

## Regional Development Policy in the United Kingdom



### General policy approach

There is no explicit regional development policy framework since the regional development agencies in England were closed in 2010. However, since 2011, the government has shifted focus in England to functional economic areas by launching local enterprise partnerships. These partnerships between local authorities and businesses decide on local priorities for investment in roads, infrastructure, buildings and facilities, and apply for funding from the government's Local Growth Fund. In addition, 24 enterprise zones have been awarded with tax incentives and simplified local planning regulations.

The focus of urban policy has been on city deals that allow a degree of tailored devolution to English cities and their surrounding area. The approach has been extended to areas beyond cities through devolution deals.

While there is no rural policy for England per se, government departments are expected to conduct "rural proofing" of the impact of their policies on rural areas. The Rural Development Programme for England (for EU programmes) provides money for projects to improve the environment, increase the productivity of farming and forestry, and grow the rural economy. Some competencies have been delegated to the devolved administrations in Scotland, Wales and Northern Ireland that are responsible for regional development and cities policies in their territories.

### Recent policy changes

- Following the failed referendum on whether Scotland should be an independent country, new powers have been devolved as part of the Scotland Act 2016.
- The first wave of city deals was with the eight largest cities outside of London, known as the Core Cities. The second wave of city deals involved 20 cities, the next 14 largest cities outside of London and their wider areas and the 6 cities with the highest population growth between 2001 and 2010. A new round of devolution deals to cities and local enterprise partnerships began in mid-2015 as part of plans to shift more power and resources away from the central government. There were 38 proposals submitted by local areas covering cities, towns and rural areas.
- In autumn 2015, the government set out a plan to allow local authorities to retain 100% of business rates (a tax on commercial property) as part of efforts to promote local financing of local services. Councils will be able to decide how to spend the revenue and if they seek to lower rates to attract new business. An invitation to pilot proposals for 75% business rates retention in 2019-20 was issued in July 2018.
- While the Commission for Rural Development was ceased to exist in 2013, rural proofing guidance was published the same year. All government departments have a responsibility to understand the impact of their policies on rural areas and where necessary make adjustments to ensure the impact of policy is fair and equitable for rural communities. In addition, a ten-point plan for boosting productivity in rural areas was issued in 2015.

## Institutional arrangements to prepare for global megatrends

The Government Office for Science advises the Prime Minister and members of the Cabinet to ensure that government policies and decisions are informed by the best scientific evidence and strategic long-term thinking. Its foresight projects include topics such as the future of mobility, the future of an ageing population, the future of cities, migration and global environmental changes. In addition, the Horizon Scanning Programme team (steered by the Cabinet Secretary's Advisory Group) co-ordinates strategic horizon scanning work between government departments and inputs from experts outside the Civil Service, through creating communities of interest around specific topics. This helps the government to analyse whether it is adequately prepared for potential opportunities and threats, so as to ensure that policies are resilient to different future environments.

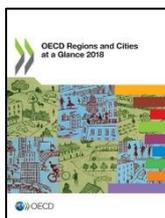
At the national level, the National Planning Policy Framework sets out the government's spatial planning policies for England, and how they are expected to be applied at a local level. The National Infrastructure Delivery Plan (2016-21) sets out the challenges facing UK infrastructure and the government's strategy for meeting the infrastructure needs of the UK economy. The central government also develops three pan regional strategies to support economic development and regeneration. These include the Northern Powerhouse, the Midlands Engine and the Thames Estuary 2050 Growth Commission. In the devolved administrations, Wales has a national spatial plan setting out cross-cutting national spatial priorities for specific sectors for both service delivery and land use, and Scotland has a national planning framework providing a long-term strategy for Scotland.

At the regional level, the 39 local enterprise partnerships in England each produce strategic economic plans for their area. Such plans provide an overarching plan for growth to 2020, priorities for more detailed plans, and strategic directions at a sub-regional and city level.

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<https://oe.cd/pub/2n9>

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### OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

