1. **A civil society perspective on inequalities: the COVID-19 revision**  
*Dr. Hyunji Cho, Elisabeta Ilie and Dr. Lucy Natarajan, The Bartlett School of Planning* (Page 4)

Civil society and organisations are critical to the wellbeing of all communities. They are in a unique position to have first-hand understanding of local issues. This paper sets out the argument based on new research for why they must be part of the efforts to resolve the national uneven distribution of resources and to build resilient communities.

2. **How the COVID-19 crisis provides a chance for our towns and cities to address short- and long-term challenges**  
*Space Syntax* (Page 20)

COVID-19 has accelerated the changes taking place in our cities and magnified inequalities. This paper examines how cities provide the foundations for our response to COVID-19.

3. **Land-use planning, inequality and the problem of ‘left-behind places’ – A ‘provocation’ for the UK2070 Commission**  
*Professor John Tomaney*, *Professor Andy Pike** and *Dr. Lucy Natarajan*  
* Bartlett School of Planning, University College London  
** Centre for Urban and Regional Development Studies, Newcastle University* (Page 28)

The problems of so-called ‘left-behind’ places – typically former industrial regions have figured prominently in voting patterns over the last five years in the UK, and also the USA and Europe. This paper examines the following issues: the political economy of ‘left-behind’ regions; the new policy prescriptions for ‘left-behind’ regions; and the kinds of institutions that are required to create a new economic future in such disadvantaged places.

4. **Policy brief: neighbourhood change and trajectories of inequality in Britain, 1971-2011**  
*Dr. Francisco Rowe, Nikos Patias & Dr. Dani Arribas-Bel, Geographic Data Science Lab, Department of Geography and Planning, University of Liverpool* (Page 37)

This chapter analyses the changing structure of neighbourhoods in Britain between 1971 and 2011, which remain largely concentrated in North West and North East England, and have evolved from being main centres of unemployment to including neighbourhoods with a large share of council rented housing in 1971.
evidence submitted to the Commission or research commissioned by the Commission. These documents can be found on our website - www.uk2070.org.uk/publications

5. **Foundational liveability: rethinking territorial inequalities**
   *Professor Julie Froud, Professor Colin Haslam, Professor Sukhdev Johal, Dr. Nick Tsitsianis and Professor Karel Williams, The Foundational Economic Collective*

   Academics from the Alliance Manchester Business School and the School of Business and Management at Queen Mary University of London propose an alternative concept of foundational liveability for household units by considering gross, disposable and residual income obtained by subtracting housing and transport costs from the disposable income of owner occupier households.

6. **Two masters: the dilemma of central-local relations in England**
   *Dr. Mark Sandford, House of Commons Library, writing in a personal capacity*

   Central government needs to balance its role in leading and implementing policy whilst simultaneously acknowledging legitimate demand from local political actors to implement variations to the national government’s aims. This paper explores the barriers to balancing these aims for a productive central-local relationship within the UK’s existing system of governance.

7. **A response to the UK2070 Commission’s Second Report from The Centre for Urban and Regional Development Studies (CURDS) at Newcastle University**
   *Professor Andy Pike, Professor Mike Coombes, Louise Kempton, Professor Danny MacKinnon, Dr. Peter O’Brien*

   This report considers the UK2070 Commission’s proposals for pan-regional arrangements in the UK, and assesses their appropriateness as governance arrangements in the context of international experience.

8. **Soft infrastructure and regional & national development: a discussion paper**
   *Professor Ian Wray, The Heseltine Institute for Public Policy Practice and Place, The University of Liverpool*

   The creative industries have become an increasingly important part of our life and economy, but have also been most affected by COVID-19. The UK provision for culture and sport however has a very strong London bias, whilst many national cultural assets embedded across the nation are undervalued that could help deliver a rebalanced economy. This report therefore develops the proposition for the development of global centres of excellence based on cultural, natural and sporting heritage - the soft infrastructure of the nation.

9. **Rethinking decision making**
   *Jane Healey Brown, Associate Director of Planning, Policy and Economics, Arup*

   There needs to be a systemic change to decision making to address the growing regional disparities. This paper sets out a framework of action - including more inclusive processes, new criteria for allocating resources and the creation of local institutional capacity.
Introduction
The UK2070 Commission aims to illuminate the imbalances in the nature of economic activity, including the patterns of investment, wealth, taxation and public expenditure, and the related social and environmental conditions across the United Kingdom; to illustrate the potential of national spatial economic frameworks which enable and support regional and local action and priorities; and to identify policy interventions and mechanisms for collaboration to address imbalances between regions and nations, including governance and fiscal instruments such as local taxation, land value capture and intergovernmental transfers. This paper addresses one key dimension of this prospectus, namely the problems of ‘left behind places’ and the policy and planning measures designed to mitigate their conditions. We contend that to find new ways to address the problems of these places is of critical concern for the future of the UK and any reform of the planning system should make this a policy priority. In this paper we set out some thoughts on this topic, which are intended to raise questions about the direction of existing theory and policy.

The Brexit vote in the UK drew attention to the political and economic marginalisation of some places in the UK. According Andrés Rodríguez-Pose (2018), the Brexit result is an instance of the revenge of the ‘places that don’t matter’. This expression of discontent from places at the sharp end of rising social and spatial inequalities has fostered the rapid rise of populism that is challenging the hegemony of neoliberal capitalism and liberal democracy. This paper considers the problems of these so-called ‘left-behind’ places – typically former industrial regions. Such places figured prominently not just among those that voted leave in the Brexit referendum in England and Wales, but also among those Americans who voted for Donald Trump in the 2016 US Presidential election or French citizens who voted for Marine Le Pen in the 2017 French presidential election. In this context, this paper’s aims are fourfold. First, we sketch out the political economy of ‘left-behind’ regions. Second, we offer a critical account of recent efforts to ‘regenerate’ deindustrialised regions. Third, we outline new policy prescriptions for ‘left-behind’ regions attracting the attention for policymakers. Finally, we consider the politics of local and regional economic development, including the kinds of institutions that are required to affect a new economic future in such disadvantaged places.51

The regional political economy of de-industrialisation
Christina Beatty and Steve Fothergill (2018) estimate that 16 million people live in the

51 Jennings and Stoker (2016) identify a distinction between ‘two Englands’ consisting of ‘cosmopolitan’ and ‘backwater’ places. Their focus is on places in southern England, symbolised by the divide between cosmopolitan Cambridge and the backwater, former seaside resort, Clacton. Our main focus here is on former industrial regions, but the argument we develop should have wider application.
former industrial regions of the UK – almost one quarter of the national population. While these regions have shared in the rise in employment in recent years, growth rates in London and other cities have been three times faster. Despite prolonged and far-reaching deindustrialisation, these places still have a higher than national average share of industrial jobs; lack white-collar and graduate-level jobs; have lower than average pay and employment rates; are more dependent on in-work and especially incapacity benefits; and have ageing populations. Headline unemployment figures provide a poor measure of real economic conditions in these places. Considering their high dependence upon incapacity benefits paid to those classified as unable to seek work, Beatty and Fothergill estimate the ‘real’ unemployment rates in such places to be 7.5 percent of the working age population in spring 2017.

Educational disadvantage is also concentrated in left-behind places (Education Policy Institute, 2018). This disadvantage takes complex and varied forms. For instance, the North East of England consistently has amongst the best primary school results in the country, but the lowest average adult incomes (Children’s Commissioner for England, 2018). In addition, left-behind regions experience disproportionate levels of premature mortality (Plümper et al. 2018). Mordechai et al. (2018) have identified higher opioid prescription rates in the north of England and in areas of greater social deprivation. The highest incidence of relative urban decline is primarily located in Northern England (Pike et al. 2016). Such places are characterised by lower rates of net in-migration of economically active age groups, lower rates of employment growth in the decade to 2008, and a higher rate of contraction following the economic crisis and downturn in 2009-2012. They have substantially higher rates of poverty measured by the unadjusted means-tested benefits rate. The factors most strongly associated with relative decline in the UK are skill levels, industrial history and location at city, regional and national scales. City size and the reduced presence of consumer services in places that are overshadowed by larger neighbours are key differentiating factors between places in relative decline. Some places with weak economies and lower value housing markets experience both selective out-migration of higher educated people and selective in-migration of disadvantaged, often unwell, people with high levels of social need (O’Connor, 2017).

Former industrial regions have presented a persistent problem for public policy across the developed world for several decades. While the rapid decline or disappearance of employment in traditional industries has occurred across North America and Europe, the scale of these changes has been especially marked in the UK and adds to the urgency of the issue. The UK’s ‘productivity puzzle’ continues to vex policymakers (Haldane, 2017). There is a geography to this; Philip McCann (2016) shows that regions outside of London and the South have productivity levels akin to poorer regions in Central and Eastern Europe and southern regions in the United States. Deindustrialisation has underpinned the long-term growth of regional inequalities in the UK (Tomlinson, 2016). Such disparities have been exacerbated more recently by several geographically uneven trends, including skill-biased technical change which has disadvantaged those regions with low educational attainment; trade shocks arising from greater international integration of markets (Sandbu, 2016); and the rise of ‘residential capitalism’ in which economic growth is based appreciating assets values (Ryan-Collins, et al. 2017). Left-behind places typically are the wrong side of such developments.

Former industrial regions have been subject to waves of policy innovation and intervention. Under the Thatcher and Major governments, priorities included, first, providing financial and regulatory incentives to attract international manufacturing investment to the former industrial regions, enabled by the UK’s membership of the Single European Market. And, second, encouraging entrepreneurship through the promotion of enterprise based upon self-employment and business start-ups. The
legacies of inward investment policy are the major industrial complexes built up by Nissan in Sunderland and Toyota in Derby. But many of these investments proved fragile; LG in Newport and Siemens on Tyneside withdrew their investments shortly after their high-profile openings. The fragility of such branch plant economies is long-established (Pike, et al. 2017). Stirrings of economic nationalism and even ‘de-globalisation’ (Wolf, 2017), have rendered strategies based upon the continued attraction of flows of mobile manufacturing investment have become more difficult for UK regions, especially in the uncertain context of Brexit and future trading relations. Enterprise policy typically stimulated unsustainable market entry by short-lived businesses, displacing incumbents (Storey et al. 2008), and encouraged ‘reluctant entrepreneurs’ into starting low-value service enterprises (Turner 2003). While rising productivity means existing employers are likely to shed workers to remain competitive; indeed, some consider the remaining jobs in ‘left-behind ’ places especially vulnerable to automation (Centre for Cities, 2018).

In this context, there has been a search for new approaches to economic development. Currently, a powerful orthodoxy suggests that cities offer productivity and growth premiums because they generate agglomeration economies through their scale, density and diversity. In this way, London acts as the dynamo that powers the UK economy, through its financial, digital and knowledge-intensive business services (KIBS) and provides an economic development model to which other places should aspire. The recent growth of Manchester, based on the expansion of services and property development, has been presented as the model for other city-regions (Folkman, et al. 2016; Moran, 2018).

Public policy now aims to facilitate the further growth of large cities – typically by easing planning restrictions to allow more development. Recently, city-centre regeneration has acted as a proxy for industrial strategy (Berry, 2018). The Northern Powerhouse, for instance, operates primarily as a brand for the marketing of Northern England for investment in residential and commercial real estate, infrastructure, and, to a lesser extent, advanced manufacturing, R&D, and culture (Lee, 2017). This development model lies behind the recent push to create ‘metro-mayors’ in city-regions as the government's preferred form of devolution based upon matching decision-making with ‘functional economic areas’ (Moran et al., 2018). The implications of this strategy for former mill towns, mining villages, coastal and rural settlements have been ambiguous at best. Widening social and spatial inequalities between and within cities and regions are the accepted consequence of this approach and, for some, are the sign of a dynamic rather than lagging economy (Glaeser, 2013). Such interpretations see efforts to revive lagging industrial regions as having failed and being counterproductive; better to enable migration to London (or other large cities) where more productive jobs are plentiful (e.g. Leunig, 2008).

The limits of ‘regeneration’
Rachel Reeves (2018: 30) has cogently summarised the limits of recent policies:

“Industrial strategy has tended to concentrate on cities as engines of growth, on property development, technological innovation and the high-productivity trading sectors. This approach to economic growth neglects middle- and low-paid workers in the low-productivity, non-traded sectors, as well as the civic infrastructure required to develop research and innovation across the whole economy. It also tends to exclude rural areas and towns from the very wealth-creating activity it is promoting.”

Philip McCann (2016) has also shown that there is little evidence that other regions benefit from London’s growth. Instead, London has effectively ‘decoupled’ itself from the rest of the UK economy and has fortuitously captured the benefits of globalisation
through its specialisation in financial services; the attraction of multinational companies; foreign investment and international migrants; and benefiting from rising asset values (see also Beatty and Fothergill, 2018). Very little of London’s growth has been driven by migration from elsewhere in the UK (McCann, 2016).

Similarly, there is little evidence that faster-growing cities in the North are contributing to the growth of neighbouring places. The economic performance of cities is crucially determined by the region in which they are located. Cities in southern England and Scotland have tended to grow above the national average, while cities in northern England grew more slowly (McCann, 2016). Although the gap between major cities and their regional hinterlands has widened, much of the growth, even in relative success stories such as Manchester, has been in low productivity, low wage sectors rather than KIBS (Folkman et al., 2016). Moreover, with their greater social needs and higher costs of service provision, local authorities in ‘left-behind’ places have borne the brunt of austerity since 2010 (Bounds, 2017).

The appreciation of asset values – principally land and housing – is a major driver of the accumulation of wealth in London and the South East of England. Allocating land for residential development and ensuring sites are properly supplied with infrastructure is perhaps the greatest policy challenge in southern England, which is experiencing a severe crisis of housing affordability. Capturing some of the gains of rising land values to fund the construction of infrastructure has emerged as the focus for urban development policy in London. UK planning policy is mainly focused on increasing the supply of housing in places where demand is high, but local authorities are reluctant to give permission for development.

However, housing and land markets in left-behind places, outside the major city centres, are in a very different position. In such weaker market places, house building is constrained by an absence of development and mortgage finance; complex land viability issues including a surplus of brownfield sites; lack of subsidies for remediation; negative reputations and stigma. These conditions highlight the limits of ‘national’ planning reforms as a means of regeneration in left-behind places (McGuinness, et al. 2018).

Developing ‘left-behind’ places
Geographical inequalities continue to increase, generating social, political and economic costs. Recent studies from the OECD and International Monetary Fund (IMF), among others, suggests that inequality is the cause of slow growth rather than its outcome (Cigano, 2014; IMF, 2017; Ostry et al., 2016; see also Stiglitz, 2015). In the US, the Brookings Institution has argued that places disconnected from economic opportunity “may hold back collective growth and threaten the social fabric on which a healthy democracy depends” (Berube and Murray, 2018: 2). Growing urban and regional divides are one expression of this. But, policy-makers’ continued faith in agglomeration and densely-developed cities as the route to economic development is being challenged by research suggesting that large cities are not always the most dynamic engines of growth (Dijkstra et al., 2013). In the UK, the productivity growth of southern service-based cities has been modest, slowing any increases in national average productivity, despite higher levels of skills and the presence of KIBS. Some smaller and medium-sized cities have outperformed larger cities (Martin et al.2018). Indeed, the OECD has cautioned against only focusing on the largest ‘core cities’, suggesting:

“Larger cities create benefits, but as benefits grow, so do ‘agglomeration costs’ ... costs and benefits increase in parallel, reducing the pull of larger cities ... a well-connected ‘megaregion’ with rural areas and a network of smaller, but well-connected cities, could provide agglomeration benefits while limiting the costs from congestion and densification” (OECD, 2018: 86).
Given this geographical differentiation of economic conditions, place-based approaches offer a novel approach to local and regional economic development. Such approaches aim to release untapped potential in economically lagging places by empowering local stakeholders to maximise their skills, talent and capabilities in ways that enhance economic performance and potential (Barca et al., 2012).

Such strategies tailor their mix of policies to local conditions, improving opportunities for citizens and workers wherever they live through a combination of targeted development strategies and institutional and capability improvements (Immarino et al., 2018). The World Bank calls for regions to act as the architects and implementers of their own programmes to address their locally unique capabilities and challenges, while acknowledging this will require more intensive, on-the-ground support, including technical assistance and capacity building at the regional and the local level (Farole, 2017: 11). Conventional approaches to economic development that focus solely on increasing economic growth have had limited impact in ‘left-behind’ places. Economic growth has typically not translated into rising living standards with households in left-behind places experiencing declining real incomes and people trapped in low value and poorly paid jobs that sustain in-work poverty, suggesting the need for more rounded forms of development that focus on human wellbeing (Stiglitz et al., 2010).

The pursuit of major inward investments, development of KIBS or advanced manufacturing are unlikely to create inclusive growth in ‘left-behind’ places (Lee, 2018). Low-paid and precarious forms of work in mundane sectors of the economy – what Rachel Reeves (2018) calls the ‘everyday economy’ – have been neglected in debates about local industrial strategy. But these sectors are present in all local and regional economies and are disproportionately important in ‘left-behind’ places. Such sectors typically comprise the ‘foundational economy’ of economic activities that are immobile and relatively protected from competition but provide the social and material infrastructure of civilised life that everyone needs to access irrespective of income including water, gas, electricity, housing, healthcare, and education (Foundational Economy Collective, 2018).

Rather than competing for the next big thing against already strong and larger urban economies, ‘left-behind’ regions would be better served by policies aimed at securing their foundational economies. Investments in high quality infrastructures are likely to be important in places where the private sector is weak, especially if these are aimed at addressing underlying social problems such as high levels of morbidity or low levels of educational attainment. Strategies might include asset-based forms of community development that aim to increase and broaden capital ownership to anchor jobs locally and strategies of ‘remunicipalisation’ to take local infrastructure back into local control (CLES, 2017; Cumbers, 2016). The Industrial Strategy Commission (2017) has proposed the notion of Universal Basic Infrastructure to ensure appropriate provision of both the hard (physical and natural capital) and soft (human capital-building) infrastructures that increase the productive capacity of all people and places. The Joseph Rowntree Foundation (2018), for instance, has shown how reliable and affordable local bus services are crucial to the economic development of left-behind areas, and emphasised the need for institutional and regulatory reform to support improvements in provision. Easing austerity and fiscal stress is a precursor to the adoption of these approaches and reinstatement of local governments and their partners to lead, formulate and implement such new and fresh thinking about local and regional development. Fresh thinking on complementary demand-side measures can also have positive impacts upon job creation and more inclusive forms of growth (Pike et al., 2017).

**Planning for ‘left behind places’**
Deindustrialised places in the UK experience concentrated social and economic disadvantage and this has profound political consequences as the geography of the Brexit vote revealed. Similar problems are observable in the US, EU and elsewhere. In the UK, existing, top-down policy frameworks have largely failed ‘left-behind’ regions and there is an urgent need for fresh thinking on future development strategies. Place-based approaches can aim at (re)building and enhancing the everyday and foundational economy, the improvement of basic infrastructures, accumulation of locally-owned assets and the stimulation of demand-side policies. Such approaches will require more participatory, multi-stakeholder and deliberative models of decision-making because they are based on identifying and responding to diverse local and regional conditions. Consequently, place-based forms of economic development require strengthened institutional frameworks. Tackling the entrenched problems of ‘left-behind’ places will require more imaginative and flexible geographies than the current top-down approach to devolution which has fetishised city-regions and imposed metro-mayors (Tomaney, 2016). Such institutional arrangements need to respond to emergent international patterns and dynamics of geographical change, including urban archipelagos, patchworks, and mosaics rather than simple binary cores and peripheries. The new theories of urban and regional development suggest the importance of the regional scale in addressing links between dynamic and large cities and the ‘left behind’ within urban hinterlands, smaller cities, towns and coastal and rural areas (OECD, 2017).

Tackling the problems of the left-behind places requires a new politics of redistribution. Wealth taxes are likely to provide the necessary resources. Britain’s wealth is increasingly tied up in land and property. The value of the UK’s housing stock was £7.14 trillion in 2017, but 64 per cent of the UK’s housing wealth is located in London and the South East. Moreover, 87 per cent of the growth in the value of housing over the 10 years to 2017 occurred there (Savills, 2018). Quantitative easing and bank bailouts have underpinned asset appreciation, and this further benefited London and the south (Gordon, 2016). A land value tax, which targets immobile assets and unearned gains in wealth, although politically difficult to achieve, with explicit fiscal equalisation measures, would lie at the heart of efforts to achieve a more regionally balanced economy (Ryan-Collins, et al. 2017).

As we broaden our definitions of both inequality and development a simple focus on short-term indicators such as GDP provide a poor guide to effective policy making (Tomaney, 2014). Increasing environmental pressures and the shift to a low carbon economy will require more flexible and imaginative planning that must include a role for the regional scale. Flood risk, habitat management, water catchments, minerals and forestry and renewable energy production (e.g. offshore and onshore wind power) require action well beyond the boundaries of city regions and while meeting urban demand can also provide new forms of economic activity in ‘left-behind’ places. Post-CAP agricultural policy is likely to reconfigure the relationship between urban and rural in potentially radical ways and will require careful planning in which the role of Metro-mayors is uncertain. The focus on economic growth in city-regions tends to lead to a very narrow conception of sustainability and false assessment of the real costs of current models of urban development and the interdependencies of cities and rural hinterlands (Tomaney et al, 2019).

Additionally, identity questions are overlooked by a narrow economic focus on urban agglomeration. As Akerlof and Kranton (2010) show, recent research has shown that our economic actions do not derive purely personal preferences but reflect the social codes that shape how people think of themselves and interact with others. These codes are taken seriously by people and shape behaviour. Who people are and how they think of themselves is key to the decisions that they make. Their identities and norms are basic motivations (Hausmann, 2017). We should expect identities to play a role in defining
governance and planning systems. The claims for a ‘One Yorkshire’ approach to
devolution in England focuses on the larger regional scale rather than the city. For
instance, the Sheffield Citizens’ Assembly showed a clear preference for a Yorkshire
scale of government.

Yorkshire identity is not just a potentially powerful international brand but represents
(intangible) social capital and the basis for a shared collective project. Bavarian identity,
expressed among other ways through its powerful state parliament, does not appear to
have prevented Munich from becoming one of the world’s most prosperous and liveable
cities. Regions shape the character of cities as much as cities shape regions, for
instance through landscape, topography and the attachments these generate. Regional
planning needs to acknowledge this dimension of human life.

Allowing the continued and ‘managed decline’ of left-behind communities or exhorting
their residents to migrate (Leunig, 2008) are a political and moral dead end. People have
a low propensity to move out of such places for a range of understandable reasons,
including the difficulties of relocating from low value and weak to high value and strong
housing markets and the social pull of valued community ties (Rodriguez-Pose, 2018;
Sandbu, 2016). Indeed, such strong social bonds are one of the defining characteristics
of former industrial regions and the loss of identity associated with the disappearance
of old ways of life continues to shape economic, social, political and cultural attitudes
and behaviours in such places (Warren, 2018). This suggests the case for a new
‘economics of belonging’ (Sandhu, 2018) that recognises the value of these relationships
and builds upon them to create new forms of economic activity.

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