

CALL FOR EVIDENCE

OCTOBER 2018

Purpose of the Commission

There are deep-rooted inequalities across the UK. These are not inevitable. However, we lack the long- term thinking and spatial economic plan needed to tackle them. The UK2070 Commission will seek to fill this gap through a national inquiry and debate on the nature of the problems and set out the actions needed to address them



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The UK2070 Commission

The UK2070 Commission is an independent inquiry into the spatial inequalities across the UK. Its purpose is to set out a framework for action to deliver change.

Goals Of The Commission

- 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 and regional 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, such as governance and fiscal instruments including local taxation, land value capture and intergovernmental transfers.

UK2070 Commission

The **UK2070 Commission** has been established to undertake an independent inquiry into the deep- rooted inequalities that exist across the UK. The Commission's goal is to set out an approach to creating a better national **context for regional economic growth and local social development**



The future of the UK depends upon tackling these inequalities. We need national policies and investment to be sensitive to their impacts on towns, cities and regions across the generations. This needs to be rooted in a combination of regenerating and restructuring of the weaker economies and supporting areas with established growth potential.

We need to act now based on a 50 years' perspective of economic and spatial development. The devolved nations already have their own spatial frameworks but we need a joined-up approach across the UK. The **UK2070 Commission** will therefore examine how to provide a better

context within which local enterprise and action can flourish with confidence and which will provide a spatial **framework for devolution**.

Clear, long term, resourced and consistent policies for securing the future for communities across the UK are required. We need to change the way we do things in the UK and now the time is right for change. Join the conversation by sending us your views by **16th November 2018**.

Lord Kerlake
Chair of UK2070 Commission

The Need for Change

Our country is not working to the benefit of all communities. The state of the UK is increasingly characterised by deep disparities between and within the regions and nations of the UK

Disparities are reflected in the patterns of:

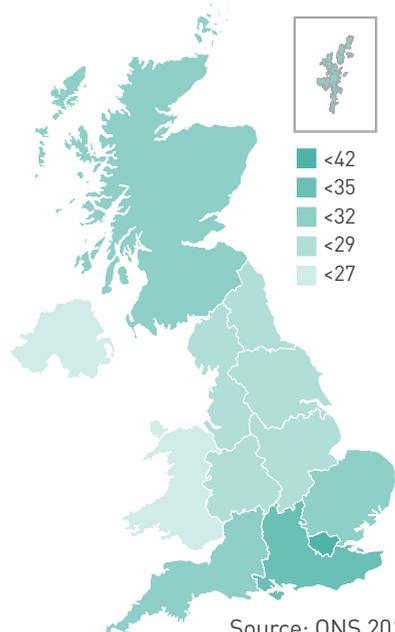
- Low productivity affecting national economic growth;
- The failing housing market
- Overloaded and underfunded infrastructure
- Underused and undervalued assets
- Inefficient use of resources;

These disparities in the UK are also amongst the worst in the developed world, reducing international competitiveness and investor confidence. These endemic inequalities are reflected in deep divisions in society and unequal intergenerational burdens. Those affected by change often feel excluded from having a voice in decisions.

Much is being done, especially to unlock the power of towns, cities and regions. However, the change that is required cannot be achieved by local action alone. We need national policies and investments to be sensitive to their geographical circumstances and impacts, and to enable local action. Fresh thinking is needed to

identify new tools and programmes of action from within, outside and below the government machine, including the potential for a spatial economic framework for the UK. This will be important in delivering economic justice whilst tackling the global challenges of technological and climate change.

Regional Disparities in Productivity GVA / hour (£'000s) 2015



Source: ONS 2017

The Challenges

In light of the need for change, the UK2070 Commission will set out an Agenda for Action that will be based on responding to the following 10 propositions

A. The level of inequality in social and economic conditions is:

1. Substantial, persistent and growing
2. Not inevitable
3. Too long-standing

B. There are real risks that inequalities will be exacerbated because:

4. The current scale of action is already inadequate
5. Current trends are projected to continue unabated
6. Post-Brexit the UK will lose access to EU regional investment programmes and the European Investment Bank

C. There are substantial untapped opportunities to overcome the existing levels of inequality including:

7. Unlocking major new opportunities for growth
8. More concerted public-private action
9. A sustained longer-term spatial framework for investment and development for the UK
10. A new sense of urgency in delivering change

In the following pages, these 10 propositions are set out together with questions to which we would welcome your response.

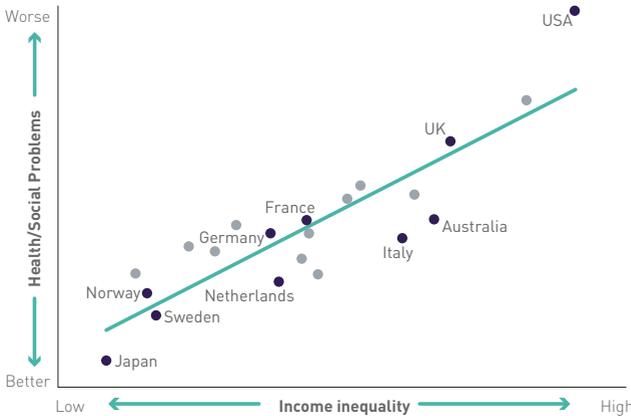
Proposition 1

The level of inequality between the UK's regions, towns and cities is substantial, persistent and growing

The UK is not realising its full economic potential because of the disparities in regional productivity, which are greater than most other European countries. These inequalities in economic performance are strongly associated with differences in local social conditions. Geographical disparities are reflected in problems of disadvantage and access to critical services.

However, differences in circumstances across the UK should not mean inequitable life-chances. National and local strategies need to be targeted at securing basic living standards of community well-being to complement other national standards, for example, the living wage or the quality of internet provision.

Relationship between Inequality & Health/Social Problems



Source: Adapted from Wilkinson and Pickett, 2009

Questions

1. What interventions will make a fundamental change in productivity of underperforming regions and nations?
2. What cross-cutting criteria could be used to define threshold standards of community well-being?

Proposition 2

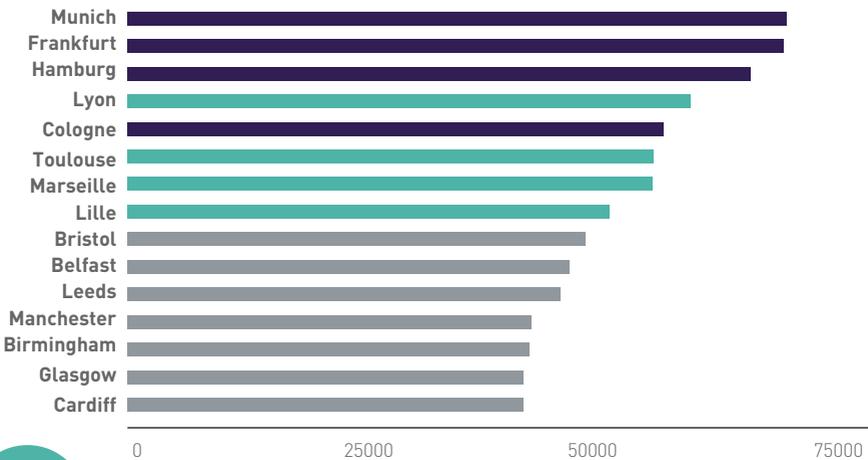
The levels of inequality in the UK are not inevitable

Levels of inequality critically affect social and economic conditions. We need to change the way we do things. The more unequal the worse the conditions. National investment priorities delivered through local action should be a win-win agenda, since strategic choices are best shaped and owned locally. This requires greater devolution of powers and closer integration

of local choices with those decisions that have to be made and delivered nationally, such as major infrastructure.

There are lessons on how we can succeed that we can draw on. Countries such as Germany and France have sought a more balanced approach, for example in promoting their secondary cities.

GVA per worker 2011 (£) (Major Cities in UK, France, Germany)



Source: Centre for Cities Data Tool



Questions

- Which decisions are best taken at a national level and which at a city region or wider regional level?
- What can we learn from international and our own past experiences?

Proposition 3

The long-standing nature of geographical inequalities demands fresh thinking

For over fifty years policies have been focussed on mitigating the immediate-impacts of economic decline in the traditional industrial heartlands of the UK. However, these policies have not succeeded in redressing deep-rooted inequalities nor could they have been expected to do so.

Reliance on market instruments alone will continue to be insufficient. Similarly, public investment based on short term, stop-start-or merely project-oriented action will fall short of delivering fundamental change. We need new thinking based on having a consistent and sustained approach to harness the power of both the market and the state, and to re-empower communities equitably.

Inequality Level 1977 - 2015 (GINI Coefficient)



Source: ONS 2018



Questions

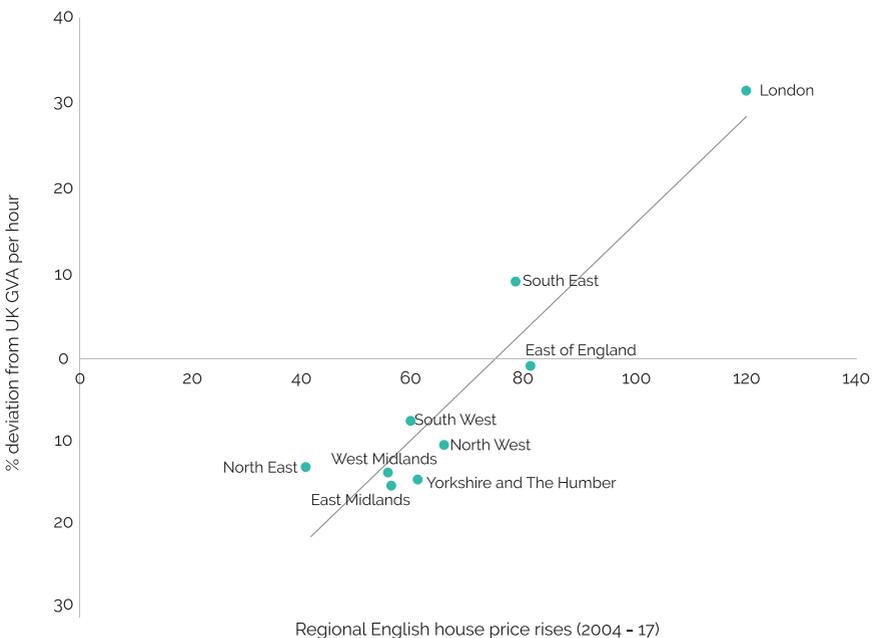
5. What lessons can be drawn from 50 years of policy initiatives to address geographical inequalities?

Proposition 4

The immediate risk is that inequalities across the UK will continue to worsen

Current trajectories of social and economic change indicate that the current patterns of inequality will persist and intensify it.

In addition, decisions tend to be trend based and reinforce the current patterns of social and economic conditions.



Source: is NIESR



Questions

6. What levels of geographical inequality will persist over the longer term on the basis of current and potential socio-economic trajectories?
7. To what extent will the patterns of inequality be affected by changing external market conditions or government policy?

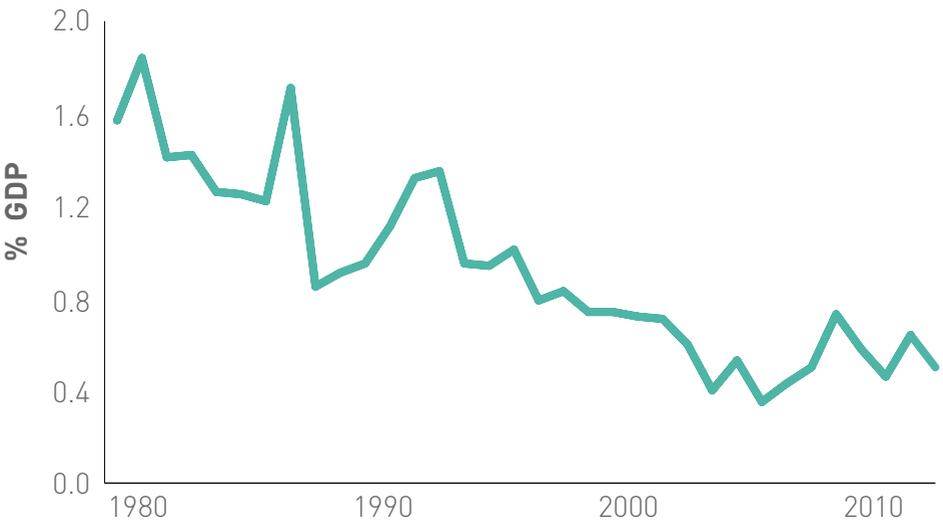
Proposition 5

The scale of current action is inadequate to respond to the current and future predicted trajectories of change

Existing programmes of economic development are partial in terms of geographical coverage and scale of action. Therefore, however useful they might be individually, they do not provide for

the scale of change that is required to address the disparities across the nation. Deliver economic justice whilst tackling the challenges of technological and climate change. This is also reflected in the reducing relative scale of investment in infrastructure nationally.

Infrastructure Spend (% GDP)



Source: ONS adapted from BBA Report 2015



Questions

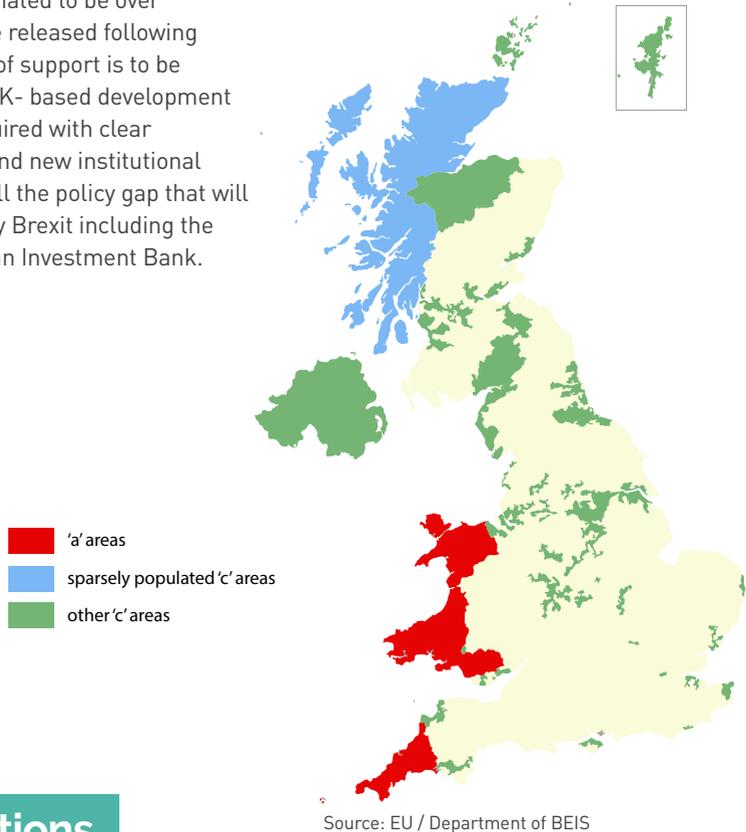
8. What range of assumptions should be used in framing policies and programmes about the scale of economic performance in disadvantaged parts of the UK?

Proposition 6

There is a need for a UK Regional Policy Post-Brexit

European funding for 'regional' development, estimated to be over 2bn/annum, will be released following Brexit. If this level of support is to be sustained, a new UK- based development programme is required with clear spatial priorities, and new institutional arrangements to fill the policy gap that will otherwise be left by Brexit including the loss of the European Investment Bank.

UK Regional Aid 2014-2020



Questions

9. What forms could a future UK-bespoke regional and national spatial development programme take?

10. What are the pros and cons of these possible options?

Proposition 7

Programmes of major new development need to be unlocked

Major planned developments are concentrated in the southern regions of England. Yet there is a wide range of successful industry in the midlands and northern English regions as well as the devolved nations, as demonstrated by the success of the Advanced Manufacturing Centre in South Yorkshire and Clyde Waterfront. Such notable examples of economic success need to become the norm, if policy is not to be continued to be dominated by London's global role. There is a real danger that, without explicit national programmes for physical and social development of the regions, opportunities will be missed for encouraging transformative investment across the whole country. The benefit of identifying explicit national priorities for development is demonstrated in the Scottish National Planning Framework and in the work of the National Infrastructure Commission.

Advanced Manufacturing Research Centre



Questions

11. What range of development programmes or major long-term projects within all regions and nations could be recognised as national priorities?

Proposition 8

Concerted action across all sectors, public and private, requires a nationally agreed spatial policy

Across the UK the policies of different government departments are not always demonstrably linked, sometimes conflicting and can operate on different timescales.

At present, there is therefore no common basis for developing mutually supportive policies and programmes from regional

and national development by governmental bodies or civic and business leader, particularly in disadvantaged areas. We need a framework which demonstrates how government action is joined up and sensitive to its impacts on local communities, as well as mechanisms for assessing the spatial impacts of public expenditure and private investment.

Differing National Planning Timeframes

| POLICY AREA | HORIZON USED | HMG DEPT. |
|----------------|--------------|-----------|
| Economic | 15 years | (HMT) |
| Demographic | 25 Years | (ONS) |
| Transport | 35 Years | (DfT) |
| Climate Change | 50+ Years | (EA) |



Questions

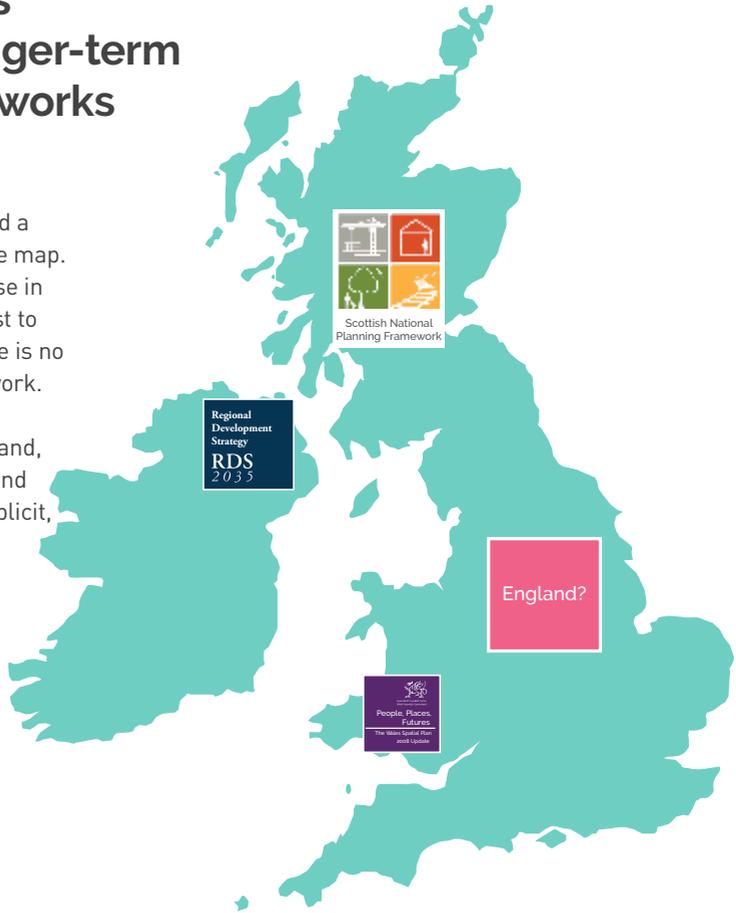
12. What mechanisms could be introduced to improve the level of and capacity for concerted action across public and private sectors?

13. How can decisions at each level be better integrated spatially?

Proposition 9

The UK needs sustained longer-term spatial frameworks

UK public-sector policies and programmes have had a continually changing route map. This is particularly the case in England where, in contrast to elsewhere in the UK, there is no equivalent spatial framework. This contrast with other countries (including Scotland, Wales, Northern Ireland and Ireland) which have an explicit, consistent and long term national spatial policies.



Questions

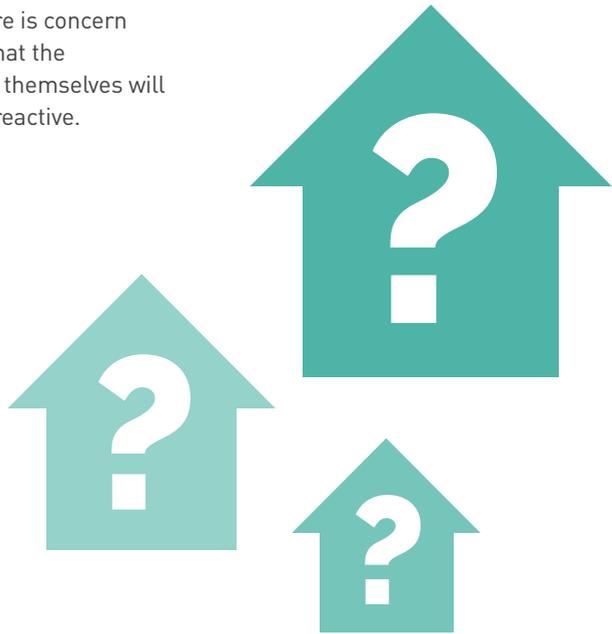
14. What form of national spatial policy for England would be most useful in terms of its content, processes, status and impact, and its relationship to the rest of the UK?

15. Should there be national targets for reducing the differentials in inequality?

Proposition 10

Now is the time for change, requiring a new sense of urgency

The time for rebuilding confidence in government is now. With so much focus on the economic impact and uncertainties associated with Brexit, there is concern that there could be a risk that the machinery of governments themselves will become less effective and reactive.



Questions

16. What actions can be taken within current administrative frameworks to coordinate a shared Vision for the future of the UK?

The Call for Evidence - Your contributions

The UK2070 Commission welcomes any views and analysis on the issues raised in this report. It in particular seeks responses to the questions



Your response can be sent together with relevant materials and commentary by **16th November 2018**. Contact details are shown at the end of this document

UK2070
COMMISSION



Questions Posed by the UK2070 Commission

CURRENT CONDITIONS

1. What interventions will make a fundamental change in productivity of underperforming economic areas?
2. What cross-cutting criteria could be used to define threshold standards of community well-being?
3. Which decisions are best taken at a national level and which at a city region or wider regional level?
4. What can we learn from international and our own past experiences?
5. What lessons can be drawn from 50 years of policy initiatives to address geographical inequalities?

FUTURE RISKS

6. What levels of geographical inequality will persist over the longer term on the basis of current and potential socio-economic trajectories?
7. To what extent will the patterns of inequality be affected by changing external market conditions or government policy?
8. What range of assumptions should be used in framing policies and programmes about the scale of economic performance in disadvantaged parts of the UK?

9. What forms could a UK-bespoke regional and national spatial development programme take?
10. What are the pros and cons of these possible options?

FUTURE OPPORTUNITIES

11. What range of development programmes or major long-term projects within all regions and nations could be recognised as national priorities?
12. What mechanisms could be introduced to improve the level of and capacity for concerted action across public and private sectors?
13. How can decisions at each level of government be better integrated spatially?
14. What form of national spatial policy for England would be most useful in terms of its content, processes, status and impact, and its relationship to the rest of the UK?
15. Should there be national targets for reducing the differentials in inequality?
16. What actions can be taken within current administrative frameworks to coordinate a shared Vision for the future of the UK?

Contact Details



Website

Please complete the online form and upload any relevant material at:

<http://uk2070.org.uk>



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Please download and complete the form at LINK and email this together with any relevant material to:

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Post

Hard copies of relevant material may be sent with an explanatory covering note, including contact details, to:

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