across the Merseyside local authorities on matters relating to housing, planning, transport and economic development, in addition to Europe. The MELU was conceived of with the express aim of bidding for further Structural Funds when it was determined that Merseyside's GDP per capita was becoming progressively closer to the 75% of EU average threshold below which Objective One funds could be allocated. While that threshold had not yet been reached, Merseyside was awarded Objective One funds on the basis of its low, and falling, GDP per capita and persistent long term structural unemployment, especially high among males. In fact the former was actually slightly above the 75% of EU average GDP per capita required to qualify for Objective One funding, with Merseyside's status assured only following a special plea, the precedent of Northern Ireland being granted Objective One status with a GDP per capita of 76% that of the EU average having already been set (Boland, 1995).

The involvement of the UK national government was ensured through the MTF, which aided the joint working groups acting on behalf of Merseyside in lobbying the Commission for funds, and granted the application the imprimatur of the UK government, as required by the Commission, to form a partnership body in the sub-region. In spite of the timely involvement of the MTF, there are

echoes of MacLeod's (1999) description of the Strathclyde Regional Council 'jumping scales' in order to engage with the Commission while bypassing the UK government, this becoming perhaps more explicit once Objective One funds had been secured, with the establishment of the Merseyside Brussels office giving the sub-region a literal presence in close proximity to the Commission.

The activities of the Commission, meanwhile, in engaging regions across Europe, had been stepped up following the expansion of the Structural Funds from 1988 and the reforms to the regulations at the same time that had increased the role of regional government in the programming of the funds. Graham Meadows, of the Directorate General for Regional Policy (now known as DG Regio) had visited the North West region already in an effort to persuade local government and regionally active private and civic sector bodies of the need to coordinate at the regional scale, as detailed in the previous chapter. Once Objective One funds had been awarded to Merseyside, further engagement was embarked on with the Merseyside sub-region that circumvented the UK government.

> '[The Commission] were pushing both [nationally and locally] but they were almost trying to burrow underneath the government by getting everybody stirred up to say "this is our programme and if we get our act together we want some ownership of the programme".' (Interview with former Liverpool City Council senior officer.)

3.4.2 The 1994-99 Structural Funds Programming Period and the Strategic Revival in Merseyside

The abolition of the seven English county councils, of which Merseyside County Council was one, in 1986, left a hole in the strategic planning capability of sub-national government. While the Structure Plans that dictated the shape of development at the county scale remained in the rural shire counties, they were abolished in the counties that had been set up in the city regions. The influence of the MIDO was seen by interviewees as representing the first instance of Merseyside-wide strategic thinking following the end of the county council:

> 'It was my impression that the MIDO document was the first attempt at strategic development ... strategic planning for Merseyside as a whole, after the demise of the county council. So it played more than one role. It wasn't just a means of disbursing cash, it was a means of getting everybody together and starting to think strategically, above the district level, for the first time.' (Interview with former Liverpool City Council planning officer.)

Though MIDO was significant in this respect, the quantity of funds granted were relatively minimal, at around 30m ECUs per year during the 1989-91 phase and around double that for the 1992-93 phase (CEC, 1995). As well as, and related to, the scale of the funds being minimal, the scale of strategy-making and the governance capacity necessary to do this, as well as to administer and monitor the programme, were relatively minimal. Following the award of around 1.3bn ECUs (ibid), including additional funds committed by the UK government, of Objective One funds to Merseyside for the 1994-99 Structural Funds programming period a much more extensive level of planning and governance was engaged in, with commensurately transformative effects on the capacity for this in the sub-region.

The contrasting positions of the Commission and the UK government on regional policy funding were such that as funds available for regional policy were reduced by the government by three quarters between the early 1980s and the mid 1990s (Gudgin, 1995), the Structural Funds correspondingly increased. In contrast to the view of the UK government of regions as receptacles for regional policy initiatives – at least in terms of the majority of regional policy funding which emanated from the Department for Trade and Industry (DTI) – in which the individual firm, whose identity is determined by centrally imposed criteria, is the beneficiary, the Commission required that a regional governance body determines objectives and priorities for investment (Lloyd and Meegan, 1996). This presented a problem for the English regions during the first full programming period following the 1988 reforms to the Structural Funds that brought with them such an enhanced role for regions, given the lack of a formal scale of government at either the regional or, in the case of the cities, a city regional, tier. Thus local authorities and other local and regional public and private bodies were required to form partnerships from the disparate array of governance agencies active at the relevant tier. The difference in opinion between the Commission and the UK government, and the role of UK regional authorities in this, is illustrated by a senior officer at Liverpool City Council during this period:

'There was a lot going on in Europe at the time that we got Objective One which was about the concept of a Europe of the regions. And the Commission pushed that hard until it was embodied in the Treaty. There was a particular personality in the Commission who had overall responsibility for Merseyside who was called Graham Meadows, and he was in a fairly adversarial relationship with the UK government, because we definitely thought that the only way we were going to satisfy the Commission was to actually look as if we were really interested again in Merseyside as an entity, and by looking at a proper economic analysis of
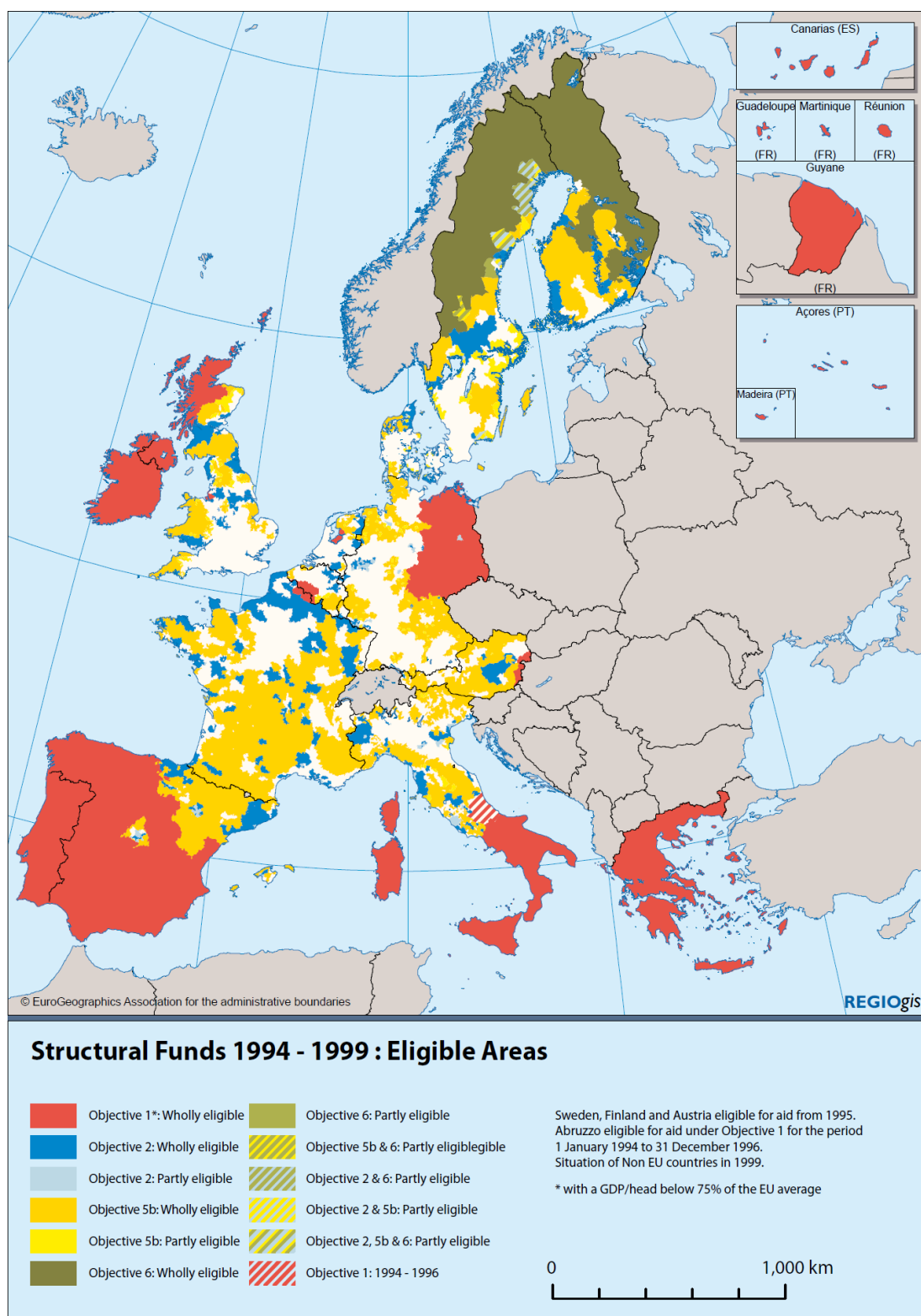
Figure 3: Areas eligible under Structural Funds Objectives across Europe during the 1994-99 programming period. Merseyside is the only primarily urban Objective One region in Britain. (Source: CEC, 2008.)

the nature of the conurbation; how it worked, how it didn't work, what we needed to do to put it back together again. And he wanted that to be based within the Merseyside family, whereas the government wanted to keep hold of everything and, basically, I think their position was "we are running the programme, we are signing off everything, you are our consultees rather than our partners".' (Interview with former Liverpool City Council senior officer.)

The *Merseyside 2000* document was produced as a Regional Conversion Plan that aimed to set out the problems of the sub-region and to specify the measures that would be taken to address these. The plan was criticised in the Commission-funded ex-ante appraisal for failing to adequately capture the particular structural problems faced by the Merseyside economy, and for the corresponding prescription of generic interventions (Lloyd and Meegan, 1996). The influence of the ex-ante appraisal, together with the introduction of the Commission's input towards the final version of the SPD, meant that the original plan was substantially revised over the course of a lengthy dialogue between the UK government, the Commission, and the sub-regional partners during the course of which a disagreement over the nature of the SPD took place.

The substance of this, according to Lloyd and Meegan (1996), was a pronounced difference of opinion between the UK government, articulated through the DTI as the responsible department, and the Commission. In this the former regarded a formal plan as too rigid a tool that would obviate against the need for flexibility in adapting to the changing needs of the market, and the latter had become progressively more strategic in its approach, having radically altered its Structural Funds regulations in the name of pursuing a more integrated approach to development, following the evolution of regional policy in the direction of the programmatic approach (Hooghe and Keating, 1994). In this episode of 'contested governance' the interests of Merseyside and the Commission are seen as having coincided (though it must be noted that the Merseyside partners had agreed to the Merseyside 2000 document), pitting the Commission against the UK government (Lloyd and Meegan, 1996).

That the SPD was produced by negotiation, often protracted, between UK government, the Commission and the GOM, is seen as having determined its form, more a collection of policies than a coherent strategy. According to Boland (1999a) both UK government and the Commission were able to regard the final document as a victory for their respective position, yet in terms of its strategic content, the SPD would be a victory only of the Pyrrhic sort. Boland (ibid) remarks on the fact that drivers 1 to 4 of the SPD were virtually identical to the content of the other UK SPDs, reflecting a paucity of local engagement together with the UK government's influence on Structural Funds

programming having been brought to bear. Thus a result of the contested governance of the SPD's production and the compromise of its content was that strategy and innovative, locally-tailored policies were lacking. This lack of local specificity was precisely what the Commission had attempted to avoid.

> 'I well remember the famous speech when [Graham Meadows] spoke of the proposed programming document for, I think it was either the second or the third programme of Structural Funds for the North East, and it was the same document as had been proposed for the North West except that they had tipexed out the West and put East, but had forgotten to do it in a couple of places. So this caricatured the situation where the North was feeling very much governed, or shall we say miss-governed, from London, and a sense of "we could do this better ourselves [prevailed]".' (Interview with private sector representative.)

Criticisms have focused on the programme having been too top-down, insufficiently based on an analysis of the region's problems (in a failure to fully address the findings of the ex ante appraisal), insufficiently integrative, not having effectively laid the foundations for the generation of self-sufficient economic development, and that the partnership principle was only applied in a limited way, to the exclusion of economic and social partners (Lloyd and Meegan, 1996). Evans (2002) relates the tendency for some parts of the 1994-99 SPD – such as the sections on tourism and vocational education and training – to be somewhat generic, back to the fact that they were written from scratch rather than being based on any previous strategies in these areas, an absence due to the lack of formal government at the Merseyside scale. This demonstrates the problems faced due to a lack of institutional legacy and continuity in the English regions and sub-regions. The failure to engage the private and third sectors may also have limited the locally-specific content of the programme by ignoring local knowledge and broadening the ownership of the programme in the style of the notion of 'institutional thickness' (for which see Danson et al, 1997, on the example of Strathclyde). While in the case of the Strathclyde European Partnership a similar failure to engage economic and social partners has been seen as potentially having contributed to the programme's streamlined strategic management (MacLeod, 1999), no such dividend appears to have been conferred in Merseyside.

3.4.3 From Urban Policy to Strategic Spatial Policy

The structure of the Merseyside economy and the sort of economic development it had been subject to, that of the typically Keynesian era (Hall, 1992), composed of firm incentives and infrastructure

investments, had created a manufacturing economy to replace or complement the existing port-focused economy. As the transition of the port from one integrated into the local economy into a hub for transhipment took place, wider forces of industrial decline set in, affecting Liverpool especially badly due to the fact that its industrial base was overwhelmingly branch plant oriented and overrepresented in declining sectors. The basis for the sort of industrial district-led, agglomeration economy-dependent, growth that has been described in the new regionalism literature was, in the early 1990s, extremely weak in Liverpool (Meegan, 1994). In addition, the city was disinclined to engage in economic development activity due to its lack of institutional experience of this, having been the subject of Keynesian-type regional policy investments rather than performing the role of an active agent in development itself. While 'alternative economic strategies' were generated by some left wing local authorities, among the products of which were the Merseyside Enterprise Board (Cochrane and Clarke, 1990), Liverpool City Council did not engage with this process, instead retreating into matters that were strictly local (interview with former Liverpool City Council planning officer, 2012). The evolutionary changes taking place in regional policy that had been fostered and embraced by the Commission therefore represented a step change in attitudes among both sub-regional and national scale actors.

The approach to regional policy favoured by the UK government was, as described in greater detail in chapter two, characterised by the shift from regional to urban policy. This was associated with a drastic limiting of the geography of the assisted areas policy such that only those areas most in need were affected, a loosening of the prerequisites to obtain an industrial development certificate, such that control over the location of new industrial development was much reduced, and highly targeted initiatives that were addressed at the problems of the declining inner cities (Hall, 1992). Urban policy was noted for the sheer number of separate initiatives, and the lack of coordination between them, as described by one academic active in the field during this period:

'Because I've been doing this for so long I've got most of the acronyms attached to every urban programme and the sheer volume of these things is just utterly stunning, it's just wave after wave of ... you know, a single minister wants another programme and it lasts for two years and the criteria are this and it's got to join up with everything else and ... it was very chaotic, I have to say, in a way that at least the principles of regional policy weren't, it seemed to me. And can you, after the event, come up with some sort of logic? Yes, you could, but I don't think it would be what drove people at the time, or maybe they had a logic in their head, but then politics is the art of the possible so they did what they could.' (Interview with senior academic active in policy-making discussions.)

The Single Regeneration Budget (SRB) and City Challenge initiatives had provided a greater degree of integration than had previously been possible under urban policy, though it remained the case that regions and sub-regions were able only to deliver the policies of central government, rather than to generate strategies and plans for their areas. Another salient issue was the scale of the initiatives, which was, by comparison with the funds subsequently released by the Commission, extremely limited. A former senior officer at Liverpool City Council commented with relation to the scale, both monetary and spatial, of these more coordinated programmes:

> 'They were puny; SRBs were puny. They were very small scale ... they integrated the initiatives that they were concerned with, but it was very small scale spatially and in volume terms.' (Interview with former Liverpool City Council senior officer.)

The Structural Funds thus provided a contrast to the prevailing shape of economic development policy, both in terms of the level of local and regional involvement and the degree of strategy involved. That an absolute shift in the application of development policy would result was perhaps too much to ask though. The extent to which the partnership-based programmatic approach had resulted in a more integrated exercise in economic development planning in Merseyside has been challenged, as the programme design stage gave way to the more prosaic process of drawing down resources among well-practised Structural Funds beneficiaries. As Lloyd and Meegan (1996: 93) put it, 'the principle of take came to dominate the principle of partnership'. This observation is congruent with the notion of 'grant coalitions' put forward by Cochrane et al (1996) to describe the governance arrangements in Greater Manchester in the early 1990s, and points to a correspondence between the influence on partnership of higher tiers of government in the case of the UK national government's funding of local and regional economic development and that of the European Commission (Wood, 2004).

Indeed, the SPD was only formally published following the completion of the calls for bids against it, indicating that bids received were exclusively from bodies to which draft versions of the SPD had been informally circulated. Questions arise over whether the programme identifies genuinely local priorities, or whether it is simply a conduit for national policies to be delivered in a regional setting. Boland (1999: 790) refers to the Objective One partnership as 'having degenerated into an institutional battleground where "partners" engage in contests over policy and resources'.

In terms of overall strategic direction, the programme was also found to be lacking. Interim assessment found a lack of strategic integrity, in which the operationalisation of the programme was poorly connected to its strategic vision. It was suggested, for instance, that the fact that the

business support strategy had been criticised as being too broad in its focus, echoed subsequently in the UK Objective One programmes' ex-post evaluation (Ecotec, 2003), was a fault of necessity owing to a lack of information with regard to the sub-region's SME base, rather than one of design (McAllister, 1999). Similarly, a number of tourism strategies at the local authority level, together with a Merseyside strategy for tourism, ran concurrently with the Objective One programme, yet none of these were referred to specifically in the SPD, with the result that the overall tourism activity in the sub-region was fractured and contained unnecessary duplication of effort (ibid). The programme's lack of strategy once in train was in part attributed to its management, with the GOM criticised for harbouring a concern with administrative processes and project appraisal over management and coordination, and the Monitoring Committee seen as more interested in administration than strategic direction (McAllister, 1999; Evans, 2002).

The 1994-99 programme did in some sense represent progress towards the model of place-tailored programmes of interventions that was coming into being at that time though, ushered in by the Structural Funds regulations, especially through the investment in transport improvements targeted at particular peripheral parts of the city and the Pathways initiative, which was specifically designed with Merseyside's problems of social inclusion in mind. The investment in research and development, together with the involvement of HEIs in knowledge transfer activities was symbolic of the trend in regional policy towards harnessing regional growth to innovation (Farole et al, 2011). Support for business was seen as having been insufficiently tailored to specific sectors and stages of firm development, though this was rectified to an extent by the labour market survey published in 1996, two years into the programme (Ecotec, 2003). The Merseyside Special Investment Fund (MSIF), providing venture capital to SMEs that narrowly missed out on access to finance from mainstream sources was universally seen as a positive aspect of the part of the programme that addressed SMEs. The MSIF was run entirely by the private sector and levered in private investment at a ratio of 1:3.2, considered impressive in the circumstances (McCloughan et al, 1999). The initiative was singled out by the business community for particular praise (Evans, 2002). The balance struck between supply side measures, invested in under the priority addressing inward investment, and demand side measures, focused on indigenous growth and the knowledge economy, was seen to be measured (Ecotec, 2003).

3.4.4 The Governance of the Structural Funds

The integrated approach to the funds' application required a level of governance that Merseyside had rebuilt in only a limited way since the abolition of the metropolitan county council by way of the MIDO steering group. For the Objective One funds, the institutional arrangements for the management of the programme comprised a Managing Authority, a Programme Monitoring Committee (PMC), and a Programme Secretariat, to which were in Merseyside added two technical panels, a number of ad hoc advisory groups, and community partnerships. The principle of partnership meant that regional representatives of the private sector and civil society had to be involved, a stipulation that has been applied in a highly uneven manner across Structural Funds recipient regions since the 1988 reforms (Bailey and de Propris, 2002). The Managing Authority was the UK government, which retained ultimate responsibility for the programme through the GOM, which was to become the GONW in 1998, while the programme secretariat was also based in the GOM. It was the PMC's role to provide the programme's strategic direction and to monitor its implementation. The Merseyside local authorities, the GOM, as chair, and the Commission were all present in the PMC, alongside representatives from other public bodies, the private sector, and the voluntary sector.

The Objective One PMC provided a continuation of strategic governance at the Merseyside level that had begun, in the post-metropolitan county era, with the MIDO steering group. Due to the greater weight of responsibility and, crucially, funds granted under Objective One, however, the PMC was more effective in its ability to draw together actors from across the sub-region.

> 'I think it was relatively new in terms of the way it impacted upon the range of organisations in a place like Merseyside. I think people had been living in their own little patches, largely, once the county had been abolished. There was a lot of ambivalence towards the county. While it was there it wasn't treated very well by the sum of other organisations underneath it but when it was gone people understood what had been lost. My abiding memory of that time was that before we got Objective One I spent hardly any of my time working with the other local authorities and with any other actors on the Merseyside scene. [Not] in any real sense. After Objective One I spent nearly all of my time working with those bodies.' (Interview with former Liverpool City Council senior officer.)

While the local authorities were effectively brought together though, engagement of economic and social partners, from SMEs, the third sector, and trade unions, was limited. While SMEs were eventually engaged with more strongly after a lobbying effort on their part through the formation of

the Merseyside Business and Manufacturing Challenge, there remained only limited engagement with the third sector and the continued exclusion of trade union representation until the election of a Labour government in 1997. This was a result of the strategy of the national government of the era to exclude trade unions from the process of governance, one at odds with the prevailing view across Europe and that of the Commission, and contrasts sharply with those nations in which the notion of social partnership was already strongly applied, such that employers' and employees' representative groups were given equal weighting (Mays, 1995).

> '[The UK government] didn't want the regional TUC on the monitoring committee; they had to wait until Labour got in nationally. Civil servants kept them informally engaged, but they didn't make it formal because they knew it was a no-no. But for Brussels, it was standard – "what's going on? If you want the programme you've got to have a workers' representative". So there was all that going on over the first programming document.' (Interview with senior academic active in policy-making discussions.)

Additionally, a failure to make clear the rules by which funding could be obtained encouraged a number of private sector businesses to become frustrated over a lack of ability to bid for funds due to EU competition rules (Ecotec, 2003). Over the course of the programme, business was engaged with much more strongly, with greater inclusion of private sector actors on the PMC, the Monitoring Committee and the Technical Panels, and the involvement of local firms in initiatives such as the Partnership for Learning project, in which a group of large firms provided high level skills training to SMEs on a commercial basis.

Issues around the balance of power in partnerships are prominent, with the distribution of power seen as resulting more from unseen negotiation than from formal agreements. In this understanding, the exclusion of social partners is complemented by the usurping of power by an arm of central government (McQuaid, 2000). The GORs have been criticised for exercising an excessive degree of central government control over the application of the Structural Funds across the UK during the 1994-99 period, through their management of the programme secretariats, which has been seen to limit the extent to which regional ownership of the programmes has resulted (Lloyd and Meegan, 1996). According to Jones and Keating (1995), the interaction of local government and the regional arms of central government departments, embodied as the GORs, with the Commission had, by the mid-1990s, increased the sense of regional and European identity in the UK, though, strengthening relations with the EU and leading to impatience with the centralist attitude of central government. This is confirmed by an interview from a Liverpool City Council Senior officer prominent in the administration of the funds:

'The government kept a pretty iron fist on the way money was dribbled out to things. They were really running the programme and they were constantly making sure that their imprint was on the programme and they were certainly cracking the whip against the QUANGOs that they had established, whether it was the TECs or the UDCs. The government were making sure that their agenda was being promoted as well.' (Interview with former Liverpool City Council senior officer.)

Not all interviewees took a negative view of the extent of engagement with economic and social partners, with one making the case that the role extended to local partners in the Merseyside PMC was greater than that required under the Structural Funds regulations, leading to a method of working that depended on functioning relationships between partners and between the Managing Authority, the PMC and the programme secretariat:

'Yes, the Managing Authority is the one that takes the decision to put the project forward to a committee, if that's what they want to do but actually the Managing Authority could run the programme by calling for projects, appraising them, running an eligibility check, and approving them. However, sitting around the programme is a Programme Monitoring Committee, with partners sitting on it, and if you're a Managing Authority and you have projects that actually go against what local partners want to do, you're dead. You can't do that, so you've got to work in a slightly different way but, technically, in terms of the regulations, the Programme Monitoring Committee does not approve projects. Now, we have here, in the North West region, always had a way of looking at it and a way of involving partners in actual project approvals, but technically it doesn't have to be run that way. So relationships matter, and they matter enormously, and whoever runs the programme secretariat has to spend his or her time with partners.' (Interview with former Liverpool City Council and NWDA senior officer.)

As well as lacking a governance structure, Merseyside had also lacked a strategic plan since the Merseyside Structure Plan had ceased to be effective. The SPD that set out the needs of the sub-region and the measures deemed suitable to address these took on the role that had been played by the structure plan, allowing the medium term future of Merseyside to be considered by a body responsible for the whole of the sub-region and thus able to address more strategic concerns than would otherwise have been the case.

'Then we got the SPD, which provided a kind of strategic plan for Merseyside, in the absence of anything else. And they did things like they bought into the idea of Strategic Investment Areas that spanned local authorities, which you wouldn't have got if you'd just had five

different local authorities doing their thing.' (Interview with senior academic active in policy-making discussions.)

This newfound function of strategic planning, together with the amount of funds allocated, was thought by some interviewees to have exacerbated the extent of Merseyside's peripherality in the North West. It can also be said to have potentially added to the difficulty of working towards an agreed vision for the wider region, as noted in the previous chapter on the range of strategic documents produced at that time (Carley, 2000). Governance activity at the North West scale had been stepped up following the visit of Graham Meadows, of the Commission, there in the early 1990s, and the encouragement then given for a form of North West strategic planning. Even after this, though, Merseyside was viewed as having played a minor role in the governance of the wider region, which was to become even more so once Objective One funds were allocated.

'I don't think Merseyside was a big hitter in the North West and when we got Objective One it became even less of a big hitter because it detached itself [from the rest of the region]. I think there was almost a reaction of "we've got ours now, what we have we hold" and that was partly a reaction to the fact that before that Greater Manchester had been so dominant.' (Interview with former Liverpool City Council senior officer.)

Problems of parochialism were also present in the fractured governance arrangements of the sub-region, in spite of the impetus given by the programme management and the SPD for joint working. These were seen to limit the scope for the development of a coherent strategy for the programme, as the focus of different partners on their own particular bounded areas and remits negatively affected strategic working (Evans, 2002). Over the course of the Structural Funds programmes, though, interviewees were of the opinion that collective working improved, leading to a more coherent strategic focus and greater agreement on priorities for investment than had been the case at the beginning of the 1994-99 programme.

3.4.5 Spatial Policy initiatives: Pathways to Integration and Strategic Spatial Investments

Combining its stance taken during the negotiations over the production of the SPD, which pushed for a greater emphasis on social exclusion, with the identification in the ex ante appraisal of the spatial nature of social and economic need in the sub-region, which was seen to be highly concentrated, the Commission proposed a measure that would spatially target intervention to address disadvantage by attempting to link opportunity – in the form of access to training and employment guidance, as well

as more indirect interventions, such as environmental improvements and improvements to public transport routes to aid access to employment – to need (Meegan, 2000). Residents in the Pathways Areas would be involved in the provision of these services through their membership of the Pathways Area Partnership Boards, one of which was set up for each of the 38 Pathways Areas spread across the sub-region. These were composed of community representatives and local elected members, together with local businesses, public bodies, and others. Pathways community representatives ultimately successfully lobbied for a presence on the PMC, in a successful example of social partnership to be contrasted with the earlier failures on this score.

The effectiveness of the Pathways initiative, in terms of how the governance of each area functioned, was seen to vary between areas, with the effectiveness of community involvement depending upon existing community structures and nature of local authority influence (Ecotec, 2003). Although the SPD states that the Pathways Areas were defined on the basis of indicators of deprivation alongside input from local voluntary groups (Evans, 2002), it was widely believed that their distribution was made according to the need to satisfy the local authorities, with one area allocated to each, given that deprivation was concentrated in Liverpool (Ecotec, 2003; interviews with former Liverpool City Council economic development officer and former Liverpool City Council senior officer). The local authorities were granted control over the distribution of the Pathways Areas within their boundaries, with a great deal of variety to be found among them. While this appears to contradict the nature of the initiative which, it might be supposed, would include an ideal spatial scale over which services would be supplied, Pathways was regarded as 'an overall concept' in which a degree of freedom was permitted to the area partnerships (interview with former Liverpool City Council senior officer). Nevertheless, one interviewee was of the opinion that the smaller Pathways Areas were incompatible with the nature of the initiative and led to problems of governance:

> 'You have to have areas of a certain size to make this work. Sefton did it. They only had two.
> They pooled their resources together and said "we've got all these areas and we'll put them
> together". Wirral had 38 Pathways areas. How on earth can you run that?' (Interview with
> former Liverpool City Council economic development officer.)

Problems also emerged in the area partnerships, in which the need to compete for resources between the partnerships, rather than the allotment of equal measures of funds, caused difficulties (Meegan, 2000), as described by a former Liverpool City Council Senior officer:

'The trouble was there was a constant undercurrent which is to do with the politics of envy, saying "why are they getting x while we're getting x-1?"' (Interview with former Liverpool City Council senior officer.)

The Pathways Area Partnerships also demonstrated the instability of partnership relations as, in a curious reversal of the role of the local authorities, they were to shift from their position as allies of the Commission during the 'contested governance' (Lloyd and Meegan, 1996) that presided during the production of the SPD, in which the UK government was a common adversary, to one in which they became the adversaries themselves against an alliance of the Commission and the community partners.

'And, boy, did the local authorities get beaten up in that role. Absolutely hammered on that one … by the Commission and by the local partnerships. So what you ended up having was that the Commission would come over, and they would sometimes meet the pathways people but not the LAs, and that is a tension between … you have elected local authorities, elected members who have got a mandate, who have a legitimacy, an accountability, and then you've got pathways people who have got absolutely none.' (Interview with former Liverpool City Council economic development officer.)

Other explicitly spatial investments came under the programme's priority addressing inward investment. The form taken by these was the provision of sites and premises for firms entering the sub-region, as well as transport investments to improve access to these and improvements to the airport and port. The Merseyside Economic Assessment (KPMG, 1996), commissioned two years into the programme, advised greater investment in the airport and the city centre, as part of a more strategic approach to infrastructure provision. The airport gained a greater role in the programme over the course of its lifespan, though the increase in passenger numbers experienced was seen to be due more to the expansion in the budget flight market and the investments made by the budget airline Easyjet, than to the Structural Funds investments (Ecotec, 2003). The intention to improve the city centre was a coordinated one, drawing funds from the UK government-sponsored City Challenge and SRB initiatives and leading to the creation of Liverpool Vision as a body focused on improving the city centre. While there was a clear economic imperative to invest in what was the collective employment and retail centre for the sub-region, this strategy caused a degree of friction between Liverpool and the other local authorities. This was sufficient to require a concerted attempt to create a consensus around the need for improvements to Liverpool city centre by Liverpool city council's Assistant Chief Executive.

'Well, he certainly did launch a campaign to convince them that they had to take the city centre seriously and that they had to regard investment in the city centre as investment which was of value to them, because they're all part of the same commuting area, and he did that by drafting a document called *Objective One City Centre Strategy* and also by having an away day at Burton Manor, where he took all the most senior officers and they spent the whole day arguing, discussing this topic, about whether there should be an emphasis on a high level of investment in Liverpool city centre, and it took some convincing because a lot of them still wanted to go their own way, partly just because they all want their own pet projects in their own districts; partly because they were still unconvinced that Liverpool had stabilised.' (Interview with former Liverpool City Council planning officer.)

3.4.6 Involvement of Higher Education Institutes as an Example of Partnership-Working

The importance of the knowledge economy and the involvement of the Higher Education sector, most notably in terms of the dissemination of innovations gained through research for commercial purposes, is a feature of regional policy that has gained ground following work on innovative milieux and industrial clusters, and has become closely associated with the new paradigm of regional policy (Bachtler and Yuill, 2001). Innovation is also an instance of market failure and an opportunity that the UK government were keen to address on those grounds. As such, by the time of the first Objective One period in Merseyside, this became a key feature of the programme. Engagement with HEIs was seen as being especially successful, with Chape et al (1997) finding that the Structural Funds were used effectively in encouraging HEIs to exploit their research for enterprise purposes, to engage with EU funding streams, in linking HEI expertise to local firms, and in retaining graduates, most explicitly through embarking on a wide-ranging graduate placement scheme. With regard to the encouragement of specific innovative industries, the creative and digital sectors received particular attention from the sub-region's universities, with an expansion in training and the creation of spin-off firms, as well as the contracting out of services such as web design (Evans, 2002). The focus of ESF on higher skills on the recommendation of the Merseyside Economic Assessment was beneficial to HEIs and Further Education colleges (ibid).

HEIs were not just participants in technology and knowledge transfer mechanisms, though, but provided input to the monitoring and development of the programme, with representatives on the PMC and a close engagement with other partners. Their role was seen as important by sub-regional actors in several senses, as described by one interviewee:

'I think one of the good things about the first programme was the fact that they brought in people like the Higher Education institutions. They were fairly prominent actually, both intellectually and ... they made a big contribution to the development of the programme, particularly intellectually ... I think that, first of all, you need some intellectual credibility to your programme, which universities can give you, secondly they should be grounded in the places they are created in, which universities have to be in some sense, and they can create almost special units to overlook the whole process, but they're also firms in the own right; they're important parts of the local economy. They're huge employers with huge numbers of clients and spending power etc., so I always saw them as being absolutely crucial to anything that we did with economic development and certainly in terms of their contribution to the city centre. But also their intellectual input.' (Interview with former Liverpool City Council senior officer.)

At the end of the 1994-99 programming period an interim evaluation was requested of the University of Liverpool by GOM, for which a team of academics was convened from across the faculty of social sciences, in order to cater for the diverse nature of the necessary contributions. This was produced in 1998/99 in order to inform the forthcoming SPD that would be produced for the 2000-06 programming period, Merseyside having been, once more, granted Objective One status due to its continuing poor economic performance. The university's contribution could not officially be termed an 'evaluation' as that word was used to connote a specific usage in Commission terminology, so was referred to as an 'assessment'. The assessment was in effect the first substantial external feedback that had been given since the ex ante evaluation of Merseyside 2000, also conducted by a team at the University of Liverpool, though upon the request of the Commission. Having been well received, the production of the assessment later merged into the production of the next SPD, as a series of meetings that took place between members of the PMC and some of the academics involved in the assessment fed into the process by which the 2000-06 programme was prepared.

3.4.7 The 2000-06 Structural Funds Programming Period and a New Regional Era

The UK government changed from Conservative to Labour in the national election of 1997, two years prior to the end of Merseyside's first Objective One programme. The Labour government was thus in place for the whole of the period during which the SPD for the 2000-06 period was negotiated and throughout its application. The effects of this are most explicit in the establishment of institutions at the regional scale in the early years of the Labour government, with the NWDA and the North West Regional Assembly (NWRA) both established in the RDA act of 1998. The more developed nature of

regional policy under the New Labour governments meant that the Structural Funds programmes for the first time had regional strategies to align themselves with. The role of the RDAs was to promote economic development, competitiveness, investment, employment, skills and sustainable development, while the RAs were intended to hold the RDAs to account, act as the statutory land-use and transport planning body for the region, provide a strong voice for the region and to coordinate and integrate regional strategies (Musson et al, 2005). In practice a clear disjunction emerged in the operation of the NWDA and the NWRA according to the growth-focused concerns of the former, which were seen to usurp their proposed contribution to sustainable development, and the attention paid by the latter to matters of social cohesion and sustainability in urban development (Deas, 2006).

The vision of the 2000-06 SPD is of 'a world class city region that attracts people to live, work and invest' (CEC, 1999b), alluding to economic growth concerns above social and sustainability concerns with its reference to a 'city region' and the desire for this to be 'world class' articulating the desired future of Merseyside in firmly economic language as a 'regional motor of the global economy' (Scott, 1996). Indeed, in terms of the alignment of SPDs with RESs, the UK government expected the focus in the RESs on city regions to be taken account of in the OPs (Chapman, 2010). Yet in its content the SPD is closer to the aims of the NWRA than of the NWDA, continuing the focus on local people and assigning the Pathways initiative its own priority. The linking of opportunity to need that was the basis of Pathways, and that had begun to frame the first SPD in the eyes of one interviewee (interview with former GOM and GONW Officer), is articulated in RPG 13, produced by the NWRA, as the linking of 'economic growth and competitiveness with social progress' (GONW, 2003).

At the level of the UK national government, Bachtler and Wishlade (2004) posit that a greater fit between domestic UK and EU policy agendas, as the Lisbon agenda has oriented EU policy towards competitiveness goals that are common with the UK government's, has resulted in less disagreement between the UK government and the Commission over programme contents. In terms of the alignment of the SPD with the regional strategies, the adoption of the Lisbon Agenda provided an overall framework oriented towards economic growth in the EU that was akin to the NWDA's own perspective, while the Conservative government that had been hostile to the strategic approach to development favoured by the Commission was replaced with a Labour government that embraced such an approach, leading to a confluence of interests between the Labour government and the Commission. This was articulated at the regional scale through the similarities between the RES for the North West and the SPD for Merseyside.

'If you look at the RES and what it was doing, the 2006 RES, it's basically the Lisbon agenda written in English regional policy terms. If you look at Lisbon and you look at the RES, the two are mirror images, except the RES is written in English regional policy speak, whereas the Lisbon agenda is written in European policy speak.' (Interview with former NWDA senior officer.)

That the interests of the Commission and the UK government had effectively met in the middle, in which the interests of both parties in a growth agenda and a strategy for this at the regional scale coincided, while putting an end to the 'contested governance' of the previous programme, now had the effect of pitting the Commission against the local partners.

'Partly because you had a different UK government who were doing things that were actually aligned to the EU policy, which were helping people to do things, and because we'd had one Objective One programme, by the time you got to the next one, well actually local partners were working together in a way that they hadn't done before and wanted to do different things that the Commission actually didn't want them to do. We'd actually reached a different stage where local partners wanted to do things that were eligible, that were in line with UK policy, but actually didn't quite fit with what the Commission wanted us to do, so the clashes shifted over time, in that, at the beginning of 1994-99, you would sit and watch the fireworks between the Commission and the UK government because that was quite fun, but in the 2000-06 the clashes were often between the Commission and what local partners wanted to do, because the national framework changed and had become much more amenable to an EU way of working.' (Interview with former Liverpool City Council economic development officer and NWDA senior officer.)

Given that the Commission had by this stage been in conflict at different times with the national government, the local authorities and the local partners, the extent to which partnership relations were strained by the multi-level governance arrangements of the Structural Funds in the case of Merseyside was clear.
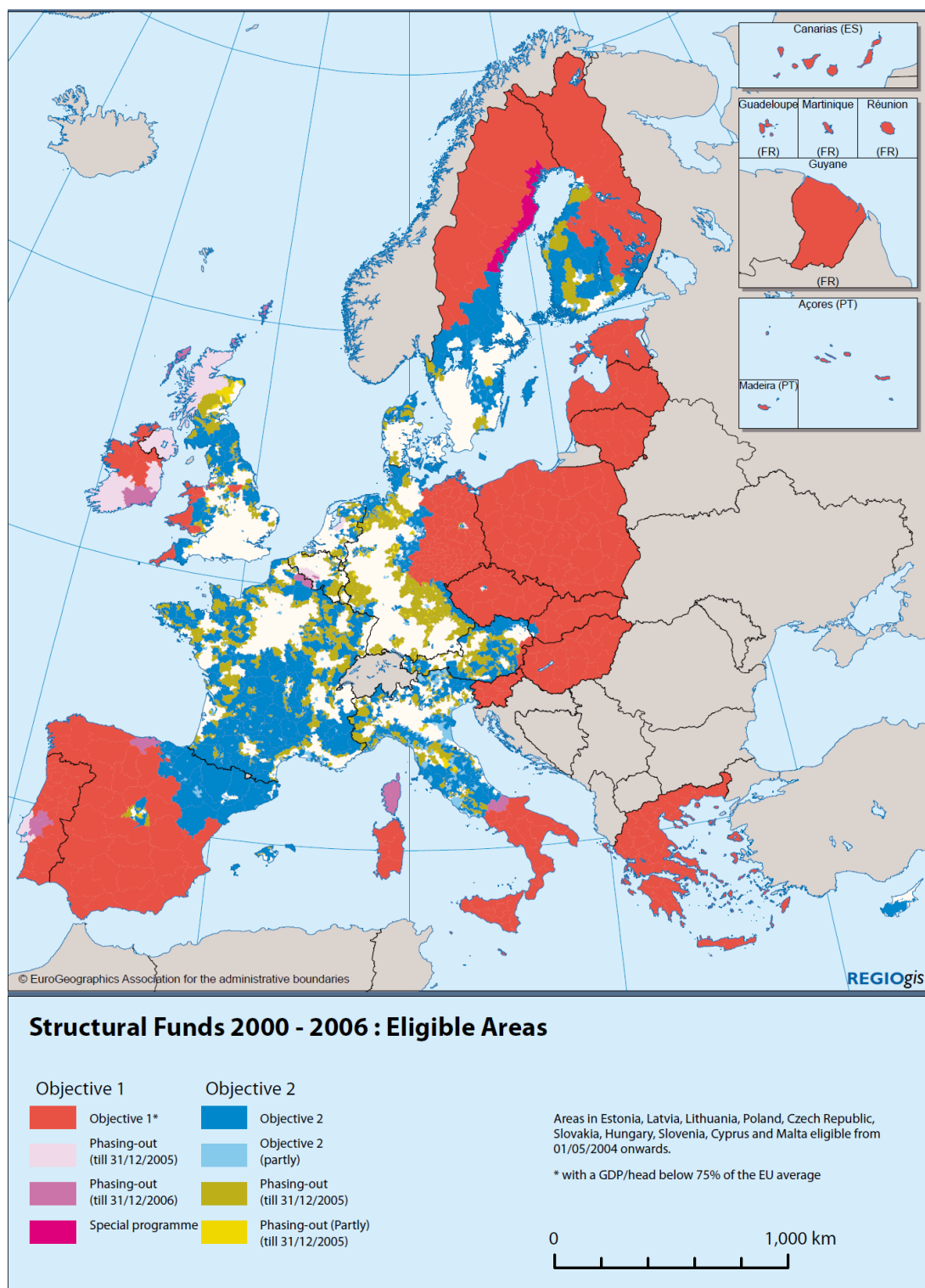
Figure 4: Areas eligible under Structural Funds Objectives across Europe during the 2000-06 programming period. After Merseyside, South Yorkshire became the second primarily urban region in the UK to receive Objective One funds. (Source: DG Regio, 2008.)

The NWDA was directly engaged in the preparation of some aspects of the SPD and became closely involved in the choice of locations for strategic investment (Regeneris, 2003a), reflecting its contemporaneous work on strategic site selection for the forthcoming RES. The locations selected for investment in the SPD, a process discussed below, included the three 'priority employment sites' in the RES and the employment sites identified in RPG 13 that are within Merseyside. The Commission's interim evaluation suggested that the peripheral location of some of the investment sites in the SPD might be thought to contradict RPG 13's preference for development to be located in sustainable locations with good transport links (Regeneris, 2003b). The alignment of the three strategies on this issue was ultimately assured in Merseyside, however, especially in the light of RPG 13's reference to the need to review green belt boundaries in Merseyside in the light of the Objective One programme (GONW, 2003), though this was not the case throughout the region (Deas, 2006).

The introduction of Single Pot funding for the RDAs in 2002 was crucial in enabling the mobilisation of match-funding for ERDF, but also contributed towards the channelling of a regional development agenda shared between European and domestic sources of funding, as projects requiring funding sought to combine NWDA funds with Structural Funds to the same end. This was articulated by a former NWDA officer:

> 'Well it was absolutely natural. The ERDF needed match funding and the NWDA could supply the majority of the match funding, so that was the advantage from the European side, but the other advantage for the NWDA side was that you could get ERDF funding for a scheme you wanted to do anyway.' (Interview with former NWDA officer.)

Stakeholders were found, in the ex-post assessment of the programme, to be of the belief that the creation of the NWDA improved the coherence of regional economic policy (Ecotec, 2003), opinion that may have been encouraged by the setting up of a strategy group in the NWDA to improve coherence between the Objective One, Objective Two and Objective Three programmes in the region for the 2000-06 period. Indeed an interviewee working at the Merseyside Area Office of the NWDA related, on the degree of congruence between the activities of the SPD and the NWDA:

> 'I remember saying to Mike Shields, who was the first chief exec of the NWDA. He asked me to produce the sub-regional economic plan and I just used the Objective One plan and he said "fine, job done".' (Interview with NWDA Area Office representative.)

In terms of the integration of the different Structural Funds programmes in the North West however, the Merseyside SPD's interim assessment criticised the lack of integration of the 2000-06

Objective One SPD for Merseyside with the North West region Objective Two SPD. Especially when viewed in the light of the inception of the RES, this was regarded as a 'significant lost opportunity' (Regeneris 2003a: 8). The 2000-06 programme was also bound, at the EU scale, to pay heed to the ESDP and to the role of towns and cities as regional growth centres as articulated in that document (CEC, 1999a). The ESDP did not appear to greatly influence the SPD, though its focus on inter-urban networks within regions was accommodated to the extent that Merseyside is a city region constituted by more than one settlement that sits within a larger region. The spatial relationships between Merseyside and the rest of the North West region are not explored in the 2000-06 SPD, however.

3.4.8 Evolution of the Strategic Spatial Approach

The 2000-06 SPD focuses more on competitive advantage, addressing particular sectors, using a sector 'champion' to identify necessary support (such as network and supply chain development), and themes within this, where the previous SPD had concentrated its measures relating to business on providing consultancy services and finance. In terms of spatially targeted investments, a greater emphasis is placed on strategic investment sites, now encompassing a whole priority.

The rationale for investment in strategic investment sites was that these areas were used both to address an identified shortfall in locations suitable for business investment and to provide an improved urban environment at the sub-regional scale. The possibility of linking these site investments to spatially defined regeneration initiatives was highlighted. While spatially delimited, these investments would be made where they would have an effect beneficial to the whole of the sub-region. The focus of investment on the city centre was made in this context, as were those investments made under the measure of Strategic Spatial Development, all of these being made specifically with the aim of increasing employment and generating growth in such a way, or on such a scale, as to benefit the whole of the sub-region. Three such areas crossed local authority boundaries, of significance in the enduring circumstances of governance fragmentation along territorial boundaries.

Those strategic investment sites covered under the Strategic Spatial Development measure were broadly and heterogeneously defined, encompassing large existing employment sites such as the Speke / Halewood concentration of car manufacturing and pharmaceuticals plants, and sites of much greater scale such as the 'Eurogateway / Atlantic Avenue' area, which spanned the majority of the extent of the working docks together with service employment of various kinds inland from

there. Thus in terms of geographical scale, sectoral composition, and urban grain, the Strategic Spatial Development areas were diverse, yet shared among themselves a concern for assets of strategic importance to the city region, reflecting the concept of the Global City Region and representing the entry of its tenets into development programmes and strategies (Scott, 2001). The interim evaluation recommended that strategic investment areas be more closely oriented to the sector-specific strategy in the SPD, suggesting that site investments should be targeted to the needs of growth sectors identified (Regeneris 2003a). This was seen to be especially important in the light of the emerging sector / cluster-based strategies being led by TMP. An RDA officer working on the Structural Funds was of the belief that this aim was difficult to achieve in the absence of an integrated land-use planning and economic development regime:

'What I don't think we did well, which we should have, but which was impossible for us at that time, because we didn't have planning and we didn't have economic development together, we should have said "we've got these eight strategic investment areas, is it possible that we can configure them so that they can support particular clusters and sectors?" So Speke, the estuary and Garston should have been the biomanufacturing and biosciences hub, Knowsley Industrial Park should have been for advanced manufacturing, because they do loads of manufacturing there, Southport might have been a bit more for business type things – I don't know, the knowledge quarter and the universities should have been about the Higher Education / research agenda and how to spin things out, the Baltic is a new one that wasn't part of early programmes, but again you're trying to make a hub for the digital creative industries.' (Interview with former Liverpool City Council economic development officer and NWDA senior officer.)

Pathways areas, which had in the previous programme sought to link social need to economic opportunity, now did so in a more explicitly spatial way by linking these to strategic investment areas, in which local partners prepared an Integrated Development Plan for each strategic site that outlined how opportunity would be related to need within a spatially constricted understanding of this. The tendency highlighted by Meegan (1994) for residents in depressed areas to be unwilling to travel far outside of their locality in order to access opportunities for employment or training may be salient here.

Figure 5: Strategic Investment Areas and Pathways Areas in Merseyside assigned in the 2000-06 Structural Funds programming period. (Source: CEC, 1999b.)

3.4.9   The 2007-13 Structural Funds Programming Period and a Shared Regional Programme

For the 2007-13 programming period, Merseyside was designated as a Phasing-In region, following the changes made to the area designation system and spatial targeting of funds after the accession of ten new member states had caused a retraction in Structural Funds targeting lagging regions in the existing member states. After some debate as to whether Merseyside should retain its own programme, it was ultimately determined that the sub-region should join the rest of the North West, designated as a Regional Competitiveness and Employment (RCE) region, in the North West Operational Programme (NWOP), in which Merseyside would have a ring-fenced 30% of ERDF, ESF having been 'nationalised' for the 2007-13 period. Merseyside's status as a Phasing-In Region within the NWOP granted it eligibility for initiatives made available to the whole of the OP region while making funds available specifically to Merseyside's maritime and tourism sectors, in addition to transport investments that were not permitted, under Commission regulations, to be applied in RCE

regions, while particular funds were targeted at enabling excluded groups to enter employment there.

> 'It made huge sense to do a single programme because you had a regional spatial framework for the North West and a Regional Economic Strategy, so it made absolutely no sense to do the programme at a NUTS 1 level, because why would you want to split them up? I used to have endless conversations with Merseyside about this, saying this to them, but they always insisted on having their own document, when the rest of the region wanted one document, leaving Merseyside out on a limb, on their own. So we ended up having one document, because the government also agreed with that spatial configuration. But if you asked Merseyside partners what is it you want to do that's different from the programme that we were doing for the whole of the North West, there wasn't much. There's only the marine and the visitor economy, plus transport, putting in place the last building blocks from the old Objective One.' (Interview with former Liverpool City Council economic development officer and NWDA senior officer.)

 While the merging of the Merseyside and North West programmes reflects a further step in the gradual integration of governance bodies and strategic thinking in the North West, thus addressing problems of fractured decision-making (McQuaid, 2000) and fragile consensus (Barrett, 1996), the failure to fully align the city region with the wider region caused difficulties for governance actors. Interventions for the NWOP as a whole were targeted at particular high value sectors, while also emphasising innovation and knowledge, to be developed in close connection with the North West region's HEIs. These priorities are in line with the EU's Lisbon Agenda, which had gained further influence on the Structural Funds programmes following the Commission's stipulation that 75% of programme funds should be spent on activities deemed 'Lisbon compliant'. In spite of those sectoral priorities listed as having been tailored specifically for Merseyside, a lack of fit emerged between the programme's supply of sectoral interventions on the whole and the demand for these in Merseyside in the mid-term evaluation (Regeneris, 2010). This is supported by interview data which alludes to the failure of Merseyside-based bodies to access a wide range of funds due to their inappropriateness for the sub-regional economy (interview with TMP / Liverpool City Region LEP officer). The extent to which the programme addressed the theme of social exclusion was seen by interviewees as being a reduction on that of the Merseyside-specific SPDs. While the NWOP contains measures that address the needs of disadvantaged communities, this is done solely within the context of employment and entrepreneurialism.

Structural Funds 2007- 2013:
Convergence and Regional Competitiveness and Employment Objectives

Convergence Regions*

Phasing-out Regions

Phasing-in Regions

Competitiveness and Employment Regions

* with a GDP/head below 75% of the EU average

0   1,000 km
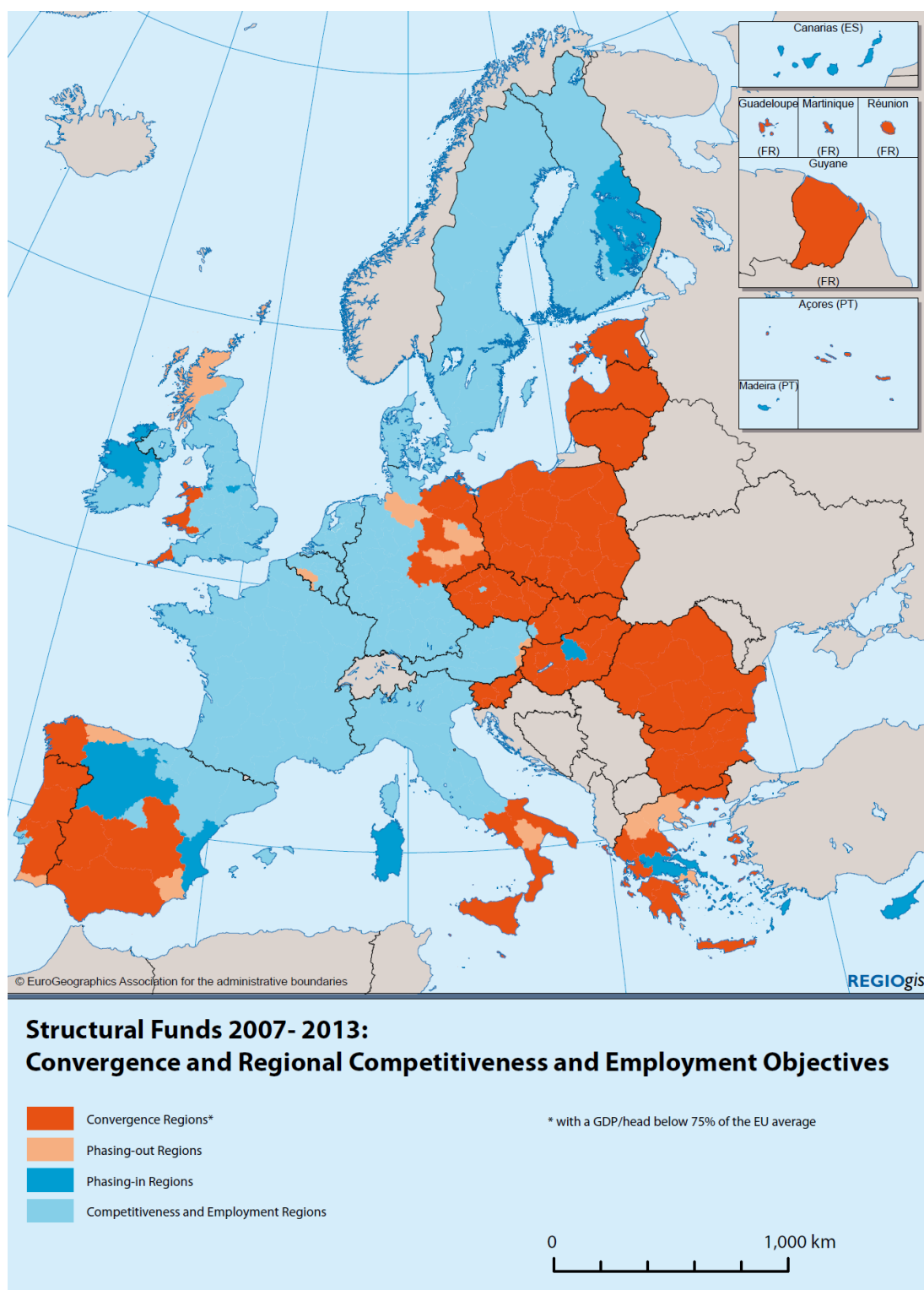
Figure 6: Areas eligible under Structural Funds Objectives across Europe during the 2007-13 programming period. Merseyside was granted 'Phasing-in' status that ring-fenced funds from the Regional Competitiveness and Employment Objective. (Source: CEC, 2008.)

While the Lisbon agenda had influenced the previous programming period, the signing of the Lisbon Treaty and the incorporation into it of territorial cohesion, alongside economic and social cohesion, did not occur until 2007. As such territorial cohesion was not accounted for in the 2000-06 programming period, though the programmes produced during this period were bound to take into account the ESDP, as noted above. Reference to the concept of territorial cohesion in the 2007-13 NWOP is minimal, limited to the sense in which communities in parts of the region relatively isolated from the region's main urban centres, transport axes, and knowledge assets, such as HEIs. It is proposed to extend business support and knowledge transfer to these areas.

According to Polverari et al (2006) and Bachtler et al (2007) the UK 2007-13 OPs, in addition to showing a focus on Lisbon goals, also demonstrate a closer alignment with domestic regional strategies. In terms of coordination with the RES, the NWOP is cited as a mechanism by which the ambitions of the RES can be achieved (CEC, 2007: 67) and was in fact initially developed around the draft 2006 RES, aided by the concurrent timescales for the production of the two documents RES (Regeneris, 2010; interview with former NWDA senior officer).

While the NWOP and RES were thought to be well integrated, the separate applications and approvals process for Objective One and NWDA funds had been subject to criticism in the mid-term evaluation of the 2000-06 programme (Regeneris, 2003a). Greater integration was fostered once the programme secretariat was passed from GONW to the NWDA for the 2007-13 programme, though, with the appraisal process ultimately combined. The path towards this is outlined by a former NWDA officer:

'Because there were two big programmes one of the frustrations was that they weren't integrated enough and one of the complaints of local partners was "we've got a process for SRB, including how to bid and how to contract and deliver plans, and then we've got a separate process for ERDF", and one of the constant struggles was to try to get them coordinated, particularly when it went to the NWDA ... I think the strategy has been very well integrated. I think the really difficult thing has been to integrate some of the processes which obviously are important, and we know that ERDF, in particular, has quite complicated processes, which, at the end of the day, if you're going to get the money, is just something you've got to do. And that's always been a problem. With the RDAs getting control of ERDF the processes were integrated much better. In fact, I can't speak for other regions but the NWDA had a single appraisal process. When it got control of the 2007-13 programme it introduced a single appraisal process for ERDF and RDA funding, so we did integrate it.'
(Interview with former NWDA officer.)

In terms of the spatial content of the programme, NWOP is sectorally concentrated on identified regional specialisms and high growth sectors and lacks an overall spatial framework that addresses the location of, and links between, places, public assets, and growth sectors. Instead, the spatial concentration of resources is dictated by the location of sectoral and growth strengths, together with knowledge assets, with the use of Structural Funds for strategic site investments, as identified by the NWDA, limited to those locations that coincide with the regional knowledge and tourism economies. Investments focused on improving access to employment were made on a spatial basis, concentrated in areas of need. In terms of transport, only a limited number of investments were made, these being in Merseyside and seen as the final building blocks of the first Objective One SPD (interview with former NWDA senior officer). The scale of intervention for the NWOP was viewed by interviewees as being regional, rather than being broken down into sub-regions, though the performance of the North West economy is broken down into its constituent sub-regions, as in the 2006 RES, and abundant reference is made to city regions in the document.

3.5   Conclusion

This chapter has explored the use of spatial concepts in the application of the European Structural Funds in Merseyside and the North West, concentrating on the strategic spatial approach to development that it is held has been applied in the programming of the Funds, and on the effects of the Funds on building governance capacity in the Merseyside sub-region.

Following the abolition of the Merseyside County Council in 1986, MIDO had been the first strategic document covering Merseyside since the county structure plan of 1980, though it was limited in scope and funds. The first Objective One programming document brought with it a much greater level of investment, however. While the failure of the programme to adequately address the problems and potentials of the sub-region has been highlighted (Lloyd and Meegan, 1996), investments linking transport to deprivation, the Pathways initiative and attempts to foster indigenous growth through links with HEIs pay heed to the notion that a more strategic spatial approach was being applied than had hitherto been the case in UK regional policy. The use of a strategic framework that encompassed the city region and was the province of a single governance configuration, albeit a somewhat complex multi-level partnership, was seen by interviewees as a necessary step that formed the basis from which more extensive efforts would subsequently be made to regenerate the Merseyside economy.

The design and implementation of the first Objective One programme also entailed the creation of a governance entity for Merseyside for the first time since the abolition of the Merseyside County Council in 1986, through the partnership principle contained in the Structural Funds. The extent to which the partnership was successful has been placed in doubt though, with disputes between the European Commission, the UK government and the sub-regional partners prevalent. The extent to which private and third sector partners were involved was seen to be limited. Nevertheless, following the diminution of city regional governance and the consequences of this for Merseyside, these being a breakdown in relations between the constituent district authorities and a consequent failure to conceive of the city region as a coherent economic and social entity, the 1994-99 Objective One programme was seen as being of crucial importance.

Over the course of the following programmes of Structural Funds in Merseyside, the strategic spatial approach, seen as being ushered into English regional policy through the vehicle of the Structural Funds, reoriented itself according to the converging aims of the UK New Labour government, elected in 1997, and the European Commission. The New Labour government expanded regional policy for the first time in a generation, within the increasingly prevalent spatial approach to economic development, while also promoting the notion of spatial planning in its land-use planning policy.

Two main issues stem from the 2000-06 and 2007-13 programmes of Structural Funds that were implemented during this era. First, that this focus on development and planning in the regions under New Labour sat beneath an overall approach concerned with raising aggregate growth chimed with the position of the European Commission which, stung by Europe's declining rate of growth compared with that of the USA, had embarked on the competitiveness-oriented 'Lisbon agenda'. The embrace of the spatial approach to development by the Labour government within a broadly neoliberal agenda did not sit uneasily with the European Commission's orientation of the Structural Funds towards competitiveness aims. In Merseyside this shifted the nature of conflict in the governance arrangements around the Funds from the local partners and the European Commission being in dispute with the UK government to the European Commission and the UK government being in dispute with the local partners. In terms of whether the 'Lisbonisation' of the Funds affected the extent to which a place-based approach was applied, this point is debateable, given the concern of the place-based approach with competitiveness in the context of improving local and regional economies as part of a strategy aimed at improving the wider social and economic conditions of the area. Nevertheless, the attention given to the stronger sub-regions in the 2007-13 NWOP, in terms of the policy measures made available, can perhaps be seen as indicative of an

approach more concerned with the mobilisation of the more competitive territorial units within a region whose aggregate performance was weak, in Western European terms.

Second, the regional institutions created by the New Labour government shared the same set of aims as the Structural Funds programmes, and thus would logically be integrated with these as a way of increasing the total weight of funds and expertise while avoiding duplication. The extent that this occurred in Merseyside and the North West was seen as limited during the 2000-06 programming period, when the GOM was in control of the EUSF programme in Merseyside while the NWDA was in charge of regional economic development at the North West level. In addition to these agencies, the NWRA had responsibility for spatial planning. While both the NWDA and the NWRA became involved in the preparation of the SPD with regard to the identification of strategic sites, and while the NWDA's position as a prominent source for match-funding for Structural Funds investments meant that, overall, regional policy funds could fairly successfully reach shared ends, the extent of integration between the Merseyside SPD for 2000-06 and the RES, as well as with the North West SPD, was seen as being partial.

Both the 2000-06 Merseyside SPD and the 2007-13 North West OP are organised explicitly around sectors rather than being based on an approach that integrates sectoral concerns within a framework that also addresses places and regional assets together with the relations between these, as would be consistent with place-based development strategies. The former document places a strong emphasis on investments in the quality of places and attempts to establish a link between these and nearby sites of social exclusion within this, though, while the latter's site investments exist under specific themes. During the 2007-13 programming period the integration of Merseyside within the North West was seen as necessary but not without friction, as Merseyside's specific place-based needs were not as easily addressed within the North West SPD. The integration of the Structural Funds programmes with the RES and the integration of funding allocations from the NWDA and the European Commission were seen as much improved on the previous period, however, following the assumption of control over the Structural Funds by the NWDA.

The role of the European Commission and the European Structural Funds in building governance capacity in Merseyside was crucial in the revival of strategic planning and development in the city region. Following MacLeod's (1999) interpretation of the Strathclyde region of Scotland having been produced by a process of structuration, the (re-)construction of a governance scale in Merseyside is seen as a process strongly influenced by the prospect of accessing Structural Funds, as well as by the direct intervention of the European Commission, yet one that has taken place, and is ongoing, through the interactions of a range of actors engaged in shaping and re-shaping the configuration of

governance there. The introduction of the place-based approach to development is seen as being more directly attributable to the influence of the European Commission. This is due to the entrance of significant levels of Structural Funds, the regulations governing the programming and governance of which had gradually evolved into a place-based approach over the course of the lifetime of European regional policy, into an economic development policy climate of much more limited scope, depth and scale.

Perspectives on Spatial Development in the English New Regionalism

4.1 Introduction

This chapter explores the use of spatial concepts in the construction and application of spatial development policy by New Labour's regional planning and development institutions in the North West region between the years 1997 and 2010. It is posited that a more sophisticated use of spatial concepts than had hitherto been made took shape in English regional planning and development policy during this era, encompassing the building of governance capacity at multiple scales, the increased coordination of planning and development within a spatial framework and the employment of a range of spatial concepts in regional plans and strategies. The chapter is divided into two sections: a literature review and an empirical investigation.

The new regionalism and the strategic spatial planning agenda have ushered into UK planning and regional economic development policy and practice a concern for spatial factors in determining economic and social outcomes. Economic development has been reinterpreted as a policy field dependent upon processes that are bound to particular places, as an increasingly globalised economy limits the competitiveness of relatively mobile manufacturing industries in high wage countries and economic activity shifts to relatively immobile knowledge-intensive industries. Correspondingly, the attention of the state turns to the mobilisation of place-bound factors at the local and regional scales, and to the use of spatial concepts as a governance tool to aid the activities of the state in doing so.

The chapter adopts this change in context as its starting point and explores how the sub-national institutions set up by the New Labour governments expressed these concerns in their planning and development policies, plans and strategies. The establishment of regional institutions in the early periods of office of the New Labour governments represents a reorientation of planning and development policy towards the regions, following a period of regional retraction under the preceding Conservative governments. While this alternating extension and retraction of attention towards the regions is a consistent feature of post-war British policy, the effort to construct regional institutions on this scale of administrative independence was unprecedented. The allocation of such responsibility to regionally situated agencies followed the precepts of new regionalist research that

privileged the role of regional institutions in spurring economic development, rather than the centrally orchestrated regional policy that had been prevalent up until that point. The processes by which the North West regional institutions operated, both internally and between institutions, towards a form of regional governance are explored by investigation into the relationships between actors and institutions during this era. The institutionalisation of the sub-regional scale that was undertaken at this time is also explored, in terms of the relations between the region and the sub-regions and the spatially uneven way in which this policy was applied.

Furthermore it is argued that a more diverse approach to the use of spatial concepts in planning and development found expression in the plans and strategies of the New Labour regional institutions. Influenced by research emphasising the role of the relations between places, in the form of networks composed of flows of labour, capital, goods and information, and which questioned the utility of the concept of the territorially-bound region, the regional strategies of this period employed explicitly spatial understandings of the region. In part this meant the integration of space into understandings of industry through the use of cluster policies and the encouragement of economic agglomeration. At the strategic level, social and economic policies were coordinated within an overall spatial framework in which places, transport infrastructure and major assets were conceived of as an integrated spatial system. Visual representation and presentation of this took the form of key diagrams and spatial visions, in which places and networks of flows are depicted graphically in order to illustrate existing or potential roles, activities and relations using visual metaphors. The representation of spatial concepts in the regional strategies produced during this era forms the remainder of the empirical investigation.

4.2   The Regional Resurgence

This section reviews research pertaining to a revival of interest in the regional scale following the observation of growth rates in particular regions outstripping those of national economies under conditions of increasing economic globalisation, as well as the political implications of this. Theories of the factors behind, and the form taken by, regional economic growth are first examined, after which the role of the state in response to the trends observed is covered. Following this, challenges to the arguments of the new regionalism are identified and a shift of attention to the city regional scale is addressed. Finally, political attention given over to regionalisation since the 1970s is covered before the efforts of the New Labour governments to establish regional institutions are dealt with.

Following the economic crisis of the 1970s and what has been widely interpreted as the undermining of the Keynesian state by processes of globalisation, attempts have been made to understand the economic, social, and spatial form that contemporary capitalism would take in developed economies (Jones and MacLeod, 1999). The effects of globalisation on the spatial scale at which firms and the state function have been explained using the concept of 'glocalisation', or the simultaneous restructuring of institutions of governance, as nation states cede power upwards and downwards, together with the globalisation of the location strategies of firms (Swyngedouw, 1997). According to Swyngedouw, then, there has been a glocalisation of governance and a glocalisation of the economy (Swyngedouw, 2000). These are the twin lines of analysis that underpin much of the research focusing on the region during the period following the collapse of 'spatial Keynesianism' (Martin and Sunley, 1997): the locally-constituted new production spaces and the regional institutions that promote the supply-side factors that underpin these. The increasing importance of regions and their institutions of governance, exemplified by the perception that regions operate as actors in the global economy, in contrast to what is seen as the reduced importance of the national scale, is behind the commonly made assertion of the existence of a 'new regionalism'.

A number of strands of research that address the transition from a national to a regional economic model have surfaced since the 1980s. Keating (1998) has explored the region as a political unit that is able to foster an enhanced social cohesion following what he regards as a crisis of territorial representation at the national scale. Regional political mobilisation forms a 'reinvention of territory' in which territorial order and social relations that have been fractured by national crisis can be reconstructed at the regional scale (Keating, 1997). The transition from Fordism to post-Fordism in regulation theory, on the other hand, provides a political economy framework within which to understand processes of spatial restructuring. The historic transformation of the Western state that is held to have occurred, from its post-war incarnation as the Keynesian welfare state to a variously described post-Keynesian, competition, or neoliberal state (Lobao et al, 2009), is addressed by regulation theory-informed understandings from the perspective of a corresponding shift in the nature of state space, or how the spatiality of the state has been reconfigured in response to the challenges posed to the Keynesian space economy.

In contrast to the macro-level concerns of political science and political economy schools, much of the focus of economic geographers with regard to the regional scale has been the conventions that make up the micro-foundations of regional economic life, in the form of 'soft and often non-codifiable social norms, and of regionally-mediated and / or "nested" measures ... such as R&D, education and training' (Jones and MacLeod, 1999: 299). These are regarded as constituting the

central form of scarcity in contemporary capitalism, largely because they are not standardised and are embedded in regional economic and social contexts (Storper, 1995). Much theory addressing an apparent resurgence of regional economies is therefore concerned with the networks of trust, cooperation, competition, and governance that are thought to underpin these mechanisms (Martin, 1999). The following section provides a broad overview of such theories.

4.2.1 Flexible Specialisation, the Rise of the Industrial District, and the Role of Untraded Interdependencies

Rising levels of wealth in the latter half of the twentieth century – themselves in part a product of the mass production economy and rising levels of international trade that resulted from it – are held to have re-oriented consumer demand away from inexpensive mass produced goods to more differentiated products with a greater emphasis on design quality and whose manufacture is not amenable to the large, vertically integrated firm, whose large-scale, inflexible plants and production process were unable to adapt to consumer demand (Piore, 1986). Piore and Sabel's (1984) building upon Bagnasco's (1977) notion of the 'Third Italy' and Mashall's industrial districts describes a system of 'flexible specialisation' that incorporates new technologies, skilled labour and networks of firms and institutions in a form of production distinctly different from that of mass production. Storper and Scott (1989), on the other hand, stress the importance of inter-firm linkages drawn from a strong socio-cultural supporting structure and externalities drawn from the division of labour as a vertically disintegrated production system draws new entrants into an industry.

For some (Amin, 2002) the interest in industrial districts and the notion of flexible specialisation lies less in the empirical basis for its existence, which is seen as scant, and more in the appeal of a system of production that promotes small firms and skilled work over large firms engaged in impersonal, de-skilled production, and which emphasises the societal basis of economic processes. However, for others (e.g. Storper, 1995), the essential principles embodied by flexible specialisation are empirically accurate, as is the description of the structure of production as the result more of path dependency and institutional pressures than universal notions of best practice.

The geographical pattern of industries of this type differs markedly from that of Fordist mass production. Flexible production systems are composed of networks of firms bound by transactional linkages; transaction costs are reduced by co-location among sites of production rather than by economies of scale within sites of production, so firms converge around a particular point on the map. In this way the non-spatial phenomenon of external economies of scale are embodied in the

spatial phenomenon of agglomeration economies (Scott, 1988). Thus, whereas the Keynesian state plays a stabilising role in the geography of development for Fordist industry (Martin and Sunley, 1997), lacking strong ties to place and therefore being amenable to relocation, post-Fordist industry is comprised of localised systems of economic and social relations that are internally consistent and thus define spaces within which exist industrial structures potentially quite distinct from the national economy to which they belong, and are thus embedded in place, with immobile soft infrastructures and routines that make reproduction elsewhere difficult.

As a result, the state's role in the post-Fordist regime of accumulation is heavily associated with neo-liberal ideology and the 'rolling back' of the state, where state action is confined to deregulation, privatisation of collective needs and social security, direct state intervention in markets through procurement , the 'entrepreneurial' state and efforts at state-led innovation (Pike et al, 2006, adapted from Harvey, 1989), frequently in a campaign of 'competitive austerity' whose aim is to outbid rival places in attracting and retaining investment and skills (Albo, 1994). Such measures represent attempts to create sufficient conditions for growth, using sectoral and other non-spatially targeted policies to allow economic activity to come into being 'on its own terms'. While for some states the decline of Keynesian intervention and the tailoring of regulation to enable business to increase its productivity levels was a necessary response to globalisation, for others the ceding of economic power to markets and corporations was seen as optimally efficient (Martin and Sunley, 1997). In either case, the role of the state in dictating the geography of development under post-Fordism is much diminished, and a division between wealthy and lagging regions is a characteristic of most European countries, even those that were not heavily industrialised in the first place, such as Ireland and Spain, as the productive industries of the late twentieth century exhibit a tendency to cluster and agglomerate in space.

Following Piore and Sabel's (1984) conceptualisation of flexible specialisation as the successor to the previously dominant mass production, and Scott's (1988) articulation of this in a model that incorporated the division of labour, transaction costs and agglomeration economies to describe the processes by which flexible industrial systems come about, Porter (1990) examined the effects of globalisation not from the point of view of the nation state or of the lagging region, but of the economic agent. While Porter is not the author of the concept of the industrial cluster, which can be traced back to Marshall's industrial districts (Hall, 1962), his application of it did much to popularise research into clusters. Porter (1990) posited that, under conditions of rapidly increasing global trade, the comparative advantage previously enjoyed by firms located close to valuable inputs has been eroded by the ability of other, more distant, firms to source the same inputs without a

debilitating increase in costs. If the same inputs can be obtained at similar cost, competitive advantage lies with those firms that are able to use more productively those same inputs, an activity characterised as requiring constant innovation. Porter's clusters comprise spatially concentrated groupings of firms, governmental bodies and other institutions, linked by exchanges of high-level skills and valuable knowledge that produce synergies and spillovers which in turn fuel the innovation in products and processes that enable the firms belonging to the Cluster to become, or remain, globally competitive.

Putnam (1993; 1994) addresses local civic society, and in doing so adds to Bagnasco's (1977), Piore and Sabel's (1984) and Storper and Scott's (1989) relation of the production system to the characteristics of the place in which it exists and its local population and institutions. In examining Italian regional economies in a longitudinal study following the overhaul of Italian regional government in 1970, Putnam (1993) found the most effective indicator of success to be civic engagement. By this is meant activities such as newspaper readership, voter turnout and membership of local clubs and societies, which are posited to act as proxies for trust, equality, and respect for the law, and are held to foster networks of reciprocity and increased levels of communication and cooperation. Such linkages and exchanges that build trust and integrity constitute social capital that, while productive, as are other forms of capital, is a public good, and is largely the product of other social activities. Unlike Porter's clusters, social capital is less likely to be provided by private agents, as its benefits are less tangible and therefore less attractive to investors (Camagni, 2002). Both concepts, however, represent intrinsically local networks of exchange that are difficult to build and require an extremely long timescale, therefore being not easily reproduced (Lesser, 2000; Duranton, 2011). Moreover, both depend on externalities and thus represent a form of market failure that requires state or other non-market intervention in order to realise shared gain.

Storper (1995), too, seeks to explain the apparently path-dependent nature of development in particular regions, adopting the stance of evolutionary economics, as practiced by Nelson and Winter (1982), applied to technological development by such as Dosi (1987) and Arthur (1989). Where New Economic Geography models reach a state of path dependency through critical thresholds and lock-in (Krugman, 1991), evolutionary economics sees technological development as a process of irreversible decisions that lead development along a trajectory. Through a process of inter-dependent – thus unpredictable, as only certain pathways are opened by the choices of others – decision-making and the external economies (produced by users of a technology reaching a critical mass after which costs and feasibility are lowered) and technological spillovers (innovations being the result of other innovations, such that expertise in one field is dependent upon expertise in

another, and is passed on through spillovers) generated by these, a growth trajectory is followed, rather than an equilibrium arrived at.

As in endogenous growth models then, technology and knowledge are not public goods that will diffuse by their own nature; instead they can be used by many at the same time, yet can also be appropriated, thus investment in technology and knowledge provides increasing returns to scale and predicts interregional divergence, rather than convergence, as investments in more advanced regions widen existing gaps in technology, knowledge and development (Dunford, 2002). Thus when a firm or a region is placed far enough along a technology trajectory, the resultant advantage is such that no re-allocation of factors elsewhere is able to redistribute growth (Storper, 1995). Similar are notions of growth relative to the product space, where development in a particular place is a consequence of the sort of products produced there, such that developmental advances are made incrementally by the production of goods close to those already produced, dependent on spillovers that exist only within a given proximity (Hidalgo et al, 2007). A core-periphery structure of development is the outcome, in which lagging places are less able to develop more advanced products because they are conditioned by the basic nature of their existing outputs.

Storper's (1995) use of technological trajectories in regional development incorporates the elements of geographical concentration and historical transformation found in other theories of regional economies. In examining the geography of development after Fordism, it has been noted that, once the technological advantages of the European and North American economies became imitable, the absolute advantage of firms producing there was eroded by lower wage costs available elsewhere. As a result productive activities have clustered in core regions. Relating this to developmental economics and trajectories of technological development, Storper (1995) revisits Piore and Sabel's (1984) 'second industrial divide', positing that the undermining of Western mass production heralded a departure point from which new forms of production would begin. However, where Piore and Sabel (1984), Scott (1988) and Storper himself (1989) had concentrated on the transition in terms of systems of production, Storper (1995) here sees a struggle to regain absolute advantage through technological development, with knowledge and learning, passed on through 'untraded interdependencies', central in reaching the technological frontier. These processes are firmly embedded in space. Untraded interdependencies are territorialised because they rely on face-to-face contact and shared networks that are embedded in place; the technological trajectories along which firms travel are territorialised because they depend on those untraded interdependencies as their foundation. This is evidenced by specialisation and differentiation in trade within and between nations and regions.

Institutions have been cast as the means by which knowledge and social norms are shared in the region. These might be in the form of public-private institutions, intra- and inter-organisational networking mechanisms, regional institutions of the state, learning networks, technology transfer or other forms. The requirement to foster and embed the social norms and untraded interdependencies that form the basis of much new regional theory in place in order to realise their benefits is seen by Amin and Thrift (1994) as the job of place-based institutions that provide a platform for interaction and exchange. Amin and Thrift's concept of 'institutional thickness' describes an institutional capacity built out of local government, development agencies, innovation centres, chambers of commerce, unions, and voluntary bodies that interact with each other in such a way that their relations become embedded as shared social norms and routines. Through this structure mutual trust and support are fostered and a common agenda formed that underpins the development path.

Saxenian (1996) also takes an institutional approach, contrasting the continual development the high technology industry in Silicon Valley with its relative decline in the Route 128 area near Boston. Silicon Valley's open channels of communication through dense social networks and its labour markets that facilitate rapid change are cited as transformative factors in the growth of the high technology industry there. These are contrasted with the closed hierarchies and corporate loyalty found in Route 128's industrial structure. Saxenian's hypothesis is that the sort of cross-fertilisation of ideas that spurs innovation, and thus is crucial in the high technology industry, can most effectively be facilitated by networks of knowledge flow between firms, workers, investors, researchers, and other agents.

In addition to contributing to the institutional presence in the region the state plays a role in governing central-regional relations, dictating the position of the region in relation to the central state, in terms of the degree of autonomy and devolved power, as well as in dictating the form that governance takes. The next section discusses the changing role of the state with regard to the region in light of the new regionalism.

4.2.2 The Changing Role of the State

In response to the rise in uneven growth across the national space and the corresponding growth of certain regional economies, regions are mobilised by national governments as territories for economic development activity, within a context of changing relations with the nation state of which they are a part, as multi-level and multi-scalar frameworks of governance come into being. The

formation of regions as new state spaces, though, can be seen both in the light of the new regionalist logic, where they run in parallel to the new production spaces and form the geographically-situated architecture of shared conventions and institutions; and in terms of neoliberal approaches in which regional competitiveness policies are a response to the abandonment of spatially redistributive policy. In the latter interpretation growth, competitiveness and labour market flexibility are administered at the regional scale in an effort to address specific urban and regional challenges and to allow regions to compete across national borders. In either understanding they are an attempt on the part of the state to regain legitimacy in the face of failure by intervening in the promotion of development at the scale at which economic processes are regarded as functioning (Brenner, 1999).

Important to both interpretations is the notion that a new regional regulatory framework is in operation, in which an alternative mode of governance is implemented that emphasises horizontal over vertical relations and the use of partnership, flexibility and negotiated outcomes. Thus 'metropolitan governance is being redefined from a vertical, coordinative and redistributive relationship *within* a national administrative hierarchy into a horizontal, competitiveness and developmentalist relationship *between* subnational economic territories battling against one another at European and global scales to attract external capital investment' (Brenner, 2003: 303).

4.2.2.3   The Changing Role of the Private Sector in Local and Regional Governance

While changes in the nature of local economies and of local economic policy has tended to be understood by reference to the evolution of local economic initiatives, local government, institutions and the experience of particular cities and regions, the relationship between government and the private sector in local economic policy has been to some extent overlooked in European literature on urban and regional change that privileged the role of the state (Harding, 1997). This relationship is dealt with directly by the US urban politics literature, which moves beyond an understanding of the politics of local economic development that assumes that local power resides in local government to examine the role of different agencies in shaping strategies, selecting projects and reaping the rewards from these.

Two major concepts of the political mobilisation of private sector interests to have arisen out of the US urban politics literature are the 'growth coalition' and the 'urban regime'. The notion of the growth coalition (Logan and Molotch, 1987) is based on the interest taken by land and property owners in US cities in the local economy, due to the correlation between local economic

performance and land values, together with the mobilisation of local government by such local growth interests in order to further their own economic aims. The urban regime takes a broader view, conceptualising the governance arrangements adopted by political and economic interests in an attempt to reproduce their power (Wood, 2004). In contrast to the instrumental positioning of business interests in growth coalitions, in urban regimes actors are bound together in a mutually interdependent regime by economic, political and institutional forces (Stone, 1993). Politicians align themselves with business interests due to their holding of productive assets and dependability for investment capital, though non-business groupings may also exist, such as environmentalists and, in the UK, professional local government (Lawless, 1994). Thus urban regimes may or may not be dominated by business interests while growth coalitions are by definition business-led.

However, the tendency of European literature on the politics of urban and regional growth to focus on the role of the state is endorsed by some authors engaged with the focus of US literature on the role of private sector actors. This is because the role of the state, both national and local, is seen as being of primary importance in the European context, as the size, scope and political composition of the state in the US and European nations differs greatly (Wood, 2004), while in the UK party political dominance in local government is much greater than in the US (Bassett, 1996), professional hierarchies in local policy-making are more influential, and no local tax base exists from which public-private partnerships can be locally funded (Lawless, 1994). Additionally, while in the US mobilisation of business at the local level is for the most part voluntary and autonomous, in the UK the motivation for this has come from political rather than business quarters, as business is mobilised as part of an ideological and political project (Wood, 2004).

This points to the importance of the role played by national government in local economic partnerships in the UK, where in place of the bottom-up urban coalitions of the US literature are found centrally-orchestrated policy partnerships. If a key advantage of growth coalitions and urban regimes is their provenance in local interaction and idea generation, this benefit would not be available to UK urban regeneration partnerships, where local interests are the co-optees, rather than the propagators, of change. Harding (1997: 298) notes of the relative effectiveness of centrally and locally orchestrated institutions: 'ultimately networks and institutions appear to work best when they form around ideas and aspirations that can motivate key decision-makers. When they are formed in lieu of ideas, or because they are imposed in some way, they are generally less effective'.

The reduced role of business in UK urban regeneration partnerships may also be due to the smaller prospects of economic gain in UK cities compared to those in the US, where a much greater proportion of developable land is held in private hands (Harding, 1997). This may appear especially

true given the tendency for public-private partnerships in the UK to be based on the urban regeneration of peripheral cities rather than the continued growth of successful local economies, as in the examples of Atlanta and Los Angeles surveyed in the US literature (Stone, 1989, 2001; Rubin and Stankiewicz, 2001). Wood (2004), Bassett (1996) and Rogerson and Boyle (1996) found that, in contrast to the role assigned to business interests in the US literature, the engagement of business with local economic development partnerships in the UK tended not to be due to any direct prospect of economic gain. Indeed, an interest and sense of responsibility towards the local area was found to be a significant motivating factor in each of these cases. The prospects of economic gain have been found to be a factor in some cases, either directly, through winning of development deals around particular projects, or indirectly, through the opportunity to network with other stakeholders or to influence strategic choices (Harding, 1997). As remarked by Valler et al (2000), though, such forms of action resemble Peck's (1995) observation that business leaders are opportunistically 'shaking' rather than purposefully 'moving'.

4.2.3 Challenges to the New Regionalism

The region as an object of study has been criticised for lacking clarity (MacLeod and Jones, 2007), having been described by Keating (1998) as an 'elusive concept'. This presents problems both in terms of the comparison of regional examples drawn from the literature, which may be referring to cases at sharply different scales, and in the applicability of regional research in policy applied in regions whose scale is administratively defined, rather than tailored to policy application. The conceptual clarity of the new regionalism has also been questioned, as an array of theories assembled under the shared conceptual heading are seen as insufficiently integrated. Lovering (1999: 384) sees the new regionalism as a 'loose bundle of ideas, an accretion of notions gathered together because they seem to resonate and point to broadly similar policy implications somewhere on the horizon'. This points to a related assertion made by Lovering (ibid): that a political slant has entered the process of theory-building such that theory is being led by policy. Furthermore, the tendency towards the use of particular regional exemplars in the literature, such as Silicon Valley and Emilia Romagna, leads to a difficulty in replicating both the specific conditions and the levels of success found there (MacLeod, 2001).

An additional critique has come from those questioning the extent to which regions can be regarded as bounded territories that effectively contain economic and social processes. Allen et al (1998), Amin (2002; 2004) and Massey (2005; 2007), amongst others, have sought to discredit the notion of

the bounded region as insufficiently representative of an economic and social reality in which networks of flows function without heed to administrative and governmental areas. Combining the fact that the claims made for regions could, in some cases, equally be made for cities within regions, with the emphasis on networks of places that is made by relational geographers, and that has been articulated in the case of cities by Sassen (1991), the concept of the city region has come to the fore.

4.2.4 The Rise of City Regions

As the process of globalisation has intensified, the sum effect on cities has been to spur their rate of growth more than ever. Paradoxically, as globalisation spreads out functions at the macro level, it agglomerates them at the micro level, as cities 'adapt themselves to the new international division of labour' (Hall, 1997) by relying on the factor that made urban settlements useful in the first place: proximity. As Goddard (1973) expressed it, programmed contacts create the need for un-programmed contacts, and as Hall (1996) notes, although there has been a dramatic divergence between the cost of communication and that of travel, the degree of substitutability that might be expected has failed to materialise, leaving the impression that in-person communication is more vital than ever. Sassen (1991) infers that increasing dispersion of some economic activities prompts increasing concentration of others so that, as more routine functions are dispersed, more management and coordination is required to control those functions. This rule applies not only to the service industries that depend strongly upon proximity for the sharing of high-value information that is necessary for their survival through face-to-face meetings (Storper and Venables, 2004), but also to the design-intensive neo-artisanal industries and high-technology production centres most strongly associated with flexible production systems.

As the role of cities has been enhanced under globalisation, with more than half of the global population now living in cities (United Nations Population Fund, 2007), their nature has altered as the 'functional' city – usually defined in terms of commuting patterns, housing market areas, and retail catchment areas – has spread beyond its physical extent. This has led to the widespread use of the city region concept, as a way of capturing, for both analytical and governance purposes, the territory over which daily patterns of urban activity can be encapsulated. Nevertheless, problems of definition abound. Davoudi (2003: 986) includes 'not only the commuting hinterland of the city but also the whole area which is economically, socially, and culturally dominated by the city', while for Parr (2005: 556) the city region 'may be seen as comprising two distinct but interrelated elements:

the city, possessing some specified set of functions or economic activities; and a surrounding territory, which is exclusive to the city in question'.

Scott's (2001) conception of the Global City Region (GCR) encapsulates the reasons why the city region has become an object of such interest for policy makers, relating the more longstanding appeal of the new regionalism to the new found resurgence of cities in the global economy. For Scott (2001: 814), GCRs are 'dense polarised masses of capital, labour, and social life that are bound up in intricate ways in intensifying and far-flung extra-national relationships. As such, they represent an outgrowth of large metropolitan areas – or contiguous sets of metropolitan areas – together with surrounding hinterlands of variable extent which may themselves be sites of scattered urban settlements'. Scott thus draws from Sassen's (1991) notion of global cities, internationally important urban centres whose connections to similar cities in other parts of the world may be stronger than those with neighbouring cities, while encompassing the functional extent of the urban area.   The GCR is thus defined by both its external and its internal linkages.

GCRs differ from global cities, according to Sassen (2001), in their attention to broad urbanisation patterns, their more encompassing economic base, more middle sectors of firms and households, and thus possibly more even distribution of growth and wider spread of benefits. The global city concept is more concerned with their being sites of power and inequality. According to Hall (2001), if global cities are defined by their external linkages, GCRs should be defined in terms of their internal linkages. The internal geography of GCRs is complex and sophisticated, incorporating as it does the command and control functions of major firms in Central Business Districts together with more dispersed housing and industrial locations, alongside the emerging urban in-between of newer business centres outside of the traditional centre. These are made up of the 'internal edge cities' in former light industrial areas now regenerated; 'external edge cities' close to airports or high speed rail stations; 'outermost edge cities' for processes requiring or desiring open land, such as R&D; and 'specialised sub-centres' for education, entertainment, sports, or exhibitions, sometimes outlying cities now incorporated into the GCR for their specific functional qualities.

Thus, in functional terms, GCRs contain multiple specialisations, while these are partnered in spatial terms by a polycentric urban form. While the dense urban grain of the inner city is valuable to some forms of economic activity, in which the tightly packed streets of cafes and pubs provide the necessary social arena for the exchange of knowledge, relatively close and interconnected networks of urban centres allow for the drawing together of more space-consuming activities in the relative proximity that appears to be suitable for certain other economic activities. The multiple processes

at play within agglomerations and innovative milieu require proximity at the urban scale traded against the need to consume space at the regional scale, coming together conceptually in the GCR.

4.2.5 New Labour, New Regionalism

While discussion of devolution and decentralisation in the UK can be traced back to the late 19th century, the Labour Party's interest in these matters first peaked in the late 1970s, with failed attempts at passing legislation for devolution to Scotland and Wales by a coalition of Labour and the Liberals, together with consultation on possibilities for decentralisation of powers within England. There was a further infusion of interest following the case made for elected regional assemblies and regional economic development agencies by Labour's shadow Regional Affairs Spokesperson, John Prescott, published as the *Alternative Regional Strategy* (Labour Party, 1982). The consultation paper Devolution and Democracy (Labour Party, 1991) subsequently argued for elected regional government based on a perceived 'democratic deficit' at the regional scale – noted as being more in need of rectifying than the more frequently referred to deficit at the EU scale (Millan, 1990) – and the need for effective structures for the planning and management of European Structural Funds, while the 1991 election manifesto contained a commitment to elected regional assemblies and regional development agencies (Mawson, 1998).

The movement towards decentralisation in England maintained its momentum in opposition, with two publications issued, each addressing one of the two aspects of decentralisation of powers to the regions that had been highlighted in the *Alternative Regional Strategy*. The Regional Policy Commission was set up in 1995 at the behest of John Prescott to examine the economic development side of regional governance, and was chaired by the former EU Commissioner for Regional Policy, Bruce Millan, who had, in his former role as Scottish Secretary, established the Scottish Development Agency. The Commission's report (Regional Policy Commission, 1996) concluded that regional development agencies should be created, to work under the elected regional chambers proposed in the second Labour Party report published at this time, *A Choice for England.* This had recommended the establishment of indirectly elected regional chambers, made up of elected local councillors together with social and economic actors in the region, these being granted the responsibility of setting up elected regional authorities where there was sufficient desire (Labour Party, 1995). This solution has been cast as a compromise that negated the possibility of rebellion amongst northern English MPs who had objected to proposed devolution of powers to Scotland without similar arrangements for peripheral English regions, while at the same time

circumventing the costly and disruptive process of local government reorganisation that might rear its head in the absence of any less extensive reform of sub-national government (Mawson, 1998).

Tomaney (2002) cites the economic motivation of the drag on national aggregate growth imposed by the performance of lagging regions, alongside the more longstanding Labour Party issues of the persistence of regional growth disparities and a concern for social equity across the national space, as being behind the 1997 Labour government's regional restructuring. Also noted is a perception that the party had become preoccupied with middle England at the expense of its more reliable support in the (former) industrial heartlands. Pearce and Ayres (2009), meanwhile, situate the regionalist movement in the Labour Party at this time within broader, pan-European trends towards regional economic development and governance activity, encompassed within the research community by the new regionalism and multi-level governance literatures explored earlier in the chapter. This attention to more wide-ranging trends in research and policy must be interpreted within the ideological changes that had taken place in the Labour Party under the leadership of Tony Blair, and the transition to 'New Labour'. Both of these literatures draw heavily on the effects of globalisation on economic and governance activity, themes prominent in the 'third way' movement, that located itself between left and right, and was seen to articulate Labour's ideological position at that time (Giddens, 1999). The theoretical basis for New Labour's interest in regional institutional activity can be seen as consistent with its broader acceptance of the diminished ability of the state to regulate economic and social life in the light of the trends of globalisation and marketisation, and its corresponding reconfiguration of the institutions of the state to account for this. New Labour's regional policy thus absorbed pressure from both the left, in the form of attempts to address geographically uneven growth, and from the right, in the logic of globalisation invalidating spatial Keynesianism and requiring mobilisation of supply side factors at local and regional tiers to encourage indigenous growth.

In addition to efforts within the Labour Party, other regional stakeholders had voiced a desire for regional scale institutions of governance. Both the Association of British Chambers of Commerce and the Confederation of British Industry made the case, based on the lack of accountability of government in the regions, together with the need for better coordination of policy at that scale. These organisations also wished to both increase and formalise the extent of business participation in regional governance, building upon the regional partnerships that existed to varying degrees across the English regions (Mawson, 1998).

The moves to establish regional institutions of economic development, planning, and governance, must also be seen within the context of a government far more concerned with the spatial

dimension of economic policy than any other in the post-war era (Mawson, 2009). New Labour's regional policy was congruent with wider policy interests that recognised the limits of redistributing economic activity within an increasingly globalised economy, as had been done in Britain under the banner of the assisted areas policy, and with theoretical thinking that emphasised the role of endogenous factors and local governance capacity in generating growth. This was evident from the building of institutional strength at the regional scale, in contrast to the voluntary and centrally orchestrated arrangements that had come before, and from the decentralisation of policy-making to these new regional institutions, together with local government, after the previous governments' investment of power in arms-length bodies such as the Training and Enterprise Councils and the Urban Development Corporations over local government. Thus the motivations within New Labour for regionalism were in part due to the 'democratic deficit' at the regional scale and in part due to the belief in the need for leadership and governance at the regional scale in order to counter the long term lack of convergence in productivity that was seen, especially within the Treasury, as impeding national growth.

4.2.6 The Establishment of the Regional Institutions in England

While an asymmetrical devolution of powers to elected assemblies in Scotland, Wales and Northern Ireland was embarked on in 1997, following referenda there, an equal path was not chosen by the recently elected Labour government for England. A two-pronged approach to decentralisation of powers in England was instead taken, based on an understanding of regions as crucial to economic development under globalisation and a requirement that development activity should be democratically accountable at the same scale. The Regional Development Agencies (RDAs) would be responsible for the mobilisation of supply side factors at the regional level in order to foster indigenous growth, while the Regional Chambers, which became known as Regional Assemblies (RAs), while not in the first instance to be directly elected, would, from their majority of local authority elected members at board level, scrutinise the activities of the RDAs.

Following Labour's 1997 election victory, an RDA bill was announced in the Queen's speech, though no reference was made to the creation of RAs. The subsequent RDA white paper (DETR, 1997) stated that they were intended to foster a regional identity on which elected regional assemblies would in time build upon, arguably 'putting the cart before the horse' in terms of powers and accountability (Mawson, 1998). Based on two guiding principles that were later stated by Ed Balls, Chief Economic Advisor to the Chancellor, as: a strengthening of indigenous capacities of innovation,

skills, and enterprise in the regions; alongside the use of a bottom-up approach to doing so (Balls, 2000), RDAs were to: further economic development and regeneration; promote business efficiency, investment and competitiveness; promote employment; enhance skills development and promote sustainable development (HMG, 1998). The 'core outputs' to be achieved by the RDAs were more explicitly centred on economic achievements, relating to employment creation, employment support, business creation, business support, regeneration, and skills.

As well as an overall budget increase RDAs were given Single Budget (colloquially referred to as 'single pot') arrangements in 2002, allowing them to combine funding from different programmes. This was a response to the criticism that RDAs were beholden to the numerous Whitehall departments that serviced their funding, and so lacked the flexibility to provide leadership and to achieve their own aims (PIU, 2000). They were also at this time relocated from their parent department, the Department for Environment, Transport and the Regions (DETR), to the DTI, taking on more DTI functions. This was significant as the DTI had, upon the establishment of the RDAs, guarded functions such as Inward Investment, meaning that the RDAs had a range of policy tools drawn for the most part from their original responsible department, leaving them with an agenda focused above all on physical regeneration (Mawson, 2007). The change in parent department was seen to have given the RDAs a clearer understanding of their role, pushing them towards a competitiveness and productivity agenda (Pearce and Ayres, 2009), though most of their funding continued to come from the DETR (Ward, 2011). Their role was further elucidated by the establishment of a target shared between the DTI, the Treasury, and the Office of the Deputy Prime Minister (ODPM), to narrow, in the long term, the persistent gap in rates of growth between the English regions.

Throughout the course of their existence, RDAs were seen as beholden to Whitehall. Although RDAs were subject to scrutiny by the RAs, to the extent that the RAs, through the RDA Act, have the responsibility to comment on the Regional Economic Strategy, the RDAs were not bound to act on these comments. While a key site of power and influence in the region then, RDAs were seen as somewhat disconnected from the geography over which they were effective, but rather as an arm central government, which selected their boards, set their funds and targets, as well as Public Service Agreements, and provided oversight through the DTR, as their responsible department (Mawson, 2007). Further criticisms were that they were too narrowly focused on economic development, that successive changes made to their roles, plans, and initiatives, alongside increasing bureaucratisation from central government, meant uncertainty in terms of the RDAs'

internal structures, their relationships with partner bodies, and their functions (Pearce and Ayres, 2012).

Regional Chambers, coming to be known as Regional Assemblies, were constructed out of existing voluntary regional arrangements and were established under the RDA Act, with a remit to scrutinise the activities of the RDAs, whose boards were appointed by central government, and to make their views known on the preparation of the Regional Economic Strategy (RES). In *Strengthening Regional Accountability*, the RAs' functions were explained in greater detail: they were to monitor and evaluate the RES and to ensure that it fitted within the framework of other strategies in the region (DETR, 2001). Having taken on responsibility for the preparation of RPG from the local authority composed regional planning conferences and subsequently been designated as the Regional Planning Body (RPB), under the Planning and Compulsory Purchase Act 2004 the RAs took on the role of preparing Regional Spatial Strategies (RSS), the statutory successor to RPG. Additionally, the RAs were to contribute to the coordination of the various strategies in the region, to work closely with the GOR, and to provide a voice for the region in London and Brussels, as a part of a multi-level governance framework that connects sub-regional and supra-national institutions, thus engaging in horizontal and vertical coordination of governance (Pearce and Ayres, 2007). The core tasks of the RAs were thus regional planning, strategy coordination, and RDA scrutiny.

While draft RPG had, prior to the formation of the RAs, been prepared by the regional planning conferences prior to preparation of the final version, consultation, and publication by central government, this approach was seen as being too top-down, with an insufficient role for regional representation, while the content of RPG had been seen as being too narrowly-focused on land-use concerns. The RAs would take on a more significant role, preparing draft RPG and submitting it before an Examination in Public by independent experts. The Secretary of State would, however, publish any proposed alterations to draft RPG, consult on these, and maintain control over the publication of the final version. In terms of content, RPG was to include a more diverse range of policy, addressing environment, transport, infrastructure, economic development, agriculture, minerals, and waste, within the framework of a spatial strategy that would go beyond a more straightforward remit of land-use planning. Following the 2004 Act, RPG was replaced with the Regional Spatial Strategy (RSS) which, while in terms of content did not differ significantly from RPG, formed a part of the development plan, alongside local authority development plan documents, which were bound to conform to the RSS. The main area of divergence from RPG in planning terms was in the role of the sub-regions, which was to be greatly enhanced in the regional strategy, following the abolition of county structure plans in the 2004 Act. As apart from planning, the RSS

was to cover the spatial dimension of a range of other policy areas, including skills and health, and as such should demonstrate the regional requirements and spatial distribution of spending across those policy areas addressed for each region. However, the implementation of RSS was entirely dependent upon budgets and policy set at departmental level, and so the extent to which RSS was able to move beyond a planning agenda was in practice limited (Pearce and Ayres, 2012).

In contrast to the private sector led RDAs, RAs were dominated by the local authorities, whose representatives comprised, on average, 60 out of a total of 90 members, the remaining 30 being distributed between social and economic partners. While initially funded entirely by local authority subscriptions, RAs were allocated progressively more funding by central government over the course of their existence, in support of specific functions. Most notable amongst these allocations was funding designated for the RAs' planning function, which enabled a build-up of planning capacity in the RAs that separated it from the local authorities, which had previously provided the bulk of planning staff as secondments from their own planning departments (Pearce and Ayres, 2007). The 2002 white paper *Your Region, Your Choice* laid the ground for the creation of elected regional assemblies in England (DTLGR, 2002), and was followed in 2004 by a referendum in the North East region, long regarded as a frontrunner in terms of both local media interest and regional governance organisation (Tomaney, 2002). The resoundingly negative response to the referendum, however, ensured that any future restructuring of sub-national governance would leave aside the matter of elected representation at the regional scale.

The existing regional governance apparatus at the time of New Labour's coming to power were the GORs. Established by the Major government in 1994 as central government agencies based in the regions to administer the activities of the departments responsible for transport, industry, employment, and the environment – though more departments came to be represented over time – the GORs were created in response to the growing regionalist agenda fomented by the 'Europe of the Regions' narrative and associated need to organise at the regional scale in order to access European Structural Funds, together with criticisms of government actions as being uncoordinated across the English regions (Musson et al, 2005). The GORs undertook activities that cut across departmental boundaries, such as regeneration and sustainability, though their funds remained linked to the parent department, leaving the GORs without the flexibility in funding that was granted to the RDAs through the Single Pot.

The GORs' were intended to mediate between central government departments and the regions. They set strategic objectives for their region, agreed with partner organisations there, and oversaw the implementation of departmental policy towards the achievement of these. With regard to the

regional strategies, the GORs provided support to the RAs while ensuring that departmental policies took account of the strategies. Thus the role played by the GORs was primarily one of coordination between central and local policy-making, though the core strategy-making functions lay with the RAs and RDAs. In the North West region, there existed simultaneously, in recognition of Merseyside's particular problems, a Government Office for the North West (GONW) and a Government Office for Merseyside (GOM), a continuation of the Merseyside Task Force established by Michael (now Lord) Heseltine as 'Minister for Merseyside' in 1981. This continued until GOM was merged into GONW in 1998.

GORs	RDAs	RAs
Represent the interests of central government in the region	Further the economic development and the regeneration of their areas.	Hold the RDAs to account for their economic development targets.
Explain government policy to regional partners.	Promote business efficiency, investment, and competitiveness.	Act as the statutory land-use and transport planning body for the region.
Provide feedback to ministers.	Promote employment.	Act as a sounding board for issues relating to the region.
Are a source of expert policy advice in the region.	Enhance the development and application of skills relevant to employment.	Create a strong and credible voice for the region by engaging member organisations and the public.
Lend additional capacity to regional institutions.	Contribute to the achievement of sustainable development in the United Kingdom.	Coordinate and integrate regional strategies between institutions.

Table 3: The role of institutions of regional government in England: Government Offices for the Regions (GORs), Regional Development Agencies (RDAs) and Regional Assemblies (RAs). (Source: Musson et al, 2005.)

The relationships between the regional institutions were crucial to their effective functioning as an integrated regional governance apparatus, given that a model of governance had been chosen in which no single body would hold sway and that, as such, the roles of the respective institutions (summarised in table 2) would be complementary, rather than conflicting. Evaluations point to effective working relationships between the RDAs, RAs, and GORs, (NAO, 2003; Arup, 2006; Audit Commission, 2007), though these may not have followed an even trajectory over time, with conflicts emerging from the interview data collected here with regard particularly to the relationship between economic development, as overseen by the NWDA, and land-use planning, a competency of the NWRA. Mawson (2007) points to two major failings in regional governance during this era: central government attitudes to the decentralisation of power, illustrated by the limited range of policy areas covered by the RAs and the weakness of the Regional Coordination Unit in Whitehall, and the matter of regional leadership. The regional governance arrangements were based around the formation of partnerships and the designation of shared priorities and agendas, rather than the model of political leadership that existed under the London mayoral model, or indeed a model of leadership based on the primacy of one regional agency over others. This criticism is a structural one, then, and as such to address it would require major surgery.

4.3 Regional Development Policy in the North West, 1997-2010

This section empirically investigates the implementation and functioning of the regional and sub-regional institutions in the North West during the period 1997-2010. First, the establishment of the regional institutions and the relationships between them are addressed, with the form taken by governance relations within and between the institutions and their attitudes towards each other and towards the achievement of regional governance examined. Second, the production of the Single Regional Strategy for the North West is covered, encompassing the policy process behind central government's push for Single Regional Strategies first covered before the production of the North West version is explored. Third, the political construction of the sub-regional scale is dealt with, covering the forms taken by different city- and sub-regions and the uneven institutionalisation of this scale across the North West. Finally, the ways in which spatial concepts are represented visually in the strategies addressing the region are explored.

4.3.1 The North West Regional Institutions and their Interrelationships

The NWDA received the largest allocations of all of the RDAs, and was second only to the North East RDA in its per capita allocation (Hansard, 1999). Initially, much of the NWDA's budget was comprised of the Single Regeneration Budget (SRB), a funding stream introduced in 1994 as a spatially targeted combination of twenty separate programmes. SRB was aimed at encouraging economic and social, as well as physical, regeneration, and was seen by former NWDA officers interviewed as having been at the juncture of a shift in attitudes towards economic development, from physical to more broadly defined regeneration projects. While the introduction of SRB preceded the creation of the NWDA, this shift in attitudes was ongoing during the agency's first year, partly due to the composition of the NWDA's staff, as employees inherited from English Partnerships, a national body whose remit was land acquisition and assembly for purposes of regeneration, initially made up a significant proportion of the total. By the time of the first RES, published in 2000 (NWDA, 2000), the NWDA had embraced the shift in policy outlined such as to address themes of 'image and environment' and 'business and ideas', with aims of implementing sustainable tourism and establishing a regional venture capital fund. In terms of funding, the model established by SRB continued beyond its lifetime, as Single Pot provided a significant single source of funding from 2002 onwards, allowing the RDAs to take a strategic approach to their use of funds rather than having to use particular funds for separate interventions, as had been the case during much of the transition from regional to urban policy during the 1980s and 1990s (Pike et al, 2006).

The agency was structured around its business-led board and drew staff from both the public and the private sectors, reflecting to some extent this change in attitudes to economic development, as a former NWDA officer interviewed commented:

> 'we had a lot of people who came from local authorities and had a background in the public sector, but then there were quite a lot of people who'd worked in the private sector and who joined the agency to deliver probably more of the economic development, as the agency was then metamorphosing into something that wanted to support R&D, knowledge economy, different sectors, big businesses, economic development, within a framework of inclusiveness, and sustainable development ... it's a totally different way of doing things, and I think it's a different way of looking at how you actually grow the economy of a particular place.' (Interview with former NWDA officer.)

The integration of the private sector into governance, having initially been conceptualised as an instrumental realisation of investment interests on the part private sector actors (Logan and

Molotch, 1987) and as a mutually interdependent alignment of interests (Stone, 1989) in the US urban politics literature, can by this point in the historical trajectory of English regional policy be seen as resulting in a more formally organised partnership in which a mostly private sector-composed board oversees the activities of an executive and staff drawn from across the public and private sectors. Such a formal institution avoids the potential difficulties of the usurping of power by particular parties or cliques (McQuaid, 2000) but brings the private sector into public sector decision-making to an unprecendented degree.

This balance between public and private sector attitudes is also evident in the relationship between the NWDA and the NWRA, whose workforce was comprised initially of staff on secondment from local and county councils, and around two thirds of whose board was made up of local authority elected members compared to one third social and economic partners. Interviewees commented on the extent to which a difference in attitudes existed between the two institutions, with disparities emerging with regard to both economic development and scale of governance activity. Employees' outlook on spatial development was regarded as an important distinction, as the RDA's staff tended to be from an economic development background while the NWRA's were inclined to be trained in land-use planning, reflecting the respective functions of the organisations. A difference in outlook based on the distinction between the strategic concerns relevant to the regional tier, prevalent in the NWDA, and the lower scale concerns of the local authority membership of the NWRA was also remarked upon. Pearce and Ayres' (2007) finding that a deficit in local authority representatives with experience of strategic working gained in the metropolitan councils that had existed until 1987 was developing, as this generation of members began to retire, suggests a cause for this. Local authority-based staff and board members were seen by some interviewees as being somewhat inevitably bound to the scale at which they were employed or elected, and as a consequence not fully committed to the regional scale. In addition to the composition of the respective boards, their relative size was also seen as important, with the NWDA's board of 16 members seen as conducive to decision-making at the regional scale, in contrast to the NWRA's board of 80 members, 56 of whom were local authority representatives.

> 'I think there was a lot of tension between an agency that had people who had never worked in the public sector, which was trying to do things with a very different set of actors who are very important for the regional economy ... who clearly have a lot of powers in their locality, but no elected member is elected to do things outside of the local authority level – even at the [county] level – let alone at the regional level. They are there to do the best for their ward,

not to do the best for [their county] or for the North West.' (Interview with former NWDA senior officer.)

'The smaller the units that you're operating at the greater the degree of consensus that becomes possible. It becomes much more difficult the greater your spatial scale, because there are a lot more actors involved. So with the regional scale, with a 7m population, you had a board of 16 in the Agency, which is fairly straightforward, but the regional assembly was quite a difficult consensual mechanism because you had 42 or whatever it was LAs sitting around the table, trying to agree. They would break down on county levels, on political levels, and within those groupings as well, so that was quite difficult at times, to get consensus and move forward in agreement.' (Interview with former NWDA senior officer.)

Some interviewees, however, expressed positive opinions on the ability of the NWRA to supplant local with regional interests, citing the desire among local authorities for a forum in which regional matters – above all relating to housing numbers – could be discussed.

'You've got to bear in mind that the genesis of the team being set up was that we were struggling to get agreement, we had the county structure plans in place, but leaving Merseyside and Greater Manchester without housing figures, and they were potentially getting picked off by housing developers or environmental groups trying to destroy the figures. So this was a way forward.' (Interview with former NWRA senior officer.)

It was perhaps inevitable that the relationship between the two nascent regional institutions would be a cautious one, given their contrasting roles, the relative difference in outlook of staff and board members, as well as the external climate in which each institution sought to establish itself within the new regional governance arrangements. The first opportunity for these differences to assert themselves came with the identification of strategic employment sites in the first RES for the North West (NWDA, 2000), reflecting the problems of making difficult decisions around the location of investments in fragile consensuses (Bassett, 1996). The North West Regional Association (NWRAss) had identified a list of strategic sites in its *Greener Growth* (NWRAss, 1994) document, which was submitted to the GONW as part of the preparation for the 1996 iteration of RPG. When published, though, RPG did not specify a list of sites, but rather set preconditions which could be used by local authorities, acting collectively as the NWRAss, to select a short prioritised list of sites. The NWRAss subsequently returned an extensive and non-prioritised list of 60 sites, illustrating the lack of a mechanism by which the local authorities could agree on priorities for the region once these were translated into land uses in particular places.

Following the creation of the NWDA and the NWRA, while such a mechanism still did not exist, an examination of the roles, responsibilities, and parameters for action among the RDA, the RA, and the local authorities reveals the possible process by which the identification of strategic sites might be taken forward. Given that the local authorities had failed to agree on strategic site locations in a form that could be realistically taken forward, and the NWRA was not required to be site specific in its RPG, the NWDA was the only body active in the region with the ability to undertake this task (Wray, 2011), and did so by selecting a relatively limited list of ten sites. The agency's willingness to do this reflects a desire to assert leadership within the context of a region in which such a quality had, arguably by design, been absent. Yet, crucially, the NWDA lacked the land-use planning powers to take their list of sites forward, and so were reliant upon the NWRA for approval. The justification for, and background behind, the NWDA's strategic site selection in the first RES is outlined by a former NWDA senior officer involved in the process:

> 'What happened was the local authorities had been supposed to agree on the strategic sites for a long time but they hadn't because they were incapable of doing so because it wasn't their role. The development agency came along and agreed some in the first strategy, and said that they were going to agree some more, and the local authorities weren't really worried about that because it gave them certainty. I think the local authorities were, generally speaking, completely comfortable with the sites that we'd agreed, and it became impossible for the Regional Assembly to actually argue against any of those sites because that would bring them into conflict with the local authorities, which thought that they, by having possession of a strategic site, had got their hands on some funding of long-term importance, maybe in the region of 10, 20, 30, £40m from the NWDA, so they, as a fairly weak institution, would not have wanted to challenge anything specific. So they just started to argue that the process hadn't been appropriate, but the reality is that when you've got money an awful lot of money things just start to happen anyway. The person who's got money is able to lead events and call the shots, and that's the way it happened.' (Interview with former NWDA senior officer.)

The NWDA generated additional strategic sites in a report subsequent to the RES (NWDA, 2001), increasing the total to 25, and prior to the Examination in Public of the NWRA's 2003 iteration of RPG, at which it lobbied for a greater emphasis on growth in the RPG and for the inclusion of its list of strategic sites. While the RPG selected 11 sites, on the basis of their contribution to the direction of development towards the existing conurbations and in line with its strategy of investment in these within the 'North West Metropolitan Area' that described the Mersey Belt, the NWDA had

chosen its sites based on their ability to increase economic growth in the region. A particular point of contention was that the NWRA had included only a single site within the NWDA's 'Southern Crescent', an area spanning the southern section of the Mersey Belt and that had been identified as a space within which development might be located in order to achieve the maximum possible returns. The 'Southern Crescent' is examined further in chapter five.

The selection of strategic employment sites is a useful lens through which to view the contrasting agendas of the regional institutions, as it embodies the interaction of economic development and land-use that was expressed in the conception of spatial planning, as it was understood in England during the period discussed, together with the difficulties encountered in achieving this on the ground. The regional governance architecture had, prior to the establishment of the RDAs and RAs, left decisions of a strategic regional nature to local authorities to agree between themselves, while nominally accepting the need for such decisions to be made in the context of shifting understandings of the relationship between economic development and geography and, more substantively, where the securing of European Structural Funds was a priority. Now a set of institutions existed whose remit must surely be to make such decisions with authority, yet which were unable or unwilling to act in concert in order to do so.

The lack of clear leadership within New Labour's regional governance architecture has been identified as being among its failings (Mawson, 2007), and the fact that, in the North West, negotiation over such an important issue as strategic site investment took place at the Examination in Public of a regional planning document is testament to this. Wray (2011) regards this as a systemic problem, resulting from the production of two regional strategies by two separate bodies, without a clear hierarchy between them. While the case for the difficulties experienced in the making of strategic decisions in the North West being structural in nature appears strong, interviewees were also keen to stress the importance of key individuals in dictating the effectiveness of regional working.

> 'There were strong personalities on both sides, but with the change of staff over time things evolved and became more about working together. I think at times [at the start] there were certain characters who felt like the other organisation was more like the enemy ... also, the RDA was not very keen to publish things, so there was tension there, because to use something in an Examination in Public it's got to be in the public domain. It was hard to get things out in public and to get copies of things, which was partly down to the personalities right at the highest level.' (Interview with former NWRA senior officer.)

This view is borne out by the much more consensual process by which the NWDA and the NWRA were able to agree on priorities prior to the publication of the second iteration of the RES, in 2003 (NWDA, 2003), and the (draft) RSS, in 2006 (GONW, 2006). The two bodies concurred on strategic site selection, with the identification of broad locations for employment during the preparation of the RSS and, in stark contrast to what had been the case for RPG 13, prepared joint evidence for its Examination in Public. One former NWDA officer contends:

> 'Second time around the relationship was much less strained. For example we did get them to sign up to supporting all of our strategic sites. And that was partly because one or two very difficult individuals at a senior level had left both organisations, people who just couldn't get along, and partly because we had, at the third tier, made an effort to develop a relationship.' (Interview with former NWDA senior officer.)

The development of the relationship between the two institutions might be attributed to the 'bedding-in' process by which the two bodies were bound to take time before settling into an effective working relationship, though the additional transaction costs imposed by this model of working, over that of a more clearly established governance structure and hierarchy of strategic decision-making, might be questioned. The assertion made by more than one interviewee that a small number of actors in senior positions within both organisations were responsible for the difficulty in the working relationship implies that the role of chance was more prominent in dictating outcomes than might be advocated by those designing arrangements for regional governance.

4.3.2 The Single Regional Strategy

Leslie (2007), writing for the New Local Government Network, had proposed a simplification of regional structures and clarification of agencies' roles, together with a focus on economic development, to be delivered through a single regional body, essentially an enhanced RDA with RA and GOR powers and strategies transferred. The Review of Sub-National Economic Development and Regeneration (SNR) (HMT, 2007), whose preparation was led by the Treasury, proposed a similar solution. While Integrated Regional Strategies had existed in some regions since the early 2000s, in order to provide a regional framework for the various strategies in the region to be produced that would enable them to be considered in relation to each other, rather than in isolation, the proposal of a Single Regional Strategy (SRS) would go much further than this. The longstanding problems of institutional and strategic fracture that had long beset the region as a result of the voluntary and

functionally diverse basis of its governance (McQuaid, 2000; Bassett, 2000) stood to be addressed should the SNR be implemented in a coherent fashion.

The SNR criticised the multiple agency partnership model of working as lacking in clarity of responsibilities among the regional bodies, of diluting the use of resources, and of inhibiting engagement with the private sector. Additionally, RAs were held to have unsuccessfully scrutinised RDAs, while failing to adequately represent their regions and in some cases to have blocked central government attempts to expand housing supply. A further criticism was that existing regional and local authority boundaries were seen as being unrepresentative of functional geographical areas. As such, the SNR recommended that a Single Regional Strategy be produced for each region, combining the RES and RSS and overseen by the RDA; that the role of local authorities in the production of the strategy be enhanced; and that sub-regional arrangements be extended with regard to economic development activity through the use of Multiple Area Agreements (MAAs).

The subsequent consultation document *Prosperous Places …* entailed a slight shift in the economic growth focus of the SNR and, most significantly, replaced the proposal for an RDA led Single Regional Strategy with a more democratically accountable joint working arrangement between the RDAs and Local Authority Leaders' Boards (LALBs), the successor institution to RAs, acting together as 'Responsible Regional Authorities' (CLG / BERR, 2008). While conferring responsibility for housing and land-use planning on an unelected QUANGO appears to have been an option unpalatable outside of the Treasury, if the existing regional architecture had been undermined by a lack of leadership, the bestowing of responsibility for the preparation of a Single Regional Strategy on a partnership of the three main regional institutions would be unlikely to run counter to this. Beyond the RDA / LALB partnership, the Single Regional Strategy would have to align the interests and resources of government departments and QUANGOS (such as the Environment Agency, Homes and Communities Agency, Natural England, Highways Agency, Jobcentre Plus, Learning and Skills Council, Technology Strategy Board and others, whose sum regional spending is significant and largely outside of the influence of the RDAs) in the region.

The SNR states the need for decision-making to take place at the appropriate spatial level, requesting that submissions for the Single Regional Strategies be prepared by the sub-regions, as a part of the strengthening of their role that was ongoing, and which is addressed in the following section. Alongside this are the intention to make the Single Regional Strategies engage more strongly with elected government at the local level than had been the case with RES, and the endorsement of MAAs as a way of building capacity at the sub-regional level in the area of economic development.

Criticisms focused mainly on the capacity of the institutions charged with preparing the Single Regional Strategy, especially given the prominent role to be played by the RDAs and the potential difficulties that would be encountered in the joint preparation of a strategy. Questions were levelled over whether RDAs are equipped to address the full range of regional policy to be included within the Single Regional Strategy, given their narrow economic growth focus, private sector mentality and corresponding lack of experience in brokering solutions among a range of bodies, as would be necessitated by the Single Regional Strategy process (Pearce and Mawson, 2009). While the skills of coordination and integration of agencies and policies at the regional level were situated most prominently in the GORs, *Prosperous Places ...* did not afford a major role for them. This might be seen as surprising, given that the RDAs were not seen as having the requisite expertise for this role, while GORs arguably specialised in it (Pearce et al, 2008). The RDAs also lacked sufficient planning expertise to fully engage with planning matters in a document that would go through an Examination in Public. The SNR thus failed to take account of the difficulty of integrating the RDAs' economic development agenda with the local authorities' spatial planning responsibility. Townsend (2008) additionally suggests that an important aim for the RDAs was to foster business and investor confidence in the region by engaging in promotional activities that entailed the use of exaggerated assumptions and forecasts of growth which were incompatible with other forms of strategic planning, such as for housing and public goods.

The policy rationale by which the Single Regional Strategy came into being was thus led by the Treasury, with input from the Department for Communities and Local Government (DCLG), but the notion of an integrated regional strategy that would coordinate and give spatial expression to a range of policy areas was firmly in line with ideas of spatial planning that had been espoused by the European Commission since the mid-1990s (CEC, 1994; CEC, 1999a). The remainder of the section explains how the process of preparing a Single Regional Strategy was undertaken in the North West, and briefly examines the published work-in-progress version of *Future North West* (NWDA, 2010a), the Single Regional Strategy for the North West.

4.2.3.1 The Preparation of Future North West

The SNR stipulated that, following the abolition of the RAs, LALBs would be established out of groups of local authorities that, in most cases, already existed across the regions and had usually operated under the auspices of the RAs. In the North West permission had been granted for the streamlining of the NWRA prior to the publication of the SNR, and the resulting structure, which organised the

local authority members into sub-regional blocs, became 4NW, the LALB. Pearce and Ayres (2012) note that the dismantling of the NWRA was enthusiastically taken on by the local authorities, it having been seen as lacking in authority. That the Leaders' Board was to be based on sub-regional representation was advantageous to those elected representatives in the region that had complained about what they saw as the overwhelming focus on Greater Manchester and, to a lesser extent, Merseyside.

The longstanding separation of economic development and land-use planning in the UK planning system meant that there was no common experience of a unified approach, though the spatial planning discourse that extolled such an approach was well known to interviewees through its presence in New Labour policy documents and the activities of professional associations such as the Royal Town Planning Institute and the Town and Country Planning Association. Nevertheless, there was little enthusiasm for a unified model of regional planning.

'I've always been a pragmatist – you write what you think is right. What do you really need to say about policy? It needn't be in a plan, there are other ways of delivering stuff. Bearing in mind we were working very closely with the Environment Agency and the Homes and Communities Agency, which were things that the RDA didn't have a strong focus on, but those organisations needed planning support. I think you could have merged them all structurally you could have created quite a beast of an organisation that may have been hard to manage.' (Interview with former NWRA senior officer.)

One interviewee was keen to stress a belief that a plan that addressed both economic development and land-use planning within the framework proposed was flawed due to the nature of land-use planning in the UK.

'The reason that it was fundamentally unsatisfactory as a method of doing things is that there are basically two ways of doing planning: one is resource planning, in which you decide what's going to happen and where by being in control of finance; the other is statutory land-use planning, which is all about controlling what happens by granting or not granting planning permission, and it's all connected with denying or agreeing to development land rights. Because that system is intimately connected with development land rights it has to go through a long and cumbersome process to make sure that there is due process in the final analysis. So in effect what you've done by saying that all of these strategies should come together is that all of these different services and plans would be brought down to the speed of the

statutory land-use planning system. It's completely ludicrous.' (Interview with former NWDA senior officer.)
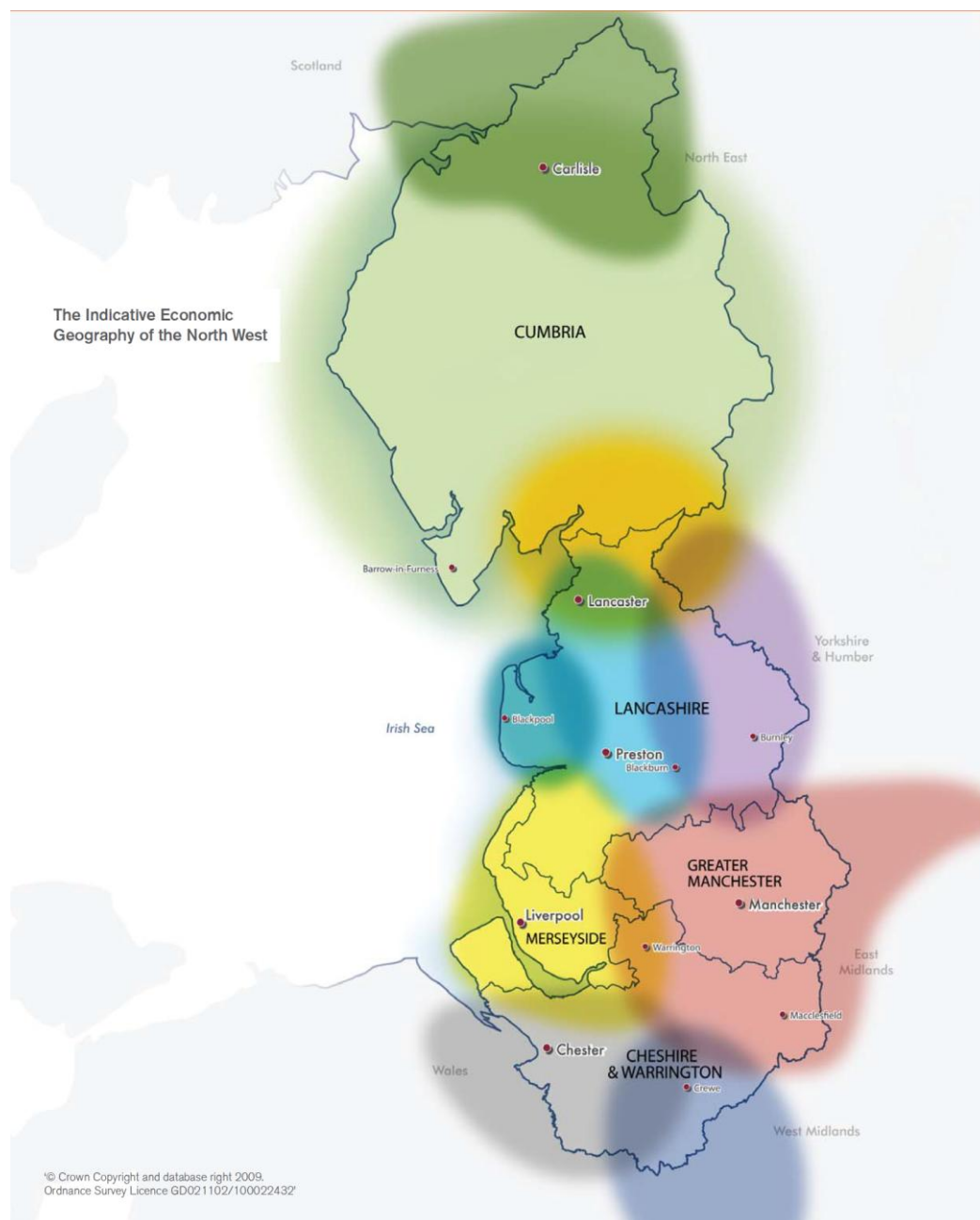

Figure 7: An indicative economic geography of the North West, using a coloured filter effect to signify the extent of the North West sub-regions' economic spheres of influence. (Source: NWDA, 2010a.)

The compromise of joint working arrangements between 4NW and the NWDA were, by contrast,

seen by most interviewees as the best possible solution under the circumstances, given the lack of

accountability of the NWDA and the local and land-use focuses of the local authorities. The balance between the partners was seen as skewed in favour of the NWDA however, as evidenced by Pearce and Ayres (ibid) finding that, within 4NW, it was felt that the NWDA had initially seen the Single Regional Strategy as a further iteration of the RES. Problems relating to the balance of power in partnerships (McQuaid, 2000) were clearly still present in this configuration of governance. These findings are consistent with interview data gathered here on the NWDA's initial preparations for the Single Regional Strategy, in which the Mersey Belt geography featured prominently, resurrecting the spectre of the Southern Crescent that had blighted early relations between the NWDA and the NWRA. A former NWDA officer interviewed added weight to this finding:

'You can argue about who was the dominant partner and who was the weaker partner. In practice I think we were the dominant partner because we had a lot of money behind us. We were also less encumbered by planning thought / planning speak, in the sense that we were used to preparing RESs under quite a streamlined process compared to a RSS.' (Interview with former NWDA senior officer.)

Some interviewees did find the joint working arrangements to be unsound, arguing that the need to reach agreement with partners whose concerns, in terms of both the contrast between economic development and land-use planning and that between the regional and local scales, were fundamentally opposed.

'It was all supposed to be done in partnership. So it was a recipe for a completely bland and meaningless document. Some of the people working on this document found the process so frustrating that they were looking forward to the Conservatives coming into power and doing away with the single regional strategy. It was terribly frustrating.' (Interview with former NWDA senior officer.)

While the RDAs and GORs were abolished following the election of the Conservative-Liberal Democrat coalition government in 2010, leading to the abandonment of the Single Regional Strategy preparation process across England, the North West had made sufficient ground that a work-in-progress version of the Single Regional Strategy was published as *Future North West* (NWDA, 2010a).

The structure of the strategy is thematic, rather than spatial, in common with the 2006 RES (NWDA, 2006), while no spatial configuration is offered for the region. While spatial direction is given to certain objectives, this is done where specific incontestable assets exist, such as is the case under the theme of tourism or where infrastructure is referred to. *Future North West* does devote a section to describing the assets and potentials of the key places in the region, and presents in map

form an 'indicative economic geography' of the North West. This places amorphous coloured shapes whose extents overlap over regional centres and sub-regions, including among these not only the more established Liverpool, Manchester, and Central Lancashire City Regions, but smaller centres such as Chester and Lancaster, as well as subdivisions of the region not previously referenced in the maps and diagrams of regional strategies but with some degree of institutional presence, such as Pennine Lancashire. These extend beyond the regional boundaries to signify the scope of influence of their constituent places. The hard boundaries on the map are those of the Local Enterprise Partnerships established by the incoming government. While the use of imaginative spatial tools for expressing an understanding of the region's economic and political geography is to be welcomed, it could be argued that the map, in its willingness to cover all possible spaces of representation and institutionalisation in the region, fails to commit to any particular understanding of how the region functions spatially. This contention is bolstered by the statement that 'that there is no single clear economic geography for the region' (ibid: 40.)

The legacy of *Future North West* is inevitably limited by the unfinished nature of the published version and by the round of governance rescaling that followed it, with power shifted to the sub-regional scale. A much more ambitious spatial framework was proposed within the NWDA during the early stages of preparation that followed the SNR's proposed allocation of sole responsibility for the production of the Single Regional Strategy to the RDAs, which will be covered in the following chapter.

4.3.3 City Regions and Sub-Regions

The negative response to the referendum on regional elected government for the North East in 2004 has been seen as the point at which New Labour's programme of regional decentralisation was derailed (Harrison, 2013a). The structural composition of the regional arrangements until that point was designed for the eventual establishment of elected regional assemblies, and so suffered a blow that was to become terminal in time, though Mawson (2007) suggests that the regional bodies had been relatively successful in ensuring the effective working of regional governance. The response of government was to switch its scalar focus to what by that point was emerging in academic and international policy spheres as the preferred scale for governance in the globalised economy: the city region (Scott, 2001; Jones and MacLeod, 2004).

The policy rationale in England behind the scalar shift from regions to city regions has been traced back to the founding of the Core Cities Group in 1996, as a collective of urban local authorities that

sought to make the case to central government for the economic importance of the English cities outside of London and to gain influence over policy in this respect (Mawson, 2009; Harrison, 2012). The wider context for this was of a gradual reversal in the decline of British cities that had taken place throughout the post-war era and the growing role of cities as the sites of economic growth in Britain. The focus of much Conservative regeneration efforts had been the cities, rather than the regions, under the banner of urban policy, including City Challenge, City Pride, and SRB, though while this had been undertaken as a way of addressing the problems of urban areas, the claims of the Core Cities Group were concerned more with developing the potentials of the cities, in a way that was consistent with the new paradigm of regional policy that had emerged since that time. While the Core Cities Group's membership was made up of the metropolitan councils at the centre of its constituent cities though, the under-bounded nature of these, together with wider trends in urban-regional research and policy-making, made the case for a scale for urban economic governance that included the city itself together with its surrounding territory. This was the same logic by which policy should address cities over regions in fact, in order to encompass an accurately delimited representation of the urban economy, in the form of functional economic areas usually delimited by commuting patterns.

Between 2004 and 2006 the city region concept gained ground through a series of initiatives that, while falling short of decentralising powers to the city regional scale, established the foundations for this. The *Sustainable Communities Plan* (ODPM, 2003) had already addressed the need for strategic planning at areas not congruent with the administrative regions in the South East, and provided the basis for the *Northern Way* (ODPM, 2004) initiative in the three northern regions, whose original growth corridor spatial form was to mutate, under the direction of the three northern RDAs that led the Northern Way Steering Group, which also included the northern RAs, together with those representing housing, universities, and developers, into a network of eight city regions overlaid on a map of the north of England cleared of all administrative boundaries (Northern Way Steering Group, 2005). Harrison (2012a) notes the predicament faced by the northern regional institutions as they balanced their requirement to govern within bounded territories with their promulgation of a spatial strategy that abandoned the very notion of regions, instead conceiving of the space they collectively governed as made up not of regions but of city regions, connected by flows of people, goods, and knowledge to constitute an urban network. Contemporaneously, the ODPM's Urban Policy Directorate commissioned the report *A Framework for City Regions* (ODPM, 2006), which proposed the establishment of directly elected city regional authorities based on commuting areas. The report's justification for this was that, while regions are too large to adequately capture economic linkages and 'everyday geography', and while districts are too small to address strategic concerns,

city regions are 'just right', the ideal scale of governance for contemporary strategic and economic development concerns.

While these initiatives raised the profile of the city regional scale among government actors at national, regional, and local tiers, the translation of this movement into legislation was mediated by opposition to the emerging agenda for elected representation at the city regional scale among some in local government who advocated instead a model of voluntary coordination among district authorities (Mawson, 2007). Among the concerns of this group were the issue of uneven policy coverage that was entailed in the city regional agenda and the notion of urban areas as the locus of growth being disputed (County Economic Development Officers Association, 2005). There was also opposition within the Treasury to the transfer of funds and powers from RDAs to a new city regional tier. The result was a compromise between DCLG and an alliance of Treasury and DTI interests that created the space for voluntary city region governance by extending the existing Local Area Agreements, which devolved funding to local authorities for specific purposes to be measured by agreed outcomes, to pan-local authority Multi-Area Agreements (MAAs), which would apply the same formula to outcomes to be achieved across local government boundaries. The focus of MAAs would be economic development, in the name of which groups of local authorities would be able to set up City Development Companies (CDCs), themselves a geographical expansion of the Urban Regeneration Companies that had existed at the scale of district authorities since the Urban Task Force report (DETR, 1998) of the Blair government's first term.

MAAs were introduced in the Local Government White Paper (DCLG, 2006) and gained impetus from the SNR (HMT, 2007), which went a step further, making the case for statutory city regions. These were formalised in the 2009 Budget, which contained within it the announcement of Leeds and Manchester as forerunner statutory city regions, to be granted statutory responsibility for integrated city region planning, strategic transport, housing and regeneration, education and skills, and some flexibility over capital funding. The selection of only two forerunners from a longer list of candidates, comprising Birmingham, Bristol, Leeds, Luton, Manchester, Sheffield, and Tees Valley, may be taken as an indication of city regionalism being a territorially selective rationale; that New Labour was 'picking winners' at the expense of the rest (Harrison, 2012).

This inference leads to a signal criticism of city regionalism: that the city region is a construction of economic geography rather than a solution to the lack of accountability between the national and the local, with the result that city regions provide only a partial coverage of the national space, leaving uncertain consequences for those parts not covered (Ward, 2006). This is made explicit by one of the co-authors of *A Framework for City Regions* (ODPM, 2006), interviewed for this thesis:

'The way I come out of this issue is that it's primarily a spatial economic analysis issue and, from a national perspective, you need to think about where the growth is likely to come from which will drive the bigger spatial economy. And we all know that London and the South East is dominant in those terms, so the city regions thing for me was always the argument that if you can develop the institutional structures, if you can develop the investment programmes for London and the South East, why can't you apply the same logic to those places in the North – or the Midlands, or the South West, or wherever – that we think have some of the same potential growth properties as the South East. So if you come at it from that perspective then you don't need a national map in which every single place falls within one and only one area and there are no gaps on the map.' (Interview with co-author of *A Framework for City Regions*.)

The parallel existence of sub-regions alongside city regions is a solution to this criticism that extends the powers granted to city regions to all groups of local authorities engaging in partnership-working below the regional scale, though the difficulty of identifying where sub-regions might lie on the map, in contrast to the more self-evident geography of the city and its hinterland that forms the common understanding of the city region, demonstrates the difficulty of universalising the city region scale. The abolition of county structure plans in the 2004 Planning and Compulsory Purchase Act, and the encouragement of the break-up of counties into unitary authorities, mitigated against one potential solution of an aggregation of non-urban areas into existing counties and urban areas into city regions. As one NWDA officer engaged in sub-regional working opined:

'In Cheshire and Warrington [there are] three Unitary Authorities. Now, if you come up with any idea at a sub-regional level you speak to the different leaders and the senior politicians and they say "my mandate is for my authority, it's not for … ". Now what is crazy is that we split up Cheshire County Council into two Unitary Authorities about three years ago, now the government is asking us to act at the sub-regional level. In other words let's create Cheshire County Council again. I know history goes in cycles but three years is a bit quick isn't it?' (Interview with former NWDA Area Office representative.)

The notion of city regions as overtly economistic entities is also seen to exclude underlying political struggles from exerting their influence (Ward and Jonas, 2004), a subject explored in greater detail in chapter five. Additionally, deficits in organisational capacity and prohibitively high transaction costs are problems of voluntary arrangements that have given rise to an uneven map of sub- and city-regional structures across England, with Greater Manchester and Leeds cited as successful examples and the West Midlands as an unsuccessful example (Pearce and Ayres, 2012). While being arguably

just the sort of extended conurbation that might benefit most from effective city-regional organisation, inter-city rivalries are seen to have undermined such a possibility there (Mawson, 2007).

Within the regional institutional arrangements, sub-regions were, from the beginning, prominent voices that gained influence over time. RDAs typically engaged strongly with sub-regional partnerships, as a source of information, a way of extending their influence, and with regard to project delivery. The variable quality of sub-regional partnerships though, alongside the potentially time-consuming nature of partnership-working, has been seen to have impeded the effectiveness of RDA-sub-regional partnership working (Pearce and Ayres, 2009). RAs were regarded as being generally keen to engage in the coordination of regional and sub-regional scales as part of their role as RPBs (Pearce and Ayres, 2007). The 2004 Planning and Compulsory Purchase Act brought with it stronger sub-regional arrangements than had existed under RPG, partly because of the abolition of county structure plans, which forced the escalation of sub-regional representation to the regional scale. Swain et al (2013) suggest that administrative regions, while not being functional spatial units themselves, create a platform for these to be defined within the region.

4.3.4 City- and Sub-Regional Working in the North West

The NWDA had, from the beginning, organised itself into sub-regional Area Offices in an attempt to provide adequate geographical coverage of the region and to install a vital link between the central strategic operations of the organisation and the local delivery partners. The Area Offices, which became well-funded, well-staffed units had managed much of the physical regeneration funding drawn from SRB, while the NWDA's central office in Warrington had, in addition to strategy-making, tended to control soft interventions. Given the NWDA's short institutional history and relatively limited resources, the need to deliver projects through local partners was strong and the role of the Area Offices was thus significant. This arrangement gave the NWDA a metagovernance role in the region (Harrison, 2008), coordinating governance within the different parts of the region and maintaining coherence between these (Jessop, 1997). Following the severe funding crisis that came to a head in 2003, when funding commitments were unearthed that were well in excess of the agency's budget, the head office took greater control over the allocation of funds to projects, and the powers of the Area Offices were significantly reduced. This change of direction in the degree of decentralisation within the organisation was, inevitably, not well received by the local partners, whose tendency to regard the division of the region into sub-regions as a *de facto* division of the

NWDA's funds and activities equally among the constituent sub-regions is evident from the process by which strategic sites were selected.

> 'When the strategic regional sites concept first started out, it was from the point of view that there were probably ten or twelve locations in the North West where securing investment is so important that it can unleash wider things [but] it became an exercise in satisfying local parochial views, so the list just grew and grew until we had 35 sites, all on for various reasons, sometimes because people had lobbied our chief executive who said "add that". About half of the 35 sites could have been knocked off the list as either not important or not going to happen, simply because there's no interest in developing them. That's an example of a process where you try to be inclusive and involve everybody and just end up with a dirty great long wish list, which is far from where you want to be.' (Interview with former NWDA Area Office representative.)

The centralisation of project appraisal meant a shift in the orientation of the Area Offices, whose role as the interface between the NWDA and its local partners had up until that point allowed some to position themselves as closer to the local than the regional, but whose relations to the centre were to become dominant.

> 'I asked myself the question: "am I [the sub-region's] man in the NWDA or am I the NWDA's man in [sub-region]?" And in the earlier years it was clear that I was [the sub-region's] man in the NWDA, but as time went on I became the NWDA's man in [the sub-region]. During the years that I was there, which was between 1999 and 2004, there was a real shift.' (Interview with former NWDA Area Office representative.)

Existing in parallel to the NWDA's Area Offices at the sub-regional scale were the sub-regional partnerships that, in the case of Greater Manchester and Merseyside, had evolved out of the joint working structures implemented following the abolition of the Metropolitan Counties in 1986, and in the case of Cheshire and Warrington already existed as a public-private partnership since 2001. As part of the change in the region-sub-region dynamic, and once the agency believed the sub-regional partnerships to be sufficiently developed, the Area Offices were closed and their responsibilities, by now reduced, were granted to the sub-regional partnerships in 2007. For Greater Manchester, Merseyside, and Cheshire and Warrington, the transition towards sub-regional partnerships beneath the NWDA was smooth. For Lancashire and Cumbria, however, where both functional and political geography are contestable, this process was more difficult. Lancashire's two economic development partnerships – one for the east and one for the west – were merged under the overriding incentive

of the requirement imposed by the NWDA to form a single body in order to access the substantial funding on offer. In Cumbria, meanwhile, economic partnerships representing the western industrial portion and the rural remainder of the county were amalgamated under the same pressure. The NWDA had desired sub-regional partnerships that would cover the same territories as had their Area Offices, demonstrating that power in influencing the political construction of sub-regions was firmly lodged in the hands of the best resourced institution and emphasising the importance of vertical over horizontal relations of power once more (Davies, 2002).

'We came along and were encouraging Lancashire to have a sub-regional partnership some of the Lancashire partners were really happy with that but the county council weren't, because as far as they were concerned they already had one: the Lancashire Partnership, but that was just for the county council area, it didn't cover Blackpool or Blackburn. We were trying to put together these sub-regional partnerships on some sort of economic footprint.' (Interview with former NWDA officer.)

While an apparently logical move in terms of efficiency, the replacement of the Area Offices with sub-regional partnerships did not take into account either the capabilities of the sub-regional partnerships or the political role played by the Area Offices. In addition to this, a tension was developing between the centre and the local authorities in terms of the increase importance of regional, over local, priorities. The NWDA's attempts to effectively manage the diversity of its territory through its Area Offices and partnerships with local and sub-regional partners was thus a key issue within the organisation, and one that was not always seen to have been achieved, as underlined by one NWDA officer:

'It was logical but there were some tensions around how we applied that [approach] in terms of allocating funding and resources. We were really hung up on this regional versus sub-regional [question]. Our local partners were saying that we didn't pay them enough attention or give them enough funding and we were replying that we actually spend a lot of money at regional level that has an impact in your location. I didn't think we sold that particularly well though, and I think that sometimes we went for the regional approach because we were a regional agency and that [therefore] seemed like the right thing to do, but on some occasions we could actually have done more to give things a sub-regional flavour, because of the diversity of the region.' (Interview with former NWDA officer.)

Into this already complex picture of sub-regional working entered the concept of city regions, ushered in by the common interests of city boosterism and an alliance of national government-led

focus on raising aggregate growth by addressing cities as sources of vital productivity, with regional policy that shifted from spatially redistributing national growth to developing the potential of places. These forces came together in the north of England in the shape of the Northern Way. New Labour's spatial strategy for the accommodation of growth pressures around London, *Sustainable Communities: Building for the Future* (ODPM, 2003), identified four growth areas – Thames Gateway, Milton Keynes and South Midlands, Ashford, and London-Stanstead-Cambridge-Peterborough – in which the long-running deficit in housing supply in the 'Greater South East' region would be addressed. For a Labour government to address the issue of spatially uneven growth by focusing its efforts not on spatial redistribution but on expanding capacity for growth where it already exists was untenable to some within government. As a result, a second spatial strategy was launched for the north of England, whose purpose would be developmental, and which followed the spatial organisation principle of the *Sustainable Communities* strategy, aligning the major cities of the north in a growth corridor. While the document that launched the Northern Way– *Making it Happen: the Northern Way* (ODPM, 2004) – had lacked substance, the initiative was enthusiastically taken on the three northern RDAs who, working in partnership with representatives from the three northern regional assemblies and the Core Cities Group, as well as from the housing sector, developers, and universities, produced a follow-up document, *Moving Forward: the Northern Way* (Northern Way Steering Group, 2005). From this collaboration of regional and urban actors came a strategy that abandoned the growth corridor spatial organisation of the original Northern Way document and replaced it with a spatial strategy based on an interconnected network of cities and their surrounding areas.

The regional boundaries were abandoned for the sake of this exercise, and the city regions were represented on the key diagram of *Moving Forward* as nodes surrounded by spheres of influence whose intensity obeys a distance decay principle emblematic of economistic understandings of functional urban areas (World Bank, 2009). The business of defining and delineating the city regions was delegated to the city regions themselves through the production of City Region Development Programmes, written by steering groups with representation from sub-regional partnerships and local authorities. This task took place against the background of existing sub-regional working arrangements, from the county councils and the joint boards of the former metropolitan counties to the economic development partnerships covering groups of districts. Perhaps in the light of this morass of existing institutions, the city regions came to be defined by a more flexible understanding of their extents, which were not bound by existing working arrangements. In addition to the City Region Development Programmes, the city regions were also addressed in the 2006 RES and the 2006 Draft RSS.

The 2006 RES for the North West includes a map of the region divided into its constituent sub- and city-regions, in which it is made clear that these geographical constructs co-exist, and that they are explicitly overlapping. While the sub-regions are defined territories enveloped by hard borders that contain the local authorities among whom partnership bodies and are active, the city regions are amorphous entities, indicated by coloured circles whose intensity fades over distance, as in the *Moving Forward* map. While the city regions of Manchester, Liverpool and Central Lancashire are acknowledged in the document as key drivers of the regional economy, little further attention is paid to them in the document, with policy measures related to the sub-regions over which they will be delivered. This distinction is an important one, as in order to maintain the veracity of the city regions in relation to their conceptual underpinnings their extents must be left undefined, or 'fuzzy', yet for policy to be applied, and for governance to be effective, within them, borders must be drawn (Allmendinger and Haughton, 2009)..

The 2006 (draft) RSS, together with the City Region Development Programmes (MCRDP, 2005; The Mersey Partnership, 2005; Lancashire Economic Partnership, 2006), by contrast, explicitly defines the boundaries of the city regions. The fact that these are not coincident with the sub-regions allows for issues of representation and governance to be sidestepped in a way that would not be possible for the sub-regions. *Moving Forward*'s assertion that 'in broad terms [the city regions] correspond to the major travel to work areas, shopping catchment areas and housing markets' (NWSG, 2005: 9), leaves room for a degree of qualitative decision-making and negotiation among governance partners in defining boundaries. The role of the NWRA was seen by interviewees as important in establishing the city regional geography in the North West, in light of the fact that, unlike the RES, the RSS had to broker compromise between the representatives of local authorities on the RA, where the RES could afford to be a more visionary document.

> 'It was the RSS that actually embedded the city regions, that was the one that embedded
> that geography.' (Interview with former NWDA officer.)

The Manchester City Region takes as its basis the former metropolitan county of Greater Manchester, for which joint working arrangements between districts on a limited list of themes have been in place since the abolition of the metropolitan counties in 1986. The relationship between the districts is a stable one, administered through the Association of Greater Manchester Authorities (AGMA), regarded in the literature, by interviewees, and, given the awarding of MAA and, subsequently, statutory city region status, by government, as an effective example of sub-regional partnership-working. In addition to the area covered by AGMA though are incursions south, into

Cheshire to encompass the districts of Macclesfield, Vale Royal, and Congleton, east, to encompass the district of High Peak, and west, to include Warrington.

The placement of the boundary to the south is instructive in its envelopment of those parts of the NWDA's Southern Crescent located outside of Greater Manchester. The inclusion of these in the Manchester City Region may be taken as an indication of the drawing of boundaries being undertaken in the context of an understanding of the city region as at least partly defined by economic growth concerns. High Peak is an interesting inclusion in the light of it being an example of cross-border working. Lying on the edge of the Peak District national park, adjacent to Greater Manchester but within the boundaries of the East Midlands region, High Peak acts as an outlying commuting area for employers in Greater Manchester and looks towards Manchester for higher value shopping. An additional impetus for its inclusion may have been that it increases the diversity of landscape to be found in the city region, adding to the urban environment of Greater Manchester and the lowlands of northern Cheshire. Warrington is included in both the Manchester and Liverpool City Regions, an arrangement that points to both the flexibility of the concept and the difficulty of reaching agreement on the distribution of territorial assets between the regional partners (Rees and Lord, 2013).

The Liverpool City Region is similarly based on the footprint of Merseyside, together with parts of West Lancashire, West Cheshire, and, in common with the Manchester City Region, Warrington. The boundaries in the case of the Liverpool City Region are less ambitiously drawn than those of Manchester, as Liverpool's metropolitan commuter rail network extends as far as Chester, to the south, and Ormskirk, to the north. Those parts of West Lancashire included in the city region are within the Liverpool travel to work area. Nevertheless, the presence of Chester diversifies the Merseyside urban environment to encompass a relatively wealthy historic city that functions as a shopping and visitor location, in addition to having a financial services presence. Warrington similarly adds to Liverpool's economic base.

Both Manchester and Liverpool City Regions have been constructed using fairly conventional principles. Both are based around a central urban area that functions as the main employment and shopping centre, and both spread out into the suburbs and outlying towns beyond the travel to work area of the central city. As Ward and Jonas (2007) and Harrison (2010) have pointed out, city regions are ultimately political constructs, for their extents and the policies that define them are decided in the political arena. Furthermore, as Rees and Lord (2013) note, the economic logic of city regions, articulated through positivist spatial economic analysis, is rarely congruent with those areas institutionalised as city regions by policy-makers. As such, city regions are interpreted as

'assemblages of assets', whose plans and strategies can be read as 'catalogues of the assets that would help each region realise the objective of improving its economic performance' (ibid: 684), including am airport, an efficient rail or tram system, and a presence in high growth sectors prominent in the global economy.
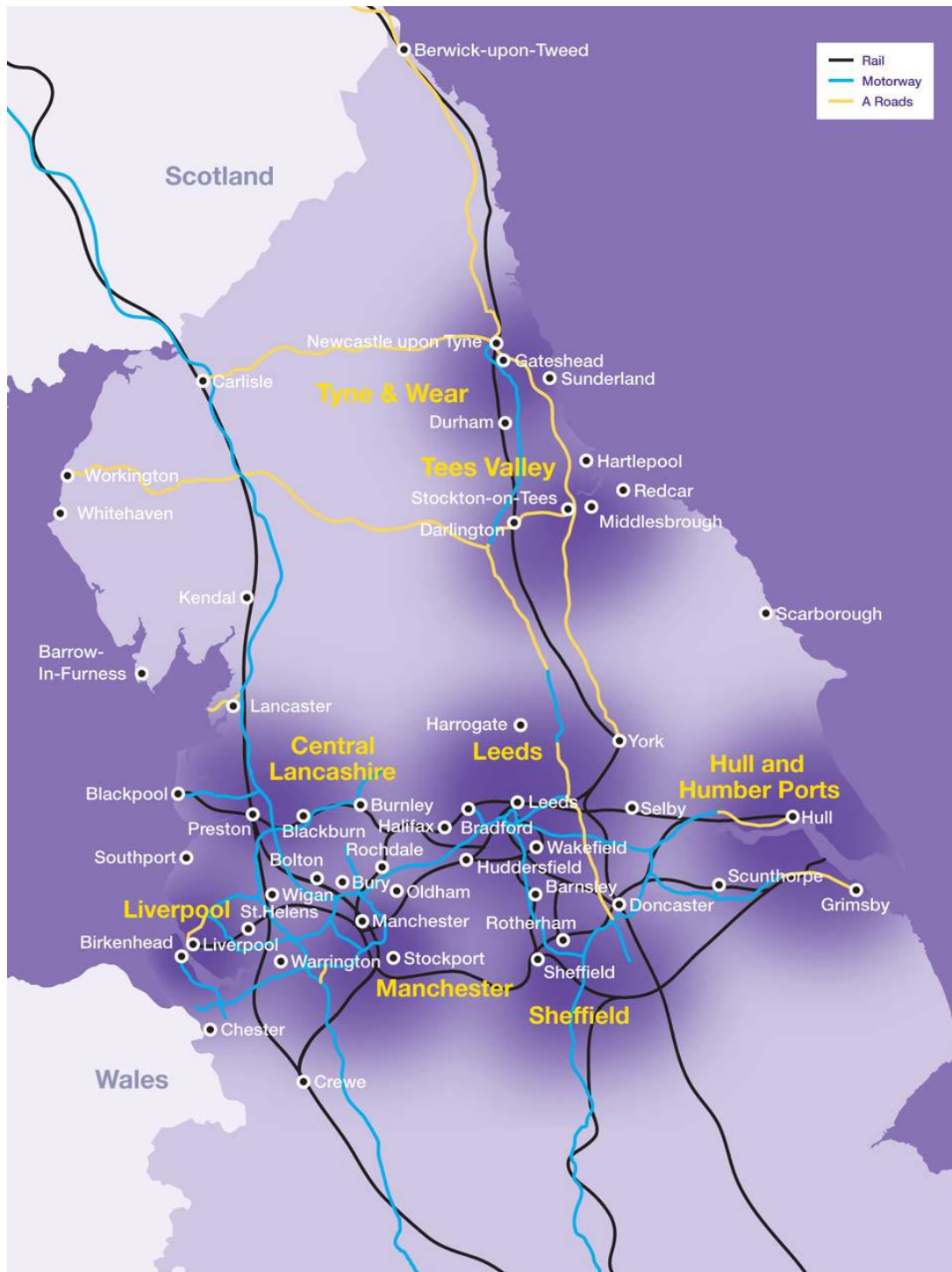

Figure 8: City regions in the North of England as depicted in *Moving Forward: the Northern Way*. Intensity of colour is used to indicate economic spheres of influence. (Source: The Northern Way Steering Group, 2005.)

In this light, Manchester's inclusion of parts of Cheshire can be seen as an attempt to link itself to the strong presence of the pharmaceutical sector there in order to add to its profile of innovation-led industries, while its incursion into the East Midlands region might be interpreted as an attempt to diversify its landscape setting in order to draw in residents and firms. The Manchester City Region Development Programme, while making reference to the divergent economic performance within the city region, points out that GVA per capita in Greater Manchester South, as well as Cheshire and Warrington, is approaching that of London and the South East (MCRDP, 2005). The potential gains from the inclusion of those areas outside of the established Greater Manchester footprint are significant, while the more difficult governance relationships that result from the inclusion of areas outside of those with a unified institutional history are apparently deemed to be worth tolerating. In the Manchester City Region Development Programme a 'two speed' governance mechanism is alluded to, as the centrality of the AGMA area is acknowledged and Warrington and Cheshire representatives are referred to as 'wider partners' for engagement on matters of infrastructure and economic development.

The spatial structure of the Central Lancashire City Region (CLCR) differs sharply from that of Manchester and Liverpool, and from the paradigmatic city-plus-surrounding-areas definition usually applied. In fact the CLCR takes the form of a 'Polycentric Urban Region' (PUR), an urban configuration that came to prominence following the publication of the European Spatial Development Perspective (CEC, 1999a) but whose characteristics had been noted in the Randstad region of the Netherlands as far back as Hall's (1966) *The World Cities*. During the early 2000s the notion of polycentric regions gained currency, with numerous examples interrogated alongside the more enduring model of the Randstad (Meijers, 2007, Lambregts, 2009), including the 'Flemish Diamond' (Albrechts and Lievois, 2004), the Rhein-Rühr region of Germany (Blotevogel, 1998), and central Scotland (Turok and Bailey, 2004). The distinction between descriptive and normative understandings of the PUR (Davoudi, 2003; Turok and Bailey, 2004) is instructive in the case of the CLCR as, while there is no consensus as to the defining characteristics of PURs, a degree of interconnectedness between the constituent settlements that is greater than that observed between neighbouring places under normal conditions is common to all definitions. The potential gains from PURs, in the form of reducing urban sprawl, maintaining access to rural landscape, and the ability of separate places to offer complementary public and economic goods in order to achieve the same gains from agglomeration as do monocentric cities, have been seen as motivating factors behind the use of polycentricity as a policy stance (Meijers, 2007).

The CLCR is composed of the towns of Blackpool, Preston, Blackburn, and Burnley, together with their surrounding districts. The spatial configuration of the area is that of a series of settlements of similar size located in a linear formation along a motorway. Historically, these settlements have not been strongly connected, while their recent institutional cohesion is limited by their division into separate local authorities. An examination that uses Parr's (2004) criteria for defining and identifying PURs, of clustering of centres, upper and lower limits of centre separation, size and spacing of centres, size distribution of centres, interaction among centres, and specialisation among centres, when applied to the CLCR found only limited evidence for the description of the area as a PUR (O'Brien, 2008). If the CLCR does not present itself as encompassing a sufficiently interconnected group of settlements to warrant the description of it as a city region, it might be instructive to ask why this 'mythical beast' of a city region (Hall, 2006) has come about.
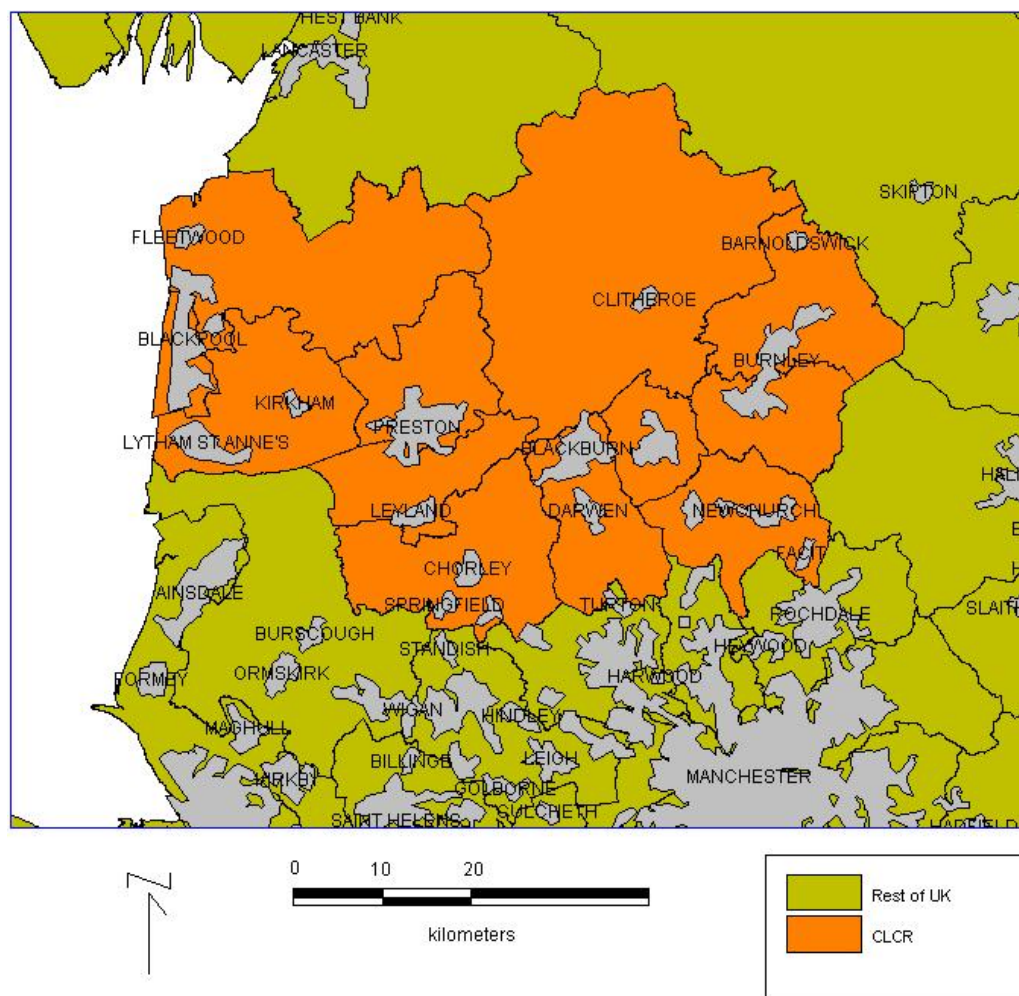

Figure 9: The urban footprint of the Central Lancashire City Region. (Source: UKBORDERS.)

A crucial difficulty faced by the regional institutions that the Northern Way initiative was insulated from was the need to satisfy actors across the regional space while adopting a strategy that focused specifically on particular places, for *Moving Forward* had selected eight city regions in the north of England, of which three were in the North West. While the choice of Liverpool, Manchester, Leeds, Sheffield, and Newcastle might be self-explanatory in economic terms – and also in political terms as these were all members of the Core Cities Group that had co-authored the document – the inclusion of the Tees Valley, Hull and Humber Ports, and Central Lancashire was more puzzling. These proposed city regions, lacking spatial coherence and a history of governance collaboration, did not fit the conception of the city region drawn from economic geography as a node in the spatial economy whose functional relations spread into its surrounding suburbs and towns, leading to the supposition that they were the product of political wrangling. Interviewees were clear about the motivation behind the construction of the CLCR:

> 'I think it was a political construct, resulting from lobbying. Nobody knew what it meant and you ended up with Pennine Lancashire and central Lancashire based around Preston. They themselves didn't know how to make it work. What they wanted was a counterbalance to Merseyside and Greater Manchester, which were sucking up all the investment, both public and private sector.' (Interview with former NWRA senior officer.)

> 'What happened when the Northern Way policy was announced and they talked about city regions, the original focus was on the eight Core Cities across the country but other parts of the country kicked up a fuss, including Lancashire. So the decision was taken that if they could put a proposal together for a city region then it would be included.' (Interview with former NWDA officer.)

The perception on the part of politicians outside of the major cities that not only were their areas losing out in terms of growth, as private investment flowed into the already-growing centres, but that they were also losing out in terms of public resources and policy attention, is at the heart of the creation of the CLCR. That the Northern Way and the associated city regional agenda were structured around the overriding objective of convergence in productivity between north and south dictated that funds and policy initiatives would be concentrated on the existing sites of growth, but this would inevitably be mediated by the governance process. In the case of Manchester and Liverpool, this political influence would be felt in the determination of their boundaries, while it would be the necessary condition for the very existence of the CLCR.

The fuzzy boundaries and less formally determined governance structures of the city regions stood apart from the bounded territories of the sub-regions, lending them an experimental quality that lent potential for the proposition that the typically under-bounded English cities might be able to extend their governance reach across administrative boundaries to coincide with their functional extents. The consequences of MAAs and statutory city regions offered a response to the deficit in governance powers at the city regional scale, but they forced the drawing of less tentative, and therefore safer, boundaries, with the outcome in Manchester and, almost, Liverpool, to which Halton was added, of a return to the Metropolitan County boundaries that had existed for only limited purposes since 1987. While this might be encouraging for enthusiasts of the city region scale, it obviates against more visionary spatial possibilities. A former NWDA Area Office representative saw this as a consequence of 'policy churn':

'The Northern Way initiative and city region development were sort of sandwiched between the arrival of RDAs and the arrival of MAAs, and the whole policy concept was John Prescott's, and it was his idea for the rebalancing of the national economy from south to north – so there's nothing new under the sun – with the city regions at the heart of it. But apart from at the very strategic level and on a thematic basis across the north, when Prescott went the city region and Northern Way policies took a dive.' (Interview with former NWDA Area Office representative.)

This succession of scales and policies have had differing effects across the North West, with the most influential factor in determining success or failure appearing to be, somewhat ironically, continuity in institutional arrangements. The mesh of sub-regional interventions overlaid one map atop another, the accumulated weight of these, beginning with the abolished metropolitan counties, either reinforcing or hindering the reproduction of the sub-regional scale. Where sub-regional territories were strongly established, such as in Greater Manchester and, to a lesser extent, Merseyside, policy initiatives such as the Northern Way and MAAs were seen not to have disturbed these, yet in Lancashire, where a number of formal and informal governance arrangements have been in place, such initiatives were regarded as exacerbating existing fragmentation. While central government's efforts to modify sub-regional working through a welter of reforms and policies were presented as attempts to strengthen the sub-regional scale, experience in the North West suggests that such strengthening may be felt as a reinforcement of existing arrangements where these are already resilient, but a destabilising force where this is not the case.

4.3.5 Representation of Spatial Concepts in the North West Regional Strategies

While the use of spatial concepts has been examined already in the sections on the preparation of *Future North West* and the creation of city regions, this section explicitly explores how spatial concepts have been used in the strategic documents for the North West published by the NWDA and the NWRA. While previous sections have explored the construction of institutions at the regional and city regional scales, touching on the use of other spatial concepts in doing so, this section uses the polymorphic framework of territory-place-network-scale, generated by Jessop et al (2008), in order to gain an understanding of the spatial organisation of the region in as broad a way as possible. The regional strategies express, to varying degrees, how the regional institutions conceived of the spatial pattern of development in the region, including the roles and prominence of particular places and the interrelationships between these, as well as expressing a preferred direction of future urban growth. Unlike traditional land-use and allocation plans, whose aims are to dictate particular land uses and allocate particular resources in specific places, the regional strategies were designed to build consensus among stakeholders around the direction of, and priorities for, growth and investment.

The use of spatial concepts in the 2000 RES and the 2003 RPG are considered in the following chapter, addressing the use of the Mersey Belt within the conceptual framework of 'soft space'. The 2003 RES, meanwhile, is a decidedly non-spatial document, the reason behind this, according to an NWDA senior officer interviewed, being a desire for a more conventional economic strategy at the senior levels of the agency. For this reason, the 2003 RES is not addressed in this section. Finally, treatment of the spatial organising principles applied to the north of England in *Moving Forward* (NWSG, 2006) is limited to the above section on the city- and sub-regions of the North West. Instead, the 2006 RES, the 2006 (draft) RSS (GONW, 2006), and the 2008 (adopted) RSS (GONW, 2008) are considered with regard to their use of spatial concepts. It will be attempted to avoid any overlap with the analysis of the treatment of city regions already undertaken.

Harrison (2012b) has carried out an analysis of the key diagrams presented in the 2008 (draft) and 2008 (adopted) versions of the RSS, together with the consultation document for the 2010 Single Regional Strategy along these lines, emphasizing the relative weight afforded to dimensions of territory and network. Harrison posits that the NWRA, under pressure to maintain their institutional legitimacy following the failure of the North East referendum and the encouragement for the city region scale in central government, privileged a networked geography of interconnected city regions over a territorial geography of a bounded region in its 2006 (draft) RSS. This is evident from the use

of heavy bi-directional arrows to represent the major north-south and east-west transport axes of the region, alongside less prominent arrows for more minor axes; the light treatment of the regional boundaries and inclusion of areas of influence outside of these; the lack of administrative
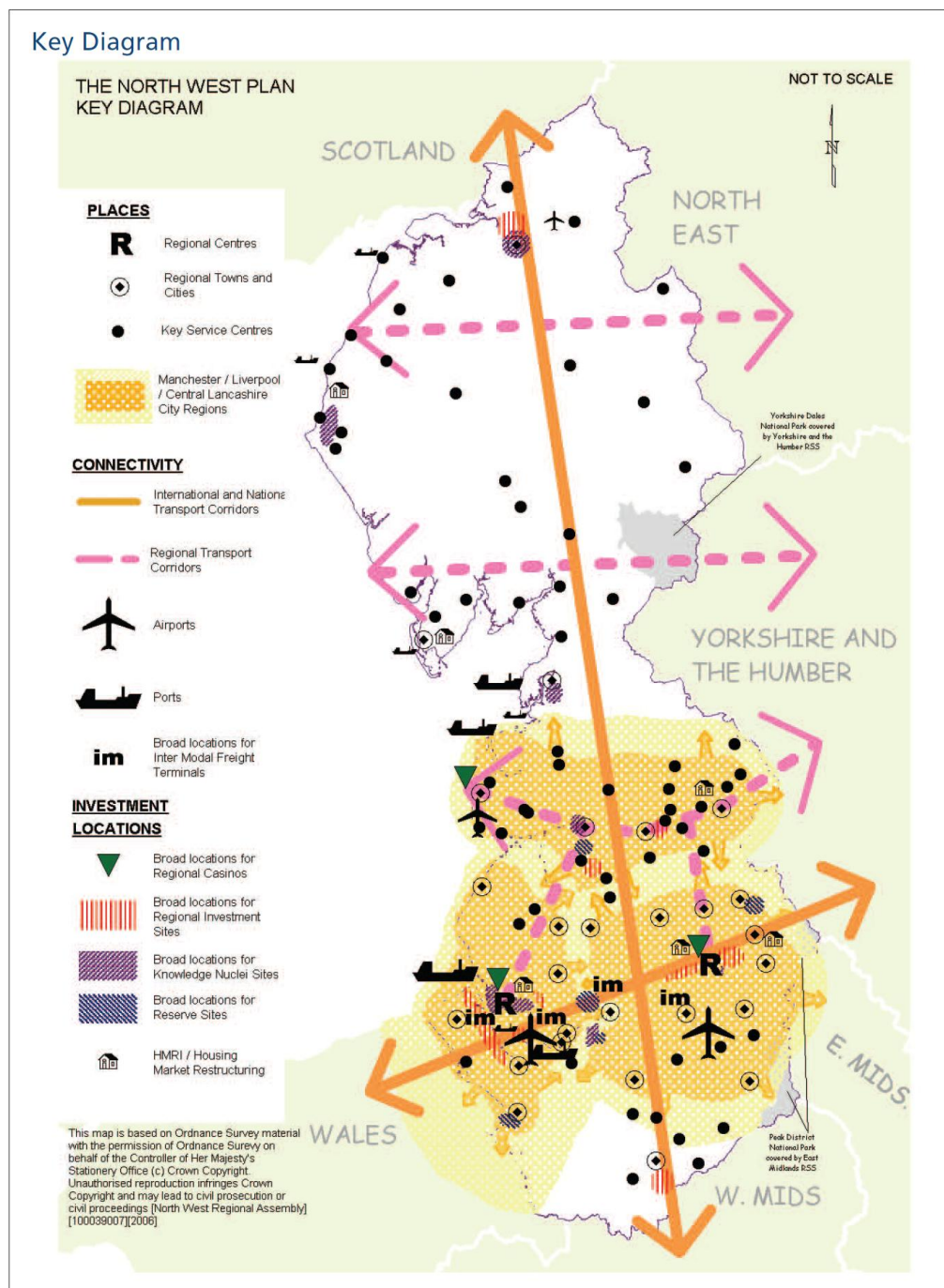
Figure 10: Territory, place, scale and network represented on the map of the North West in the 2006 (Draft) Regional Spatial Strategy. (Source: NWRA, 2006.)

boundaries within the region; the prominence afforded to the representation of the three city regions and the amorphous depiction of their extents, together with the application of a background shading behind these to articulate the urbanised core of the region; the placement of airports and

ports in the map, alluding to international networks; and the more perfunctory indication of settlements. In terms of indicating the preferred location of urban growth, the 2006 (draft) RSS did not commit to a spatial development framework, as had been included in the 2003 RPG, but did propose broad locations for regional investment sites, shown in the key diagram reproduced as figure 10.

The 2008 (adopted) RSS, by contrast, is characterised by the use of hard boundaries around the region and the city regions; the prominence of cities and depiction of universities and public transport systems as urban assets within these; the replacement of indicative flows emanating from the city regions with hard lines connecting places within a lattice; and the illustration of cross-border flows to specific regions and places. Harrison (2012b) views the changes implemented between the two versions as a shift from an approach taken in the 2006 (draft) RSS that privileges network over all other spatial dimensions, to one that confers equal weight to dimensions of network and territory in the 2008 (adopted) RSS. This shift is attributed to the change in attitudes within government towards the city regions, as more fluid conceptions of city regions gave way to more static understandings of sub-regions following the process of building policy frameworks within which city regions could operate and the associated requirement for boundaries that would delimit the geographical extents of institutions. In this context Harrison (ibid) makes the point that, while spatial development policy may be decentralised, the state maintains a strong hold on the direction of change. The process of change between the draft and adopted versions of the RSS was dictated by an Examination in Public, in which representations from regional stakeholders on the content of the draft version of RSS were heard, the most prominent of these being GONW, widely viewed as an arm of Whitehall operating in the North West. As an interviewee involved in the preparation of the 2006 (draft) RSS and the subsequent amendments to it that resulted in the 2008 (adopted) RSS attests:

> 'We, as the Regional Planning Body, did all the work up to the draft and its consultation, whereas the final versions were produced by the Government Office. All worked up to the point of the consultation, but all the responses to the consultation went to the Government Office, who then managed the Examination in Public process, and did the modifications for the final version. They had their own views, some people didn't want [indicative] diagrams, they preferred lines on maps, so that explains how the graphics changed.' (Interview with former NWRA senior officer.)

This account does not contradict Harrison's (2012b), as the modifications to the 2006 (draft) RSS key diagram echo the change in attitudes to city regions and to the associated use allusion to networks

that was taking place in central government. The fact that these modifications were made by an institution closely linked to central government only serves to emphasise the dominance of the centre in central-local relations. As well as the enhanced presence of territory and reduced presence of network in the modified key diagram, the indicative nature of the 2006 (draft) RSS version is largely abandoned in favour of a more precise style, while the designation of broad locations for employment was removed altogether. The preference for precision at the expense of a more visionary spatial articulation of the region, and the removal of the NWRA's attempt to steer the spatial direction of growth, can be interpreted as a reminder that the RSS was to be a statutory document that both required the accuracy of territorial boundaries and could not carry the commitment to a particular pattern of development. This was felt by NWRA officers at the production stage of the 2006 (draft) RSS, as their intention to produce an indicative diagram, consciously working from the county structure plan approach, was seen as being difficult to achieve in the context of half of the regional territory being covered by unitary authorities, whose planning officers and elected representatives were accustomed to the use of spatial precision in planning documents.

As Wray (2011) notes, these changes ensured that the strategy had less spatial content than had the 1996 version of RPG, published prior to the establishment of the formal regional institutions. The difficulty of forming a shared understanding of the spatial organisation of the region under conditions in which visionary approaches are sidelined is clear. This is perhaps a problem inherent to the administration of planning in England, in which a statutory planning document is so closely bound to process of awarding development rights that its content must be commensurately lacking in either commitment or imagination. If so, the 2006 RES should have provided a more visionary approach, the NWDA being free from the strictures of the development process and charged with writing a regional strategy at liberty to engage with spatial imaginaries.

Having expressed such freedom in the 2000 RES, however, with its inclusion of the Mersey Belt and the controversial drawing of the Southern Crescent as part of this, the 2003 RES was, as mentioned, free from spatial content, while the 2006 RES only addressed the spatial configuration of the region in a relatively limited way.

> 'Then there was the view of the NWDA, which at times was quite spatial; it was in the first strategy, but in the second strategy it was very non-spatial, and in the third, in 2006, it began to become very spatial again, quite explicitly spatial.' (Interview with former NWDA senior officer.)

As explained in the previous section, the articulation of city regions and sub-regions is achieved in such a way as to effectively confer equal attention to both concepts, while the regional boundaries are strongly articulated yet overlapped by the city regions' spheres of influence. The latter device articulates the extended reach of places over distance, and so alludes to a network metaphor while remaining principally tied to the raised prominence of place. The only explicit network structures that appear on the map are the literal transport networks. Specific places are articulated, though not prominently, neither their higher education assets nor their transport and infrastructure assets indicated. The reasons for the treatment of city- and sub-regions can be interpreted in the light of the need for the NWDA to both pay heed to the city region concept while maintaining the prominence of the territorial scale through which it delivered much of its work. The use of a relatively perfunctory key diagram rather than a spatial imaginary may be due in part to the fallout from the use of more imaginative spatial organising principles in the 2000 RES, in terms of the effect this had on relations between the NWDA and the NWRA. The NWDA's (re)turn to a more visionary approach in its preparation for the Single Regional Strategy is explored in the following chapter.

Two maps are presented in *Future North West* (NWDA, 2010a). The first, not labelled a key diagram but offered at the front of the document where one might be expected, articulates the region as a bounded territory and the sub-regions as a scale below this. Places are indicated in a hierarchy, though neither place-based assets nor international transport infrastructures are indicated. Networks are eschewed except in the case of the regional road and rail networks. Harrison (2012b) explains the map in terms of a diminution of both territory and network; essentially an insipid translation of the key diagrams in the 2006 (draft) and 2008 (adopted) RSSs that is the result of an uncertainty imposed on the NWDA and the NWRA, as the institutions preparing the document, by both the economic climate and the potential for their abolition following the forthcoming election, together with the ongoing uncertainty around the city region scale. The second map presented in *Future North West* is the 'indicative economic geography' examined earlier in the context of city regions. While more spatially imaginative than the first, this second map is equally non-committal, declining to choose between places by bestowing a sphere of influence upon a full range of places across the region. In its lack of preference, however, the map loses utility. Harrison's (ibid) analysis is concurred with, with the addendum that the joint working procedures and their requirement for compromise that produced the Single Regional Strategy also contributed, according to interview data gathered here, to the nature of the document.

4.4 Conclusion

This chapter explored the institutionalisation of the regional and sub-regional scales and the use of spatial concepts in the application in the North West region of New Labour's implementation of regional planning and economic development during the party's 1997-2010 periods of office. The chapter covered the establishment of institutions at the regional scale, the attempt to coordinate the actions of these towards the integration of spatial planning and economic development aims, the partial rescaling of governance to the city regions, and the use of spatial concepts in the regional strategies.

The maintenance of the separation of land-use planning functions from economic development policy was arguably a natural choice in the establishment of the regional institutions, given the lack of a history of integrated planning in the UK. The issues of the lack of leadership in the region and the lack of coordination between economic development and spatial planning emerged from this as difficulties, however. The lack of clear leadership among regional institutions was arguably a difficulty that could not have been solved following the failure of the referendum for elected regional government in the North East in 2004, as each organisation lacked the legitimacy to lead that would be conferred by having been directly elected. The failure to adequately align policy from different fields proved similarly difficult to resolve under the given institutional arrangements. While the ambitious and more entrepreneurial attitude of the NWDA in the early years of its existence generated conflict with the NWRA over the issue of strategic site allocation, once the institutions were compelled to work together in the production of a shared regional strategy that would address both economic development and spatial planning concerns, the process of joint working arguably resulted in a comparatively insipid strategy that lacked vision. As one former NWDA officer described the process of joint working in preparation of the Single Regional Strategy:

'What I think that system did, particularly from a development agency point of view, is that it clipped the wings of the development agencies. Because originally you had the development agencies which had money, powers that were very wide-ranging and flexible; they could do whatever they wanted to do, and take what decisions they wanted to, and thus were relatively entrepreneurial. The NWDA was really entrepreneurial in the first three years, all kinds of things happened in the first three years. By the time you had agreed that the development agencies couldn't produce its own strategy, that it had to be done in partnership with those other two organisations, you'd completely neutered the development agencies' freedom and independence, and instead of giving the Agency more power, you ended up with a strategy which kind of emasculated them.' (Interview with former NWDA senior officer.)

While the achievement of a visionary and effective strategy within the confines of the incumbent institutional arrangements proved difficult, the formation of an institution at the regional scale with powers over economic development and spatial planning without the legitimacy of being directly elected would surely have proven equally so.

The rescaling of a limited range of powers to the city region scale was recognition of the importance of cities as drivers of growth, together with an acknowledgement that the functional extents of cities spread beyond their administrative boundaries. While this is especially true in England, expanding the governance boundaries of city regions without major, and unpalatable, reforms of local government would mean a reliance on partnership working. This had two consequences. First, the fluidity of the city region concept allowed for an ambitious and imaginative wrapping of boundaries around assets that are deemed to make a contribution to the growth-focused concerns of the city region became untenable, as city regions were stabilised into sub-regions for purposes of effective governance and to enable the concept to be universally applied across the map. Second, the raft of policy measures implemented in the name of city- and sub-regions reinforced these where they already had a stable institutional presence but destabilised them where they did not.

The establishment of the regional institutions reflects a preoccupation with regions as territorial entities whose boundaries envelop endogenous assets and processes necessary for the knowledge-driven industries seen as essential in a region undergoing a protracted industrial restructuring, following the decline of its manufacturing industries. The subsequent build-up of institutional presence at the city region scale has been associated with the heightened attention paid to cities and the importance of factors associated with particular places in the globalised economy. City regions are understood both in the sense of the central city extending its realm of influence into its surrounding functional area and as nodes within both wider urban networks and international networks of global cities. In this way the process of regional restructuring undertaken by the New Labour governments has taken place under wider theoretical understandings of spatial development that have broadened in scope such that the development process, and the governance of this, can be conceived of using multiple spatial concepts. However, this conclusion leads to the point that these multiple spatial concepts do not translate directly to the policy process, but must be mediated by politics. The role of politics in the production scales and spaces of governance is explored further in the following chapter.

Spatial Visions as Institutional Legacy: Soft Space Creation in the Mersey Belt

5.1   Introduction

The governance of spatial planning and economic development increasingly operates outside of administrative boundaries, using soft spaces and fuzzy boundaries to address issues whose nature transcends the margins of existing governance activity. Soft spaces are constructed with particular policy concerns in mind, yet their construction is not a wholly technocratic process, but a political one, and their provenance, though usually advertised as novel, is in some cases less so. This chapter examines the case of the Atlantic Gateway, a soft space in the North West of England with origins in the investment strategy of a land development company, which has been adopted by governance agencies in the region as a space apposite for the coordination of governance activity around a series of investments and initiatives.

The chapter suggests that the Atlantic Gateway has adopted the Mersey Belt, a spatial vision of longstanding in the region, and goes on to explore the various manifestations of the Mersey Belt in other plans and strategies over the course of forty years, noting how the same space has been used to represent different underlying political attitudes. In examining the historical dimension in the construction of soft spaces, the chapter concludes by proposing that, in attempting to position new spaces within the scalar governance architecture, the use of existing spatial visions may be of crucial importance.

Soft spaces of planning and governance are said to abound within Europe and beyond (Allmendinger and Haughton, 2009; Haughton et al, 2010; Faludi, 2010; Searle and Bunker, 2010; Metzger and Schmitt, 2012; Luukkonen and Moilanen, 2012), as part of a trend that has seen the production of an increasingly abundant and diverse array of sub-national units of governance (Deas and Lord, 2006; Lovering, 2007). They are conceptualised as the product of either or both of attempts by governance institutions and spatial strategies to address networked and relational processes whose dynamic nature eludes the boundaries of territorial units of governance (Allmendinger and Haughton, 2009), and the realpolitik of neoliberal territorial politics (Allmendinger and Haughton, 2011). In the latter, state spatial restructuring processes are engaged in a continuous search for spatial scales at which competitiveness-enhancing policies can be made to work most effectively.

Soft spaces are thus in some instances held to be the product of neoliberal initiatives aimed at rescaling state space in accordance with the aim of enhancing place competitiveness (Haughton et al, 2013).

The distinction made by authors such as Allen et al (1998), Allen and Cochrane (2007; 2010), Amin (2002; 2004) and Massey (2005; 2007) between territorial / scalar and network / relational conceptions of space has come to influence spatial policy-making, largely expressed using the language of networks and flows that gained prominence in Europe following the publication of the ESDP (CEC, 1999a). Network conceptions have entered the policy discourse to the extent that a variety of 'unusual regions' (Deas and Lord, 2006) have come into being, encompassing cross-border regions, European macro regions, functional urban regions, city regions, city regional networks, polycentric mega-city regions and others. While these new regional forms are collectively defined by the networks of people, goods and information that are held to constitute their functional form, however, such regions are themselves inevitably constructed politically, rather than functionally (Harrison, 2013a; Harrison and Growe, 2012; Walsh, 2014). The creation of soft spaces and their insertion into planning and governance regimes follows this rationale, as new planning spaces are overlaid across multiple formal scales in order to better take account of associational networks, yet whose functional overtones are ultimately secondary to the political nature of their construction.

The use of soft spaces in planning and governance has also been explored as a facet of neoliberal spatial governance (Haughton et al, 2013; Allmendinger and Haughton, 2011). Neoliberalism has been characterised as a 'rascal concept' (Brenner et al, 2010) and a 'chaotic concept' (Jessop, 2012), inconsistently defined and elusive of empirical precision. It has received criticism for its tendency to be employed in abstraction, used by some authors as 'convenient shorthand or meta-theoretical device useful for engaging in wider economic and political processes' (Jonas and Ward, 2007). In this respect Peck and Tickell's (2002) invocation of a process-based analysis of the neoliberalisation of space, emphasising neoliberalism's dynamic and adaptive qualities, has enabled researchers to connect more abstract ideological accounts of neoliberalism with more concrete accounts of its purported effects in local and regional settings. Emergent from this interpretation is the proposition that neoliberalisation is applied unevenly, through the medium of multiple regulatory experiments that take place within a framework in which neither national policy regimes nor local and regional tiers of governance hold sway (Peck, 2002; Brenner et al, 2010). In this framework, soft spaces are neoliberal scalar experiments, formed out of a process subject to contestation and negotiation among a range of actors lodged at a variety of scales.

To date, the literature on soft spaces has concentrated on the development of the concept (Allmendinger and Haughton, 2010; Allmendinger and Haughton, 2011; Allmendinger and Haughton, 2012; Haughton et al, 2013; Waterhout et al, 2009; Waterhout, 2010; Walsh et al, 2012; Faludi, 2010; Faludi, 2013a; 2013b), on the effects of a specific period of national planning practice on innovation in spatial development policy (Haughton et al, 2010), on recent macroregional responses to European Commission policy discourse (Faludi, 2010; Luukkonen and Moilanen, 2012; Metzger and Schmitt, 2012), and on the creation of soft spaces as part of neoliberal political agendas (Allmendinger and Haughton, 2011; Olesen, 2012; Haughton et al, 2013). Lovering (2007), writing on the case of regeneration, stresses the need to examine specific instances of policy application as a way of avoiding the assignation of undue agency to abstract historical-structural forces, calling for research that asks how projects that have neoliberalising effects come into being as negotiated outcomes of the interplay between various actors operating within the urban arena. While some authors have explored the creation of particular examples of soft space, most notably in the case of the Thames Gateway in South East England (Allmendinger and Haughton, 2009), but also in Hamburg (Jacuniak-Suda et al, 2012) and Wales (Heley, 2013), there remains a need to further explore, through empirical research, the ways in which soft spaces have been constructed, and by whom, in particular cases. In identifying the multiple institutional actors, convoluted processes, complex negotiations, and commensurate compromises involved in the ongoing creation of a soft space of governance, it is intended here to avoid the tendency towards exogenous agency that, according to Lovering (2007), is the implication of some work on neoliberalisation, by asking how a specific example of a soft space has been constructed out of the interplay between institutional negotiation and inherited scales and spatial strategies.

This chapter attempts to do this through the examination of the emergence of the Atlantic Gateway, a spatial strategy in North West England branded as a private sector-led vision for economic growth (Atlantic Gateway, 2012). The Atlantic Gateway is a pan-city regional spatial development initiative that links together a number of projects and themes across a deliberately undefined space spanning the geography between the cities of Liverpool and Manchester. The initiative has its origins in the development strategy of Peel Holdings Ltd., a land development company with extensive assets in the region, which was incorporated into a spatial development strategy administered by the NWDA. The Atlantic Gateway survived the abolition of the NWDA following a change of government in 2010 and has continued to operate as the Atlantic Gateway Partnership, a private sector-led partnership body.

Harrison (2013b) has addressed the Atlantic Gateway by situating it within the narrative of city regions as the basic unit of territorial governance in the globalised economy. Harrison (ibid) uses the example of the Atlantic Gateway in order to analyse the political construction of city regions in the context of state under-provision, examining the potential role for the private sector in the process of state spatial restructuring under these conditions and, following Brenner (2004), proposing that the Atlantic Gateway may constitute a new *non*-state spatial strategy. Dembski (2014), too, examines the case of the Atlantic Gateway, using it to illustrate the notion of 'symbolic markers' in spatial strategies as a way of providing meaning and identity to a space that lacks the history and tradition that would usually be a prerequisite for these. The contrast between the relative functional unity and fragmented governance of the area provides a useful example in this respect. This paper seeks to add to this existing work by exploring the construction of the Atlantic Gateway as a soft space of planning and governance. The Atlantic Gateway is held to reflect both the functional and political interpretations of soft space outlined already, addressing perceived spatial issues that are not covered by any single planning or governance body while being focused explicitly on economic growth, in line with neoliberal spatial governance concerns. As a result, the framework of soft space is proposed as a useful way of interpreting the existence of the Atlantic Gateway.

As well as adding to existing work on the Atlantic Gateway, the chapter attempts to contribute to the literature on the soft spaces of planning and governance in two ways. First, it is intended to build on the identification by Metzger and Schmitt (2012) of the need to understand the context in which spatial visions are produced by placing them within long term processes of regional institution-building. Metzger and Schmitt (ibid) investigate the emergence of the Baltic Sea Region as a soft space, contextualising recent European Commission macro regional initiatives by exploring processes of regionalisation there since the fall of communism. In this respect the chapter explores the long-term processes of state spatial restructuring that have taken place across multiple, successive, institutional agencies, involving the use and re-working of a succession of spatial imaginaries and strategies. Second, the chapter uses a soft space of a different nature to those explored in the literature. Formulated in response to the diversity in sub-national planning that came about during the New Labour governments that held office in the UK between 1997 and 2010 (Allmendinger and Haughton, 2007), the first in-depth case study example given was that of the Thames Gateway, a spatial strategy aimed at accommodating urban expansion within a growing region that required the coordination of various governance agencies and investments across a non-statutory area. By contrast, the Atlantic Gateway is situated within a lagging region and is aimed at generating, rather than accommodating, growth, largely by means of private sector investment. The political processes involved in the construction of the Atlantic Gateway area are thus of a different

nature to those of the Thames Gateway, or indeed of the other examples of soft space in the literature.

The chapter proceeds with a review of the literature on soft spaces, in order to clarify their conceptual underpinnings and summarise the extent of the debate thus far, together with a review of the literature on state spatial restructuring in the ways in which they relate to the creation of soft spaces. Following this, the example of the Atlantic Gateway is considered in the way that it has been constructed politically, using a theoretical framework drawn from the literature on state spatial restructuring (Brenner, 2003; 2004; Brenner et al, 2010). This section draws attention, in particular, to the frequency with which the area between Liverpool and Manchester, usually referred to as the 'Mersey Belt', resurfaces in spatial strategies for the region, most recently as the Atlantic Gateway, and notes how these strategies correspond to changing political agendas. Finally, the chapter concludes with a reappraisal of its intentions and an attempt to situate the empirical account within the preceding theoretical context. The changing understandings of the Mersey Belt in successive spatial strategies and plans are considered as different interpretations of the relationship between developmental processes, the state, and space, from post-war 'spatial Keynesianism' to 'competitive city regionalism', echoing Ward and Jonas' (2004) appeal for the incorporation of political struggle as a causal factor in the study of state spatial restructuring. Furthermore, it is argued that, in the potentially problematic matter of inserting soft spaces into the scalar governance architecture, where soft spaces may be lacking in terms of inherited institutional legacy, the use of existing spatial visions may play a critical role.

5.2 Soft Spaces and State Spatial Restructuring

5.2.1 The Soft Spaces of Planning and Governance

Soft spaces of planning and governance are the informal spaces of spatial policy implementation, lying outside of, alongside, or in-between formal, statutory scales (Haughton et al, 2013). While used primarily with reference to the field of spatial planning, the concept of soft space has been seen more broadly as a part of spatial governance (Allmendinger and Haughton, 2011). Introduced within the particular context of spatial planning as it was enacted as a normative project in the UK under the 1997-2010 New Labour government, soft spaces are held to be emblematic of the proclivities within New Labour for the rescaling of sub-national government and a focus on 'getting things done' (Allmendinger and Haughton, 2010) within an overall policy agenda fixated on

economic growth (Allmendinger and Haughton, 2012). Soft spaces are defined in contrast to the 'hard' spaces of formal administrative areas, whose defined powers and boundaries ensure a greater degree of certainty in policy implementation and democratic legitimacy, yet in practice the two types may work in concert, especially where they coincide most closely, as the funds and institutional capacity of hard spaces reinforce the effectiveness of soft spaces (Allmendinger and Haughton, 2009).

A response to the perceived failure of formal, statutory, land-use planning and its corresponding administrative areas to address the normative aims of spatial planning, as articulated under New Labour, of the coordination of diverse policy fields across institutional and geographical boundaries, and the organisation in space of static and dynamic elements (Kidd, 2007), soft spaces are regarded as attempts to more effectively address the relational or associational processes that emerged as a major concern of the 'spatial turn' in planning in the UK. By shaping themselves around the space over which a particular challenge or opportunity exists, while deliberately leaving their boundaries 'fuzzy' in order not to close off any possibility of change in the issue(s) being addressed, soft spaces are seen as novel, innovative attempts to more accurately address the geographical extent over which their policy object is active, providing a short-cut to reach policy goals in a way that negates bureaucratic procedure (Walsh et al, 2012) and provoking debate rather than asserting a particular viewpoint (Haughton et al, 2013). Stead (2011) identifies characteristics of the notion of place-based development, put forward in the 'new paradigm' of regional development advocated by the OECD (Bachtler, 2010; OECD, 2009a; OECD, 2009b), as soft spaces respond to the specificities of particular places, incorporating this logic into their geographical extents in the same way as the 'place' in Barca's (2009) place-tailored interventions is 'endogenous to the policy process', encompassing an area within which policy is more effective inside than outside of, rather than an administrative region.

Soft spaces are thus seen in some quarters primarily as a part of spatial planning policy that is cognisant of the insights gained from relational understandings of geography (Waterhout et al, 2009; Faludi, 2010; 2013a; 2013b), or as a movement away from inherited spatial imaginaries articulated by hard borders, in order to address processes that do not coincide with these (Walsh and Knieling, 2013). Some such accounts have addressed soft spaces in the context of European spatial planning and territorial cohesion (Faludi, 2010; Luukonen and Moilanen, 2012; Faludi, 2013a; Faludi, 2013b), reflecting the fact that one source of influence for the concept lies in the 'Europeanisation' of spatial planning and its adoption of non-territorial spatial metaphors (Allmendinger and Haughton, 2009). While these more technocratic readings of soft spaces undoubtedly open up interesting and

beneficial possibilities for spatial governance, they are counterpointed by interpretations that draw on critiques of network and relational understandings of space, making the case that such accounts, in privileging the social relations that are conducted through topological actor networks, functioning without reference to territories and unconstrained by boundaries, neglect the influence of social relations in the construction of territories, and the enduring importance of these (Allen and Cochrane, 2007; Cox, 2013). These interpretations rest on the premise that territories are not internally coherent entities that can be understood only in respect of their ability to contain human activity within a given scale – or something 'pre-existing and waiting to be filled with politics', as Cochrane (2012: 104) puts it – but are socio-political constructs that are the contingent product of continuous interactions between a variety of agents and institutions, each with their own intentions and strategies, and wider structural forces (Paasi, 2003; Brenner, 2004; Jones and MacLeod, 2004; Harrison, 2013a). Territories and scales are thus processual constructs, evolving towards an indeterminate outcome, yet with material consequences (Gualini, 2006).

Applied to soft spaces, this logic examines the role of the state and of sub-national governance agencies and institutions in the production of soft spaces, exploring the use of experimental spatial constructs in the creation of new territorial identities (Haughton et al, 2013). Such interpretations are used to explain the political processes behind the creation of new spaces around functional areas, such as commuting or housing market areas, in the absence of a formal scale of intervention, by partnerships of local authorities. In this way, accounts of soft spaces as politically constructed supplement functional or technocratic accounts. Political accounts can, though, take on a regressive colour, as the creation of new spaces in the pursuit of state strategies has been seen as a tactic of neoliberal regulatory restructuring. In this way, the temporary, informal nature of soft spaces and their use of fuzzy boundaries are a means of pushing through policies aimed solely at encouraging economic growth in a manner that avoids the formal channels through which opposition and resistance normally operate in Western democracies (Allmendinger and Haughton, 2012; Olesen, 2012; Haughton et al, 2013) and, more specifically, by circumventing the statutory planning process (Allmendinger and Haughton, 2010). Soft spaces have thus come to be seen as a neoliberalised form of strategic spatial planning in practice, as under neoliberal policy agendas in the UK and Denmark spatial planning is being remoulded in accordance with neoliberal aims and methods (Olesen, 2012).

As a form of neoliberal spatial governance, soft spaces are designed for use within a deregulatory context, as their transient and ephemeral nature means that they do not require special legal requirements, nor need they be formalised through the rescaling of tiers of government, but instead can be created by policy-makers, yet without recourse to the formal political process, and inserted

into the planning regime with minimal institutional change. Once there, soft spaces may find their way into plans and strategies for statutory scales, however, in a process of 'validation creep' (Allmendinger and Haughton, 2009; Haughton et al, 2010; Allmendinger and Haughton, 2011; Haughton et al, 2013). Furthermore, 'darker sides' of planning practice have been identified, in which narrow political or otherwise interests are able to capture the benefits of state action in such a way as to be difficult to avert, due to the lack of accountability inherent in the process (Allmendinger and Haughton, 2012). The spatial imaginaries of planning practice, then, may be seen as visionary and experimental attempts to shape development, as reductive tactical manoeuvres that eschew the visionary in favour of the necessary (Haughton et al, 2013), or perhaps in some cases as the only remaining option for a de-legitimised planning.

5.2.2 State Spatial Restructuring and the Production of Soft Space

In moving beyond the nature and purposes of soft spaces towards gaining an understanding of how they come to be created and inserted into sub-national planning and governance regimes, it is necessary to examine approaches that seek to explain state spatiality and the political production of space (Allmendinger and Haughton, 2009; Galland, 2012; Olesen, 2012). Following what has been seen as the declining dominance of the national scale and the corresponding decline of spatial Keynesianism (Martin and Sunley, 1997), subsequent attempts to regulate development over space have not brought the same level of coherence and order between scales, leading to a 'relativisation of scale' in which no single scale is privileged over others (Jessop, 2002). Moreover, new approaches to spatial restructuring are not engaged in the reordering of extant scales as much as in the creation of new ones and the rewriting of the relationships between scales, from a vertically integrated hierarchy to a horizontally linked, overlapping and interpenetrated array of scales; a greater 'eccentricity of scales' than was the case under Atlantic Fordism (Jessop, 2002: 180).

The forms of state spatiality that are emerging are more complex, are internally differentiated and are constituted by different governance structures and under different rules of governance (Brenner, 2000). This is evident in contemporary spatial strategies, as Allmendinger and Haughton (2009: 626) note: 'scales most appropriate for strategy making and delivery are to be found cutting across existing administrative boundaries, focused around "functional" planning areas and linked to issues such as transport and infrastructure'. Deas and Lord's (2006) identification of 'unusual regions' similarly emphasises those state spaces whose attributes and borders are not congruent with the existing scales at which state power is enacted. These spaces are regarded as

representational of an aspirational, experimental, and, ultimately, transient form of region-building; an expression of the desire of policy-makers to fulfil a perceived need to address issues around sub-national competitiveness and uneven growth. In this sense, new state spaces stem from a normative-ideological agenda, reflecting the continuous 'search' for appropriate ways of regulating economic development. The non-standard nature of these spaces and their uneven proliferation across Europe flow from the uneven ways in which state spatial restructuring unfolds (Goodwin et al, 2005), as scales are constructed partially, or incrementally, rather than in wholesale, fundamental reforms.

Brenner (2004) extends Massey's (1984) metaphor of 'layers' towards state spatial restructuring, such that new state spaces are conceived of as resulting from a process of layering in which emergent political strategies are engaged in a conflictual interaction with inherited configurations of state space (Brenner, 2004: 192). From this comes the notion of state restructuring as an uneven developmental process, as the outcomes of state spatial restructuring processes are subject to the effects of previous rounds of restructuring and mediated by locally-specific institutional context, itself in part the product of successive rounds of restructuring. No regulatory reform can wipe the institutional slate clean then, as state spatial restructuring is a path-dependent process in which some rounds of restructuring are reproduced, reinforced, or locked-in in such a way as to constrain future possibilities (ibid: 110).

The increasingly differentiated configuration of state space that results from these processes has been analysed as a spatial manifestation of processes of neoliberalisation, or the neoliberalisation of space (Peck and Tickell, 2002). State spatial restructuring can thus be understood within the context of the dismantling of the Keynesian settlement and a reconstruction of the state under reduced terms, in which the market plays a more prominent role in both economic and social spheres (Keil, 2009). The differentiation of subnational spatial structures and policy initiatives is seen, within this wider context, as resulting from regulatory experimentation that is an intrinsic part of neoliberalisation processes (Brenner et al, 2010), most directly in terms of the national state privileging certain places over others (Jones, 1997). In this conception of 'variegated neoliberalism', or 'systematically produced geoinstitutional differentiation' (Brenner et al, 2010: 207), neoliberalisation processes take the form of cumulative rounds of regulatory restructuring that play out in specific contexts and are subject to the conflicts, failures and contradictions that are the legacy of previous rounds of restructuring, such that each wave of restructuring 'profoundly reshapes the institutional landscapes in which subsequent neoliberalisation projects unfold' (ibid: 197). The state's attempts at scalar readjustment in response to changing patterns of spatial

development take the form of flexible, unstable efforts at reterritorialisation (Gualini, 2006). In this context soft spaces perform the role of less onerous, impermanent episodes of state spatial restructuring, imposing lower pecuniary and temporal costs, as well as a reduced procedural burden than is the case for the rescaling of statutory spaces (Haughton et al, 2013), as soft space can be used to quickly de- and re-territorialise state space according to the requirements of rapid policy turnover.

The remainder of this paper seeks to explore the construction of a specific example of a soft space, whose variable spatiality and temporality, it is argued, are emergent from a process by which state spatial restructuring reforms are layered over time, as national state strategies interact with local and regional institutional structures, plans and strategies, against the background of previous layers of restructuring. By examining the creation of the institutional space encompassed by the Atlantic Gateway, in North West England, it is intended to bring to light the concrete processes by which soft spaces are produced.

5.3   Creating Soft Space in the North West

5.3.1 The Atlantic Gateway as a Soft Space of Governance?

The remainder of the chapter examines the case of the Atlantic Gateway, a space for economic development in the North West of England that came about as a collaboration between the Peel Group (hereafter 'Peel'), a land development company with extensive assets in the region, and the NWDA.

Described variously as a 'vision', an 'opportunity' (Atlantic Gateway, 2012), and a 'framework for collaboration' (NWDA, 2010b) between the city regions whose boundaries it spans, the Atlantic Gateway is an attempt to bolster economic activity in a deliberately undefined area through the coordination of local plans and strategies, European Structural Funds programmes, private sector investment, and lobbying of central government, around a number of growth-focused themes aimed at realising what is seen as a potential for growth significant enough to transform the economic prospects of a part of the UK more commonly associated with industrial decline and urban deprivation. The Atlantic Gateway in its present guise exists in the form of a partnership between private sector actors prominent in the region and representatives from the Local Enterprise Partnerships (LEPs), the private sector-led, city region-scale, economic development partnerships that, following the abolition of RDAs in England by the coalition of Conservatives and Liberal

Democrats that replaced the Labour party in government in 2010, are the primary sub-national bodies active in economic development. The Atlantic Gateway's premise is that the city regional geography ascendant in English sub-national governance during the latter half of the 2000s, and since covered in terms of economic development by the LEPs, does not accurately reflect the economic geography of the North West, in which a largely urbanised zone between the cities of Liverpool and Manchester contributes more than 50% of the GVA and population (NWDA, 2010b). It is further held that this urbanised zone has assets, in the form of its constituent settlements, infrastructure, industries, and educational and research facilities, as well as opportunities, in the form of a series of investment opportunities in transport infrastructure, green infrastructure, logistics facilities and industrial and research capacity, that grant it the potential to achieve the critical mass to become a growth area of international standing.

While firmly styled as an independent, private sector-led, partnership engaged in promotional and advocacy activity in the Liverpool-Manchester area, the Atlantic Gateway's origins in Ocean Gateway, Peel's still-extant development strategy, have been comprehensively documented elsewhere (Harrison, 2013b; Harrison, 2014; Dembski, 2014), yet warrant a brief outline here. Ocean Gateway was launched in 2008 by Peel as an attempt to promote their series of 50 site and infrastructure investments located along the Mersey river and Manchester ship canal between Liverpool and Manchester, reportedly worth £50bn, with the aims of promoting the conception of this geography and gaining traction with elected representatives, policy-makers, and others with interests in, and influence over, the region. The scale of Peel's asset ownership and proposed investment in the North West grants it a prominent voice there, enabling it to forge a strong channel of communication with the NWDA. Given the scale of Peel's investment strategy and the NWDA's ability to influence development through their strategic sites, combined with their relatively limited budget – the total NWDA budget in 2008 amounted to 0.7% of total public sector spending in the region for that year (NWDA, 2011) – and corresponding need to lever in additional funds that were of added importance during a period of anticipated public scarcity, the scope for mutual benefit was clear. An association formed that adopted Peel's spatial investment strategy as a broader spatial vision for economic development in the area between Liverpool and Manchester, orchestrated by the NWDA and with a number of projects added that were unrelated to Peel, yet organised around the same geography and within the same largely infrastructure-based approach. An additional impetus was the proposed merging of the Regional Economic Strategy (RES), prepared by the NWDA, with the RSS, prepared by the NWRA, thus situating economic development and land-use planning within the same strategy. Peel's influence over the fate of their investments would have potentially extended to the land-use planning process had this consolidation of plans been realised,

though the separation of plan from permission in the UK planning system would have curbed the weight of this influence.

Following the 2010 national election, however, statutory regional planning and economic development activity ceased, resulting in Peel losing its sponsor. Sub-national economic development became the responsibility of the LEPs, operating at a scale to be negotiated by prospective partnerships and central government. The fact that LEPs were to be constructed politically, rather than being designated by central government to cover defined areas, allowed Peel to submit an audacious unilateral proposal for a LEP covering the Atlantic Gateway area. The bid was ultimately unsuccessful but granted Peel the opportunity to lobby central government for licence to create an inter-LEP governance body that is accountable to the three LEPs in the Liverpool-Manchester area and whose remit is to coordinate and lobby for opportunities that span this geography. Thus the Atlantic Gateway gains a degree of legitimacy through its association with the LEPs, whose failure to generate much confidence in their potential thus far (Bentley et al, 2010; Ward and Hardy, 2012; Pugalis and Bentley, 2013) is countered by their status as the only remaining source of economic development activity between local authorities and central government, in addition to a reinforcement through their – albeit limited in scope – funds and strategic plans, together with the potentially more substantial forthcoming EUSF programmes, which are to be administered by the LEPs. In the light of Allmendinger and Haughton's (2009) finding that a reinforcement of activity through the focusing of resources and consensus tends to take place where administrative and functional areas coincide, this could work in the Atlantic Gateway's favour, though arguably only if it remains in the background, playing a role subordinate to the LEPs rather than seeking to raise the profile of the Atlantic Gateway geography above that of the city regions and thereby risking the loss of the city regions' commitment to it, as happened during the process of Peel's LEP bid (Manchester City Council, 2010).

5.3.2 Shaping Soft Space: the Political Construction of the Atlantic Gateway

The geography of the Atlantic Gateway is thus to a great extent shaped by the boundaries of the three LEP areas of the Liverpool City Region, Cheshire and Warrington, and Greater Manchester, these being fixed, rather than fuzzy, though enclosing areas defined by partnerships of local authorities rather than the hard boundaries of administrative areas. There is, however, a preference within the initiative that it should be defined by the 'projects and initiatives that make up its

programme' (The Atlantic Gateway Transition Project Group, 2010: 3). As one interviewee commented:

'Well, actually the boundary depends on what you're talking about. If you're talking about flooding then you're talking about a very different geography than if you're talking about travel-to-work-areas, say.' (Atlantic Gateway board member.)

Nevertheless, the shape of the Atlantic Gateway area is dominated by the constituent city regions and Peel's 50 projects that make up the Ocean Gateway strategy, aligned in the shape of an infrastructure corridor. Harrison (2013b) regards the present incarnation of the Atlantic Gateway as 'an amalgamation of the two spatial visions', incorporating elements of the 'city region' and the 'urban corridor'. This is seen in terms of the political construction of the Atlantic Gateway space as the result of the NWDA's preference for the city region concept, reflected in the three northern regional development agencies' adaptation of the interregional Northern Way initiative from one based on transport corridors to a city regional configuration, as well as the governance structure of the agency, which placed increasing levels of responsibility with the city regional and sub-regional economic development partnerships. The latter point must be placed alongside the extent to which the city regions had built up as power bases within the region, with the constituent local authorities of the Greater Manchester city region, acting collectively as the Association of Greater Manchester Authorities (AGMA), widely seen by key actors in regional governance as being keen to represent its interests above those of the region throughout the course of the existence of the NWDA and the NWRA. This extends to the Atlantic Gateway and its urban corridor spatial configuration, which AMGA believed should be subordinate to the city regions (AGMA, 2010).

'Although Peel portray Atlantic Gateway as a great scheme for the whole of that corridor, in fact the great majority of the big schemes are at the Merseyside end and so it makes sense that Manchester will perceive that as a threat to their regional primacy. [Manchester's] basic line is to support investment in Manchester and if it takes place anywhere else … to block it'. (NWDA officer.)

Manchester City Council's generally disapproving attitude towards the Atlantic Gateway, in its NWDA-sponsored incarnation, has also been attributed by interviewees to the spatial concentration of its associated projects at the Merseyside end of the urban corridor, together with the lack of any one project within the Manchester local authority boundaries. There are, however, a number of projects within the boundaries of Salford local authority, at the western edge of Greater Manchester. This presents a problem for the corporate decision-making of AGMA, seen by

interviewees as being a cohesive partnership body while being largely beholden to the domineering influence of its centre, Manchester City Council, yet requiring consensus across the constituent authorities of Greater Manchester. While relations within AGMA are believed to be strong, there has, over the past twenty or more years, been a degree of terseness in the relationship between Manchester and Salford.

> 'Salford Quays has always been seen by Manchester and their officers as a threat, a thorn in their side, and they did everything in their power to stop Salford Quays taking off. When it became clear that it had taken off, that the government was going to support it – this was during Thatcher's government – Manchester than shrewdly changed tack and said, since we've not been able to stop it we're now going to build infrastructure connections to make it a part of our city centre, and I think that was where the thrust came from for putting the Metrolink tram through to Salford Quays and then on into Eccles.' (Interview with former NWDA senior officer.)

As such, Atlantic Gateway may hold the potential to interfere with relations within AGMA, should Salford find the weight of investment offered by the Atlantic Gateway to be of greater value than the institutional cohesiveness and ability to enter into a dialogue with central government over policy decentralisation that AGMA brings.

In its present incarnation, the Atlantic Gateway appears as a metropolitan growth coalition with Peel as its key actor (Harrison, 2013b). While this falls short of Peel's original aims for the integration of its development strategy with the North West Single Regional Strategy, its pragmatic tactical response to the failure to achieve this has nevertheless landed it in a position of significant influence, especially given the weight of its funds in an atmosphere of increasing uncertainty around the future of public funding for sub-national economic development and the future of LEPs as the delivery model for this (ibid).

> 'Atlantic Gateway is, in a sense, what's left of the wreckage [of regional governance]'.
> (Interview with Atlantic Gateway board member.)

Parallels with the governance landscape in North West England following the closure of the metropolitan counties and the new town corporations in the 1980s are apparent, as during that period a dearth of strategic planning capacity and funds for economic development at the sub-national level resulted in a policy vacuum from which a form of voluntary regional governance was created, under the influence of the European Commission's increasingly regional focus in the allocation of ERDF and with the motivation of the need to secure this in an otherwise arid funding

climate (Burch and Holliday, 1993; Deas, 2006). The present state of coordinated activity within the Atlantic Gateway as it presently exists must be acknowledged, however, in order to avoid over-reading the extent to which effective spatial governance might emerge from the present arrangements.

> 'So the strategic approach is not happening in Atlantic Gateway, in terms of there being a genuinely coordinated effort across the three LEPs ... you have to recognise that even Atlantic Gateway is not equipped at the moment to do any sort of strategic spatial planning. We need resources, we need capacity, to actually do that.' (Interview with former NWDA senior officer and current consultant to Atlantic Gateway.)

While the framing of sub-national governance arrangements and concerns almost entirely around economic development matters might be seen generally as emblematic of post-politics, in which political contestation is sidelined by a view of policy-making as essentially a technical process whose values are neutral (Mouffe, 2005), Allmendinger and Haughton (2010: 813) have argued that soft spaces may constitute less a post-political attempt to remove dissent from planning and development than a 're-politicisation', in which the statutory planning process is circumvented in order to achieve particular policy aims. Peel's ability to influence policy-making in the region through its role at the heart of the Atlantic Gateway, as a metropolitan growth coalition, and thus to secure approval from local authorities and LEPs, may also extend into the statutory plans and strategies of the region, in a form of 'validation creep' (Allmendinger and Haughton, 2009, 2011; Haughton et al, 2010; 2013), as the aims and priorities of non-statutory plans and strategies find their way into statutory plans and strategies by way of informal governance relations. The method by which this might be achieved, however, are significantly distanced from the special purpose planning regime, led by the NWDA and the local authorities, that was the original desire of Peel's Chairman (Harrison, 2013b). Instead, the Atlantic Gateway Partnership's relation to the planning process will be based around using its influence with local authorities and LEPs.

> 'I don't think we're going to be involved directly in interfering with the planning process. The pooling of planning powers is something that will or won't happen amongst the local authorities. We can champion specific projects ... and at any given time there are a limited number of these, so the championing, advocacy, lobbying and promotion of particular projects is more our role than intervening in the planning process.' (Interview with Atlantic Gateway board member.)

5.3.3 Competing claims on the Mersey Belt

The Atlantic Gateway geography, while evoking contemporary concepts in planning and urban geography such as the global city region (Scott, 2001), the polycentric urban area (Meijers, 2007), and the polycentric mega-city region (Hall and Pain, 2006), in fact encompasses a space recognised by planning and development practitioners as the 'Mersey Belt', and which has long featured in the spatial strategies of the region. Geddes' (1915) conurbation of 'Lancaston' is the earliest designation of the Liverpool-Manchester geography as a coherent urban area, which is viewed as the product of the agglomeration and coalescing of settlements in south Lancashire to form 'another Greater London ... a city region of which Liverpool is the sea-port and Manchester the market' (ibid: 12-13).

The Strategic Plan for the North West of 1974 (North West Joint Planning Team, 1974) is the earliest reference to the Mersey Belt in regional planning documents.   Prepared under a tripartite arrangement between central government, local government, and the then regional economic planning council as part of a series of regional strategies intended to provide a strategic regional context for the preparation of plans at county and local scales, this was issued during a period of relatively frenetic regional plan-making in the UK (Wannop and Cherry, 1994). The strategy used in the plan is one of concentration of growth within the existing urbanised area between Liverpool and Manchester, entailing accompanying investments in environmental improvement and infrastructure renewal (see figures 11, 12 and 13). The background to this was a decline in expectations of population and economic growth, and thus of urban growth, following the period of intense pressure for urban expansion after the war, and a resultant refocusing of attention within the regions on their declining towns and cities, as the new towns programme was scaled back nationwide. Nevertheless, the concentration strategy was controversial, in part due to a continued faith in the new towns programme and the effects of new towns on industrial performance, but also because the tendency towards economic expansion south of the river Mersey and the east-west connective infrastructure that runs parallel to it, and towards relative decline north of the river, had already been set in train by this point. The plan was thus seen by some as a political compromise that circumvented conflict between local authorities in the region over pressure for urban expansion in Cheshire (Senior, 1974), a theme that would only gain momentum in the years that followed.
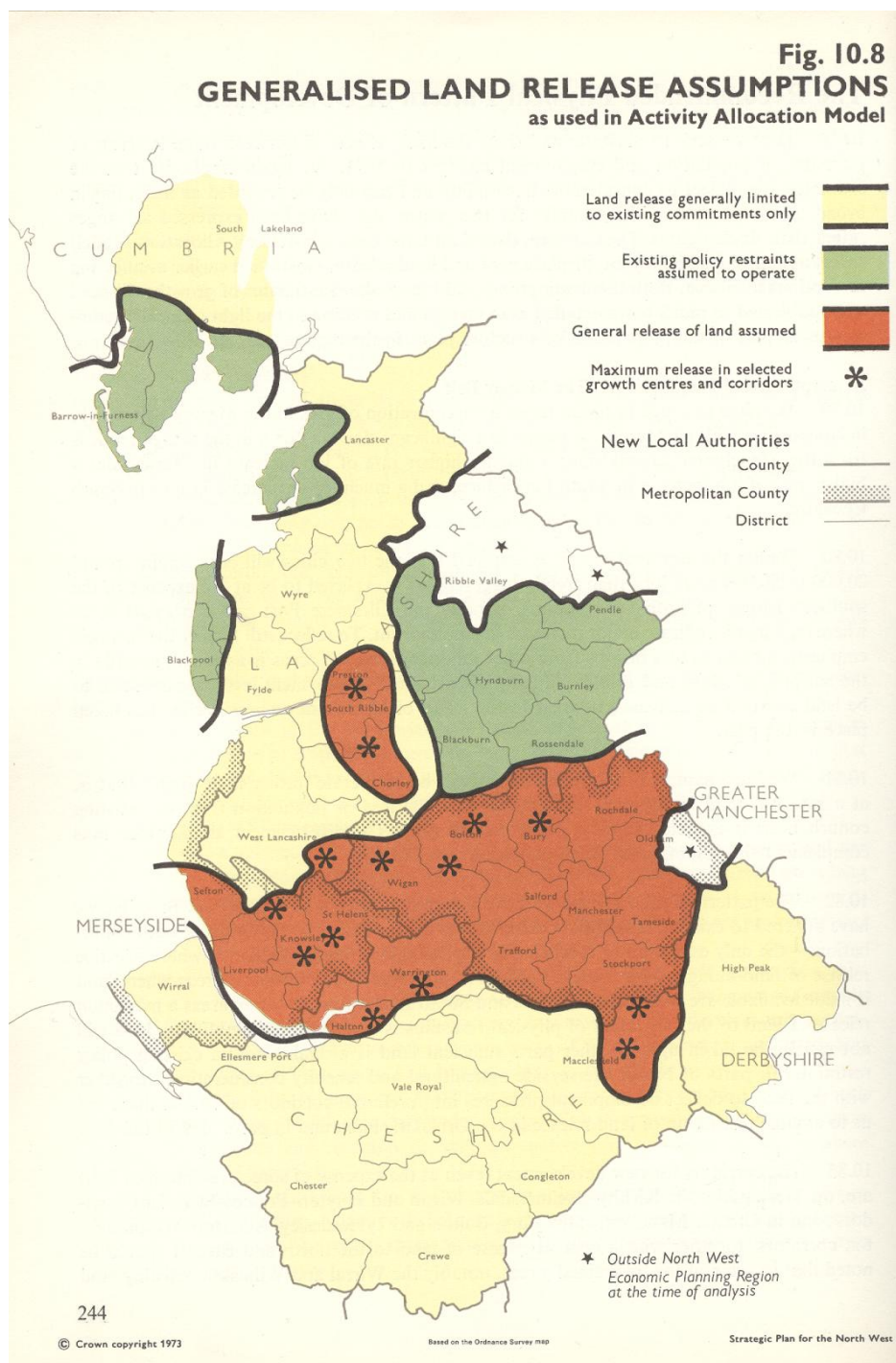
Figure 11: Diagram illustrating generalised land release assumptions from the 1974 Strategic Plan for the North West. (Source: North West Joint Planning Team, 1974.)
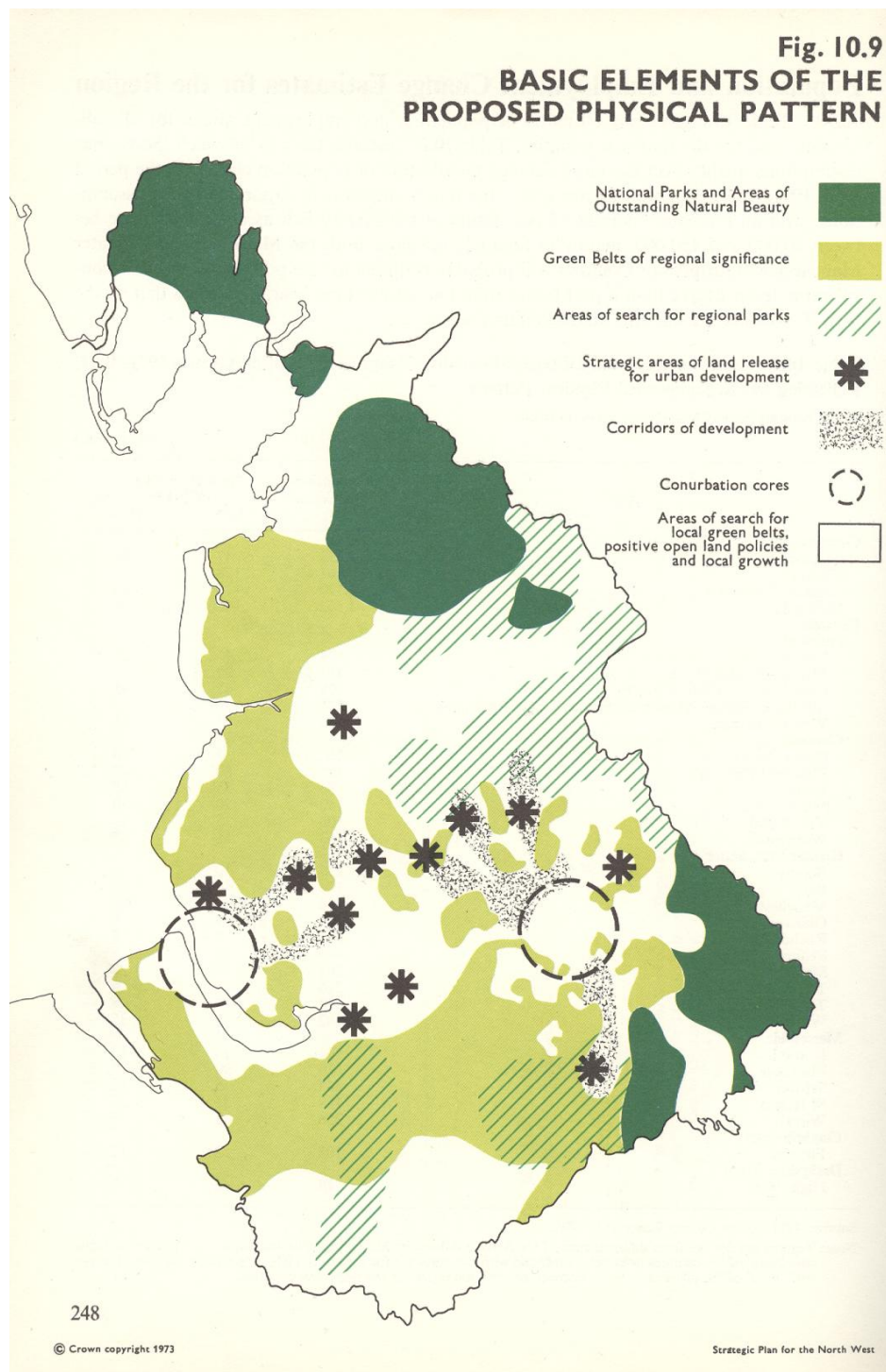
Figure 12: Diagram illustrating basic elements of the proposed physical pattern from the 1974 Strategic Plan for the North West. (Source: North West Joint Planning Team, 1974.)

Figure 13: Diagram illustrating the total urban environment of the North West, ranked according to physical and social factors, from the 1974 Strategic Plan for the North West. (Source: North West Joint Planning Team, 1974.)

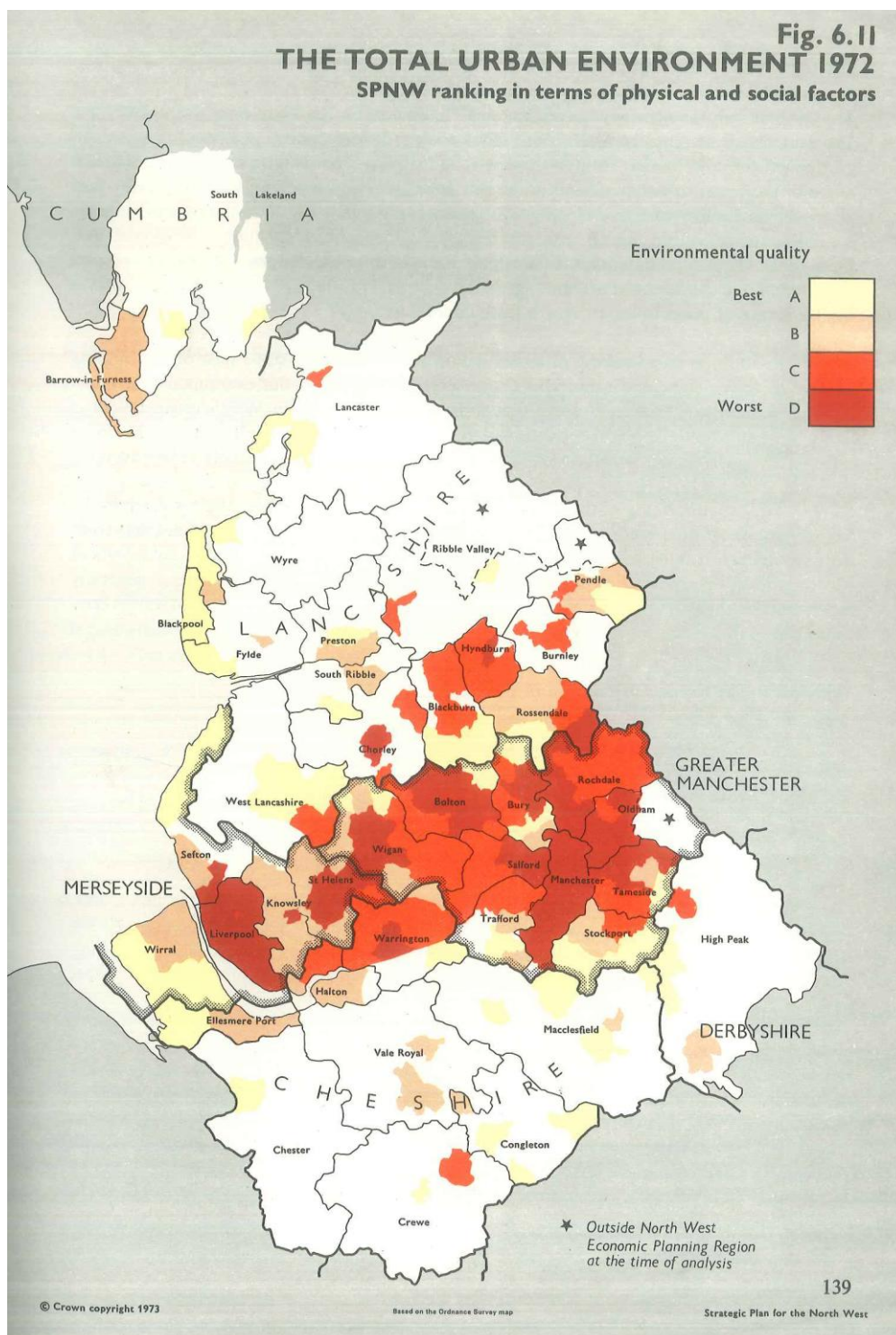Following the weakened status of regional planning in the 1980s and 1990s, in the 2000s plans and

strategies for economic development and strategic land-use planning were generated by the new

regional institutions, launched by the then Labour government in 1999. The NWDA began preparation of the RES, while the NWRA began from 2000 to undertake a review of RPG. While formal regional land-use planning had been resurrected in the 1996 version of RPG, as noted in chapter two, this had been regarded as an insipid and non-committal document, with a desire from both central government and regional actors that the amended version prepared by the NWRA should seek to be more visionary (Deas, 2006). The 2003 RPG answered this in part by engaging with the geography of growth in the region, articulated by a 'spatial development framework' that adopted a strategy along the same lines as the 1974 Strategic Plan for the North West, in which development was to be concentrated into the 'North West Metropolitan Area', described as the city centres of Liverpool and Manchester together with 'a large swathe of highly urbanised land consisting of numerous towns, many of which have coalesced over time' (ODPM, 2003: 23). The strategy aimed at revitalising the cities of Liverpool and Manchester, together with their surrounding areas and the settlements lying between them, in addition to controlling urban sprawl, through the direction of urban development and the enhancement of transport infrastructure.

The NWDA, whose remit lay in the promotion of economic activity in the region and whose private sector board contrasted with the local councillor-led NWRA, took a different approach. The NWDA's analysis of the spatial implications of growth in the North West identified the same pattern of development in the southern section of the Mersey Belt and decline in the northern section as had existed as long ago as the preparation of the Strategic Plan for the North West. This contrast was illustrated graphically in the infrastructure diagram of the 2000 RES by a division of the Mersey Belt into the 'metropolitan axis' and the 'southern crescent' (see figure 14), and a reappraisal of the area was urged by the NWDA in the forthcoming review of RPG, based on the differing issues and potentials of the areas identified and a desire to capitalise on the potential of the Southern Crescent while addressing the needs of the Metropolitan Axis under the banner of regeneration. This spatial vision was developed further in a report commissioned by the NWDA and published by a group of consultants in 2002 as the Mersey Belt Study (DTZ Pieda Consulting, 2002), with the aim of aiding the NWDA in its submissions to the examination in public of the draft RPG, where the NWDA lobbied for an increased emphasis on growth, to be achieved in part through the designation of regional investment sites on a more growth-focused criteria than the draft RPG's attempts to combine regeneration and growth aims (Deas, 2006). The NWRA's mostly local authority-constituted membership, led by a chief executive seconded from Manchester City Council and a chair from Wigan Borough Council, local authorities prominent in representing the interests of Greater Manchester, had already rejected the notion of the Southern Crescent, which was rejected for a second time at the examination in public of draft RPG.

This conflict between opposing strategies, one viewing the Mersey Belt as a space for concentration of development in the context of a strategy aiming for intraregional redistribution of growth, and the other dismantling the Mersey Belt into its growing and lagging portions, reflects an institutional landscape in which the NWRA and the NWDA were engaged in ideological competition for the territorial governance of the region. The notion of the southern crescent was, by the time of the next iteration of RES, dropped by the NWDA as the 2003 version had little explicitly spatial content, while the RSS, published in draft form in 2006 and in its final version in 2008, as the successor to RPG, shifted its spatial configuration of the region to reflect the wider movement towards the city region concept. This might be viewed as a concession to a growth-focused agenda, on the back of the prominent position of the city region concept in neoliberal political projects (Ward and Jonas, 2004) at the expense of the spatially redistributional aims of the 2003 RPG. The main development locations in the RSS, however, reveal a similar preference to the 2003 RPG for a concentration of growth in the existing urban centres, albeit adding the Central Lancashire City Region, centred on the city of Preston in Lancashire, to this list. The NWDA, too, had adopted a city regional emphasis by the time of publication of the 2006 RES, which makes only very limited reference to the Mersey Belt while spatially organising the region into constituent city- and sub-regions.

Figure 14: The 'metropolitan axis' and 'southern crescent', illustrated in the 2000 North West Regional Economic Strategy. (Source: NWDA, 2000.)

The movement towards city regions in the RSS and RES reflected the growing prominence of the city regional scale in sub-national governance in England (DCLG, 2006; ODPM, 2006), bolstered in Northern England by the pan-regional Northern Way initiative. The city region as a scale of governance differs from the region in being based around specific places, rather than being a division of the national territory into smaller constituent territories, and as such leaves most of the map lacking policy coverage. The division of the regions into the more politically neutral sub-regions, rather than city regions, is helpful in this respect, though the extent to which actors in sub-regions which are not also city regions can be convinced that their areas are being given the same policy attention as the city regions is doubtful. The creation of the Central Lancashire City Region is illustrative of this point, seen by interviewees as essentially a bulwark against the focus on the Liverpool-Manchester geography, argued for by local politicians outside of the North West's metropolitan core.

By the time of the transition from the separate RSS and RES to a Single Regional Strategy, however, the NWDA's position on the spatial configuration of the North West had evolved once more. Discussion at the NWDA during the early stages of preparation of the Single Regional Strategy – at which point the government's intentions were to align the economic, environmental, and social objectives of the region within a single strategy to be written by the RDAs (HM Treasury et al, 2007) – focused on the potential to build urban scale in order to generate agglomeration externalities by improving transport links between the main urban centres of the region (NWDA 2007a; 2008; 2009b).

> 'We were quite clear that there was an important spatial triangle, with Liverpool, Preston and Manchester, and it covered north Cheshire as well. We were clear that this spatial area made sense, whether you called it the Mersey Belt, the Atlantic Gateway, what have you.' (Former NWDA senior officer.)

The essence of the NWDA's initial spatial approach to the Single Regional Strategy determined that the North West's greatest asset is the opportunity it offers to build scale – seen as vital in fomenting the agglomeration-led growth identified as crucial to the region's future economy – through a strategy of investment in the regional core of the Mersey Belt (NWDA, 2007a). Strengthening transport links between the major centres of Manchester, Liverpool and Preston, while developing employment and residential sites at public transport nodes, was seen as a way to unlock these potential gains (ibid). While the presence of Preston in this regional core of major urban centres fluctuated over time within the NWDA's discussions, the value of pursuing the creation of a polycentric region within which firms' desire for proximity and the forms in which this might take

shape, in terms of knowledge networks and spillovers, access to large labour markets, the presence of professional service providers and specialist innovation advice, built up in the collective thinking of the agency (NWDA, 2008).

The notion of the Mersey Belt as a polycentric metropolitan region that would foster an increasingly broad labour market and business trading footprint, increased economic diversity, and support internationally significant sectors, ultimately emerged (ibid), adapting Scott's (2001) Global City Region concept. Citing the examples of the Thames Gateway in South East England, and the Oresund region between Malmo and Copenhagen, the NWDA commissioned a report exploring the economic potential of the Liverpool-Manchester growth corridor, as a contribution to the evidence base informing the production of the Single Regional Strategy (SQW, 2009). The report's starting point had been the area identified by the North West Regional Economic Forecasting Panel (an independent body of senior private sector advisors that produced short and long term economic forecasts that existed to advise the NWDA) as a continuous band of NUTS 3 areas across the Mersey Belt in which the greatest increase in GVA share within the region as a whole had taken place between 1995 and 2005. An examination of the figures for growth in GVA share at lower statistical areas, together with an analysis of agglomeration effects across the area, led the report's authors to conclude that no such growth corridor existed.

By this point, the NWDA had been in negotiations with Peel to integrate the Ocean Gateway strategy into a regional spatial development strategy, though those interviewed note that the return of spatial visions to the NWDA's thinking occurred prior to this. A further report commissioned by the NWDA into the potential of what was by now being referred to as the Atlantic Gateway sought to draft a 'spatio-economic framework' of the area, further contributing to the momentum of the concept of the Mersey Belt as a growth area of international significance (NWDA, 2009b). If the NWDA's evidence gathering to date had poured water on the notion of an integrated growth corridor in the Mersey Belt, the shared infrastructure, expanding commuting areas – especially for professional and managerial workers (Hincks and Wong, 2010) – and pre-recession growth projections, were used to justify the continued exploration of the Mersey Belt as an urban region exhibiting transformational growth potential. Now allied to Peel's investments and re-labelled the Atlantic Gateway Strategy (NWDA, 2010b) (see figure 15), a significant institutional and commercial weight had gathered behind the project, with the NWDA increasing its activity with regard to the Atlantic Gateway, including a Mersey Belt-focused strategic option in its consultation document (NWDA, 2010c) and publishing the *Adapting the Landscape from Liverpool to Manchester* study on the potential for environmental renewal in the Mersey Belt (NWDA, 2009a).

Yet the local authority response to the Single Regional Strategy consultation document was overwhelmingly, and perhaps predictably, negative in respect to the Mersey Belt strategic option (NWDA, 2010d), harming the chances of there being a regional strategy with a spatial focus on the Mersey Belt. While opposition to the Mersey Belt focus and to the Atlantic Gateway concept was due to a drawing away of resources from across the region towards a specific area, together with suggestions from within Greater Manchester that resources would be most effectively focused there, rather than on a wider area, also important was the difficulty of identifying with the geographical concept. This was especially true in the light of the traction that had been gained by the city region concept, which had by that point gained a great deal of buy-in.

'The concept of city regions emerged as a stronger concept, cities looking out into their hinterland, and everybody saying how does this belt really work? It's actually centred around Liverpool and Manchester as nodes, with Warrington as a node in the middle of it.' (Interview with former NWRA senior officer.)
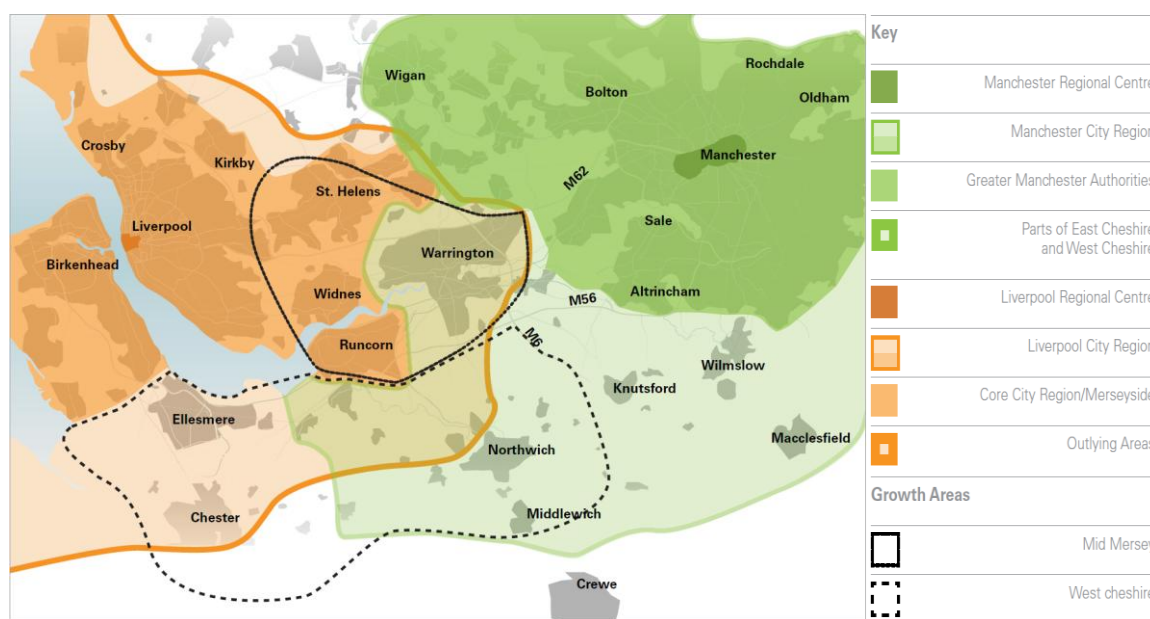
Figure 15: The Atlantic Gateway geography, its constituent areas and fuzzy boundaries, depicted in the Atlantic Gateway Strategy. (Source: NWDA, 2010b.)

Meanwhile, there had been a dilution in central government's intentions regarding the preparation of the single regional strategies, with the proposal for RDAs to take on sole responsibility for these under new regional arrangements in which the RAs would be abolished having been seen to reflect the views of the growth-focused views of the Treasury, responsible for finance, over the more

balanced approach of the DCLG, which had responsibility for land use planning (Pearce and Ayres, 2012). The new arrangements would see a Single Regional Strategy prepared jointly by the RDAs and RAs, now renamed Local Authority Leaders' Boards (LALBs). The consequences for the North West Single Regional Strategy would be to eliminate the possibility of the Atlantic Gateway gaining anything other than a brief mention.

Rees and Lord's (2013) distinction of 'making space' into the positioning of a new scale into an existing scalar governance architecture at the systemic level, and the definition of specific territorial entities within this, is used as a framework with which to analyse the political construction of city regions in England. In considering the political construction of soft spaces using this framework, it is clear that the process of defining a specific space, and in doing so setting the terms of the debate around logic and legitimacy in sub-national governance, land use planning and economic development, potentially poses a distinct challenge in the case of soft spaces. The Atlantic Gateway has challenged the city region as a scale of governance activity, as well as specific city regions, in a struggle between competing spatial visions that are fought on the basis of securing the legitimacy of a particular spatial vision through a political process. As noted by Rees and Lord (ibid), principles among those seeking to construct city regions have included the drawing of boundaries according to infrastructural and other economic assets, and the building upon existing partnership working arrangements. The Atlantic Gateway attempts the first of these *in extremis*, mobilising the extensive assets of Peel while drawing its (fuzzy) boundaries around a geography specifically defined with respect to its assets and GVA contribution. In the case of the second, while city regions are able to rely upon the legacy of existing local government partnerships and other shared institutions, soft spaces may need to use the institutional legacy of longstanding spatial visions. The Mersey Belt has performed this role for the Atlantic Gateway, adopted as an existing spatial vision, together with its accumulated weight of institutional backing, through its status in the strategic documents of the NWDA and the NWRA, and its presence in the imagination of land use planning and economic development practitioners in the region.

5.4   Conclusion: From Intraregional Redistribution to Spaces of Competitiveness

This chapter has explored the processes by which new scales and spaces are constructed by examining the case of the Atlantic Gateway, applying Brenner's (2004) notion of a 'layering' of emergent, over inherited, institutions and strategies, to what might be regarded as a soft space of

planning and economic governance, and reflecting on the broader political agendas that, it is argued, have underlay this process. It has been suggested that the Atlantic Gateway is the latest in a series of initiatives that have addressed the space between the cities of Liverpool and Manchester, referred to in regional plans and strategies as the Mersey Belt, each of which has selectively drawn on previous attempts to plan the same space. Yet while a continuity exists with regard to the space addressed, a shift in political attitudes to spatial development, from a prioritisation of the redistribution of resources across the region to a focus on aggregate growth at the regional scale, has taken place over the course of the period addressed. This is demonstrated in the spatial content of the plans and strategies cited, as spatial redistribution largely gives way to a concentration of resources on existing growth areas. Nevertheless, the same space continues to hold relevance to policy makers, whether in terms of a perceived need to regenerate existing urban and infrastructural assets or a desire to capitalise on these.

Between the 1974 Strategic Plan for the North West and the 2010 Atlantic Gateway Strategy, a radical change in attitudes to the nature of urban and regional planning, and thus to conceptualisations of the region, took place that can be illustrated using the shifting perspectives of regional institutions and their strategies upon the same space. The Strategic Plan for the North West was drawn up during what Brenner (2004) regards as a transitional phase of territorial governance, as redistribution across the national space was accompanied by endogenous development strategies at the regional and metropolitan scales and an accompanying concern with the intraregional distribution of resources. Keynesian aims of social and territorial equalisation thus remained, though these would be addressed at the intraregional scale, as the aims of regional institutions, just as national governments continued to address the interregional allocation of resources. Brenner's (ibid: 197-198) assertion is that, although such strategies were no less committed to spatial Keynesianism than national government actions continued to be, their focus on economic development, to be realised through endogenous approaches to growth, alongside the management of urban expansion and governance concerns at the regional level, destabilised spatial Keynesianism by fragmenting what had been a coherent national policy space. Wannop and Cherry's (1994) contention that an increasing incorporation of resource allocation and economic policy-making into regional planning in the UK during this era acted to undermine the interests of national government policy towards the regions is of a piece with this analysis.

The approach to the distribution of urban growth taken by the NWRA in its 2003 RPG, once regional planning had re-gained prominence following the lack of formal planning activity at that scale during the 1980s and 1990s, was essentially a continuation of that taken in the Strategic Plan for the North

West in response to the same set of problems, seeking to direct economic growth to the existing urban centres that had continued to suffer significant industrial decline during the interim period. The NWDA had offered an alternative approach to the Mersey Belt, though, concentrating its spatial development strategy on the part of the North West deemed to offer the greatest potential for growth while addressing the lagging section of the urbanised part of the region in terms of regeneration. An approach to spatial development that sought above all to raise aggregate growth at the regional scale was entirely consistent with the remit of the RDAs, to increase the competitiveness of their geographies. This reflects the shift from the intraregional spatial redistribution of the regional planning of the 1970s, that had remained firmly anchored in the attitudes of land-use planning practitioners such that it was still present in the 2003 RPG, to a form of neoliberal spatial governance characterised by an overwhelming emphasis on growth, within a conception of cities and regions as being engaged in international inter-territorial competition.

The Atlantic Gateway's conception of the Mersey Belt as a polycentric urban region whose shared population, assets, and connective infrastructure, could be integrated in order to achieve a critical mass that would lead to the sort of economic diversification and labour market size as to make it an internationally successful region, in the style of Scott's (2001) global city region concept, is a highly ambitious take on the potential of the region, given its present economic conditions. It is an attempt to reconfigure regional planning and governance strategies to address the challenges of globalisation and urbanisation in response to the neoliberal compunction that cities and regions must compete on such terms, rendered even more so by its incorporation of such significant levels of private investment. While an initiative on this scale is no longer proposed, the Atlantic Gateway as a space for development remains, now in the form of a private sector-led metropolitan growth coalition of which public sector agencies form a part, though whose greatest contributor and driving force is Peel. The reading of sub-national scales of economic and political activity that is entailed in the Atlantic Gateway is firmly based on a notion of city regions as nodes of dense economic activity and global connectivity that exists apart from explanations that incorporate political struggles into the construction of state space, as argued for by Ward and Jonas (2004). The shift from spatial redistribution at the regional scale to competitive-city regionalism is a change in political attitudes that is evident in the use and re-use of the Mersey Belt however, where underlying political struggles over the provision of collective goods have provided a backdrop for the spatial strategies and plans adopted there.

A confluence of public sector economic development and private sector strategic investment approaches to the North West region have adopted the longstanding, though only ever informally

defined, geography of the Mersey Belt as the space that best reflects their developmental aims. The persistent resurfacing of the Mersey Belt in the planning and development plans and strategies of the region reflects the 'continual construction, deconstruction, and reconstruction of relatively stabilised configurations of territorial organisation' (Brenner, 1999: 447) during the course of which trial-and-error processes similar spatial forms surface and resurface to different, yet related, aims. Spatial strategies and territorial governance restructuring are in part the product of previous policy reforms and thus have a tendency to re-use aspects of these. As Lord (2009: 78) puts it, new scales are 'a scalar amplification or contraction of previous entities, themselves frequently cobbled together from the flotsam and jetsam of past policy experimentation'. This process by which new spaces are constructed reflects not only the contingent interaction of existing and emergent plans, strategies, and institutions, however, but also the political struggles and agendas that are dominant at different times (Ward and Jonas, 2004). In terms of the soft spaces of governance, attempts to fit institutional forms around the associational processes whose geographical ambit does not coincide with administrative borders, whether for the purpose of managing the complexities and injustices of growth or in order to frame development activity in such a way that most effectively situates the region within processes of global inter-territorial competition, may find themselves adopting and adapting not only the strategies, institutional forms, and scales, but the informal spaces that are an ongoing feature of regional strategy-making and institution-building.

Overall Conclusion

6.1   A Review of the Objectives

The first objective was to review literature relating to the use of spatial concepts in planning and development policy and its application. This has been achieved across chapters one, two, three, four and five. Chapter one, the introduction, established the basis for the research and analysis undertaken in the thesis by outlining the theoretical developments that led to the formulation of the aim and questions at the commencement of the thesis and made the case that there is a shortage of research that addresses planning and development, together with their governance, as policy areas applying a multidimensional spatial approach. Chapters two, three, four and five each cover a different theme and period in planning and development in the case study region, with each providing a review of literature regarding spatial concepts relevant to the theme and period covered in the ensuing empirical analysis.

The second objective was to examine and elucidate the policy context within which spatial concepts are applied in each of the four periods addressed. Chapter one addressed this objective, together with the first objective, by reviewing developments relating to the use of spatial concepts in planning and development policy that provide a basis for the thesis. Chapters two, three, four and five each review policy documents and developments regarding planning and development that affect the case study region and lead into the ensuing empirical analysis.

The third objective was to explore the use, in each of the four period-themes addressed, of the multiple spatial concepts that have emerged from research addressing the planning and development of sub-national areas. Chapters two, three, four and five, through analysis of the case study region during particular periods and under particular themes, achieve this objective. The main hypothesis of the thesis, stated in chapter one, is that there is a multifaceted yet interrelated use of spatial concepts in planning and development policy at sub-national scales that has increased over time and is unevenly applied across cases, this being subject to the negotiated processes of the governance arena. This has, it is argued, been borne out by the empirical analysis undertaken, which has elucidated the sort of spatial concepts used in each of the four period-themes and shed light on the processes by which these were applied in the case study region.

The fourth objective was to contribute, through the dissemination of the research findings, to debates on spatial development and governance, in both academic and policy communities. This has, to date, been achieved through the presentation of the findings at a number of conferences during the course of the research, in addition to the written research outputs intended for publication. These include, at the point of termination of the thesis, a conference paper, a journal article at the stage of awaiting resubmission and a co-authored book chapter awaiting publication. Details of these are given in the Appendix.

6.2   A Review of the Questions

6.2.1   What spatial concepts are used in the planning and development of the North West in each of the themes and time periods covered in the four chapters?

The starting point for chapter two is the retrenchment from regional policy and sub-national governance that took place during the preceding decade. Given the paucity of activity in development policy during this time and the limited nature of planning policy, the chapter's focus is on the construction of scales of governance in the North West region and the Liverpool and Manchester sub-regions at the turn of the 1990s. The elevated interest in the spatial dimension of scale during this period is posited as resulting primarily from changes in the organisation of the state, drawing on literature from within state theory that conceptualises the reorganisation of the national state in response to economic globalisation (Jessop, 1990; 2001; 2002). From this, the notion of the national state as undergoing a process of 'hollowing-out' is taken. Following Goodwin et al (2005), the reassignment of powers and responsibilities between scales is interpreted as a corresponding process of 'filling-in', within which scales of governance are not the objective product of a hierarchically ordered state but rather of the interaction of the national state and each particular locality. As a result, the form taken by governance scales varies across cases.

It is postulated in the chapter that local and regional scales during this period faced the dilemma of a simultaneous reduction in powers and funds, as national government reassigned these to arm's length agencies, and increase in responsibilities, as the national state reduces its efforts to maintain spatially even growth. Remaining local and regional governance bodies therefore faced the challenge of reconstituting the 'political void' created by national state retrenchment (Hajer, 2003) as a 'new political space' into which rules and norms of governance, as opposed to government, must be established.

The focus on scale, through the construction of scales of governance, in the chapter is appropriate, given the limited use of spatial concepts in the plans, strategies and policies of the period-theme covered. Multiple scales are addressed through the reconstruction of city regions in the form of partnership bodies, in addition to the construction of the regional scale, through the use of more transient partnerships and governance arrangements. Places, in terms of towns, cities and location-specific assets such as airports, are dealt with in the regional strategies, though detail and distinctions between places are left in partial form and relations between places are not addressed in a systematic fashion.

Chapter three retains a strong interest in the construction of scales of governance, arguing that the influence of the European Union was crucial in the increase of regional and sub-regional planning and development activity in the North West at the beginning of the 1990s. This influence was implicit, in the desire of regional and sub-regional agencies to coordinate their activity towards shared developmental ends in the light of the availability of European Structural Funds allocated to these scales. A more explicit influence from the European Union came in the form of the changing requirements for sub-national governance of the Structural Funds in the 1988 reforms to the Cohesion Policy and the contact made by the European Commission to regional agencies at the beginning of the 1990s, outlining the potential benefits that would accrue to the region following the construction of more extensive governance arrangements there. In addition to this continuation of scale-building from chapter two is a greater use of spatial concepts in the planning and development strategies of the region. The 1988 reforms to the Cohesion Policy are seen as being of great importance in the evolution of regional policy towards a more strategic, spatial approach. Specifically, the increased involvement of place-based institutions and actors, the focus of the Funds on spatially defined areas and the use of coherent programmes of interventions rather than individual projects, are all representative of the turn towards strategic spatial development.

The strengthening of sub-regional governance in Merseyside following the introduction of Objective One Funds is inarguable, in spite of criticism of the governance arrangements for the Structural Funds as being fractured. While dependent upon partnership arrangements in the absence of national government intervention, the extent of strategic coordination of planning and development in Merseyside that resulted from the programming and application of the Structural Funds there was of an order that would be difficult to imagine in the absence of this. As the governance of the Structural Funds shifted to the North West scale for the 2007-13 programming period, following a more extensive strengthening of regional scale governance, the governance challenge for the use of the Structural Funds became one of their strategic coordination with national state regional

development funds. The extent to which this was achieved was seen as a partial success, with the coordination of funds more successful following the allocation of responsibility for the Structural Funds to the NWDA, where the majority of nationally allocated regional development funds lay.

A more strategic spatial approach to the use of the Structural Funds can be discerned in Merseyside and the North West during this period, with facets of the place-based approach evident, from a more variable conception of territory that can be seen in attitudes to spatially-bound externalities and the use of multiple scales; the heightened importance attached to place in the SPDs and OPs through the mobilisation of local assets and capabilities; and the attention given to networks of knowledge in development. The notion of economic and social behaviour as place-bound activities that are affected by local institutional context is evident in attempts to raise institutional capacity and to address local actors in the development process. The integration of a more spatially sensitive model of development was gradual and – ultimately – uneven, with the use of spatially coordinated and spatially targeted investments in the Merseyside Objective One programmes giving way to a more sectoral and less place-sensitive approach in the 2007-13 NWOP. This has been seen as being partially due to the focus on competitiveness during this period that was shared between the European Commission and the UK government.

Heralded in chapter four is the introduction of a more extensive and more integrated array of spatial concepts in the planning and development of the North West, seen to have entered policy through the adoption of the importance attached to the region as a unit of the economy, as well as of governance, and to networks of various sorts, that stem from academic literature grouped under the banner of the new regionalism. The focus on state rescaling in the previous chapters continues, as the New Labour governments' construction of regional and, later, sub-regional scales of governance took place in a more formal and state-sanctioned fashion than the more limited bottom-up rescaling that had taken place in the preceding years. Contrasting narratives of regionalisation and sub-regionalisation can be observed however, with the long-term planning and deliberate execution of the construction of the regional scale distinct from the more emergent and deliberative process by which the sub-regional scale was institutionalised. To this less formal construction of the sub-regional scale can be attributed the greater fluidity of the concept of the city region, whose informality allowed for the drawing of boundaries according to economic performance concerns, as well as to the uneven nature of institutionalisation of the sub-regional scale, compared to that of the region.

The rescaling efforts of this period can be understood as part of broader trends in the use of spatial concepts in planning and development, as the construction of governance frameworks at multiple

interacting scales took place alongside recognition of the importance of places, in the form of cities and place-based assets, and the interconnections between these. The use of spatial visions and frameworks to describe static and dynamic elements in the functioning of regional and sub-regional economies, as well as to convey desired outcomes in spatial terms, is a prominent feature of the period. From the first planning and development strategies produced during the New Labour era a more explicitly spatial approach can be seen. The reluctance of agencies engaged in the governance of spatial development to commit to the use of maps and diagrams during the years prior to the election of the first New Labour government in 1997 gave way to a much more explicit intention to illustrate the spatial consequences of development and to influence the shape of these. During this period the first extensive use of spatial metaphors on maps and diagrams can be observed. Planning and development policy paid heed to the difference between places, emphasising the roles of particular places in the region, while conceptualising the relationships between places. The Northern Way initiative, in particular, conceived of the northern regions in terms of a network of interconnected cities.

Chapter five addressed the interaction between the increasing use of networks in conceptions of socio-economic activity and the bounded nature of governance activity, in which powers are assigned to governance agencies whose remit is fixed to cover particular territories. While the use of multiple scales of governance in the period-theme covered by the previous chapter is concerned with this issue, chapter five suggests that a more explicit way in which the disjuncture outlined is addressed is through the use of spatial visions. The chapter examines the role played by the Mersey Belt as a spatial vision of longstanding in the region, using the framework of soft spaces (Allmendinger and Haughton, 2009) to analyse the application of spatial development policy in the North West that transcends administrative boundaries. While policy employed using the spatial vision of the Mersey Belt at times presents itself as the application of technical knowledge concerning the spatial pattern of developmental processes, it is argued that political interpretations underpin such policy. Thus, while spatial visions may speak for policy that acknowledges the importance of spatial concepts in development and may be used effectively to communicate the shape of developmental processes, they are ultimately political constructs that convey political ends.

6.2.2   To what extent are policy areas of planning and economic development integrated in each of the four chapters?

The integration of planning and development policy in chapter two must be seen in the context of the limited nature of the land-use planning function in the period-theme covered. No strategy addressing land-use at the regional scale had been produced since the 1974 Strategic Plan for the North West, while in the city regions, the metropolitan county structure plans produced in the early 1980s were not replaced. While, by the mid-1990s, SPG and RPG had brought back a degree of activity around strategic planning, both were seen as limited in their effectiveness (Batey, 1999). In terms of the process of constructing regional governance during this time, the RTPI North West Branch had articulated the need for regional strategic planning and for governance at the regional scale from the perspective of a membership body representing the planning profession, while both the RTPI and the TCPA had been involved in regional institution-building efforts. Of the regional economic strategies produced, while a degree of overlap between planning and development in evident as a concern for the spatial characteristics of development can be observed in these, planning and development remained as entirely separate policy areas.

The longer time period covered in chapter three allows for a greater degree of change in planning policy to be taken into account. The first Merseyside Objective One SPD was produced during the period of limited strategic land-use planning described, though the second Merseyside SPD, as well as the 2007-13 North West OP, were produced in the context of an increase in strategic activity at the regional scale, in terms of both planning and development. While the second Merseyside SPD overlapped with the New Labour regional institutions, however, it was not well integrated with these. Following the allocation of responsibility for the Structural Funds from the GONW to the NWDA prior to the 2007-13 programming period, a greater degree of integration emerged, as the documents shared the NWDA's approach to development. The degree of integration with the planning strategies produced during this time remained extremely limited however. The failure of the Structural Funds programmes to integrate with regional spatial planning may result from the incompleteness of the process by which planning and development came to be conceived of as interrelated, though it may also have resulted from fractured governance, as the production of the Regional Spatial Strategy by a grouping of local authority planners and councillors rendered it a step removed from the programming of the Structural Funds.

The period under the New Labour governments during which spatial planning had emerged as a policy discourse in the process of being adopted, covered in chapter four, offers scope for the integration of planning and development that was not possible hitherto. Yet a single regional body

with both economic development responsibilities and planning powers was not created by the Labour government elected in 1997. Instead, the activities and strategies of the RDAs were to be scrutinised by the RAs, to which were assigned statutory planning powers to be exercised at the regional scale. In the context of the lack of a history of integrated planning and development in the UK, this may be seen as an inevitable compromise, albeit one made at perhaps the most opportune time in post-war history for the two functions to be integrated, given the strength of the government's parliamentary majority and the weight of backing for such a powerful regional agency in academic and policy circles. The failure to coordinate the planning and development functions across the NWDA and the NWRA can be seen in the light of this decision, however, as, less explicitly, can the lack of leadership across the agencies of governance in the region. The implications of the SNR were initially interpreted by some in the NWDA as indicating a lodging of planning powers with the RDAs (NWDA, 2007b), entailing the creation of an integrated regional planning and development body. This was not to be, however, as, following consultation, it was proposed that the SRS be produced in partnership between the newly created regional leaders boards, which would maintain the RAs' status as the regional planning bodies, together with the GORs and the RDAs. The published version of *Future North West*, the SRS for the region, was a fairly tame and noncommittal strategy however, that did not integrate planning powers with development responsibilities to any great effect.

The focus of attention in chapter five on the use of the Mersey Belt in planning and development strategies points to the fact that spatial visions can be used to express intentions that are not closely tied to particular policy areas and, moreover, that informal strategies can set out intentions without reference to specific policy frameworks. As such, the use of the Mersey Belt in the Strategic Plan for the North West in 1974, while nominally part of a land-use planning strategy, inevitably has strong implications for development. Once the Mersey Belt begins to feature again in planning and development strategies, its application in the 2000 RES for the North West contrasts markedly with its appearance in RPG 13. Spatial visions, used to different effect by each strategy, are able to cross the policy boundaries between planning and development that are more difficult to traverse in written form. The Atlantic Gateway Strategy and the unpublished documents of the NWDA (NWDA 2007a; 2007b; 2008; 2009b) that were produced at around the same time are of a piece with this analysis, articulating spatial development aims with strong land-use planning consequences within documents that do not form a part of the planning process.

6.2.3 Can a characteristically 'spatial' approach to the governance of planning and development be said to have emerged over the course of the four themes and time periods?

The rescaling of the state from the national to the regional and sub-regional scales documented especially in chapters two and three, though present across all of the chapters, has been shown to be a partial and uneven process. In this, powers are not neatly assigned to regional and sub-regional scales following a changing understanding of the role and importance of the region in a globalised economy, but rather are assigned and reassigned between scales in a politically-determined process, in which the nation state, the nascent regional state and a variety of international organisations, NGOs and civic bodies maintained an interest. Nevertheless, the rescaling of the governance of planning and development recognises that the nature of developmental processes is essentially spatial by assigning responsibilities to scales at which such processes are said to act.

Contemporaneous with this state rescaling has been documented the paradigm shift in regional policy (Bachtler, 2010), from an approach concerned with space in terms of the need to correct for geographically uneven development primarily through efforts to determine the location of industry to one that uses an integrated strategic spatial approach to governance in order to coordinate and influence the spatial determinants of growth. The European Structural Funds have been held to be of significant influence in furthering the adoption of both of these trends, through their encouragement to regional institution-building through the introduction of the partnership principle to their use of strategic programmes of interventions and mobilisation of place-based assets.

The New Labour governments' state rescaling efforts demonstrate that, even when a top-down approach is taken to the reorganisation of the state, having taken place against a background of governance, as opposed to government, this has proven not to be immune to the negotiated power struggles of the governance arena. Thus the more formal methods employed in the establishment of the New Labour regional institutions built on, rather than replaced, the informal, bottom-up rescaling efforts already in train and continued to be shaped by these, especially in the case of the sub-regional governance architecture. Chapter four also sought to question the extent to which the notion of spatial planning, as incorporated into New Labour's regional project, was able to integrate a more sophisticated use of spatial concepts, in which the governance of planning and development incorporates an understanding of socio-spatial dynamics as underpinning the development process and considers places not as self-contained units but as nodes within networks. This was shown to be a partial achievement in which the notion of the region as a space of flows in which the city regions became the strategic nodes of a regional space economy (Harrison, 2012) did not supersede the

bounded regionally exercised powers. In fact the construction of these nodal city regions only followed the perception of the need to configure governance arrangements around the spatial pattern of contemporary economic processes in part. It was also a response to the NWDA's short institutional past and its reliance on local partners to deliver projects. In either case, the construction of city regions created a further scalar power base in the region, as each city- and sub-region sought to secure their own autonomy.

The most profound difficulty encountered in the efforts to apply a more spatial approach to planning and development in the region was in the balance between the use of spatial visions and spatial concepts in the regional strategies and the political mediation of these into policy. While a more spatial approach emerged during this period, it was one that was limited by the political need to lodge power within bounded territories and to divide land-use planning and economic development powers between institutions. This tension between politically defined territorial units and socio-spatial processes that are not territorially bound might be seen as the key challenge for spatial policy.

Chapter five notes how spatial complexity may be addressed using spatial strategies that use spatial visions with the aim of usurping territorial boundaries in order to address particular policy aims. Entailed in this is an implicit suggestion that the all-encompassing strategic regional planning bodies that might be required in order to comprehensively address the spatial dynamics of the region through the coordination of multiple policy areas are lacking in many or most regions within Europe and beyond. The suggestion, referred to in chapter one, that territorial governance is concerned with the coordination of manifold plans and strategies (ESPON, 2011), as well as the vertical and horizontal coordination of actors (Janin Rivolin, 2010), towards the management of spatial development (Stead, 2014), is of a piece with this analysis. This being the case, the case for the emergence of a characteristically 'spatial' approach to the governance of planning and development can be made in terms of its increasing sensitivity to the spatial dynamics of growth but must take into account that such an approach is subject to the negotiated processes of governance, in which scales of activity and spatial policies are politically constructed.

6.2.4   How can the spatial complexity that characterises contemporary regions be effectively addressed by spatial strategies?

As alluded to in the preceding paragraph, spatial strategies produced by territorially bound state institutions with specific policy remits struggle to address the spatial complexity of contemporary

social and economic life. As such, to the extent that the governance of spatial development can hope to bridge this gap, it may be through methods of cooperation and coordination between governance agencies spanning different scales and policy harmonisation across a range of fields within overarching spatial strategies. Such an approach would make use of tools such as boundary-spanning spatial visions, multi-level governance of types I and II (Hooghe and Marks, 2003), soft spaces and fuzzy boundaries (Allmendinger and Haughton, 2009), territorial capital (Camagni, 2008) and territorial cohesion (Abrahams, 2013). The tendency for a range of policy fields and sectors to be drawn into an integrated policy process articulated through spatial strategies has been noted in recent years (Allmendinger and Haughton, 2009; Collinge et al, 2012). The integration of such an array of different – potentially competing – interests and the production of a spatial strategy that can articulate the shared aims of multiple stakeholders is the challenge facing local and regional levels of government, though the achievement of this would undoubtedly come through more complex networks of governance.

6.3   Future Research

The main challenge in conducting this research was the desire, set out at the beginning of the project, to better understand the use of spatial concepts in policy pertaining to regional development without reference to a particular academic or policy field, such as planning, economic development or local government. This was thought necessary as a way of avoiding the tendency in research on spatial development matters to privilege one sort of activity or policy at the expense of others within a situation in which multiple strands of activity and policy are interdependent. A major pitfall of the approach taken in this thesis was the difficulty with which common concerns could be articulated within such a broad framework. Nevertheless, an avenue of potentially profitable further research that has been revealed by this difficulty is the relationship between the nature of spatial development policy and the political process by which decisions on the spatial development of regions are made. While plentiful research has explored the political construction of scale (Paasi, 1986; MacLeod and Jones, 2001) and a more limited range of research has subjected spatial strategies to a similar form of analysis (Healey, 2007; Harrison, 2013a), it is suggested here that the processes of production that lie behind the new forms of territorial governance that are coming into being (Schmitt et al, 2013; Stead, 2014) may be of an order of complexity hitherto unseen in regional plans and strategies. While this form of analysis has been used in more complex spatial strategies such as the Thames Gateway (Allmendinger and Haughton, 2009) and the Atlantic Gateway (Harrison, 2013b), it is suggested that strategies of this sort are likely to become more common,

requiring research to probe deeper into the production of spatial strategies. Further research into the complex processes of governance at play in fragmented regions and of the political processes by which spatial strategies come into being is necessary to develop the incipient state of knowledge in the field.

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Appendix

Publications

O'Brien, P. (2012) Territorial Cohesion, Dispersed Governance, and Spatial Form in Europe, paper presented at *Networked Regions and Cities in Times of Fragmentation: Developing Smart, Sustainable, and Inclusive Places,* the Regional Studies Association European Conference 2012

O'Brien, P. and Sykes, O. (2013) The Euro Files: A Tale of the Unexpected?, *Town and Country Planning*, April 2013.

O'Brien, P., Sykes, O. And Shaw, D. (2014) The Governance of Territorial Development in the EU, in: I. Deas and S. Hincks (eds) *Territorial Policy and Governance: Alternative Paths*. London: Routledge (Expected publication date: 31st October 2014)

O'Brien, P. (no publication date) Spatial Visions as Institutional Inheritance: Exploring the Historical Dimension of Soft Space Creation through the case of the Atlantic Gateway. Under preparation for resubmission following review at *Urban Studies*

Conference Presentations

Planning Research Conference (domestic), University of Birmingham, 12-14th September 2011

Regional Studies Association European Conference (international), Technical University Delft, Netherlands, 14-16th May 2012

Regional Studies Association Early Career Conference 2012 (international), Hafencity University, Hamburg, Germany, 2nd November 2012

Regional Studies Association European Conference 2013 (international), University of Tampere, Finland, 6th-8th May 2013

Policy and Politics Conference 2013 (international), University of Bristol, 16th-17th September 2013