

The demise of growth in the South

One of the biggest “unanswered questions” for our sector, post the budget, is probably what is to become of development and regeneration in the “south” with the now almost inevitable demise of SEEDA, EEDA, and probably also SWRDA and EMDA.

London will continue to be directed by the mayor, will continue to be a “world city” at least in the medium term to the Olympics and beyond, and the national capital and by far the largest conurbation in North West Europe thereafter. The North and West Midlands may have their RDAs abolished, but they have Cable’s commitment to “rebalance” what public resources there are to those “areas with most problems” (as he sees them); they have major city region drivers of their economies, with the capacity, capability and commitment to be new dynamic powerful Local Enterprise Partnerships; and they may have enduring bodies that look like rebranded RDAs operating beyond city region scale.

What is left for the rest – and the south east and east in particular? Not very much, if the budget is the latest statement of government intent. Little mention of the knowledge economy – which is where the east and south east really add value to “UK plc” in terms of growth; little mention of HCA, which is to whom the east and south east have to look if they are to truly try to address their needs for affordable homes ; no substantive mention at all of “growth areas” (including Thames Gateway and Milton Keynes South Midlands) which, for all their imperfections, were at least a genuine attempt to balance growth and housing supply sustainably across the London mega-region and prevent the inexorable rise of daily commuting and infrastructure congestion on the radial routes to London; no incentives for businesses who choose to start up and grow employment in these regions. Add to this the postponement of major transport investments by DfT (including for instance the A14 improvements, the M1/A5 link, A11 dualling, various rail investments etc.), and the abolition of Regional Spatial Strategies effectively by CLG diktat without any alternative strategic framework to replace them, and the prospects for sustainable growth and investment in these regions looks bleak. (A variant of this analysis would apply to East Midlands and South West, but that is for another article!)

This is surely a major strategic omission in economic terms by the coalition, as the East and South East are major contributors to UK growth and also to fiscal revenues. It also seems grossly unfair to the regions’ +/-14m population (over 23% of the UKs total), amongst whom those in poverty outnumber, for instance, those in poverty in the North East, Yorkshire and the Humber in absolute terms.

We are moving now rapidly into the Comprehensive Spending Review – due to report in October; and to a period of development of the coalition’s proposals on RDA abolition and LEP establishment in a White Paper over the summer. The “south” is going to need to put its case for continued investment and development powerfully and persuasively if future success for these areas is to be achieved. Assembling the evidence; pulling together public, private and social partners at scale to make a coherent pitch to a seemingly sceptical coalition; and formulating deliverable propositions for implementation of changes post-CSR are all areas where a strong RDA will be invaluable. It is a “big ask” for EEDA and SEEDA in the face of abolition, but, paradoxically, if they can step up to this, their swansong may yet be one of the most important contributions they make to the enduring success of their important regions. And the flip side of this paradox for the conservative and lib-dem

leaders of councils in the south is that, with their regions' RDAs gone, they are likely to be under much greater pressure from the approach of "their" coalition government than they ever were from the previous government.

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