City Regions and Devolution in the UK

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Published by Bristol University Press

Beel, David and Martin Jones.
City Regions and Devolution in the UK: The Politics of Representation.
Project MUSE. muse.jhu.edu/book/82168.

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https://muse.jhu.edu/book/82168
Beyond cities in regions

Introduction

This chapter questions where rural regions are being placed within the context of neoliberal growth strategies that posit agglomerative accumulation, that is policies to nurture value growth (primarily measured by GVA uplift), which is mainly aimed at the urban and more recently city-region spatial scale (Brenner and Schmid, 2011; Woods and Heley, 2017). The rural development question (Pemberton, 2019; Ward, 2006) is an enduring puzzle, which has eluded policymakers globally (Bock, 2016), while being consistently undermined by an urban bias (Hoggart, 2005). The global focus on the development of city regions and their implicit scalar, geopolitical and geoeconomic framing (Jonas and Moisio, 2018; Calzada, 2017), continues to reinforce this dynamic. Focusing on urban growth strategies, the chapter considers what this means for rural regions as they attempt to articulate growth strategies of their own, while being entangled within broader metagovernance processes surrounding economic development (Jessop, 2016b; see also Nelles, 2012; Winter, 2006). We highlight how rural regions struggle to create effective economic policy when they are cast as peripheral, or in the orbit, of major urban conurbations (Harrison and Heley, 2015), as such disparities have the potential to exacerbate the problems of combined and uneven development.

We have argued throughout this book that the UK is witnessing important ‘state spatial restructuring’ (Brenner, 2004, 2019) developments through the creation of ‘city-region building state projects’ (Jones, 2019a, 2019b). Since the election of the Coalition Government in 2010, UK policy on economic growth has shifted towards a ‘city-first’ approach (Deas, 2014). This can be seen in a multitude of city and devolution deals to UK city regions (see O’Brien and Pike, 2015). This has somewhat left non-core city (second-tier) and rural areas behind in policy terms, but attempts are being made to address this in more rural areas such as North Wales (see Harrison and Heley, 2015). With the development of two city regions in South Wales (CCR and SBCR), this has left the rest of Wales somewhat lacking with regards to the future of economic development outside its
metropolitan areas. This has partly led to a process of ‘region-making’ within the rest of Wales as the remaining eight of twenty-two LAs have sought to find ways to collaboratively work together (Jones et al, 2016).

Alongside this has been an ongoing reform process of LAs in Wales that has sought to find ways for LAs to work more ‘collaboratively’ together (Welsh Government, 2015b). The North Wales region is advancing both agendas by signing a Growth Deal (NWGD) with the UK Government. This though raises several questions, which need to be addressed, if such a deal is to be compatible with the region’s existing economic footprint and its continuing struggle to address issues of uneven development. The chapter highlights how policy discourses have been transferred from a primarily city region – metrocentric – approach to a rural, regional, approach that combines North Wales’s LAs into a growth deal. This raises a series of tensions and challenges around how policy is transferred and transformed when it moves geographically. More critically, the chapter questions the mode of growth implied in such policy for North Wales as not addressing the spatial constraints already being placed on this region. Further, the ‘tangled governance’ (Jessop, 2016b) of the deal-making process itself, due to the often-misaligned policy intentions of the UK and Welsh Governments and the LAs themselves, raises a series of questions with regards to what policy options are viable. In turn, this reflects the significant tension with regards to what each stakeholder seeks from the growth deal process itself (see Economy, Infrastructure and Skills Committee, 2017).

North Wales consists of six LAs1 along the A55 coastal corridor, from the island of Anglesey (Ynys Môn) in the north west (NW), to Flintshire in the north east (NE). The region could be described as a ‘tale of two halves’; or alternatively, ‘East, West and the bit in the middle’ (Mann and Plows, 2016). The labour market of NE Wales is very different to NW Wales; essentially NE Wales is more industrial, with a strong manufacturing base, and greater existing connectivity to NW England; NW Wales is more rural, peripheral and de-industrialised, with a much higher percentage of its workforce in sectors such as tourism and agriculture, sectors of the labour market which are traditionally lower-paid and precarious – often seasonal and/or short term. Collectively, across the region, there is no main metropolitan centre, with the largest town being Wrexham (circa 60,000 people) in the NE.

It is within this majorly rural spatial context that the chapter considers the development of a Growth Deal for North Wales and the problems it has faced in attempting to transfer (urban) economic policy into
the region. The chapter is divided into three main sections. It first, conceptually and in terms of policy interventions, considers what this means with regards to the transfer of policy from urban areas to rural ones – in particular, the transference of economic policy that is focused on creating agglomerative growth in a region with only small and dispersed centres of population. This places rural regions within the context of city–region building and due to a city-first approach, not only are rural areas often left behind, but there is also a lack of policy imagination being deployed to serve the economic needs of rural regions. Second, it unpacks the specifics of the NWGD and focuses on how this is seeking to generate economic growth and how this more broadly sits within the devolved nation of Wales as a whole. Wales is a devolved nation within the UK (alongside Scotland and Northern Ireland) and has its own policy trajectory within certain parameters, economic development being one such area (Heley, 2013; Jones et al, 2016). This is important to comprehend, because with the development of two city regions across South Wales, this has left a policy vacuum on economic development across the rest of Wales, which the chapter highlights within the devolved sub-national context of Wales. Third, it looks at how actors in North Wales are seeking to influence and shape a growth deal, replete with inbuilt tensions and challenges around this urban model for growth, set against the ground realities of the North Wales rural economy.

Making non-metropolitan spaces in a city-region world

As this book has suggested, the city region has been identified as the de facto scale for urban governance in contemporary economic development policy. We argued in the previous chapter that in the UK’s devolved context, this has reflected the failure to deliver economic growth previously in Wales and a shift has taken place from the ‘soft spaces and the fuzzy boundaries’ of the WSP (Heley, 2013) to a more territorialised city-regional spatio-temporal fix (Waite et al, 2013; Waite, 2015). This, of course, has paralleled similar territorial shifts in England and Scotland, reflecting a dominant and ‘triumphalist’ city-first approach (Glaeser, 2012). Waite and Morgan (2019) refer to this as ‘metrophilia’, whereby it is seen as fashionable to uncritically embrace such approaches.² They suggest that:

cities are the quintessential spaces where knowledge is generated and valorised because cities are the chief beneficiaries of agglomeration economies … Although
exhibiting national variations, Metrophilia has international currency as we see governments, supported by think tanks and travelling bands of consultants, championing the metropolitan narrative regardless of spatial context. (2019: 384)

This, as the quote above suggests, means such processes move across (devolved) state boundaries as their application becomes scaled on the perceived problem in economic performance they are trying to fix (see Blackaby et al, 2018; Harrison, 2007; Waite and Bristow, 2019; Waite and Morgan, 2019). With such policy movements, there is only often a circumstantial evidence base to such ‘successes’ and the literature often has a habit of only picking the ‘winners’ to such strategies (Jonas and Ward, 2007). Rehearsing our argument again, the central tenant of this is theories of urban-scaled agglomeration (see Overman, 2012). The city region is nothing short of a crucible for creating economic growth, whereby through creating an agglomerating critical mass of economic activity in central urban areas, harnessed around public–private partnerships and involving civil society actors, economic development can be ubiquitously secured (see Ellison et al, 2007). This in turn helps to construct a specific ‘spatial imaginary’ for North Wales in relation to economic development, which attempts to construe a narrative or cultural hegemony for the North Wales region, in part reflecting on historic geographic differences to the rest of Wales and England, while at the same time ignoring differences that exist at the sub-regional level. As MacLeod (1998) has argued in the case of Scotland, ‘historically contingent’ specific administrative boundaries and regional spaces were created and imposed onto communities for whom these boundaries were perhaps less meaningful. Here, growth deals can also be seen to be a new type of region-shaping, whereby North Wales and its sub-regional geographies are policy-squeezed into a hegemonic construct for the purposes of economic development, where there is perhaps minimal consideration to the specificity of place or differences between rural and urban areas (Harrison and Heley, 2015).

All this raises critical questions for predominantly rural areas and regions (such as North Wales) due to the type, nature and geographic focus of growth being aimed for, which is also problematic to cities in a variety of ways (Jonas, 2012). Rural areas in this model of growth are either presented as the periphery to the city-regions urban centre (Pain, 2008) or are faced with finding ways to map onto their existing economic strategy more agglomerative strategies which may further increase uneven development (Etherington and Jones, 2009). Harrison and Heley (2015) highlight the normative nature in which
this casts the relationships between urban and rural via city-regional policy. They suggest that this places the ‘rural development problem’ within the ‘new territorial politics’ of the city region, whereby the urban–rural divide can be overcome by ‘functionally networked, not territorially-embedded administrative, geographies’ (Harrison and Heley, 2015: 1114–15). For Ward (2006), alongside Harrison and Heley, this represents a regressive policy framework for rural areas:

The city-region approach reproduces a rural development problem. It establishes and reinforces out-of-date notions of geographical centrality and hierarchies, and it actively marginalises places, consigning them to the periphery, dividing and polarising. City regions are taking root in regional economic development and spatial planning across the UK, and they are raising profound challenges for those involved in the economic development of rural areas. (Ward, 2006: 52)

The city-region agenda, therefore, applies a geographic concentration on urban areas while attempting to relationally network rural areas; the question then becomes does this approach lead to the empowerment of civil society and an even spreading of economic and social gains? As highlighted above and by others, such an approach potentially marginalises the rural due to the dominance of metropolitan centres, creating further uneven growth for rural areas (Shucksmith, 2008). It also fails to consider the ways in which areas external to the city region are capable of creating different models of economic growth that do not rely on urban agglomeration (Harrison and Heley, 2015; Haughton et al, 2016). The city-region agenda, therefore, shapes geoeconomic policy with a specific geopolitical focus and as Harrison and Heley suggest, this needs to be unpacked when looking at the building of rural regions, where a city-region building approach is dominant:

This is due in large part to their different geo-political constructions of city-regionalism. In this way it also provides a revealing context from which to unpack how and why city-regionalism continues to be constructed geo-politically to the detriment of rural spaces and rural development needs, and to begin considering how to build these interstitial spaces between metropolitan areas into our theories of city-regionalism. (Harrison and Heley, 2015: 1116)
In the context of this chapter and developments within North Wales, we take several points of departure from the above discussion on rural development and city-region building. These include: a need to think through what rationales underpin the government(s) policy towards delivering economic growth in North Wales; the ways in which policies reflect the on-the-ground economic reality of North Wales, this includes existing successful economic growth in the region alongside problems of continuing combined and uneven development; and how policies for economic growth are transferred and shaped in different geographical settings. These points, therefore, allow for broader discussion to consider how policy should address ‘interstitial spaces’ in a city-region world. By interstitial spaces, we mean considering spatial formations that sit outside the dominant city-region discourse and how they form their own approaches to delivering economic development. Currently and what the following critique will suggest is that such interstitial spaces, like developing rural regions, still sit within an economic policy focus that is too heavily skewed towards and driven by a city-region approach. This fits with what Midmore (2018) comprehends as the economic ‘myths’ embedded in conventional economic thinking for rural regions, whereby the process of regionalisation gives credence to a discrete rural economy, that in reality does not exist. In the case of Wales, as we note in Chapters 4 and 6, the process of delivering city deals for the CCR and SBCR has partly driven the need to then address how to regionalise the regions to the North in the pursuit of economic growth (Blackaby et al, 2018). The chapter argues for the need to consider a new economic paradigm for rural regions – one that steps outside of the city-region approach.

Making interstitial spaces: the Growth Deal approach revisited

With the ‘swing’ (Jones, 2019a, 2019b) of UK sub-national policy moving towards city regions, and specifically a metropolitan focus post-2010, a variety of policy mechanisms have been deployed in an attempt to boost economic growth, with one of these being the ‘Growth Deal’ approach (BIS, 2011; HM Government, 2013). The policy of delivering Growth Deals by the UK Government began in England and has been a mechanism by which to fund and fuel LEPs. As noted in the Introduction, they have sat alongside various forms of deal-making public policy, which include both City Deals and Devolution Deals (see O’Brien and Pike, 2015). Growth, City and Devolution Deals, as the name(s) suggest, require negotiation, which takes place between
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The UK Government and the specific LA or CA (LEPs and LAs in England) (Etherington and Jones, 2018; Pugalis and Townsend, 2012). There have been several rounds of deal-making whereby in simple terms, collaborating LAs (in England) have progressed on a continuum from Growth and City Deals to Devolution Deals, although this has not been a linear or even process on speed and resources. There has also been a priority on granting such deals to metropolitan-combined LAs first (such as the Core Cities – see Deas, 2013), before deals are granted to less urban and more rural collaborating LAs. The metropolitan centres have consequently seen much larger and wide-ranging deals being granted (Shaw and Tewdwr-Jones, 2017).

In Wales, there have been City Deals to both the CCR and the SBCR (HM Government, 2017, 2016). These came later in the deal negotiating process (the CCR was signed in March 2016; the SBCR in March 2017) compared to those in England and Scotland, which were delivered much earlier in the Coalition Government’s tenure (National Audit Office, 2016). This reflected a slow process of negotiation between the collaborating LAs and then a protracted negotiating period between those LAs, the Welsh Government and UK Government. Such deals though have only covered South Wales and this leaves the rest of Wales without any growth framework in place not counting Welsh Government and individual LA plans. This has led to the North Wales LAs, since late 2017, to seek and lobby for a Growth Deal to shape economic development practice outside of this urban context but constrained-by-design within the city-first policy frameworks (Blackaby et al, 2018). The UK and Welsh Governments, alongside the Welsh LAs all have different visions as to what this process of deal making is for. This is highlighted by the Welsh Assembly’s Economy, Infrastructure and Skills Committee (2017), that reveals how the processes and practices of city and growth deal-making mean that respective governance institutions have very different ambitions. Its negotiation and the possible policy levers available are, therefore, constrained in potentially disparate directions (cf. Chapter 4, with its focus on the CCR City Deal). In the case of the NWGD, this has led to a slowing in the ability to close the growth deal and a protracted wrangle over funding contributions.3

Devolved regions in action: placing North Wales

Wales has a complicated and difficult geography, which reflects the main centres of population being in the south with the cities of Cardiff and Swansea, and a mountainous physical geography to the north,
which makes for more rural and dispersed population demographics (Lovering, 1983). This impacts on how policy is applied in Wales with regards to governance (Pemberton, 2016) as the Welsh Assembly attempts to address the problems created by this difficult geography. This, therefore, influences how investment is spread and attracted to Wales as well as how services are provided across the nation. This has led to several overlapping governance territorialisations across Wales, as different actors exist on different footprints (Local Government, Health, Police, Fire Services and DWP). At a national level, since devolution, Wales has struggled to develop economically to the extent that proponents of devolution would have liked, and in comparison to the rest of the UK (Bristow, 2018; Blackaby et al, 2018; Gardiner et al, 2013). Added to this, since 2010, as in much of the UK, austerity has been an important factor impacting on the functioning of the Welsh Government and the LAs. This is reflected in how the Welsh Government has sought to restructure local government under a time of austerity, via the Williams Commission, whereby it has looked for LAs to find ways to consolidate services and, if desired, combine them (Welsh Government, 2017a). Current developments fall well short with regards to what was suggested by the Williams Commission, but highlight a rationalisation and collaboration direction of travel for the Welsh Government.

It is within this climate of joint working between LAs that, in South Wales, two city regions have been created via LA collaboration and in turn this has led to North Wales seeking a Growth Deal for. The ‘region’ of North Wales also reflects a complicated geography, highlighted by The WSP (Welsh Government, 2008), which identified the different regions of Wales as having extremely ‘fuzzy boundaries’, with stretched-out and relational public policy interventions occurring in some instances (see Orford and Webb, 2018). ‘North Wales’ stretches into what has been called the ‘Deep Rural’ (Wales Rural Observatory, 2009) of mid-Wales; for example, where southern Gwynedd (Meirionnydd), blurs into the mid-Wales LAs of Powys and Ceredigion. Then to the north and east, the Mersey Dee Alliance (MDA) reflects the cross-border relationships linking Flintshire and Wrexham with Cheshire and NW England (see Figure 5.1). ‘North Wales’, then, stretches and blurs across different borders and boundaries (Mann and Plows, 2016) and this blurring is reflected in policy initiatives such as the MDA. Further to this, North Wales is surrounded by a plethora of English City regions, particularly Liverpool and Greater Manchester. Importantly, North Wales is also made up of very distinctive and more territorially bounded sub-regions, or localities, with their own local
characteristics and with very different labour market and other social demographics, such as the very marked difference in the percentage of Welsh language speakers in NE and NW Wales. These differences in local characteristics are important; they present locally specific challenges and opportunities.4

This is further reflected in a series of economic regional variations across North Wales. The differences highlight the variegated nature of the region and questions whether it exists as a truly economically functional region. The regional divergence, for instance, in the labour market is reflected in the GVA per head for North Wales (Figure 5.2).

These differences in the labour market are also reflected in the relative size of employers situated across North Wales. There is a marked regional split between NE and NW Wales, whereby larger firms predominate in the east, whereas small to medium enterprises are more significant in the west.

Collectively, this suggests a variegated economy across North Wales, as well as a region that does not have a functional economic area of its own (Lovering, 1983). This means that developing policy that enables economic growth across the region is difficult; different sub-regions require different forms of support to better enhance their economic performance. The aim of generating agglomerative economic growth for a metropolitan centre then means that sub-city regional and peripheral differences do not matter if the centre is growing (see

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**Figure 5.1: North Wales political geography**

Source: Produced by Sam Jones, WISERD

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Figure 5.2: Gross value added per head, 2016

Source: Modified from Welsh Government (2018)
Fujita and Krugman, 1995; Krugman, 1998; Overman, 2012). In a rural region such a centre does not exist, therefore, there is no focal point for growth. The labour market and firm composition differences between NE and NW Wales, therefore, will affect the likely impacts and uptake of economic development opportunities in the region. This is because as growth stimuli is applied and if successful, it will have uneven impacts across an already unevenly developed regional space. It is important though to note here that the Welsh Index of Multiple Deprivation shows that there are micro localities (Lower Layer Super Output Areas, LSOAs) with very high levels of deprivation within LAs across North Wales, so the picture is much more complex than simply one of an ‘affluent NE Wales versus a struggling NW Wales’.

This means the NWGD faces a series of challenges that are quite different to that faced by most urban areas, which to date have benefitted from Growth Deals. For North Wales, we identify a series of key challenges facing the region which are: the before mentioned regional imbalances; the lack of a Welsh ‘Mittelstand’ and supply chain capacity (CRESC, 2015); the potential impact of Brexit; and a lack of quality employment opportunities and the related skills gap. These also sit alongside the considerable challenges of continuing austerity; lack of infrastructure (although problematic in itself); various health challenges related to geography and deprivation; and the changing demographics of the region. There is, therefore, a critical question moving forward – does the NWGD tackle these issues of rural development or exacerbate them?

**The North Wales Growth Deal**

In attempting to deal with these difficult and overlapping geographies, LAs have sought to develop a Growth Deal for North Wales with the UK Government via the North Wales Economic Ambition Board (NWEAB). This is because local and national actors are promoting the growth deal framework as the only opportunity available to the region to address its economic needs, whereby, the collective effort of North Wales LAs could deliver growth for the region: “The North Wales county councils are proud to have submitted a growth bid for North Wales. The region is unified in recognising the need to transform the way the region’s economy is structured” (Interview, Wales Leaders Group for Economic Growth, 2017). The NWGD and its negotiation reproduces the ‘spatial imaginary’ of North Wales as a bounded region, which can then be connected to other spatial imaginaries such as the Northern Powerhouse (see Berry and Giovannini, 2018). This is
important because, despite the differentiated nature of the region, the narrative of a collaborative, functioning and bounded regional entity is essential to giving sufficient scale to make a potential growth deal plausible. To date, a deal has not been finalised but the direction of travel for the deal is relatively clear. This is because, like other Growth, City and Devolution Deals at this regional scale, only certain competencies are offered to LAs in pursuit of economic development (O’Brien and Pike, 2015).

The six LAs have pitched to the UK Government a deal worth £1.3 billion (with leveraged finance) with £383.4 million coming directly from UK and Welsh Governments. With regards headline figures, this aims to create an uplift in GDP for the region from around £12 billion (2015) to £20 billion by 2035 and to create 5,000 jobs (NWEAB, 2018). The bid has three main themes: ‘Smart North Wales’, focusing on innovation in high value sectors; ‘Connected North Wales’, addressing transport and digital infrastructure; and ‘Resilient North Wales’, seeking to retain young people, raise employment levels and improve skills to achieve inclusive growth (NWEAB, 2018: 3). Broadly, this includes focusing on low carbon and nuclear energy – including regeneration at Trawsfynydd; university research; better transport links; growing digital businesses; and increasing skills and opportunities to keep more young people in the area. Several stakeholders interviewed are hopeful that the Growth Deal could help with regard to political and economic ‘clout’: “It’s a new way of working … we need to be more like the private sector … they don’t recognise [LA] borders” (Interview, Anglesey Council, 2016).

Several stakeholders are of the opinion that this approach could help a ‘parochial and inward-looking’ (Interviewee, Anglesey Council, 2017) NW Wales to become more outward facing. Partnership working is seen as potentially facilitating additional ‘clout’ because all LAs and different agencies are ‘speaking with one voice’. It is clear that the stimulus of the Growth Deal has already catalysed a significant amount of regional partnership working – ‘Team North Wales’. According to one commentator:

‘Economic leaders across the region are agreed on a collaborative approach, and are driving the work collectively on a singular regional approach to the Growth Bid – this is supported by regional leaders and key politicians, and is to be further developed and promoted as an inclusive approach that delivers “Team North Wales”.’ (Interview, NWEAB, 2017)
The NWGD is aimed to strategically enhance the impact and value of independent but strategically linked inward investment/economic development initiatives, some of which are well developed (such as Parc Adfer, Deeside, and HMP Berwyn prison and others at least under way or stalled – such as a new nuclear plant on Anglesey—Wylfa Newydd). The NWEAB’s Growth Vision report (2016) sets out a very comprehensive ‘roadmap’ of these inward investment projects, which are (strategically and discursively) linked to the region’s three Enterprise Zones (manufacturing in Deeside, energy on Anglesey and ICT and aerospace in Snowdonia).

Several of the stakeholders interviewed are understandably ‘bullish’ and optimistic about these projects, which are described as being ‘significant opportunities’ (Interview, 2017) for the region’s economy and labour market, with positive impacts on employment and for developing supply chain opportunities. There was a great deal of optimism from the stakeholders most closely involved with strategic planning and delivery of these initiatives, who have built additional capacity as a result of learning from the economic shocks of the recession, de-industrialisation and associated mass redundancies: “there is a sense of real opportunity for change and growth in the region [which] is aspiring to grow … The impacts and implications of mass redundancies of the past has resulted in the growing, aspirational economy that North Wales is today” (Interview, NWEAB, 2017). One of the primary focuses to the NWGD is on transport infrastructure, which aims to do two things: to better connect the region internally and then externally to NW England. With specific reference to bordering English LAs, such as those contained within the MDA, this reflects the existing ‘functional economy’ of the region, which sits across the Wales/England border. Added to this, is also the pre-existing ‘spatial imaginary’ of the Northern Powerhouse, which is also seen as a strategic opportunity for the North Wales economy due to its geographical positioning and relative ease of commuting:

The North Wales Growth Bid will be aligned to the strategies for the Northern Powerhouse and the immediate North West of England, specifically the strategy of the Mersey Dee Alliance and close partnerships including the Cheshire and Warrington Local Enterprise Partnership … The work is strongly aligned to the national aims of the UK Industrial Strategy and the WG [Welsh Government] Economic Plan. (NWEAB, 2018: 12)
The NWGD, therefore, seeks to align itself towards the North (West) of England and the developing agglomeration economies of two city regions. This interestingly focuses the NWGD away from South Wales and Cardiff (see Economy, Infrastructure and Skills Committee, 2017). This has meant strong emphasis has been placed on the development of road and rail infrastructure, which is especially focused on the north east of the region, with the North East Metro cited as a key infrastructure development (Welsh Government, 2017c).

The NWGD also seeks to address what is seen as the underperformance of the region due to its peripheral location in both the UK and Welsh economies. This seeks to unite actors at all levels (LA, Welsh Government and UK Government) in wishing to negotiate such a deal and highlights the economic rationales that are in play with regards to how best secure growth:

A North Wales growth deal will revolutionise the way our towns and villages in North-Wales govern themselves – shifting powers down from London and Cardiff to local leaders who are better placed to take decisions that affect their communities. The Northern Powerhouse, coupled with a growth deal represents our best chance to bring transformational change to North Wales. (Welsh Government, 2017b, quoting Guto Bebb, Wales Office Minister)

Approximately, the NWGD hoped to secure a £335.5 million split between the Welsh and UK Governments, with a further £219 million coming from universities and colleges and around £109 million upfront from businesses. The NWGD, therefore, hoped to secure around £3.1 billion of private sector funding alongside this over the long-term of the growth deal. Signed in November 2019, this was negotiated down to a £240 million package, split equally between the UK and Welsh Government, with the private sector and other partners committing to make up the rest of the investment (see HM Government and Welsh Government, 2019).

**Discussion: Does the Growth Deal ‘fit’? Critiques and caveats**

The chapter turns to consider whether such a deal is appropriately framed to address the needs of North Wales and in what ways the Growth Deal is deeply problematic in its approach for addressing those locality needs.
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Drawing on the interviews, stakeholders voiced concerns about the lack of evidence for the (urban-transferred) growth deal model, in relation to cross-border working relationships; the focus on infrastructure and skills; the ‘city deal’ trickle-down approach; and the evidence base for ‘cluster’ approaches. Further concerns were raised around the potential for these approaches to have negative impacts, such as displacement and disruption, particularly at the periphery. The following section, therefore, seeks to raise a series of concerns that the Growth Deal approach creates, as the proposed growth policies shift to a rural setting.

**Policy discourse versus geographical reality**

‘There’s a disconnect between these big schemes and peripheral economic wellbeing … the jury’s out on city deals and growth deals; there’s patchy evidence at best … no data to say it’s contributing positively.’ (Interview, Colegau Cymru, 2017)

One of the central problems with the Growth Deal approach is the circumspect evidence on which it is built. Ward and Jonas (2004) suggest that such approaches often have a habit of only focusing on areas that have been successful for their evidence base, while neglecting areas that have failed in the implementation of such strategies. Interviewees, in several contexts where they perceived evidence gaps to be present, further highlight this. Examples given include: little evidence on the successful working of cross-border economic partnerships with few examples of what ‘best practice’ is, or an understanding of what the pitfalls to this approach could be; the viability of the ‘trickle-down’ effect of inward investment and infrastructure development to local suppliers, local economy, the periphery; and whether infrastructure and skills investment actually delivers sustainable and evenly spread economic growth and quality employment or whether it exacerbates uneven growth. On the ‘what, why and how’ of micro businesses and self-employment, which make up the bulk of businesses especially in rural (North) Wales, there has also been little attempt to find out more about what they need/want, particularly regarding their willingness and capacity to ‘scale up’. Throughout, possible impacts of ‘Brexit’ on current/planned initiatives and policies run deep as concerns. Added to this, the viability of North Wales as a functional economic area is questioned, due to the region’s divergent east/west split. Therefore, the NWGD continues to perpetuate a ‘spatial imaginary’, which may be geographically defined, but is poorly connected in economic
terms – especially when the importance of cross border relationships defines more accurately the functional economy of the region. This, therefore, suggests that for North Wales the Growth Deal will deliver at best very uneven benefits for the region.

The key proposals of the NWGD are more likely to deliver enhanced economic development for NE Wales than for NW Wales. This is an issue of existing capacity and connectivity; stakeholders note that Flintshire/Wrexham is already ‘more aligned’ with Cheshire and Warrington, as embodied in the MDA; NE Wales LAs ‘already work with Manchester, Liverpool’; this cross-border work is ‘business as usual’ for NE Wales. While the hope is that improving connectivity will provide opportunities, which penetrate to the peripheral areas of NW Wales, several stakeholders felt that the benefits were realistically more likely to accrue to NE Wales.

‘On a certain level its already happening – the Mersey/ Dee Alliance – Wrexham/Flintshire – they are currently able to access cross border relationships … [there are further developments of cross border schemes which are] aspirational at the moment … I think some of the NE industries, chamber of commerce [are more likely to] see the opportunities.’ (Interview, NWEAB, 2017)

For example, in terms of infrastructure, several stakeholders felt that there are ‘real benefits’ with regards to improving transport connections between the already closely connected regions of NE Wales and Manchester/Crew (NW England), but that this would not necessarily help NW Wales.

Several stakeholders also felt that it is uncertain and unproven that cross-border growth and development in NW England and NE Wales will stimulate or facilitate supply and demand side capacity in peripheral NW Wales, to any significant extent.

‘I don’t think that you get trickle down/spin out to the periphery … culturally and politically that’s very difficult to do … it’s wishful thinking [that the periphery will benefit] … capital infrastructure accrues capital to areas, which are already strong.’ (Interview, Colegau Cymru, 2017)

‘We want to grow the whole of North Wales as a region [of Wales] rather than suck people into the NE … we shouldn’t rely on [cross border growth] as the only growth deal for
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N Wales … there’s a danger of hype which could turn the NW Wales population off. There are regional opportunities, which are immediate and current.’ (Interview, Civil Society Stakeholder, 2017)

The labour market differences between NE and NW Wales outlined earlier were identified as central to some interviewees’ concerns about the NWGD as it currently stands. A concern raised by several interviewees is, therefore, that the emphasis on big infrastructure projects does not sufficiently address the locally specific characteristics of the North Wales region. This raises a series of questions with regards to the Growth Deal approach to address the needs of an economically unaligned region such as North Wales, with urban, semi-urban, rural, deep rural and an East/West geographic split. This suggests from the outset that any economic benefit from the Growth Deal is going to be deeply uneven when delivered to the region.

**Agglomeration and spatial displacement**

Several interviewees raised concerns that NW England and NE Wales investment projects and cross-border capacity growth, while designed to simultaneously boost capacity in NW Wales, could actually have the opposite effect and could catalyse displacement in NW Wales (see Figure 5.1). Peripheral areas could lose human and financial capital, which could ‘leak out’ from Wales; this is agglomeration essentially. According to one perspective:

‘[T]he problem with agglomeration is that it doesn’t happen equally around the region … does North [West] Wales have the human capital to win the agglomeration battle? … Liverpool/Manchester is a massive gravitational force pulling things in … dark matter … pulling resources in rather than sending resources spinning out … its where the financial capital, and consequently the human capital, lies … it’s a myth that there are no casualties.’ (Interviews, Colegau Cymru, 2017)

Therefore, whether transport infrastructure improvements will provide economic benefits to NW Wales or not is a contentious issue; there are significant differences of opinion between stakeholders on this issue. There has, of course, been a number of studies which have questioned the economic benefits of such transport focused approaches (see Melia,
City Regions and Devolution in the UK

2018) and the actual economic benefit they bring to the populations they serve. Several stakeholders suggest that the focus on infrastructure, particularly transport infrastructure, may be misplaced. Transport improvements are important, but it depends on the context, such as where and what sort of business you are. Transport and infrastructure improvement can: “cut both ways … could actually exacerbate an outflow of capacity … it depends what the infrastructure is connected to … infrastructure doesn’t necessarily take you anywhere … [when] there are more efficient nodes elsewhere” (Interview, sustainability consultant, 2016). Several interviewees made this potential for transport connectivity and infrastructure improvements to ‘cut both ways’ and potentially catalyse displacement. This is an area of significant disagreement between those promoting the NWGD and the interviewee stakeholders above, who felt that there was little evidence to show that transport infrastructure brought economic benefits; instead, exacerbating a long-history of out-migration/displacement, particularly at the periphery. Whereas the LAs who are developing and driving strategic initiatives (informing the NWGD) argue that investment in transport infrastructure is key to developing the region’s economic potential.

Conclusions

‘The Northern Powerhouse model is a good brand, a hook even, but a lack of tangible investment runs deep … how will it actually translate in terms of opportunities for Anglesey and North Wales is limited.’ (Interview, Anglesey Council, 2017)

This chapter has discussed non-metropolitan city-regional alternatives in the context of the (academic and policy) city-regional debate. It has specifically sought to raise a number of concerns based on the imposition of an urban ‘spatial imaginary’ through city-region building. The city-region agenda, although not transported and dropped into a rural region per se, shapes the possibility of what a rural region can become when aligned to a city-region policy prescription (in both discursive and material terms). We have highlighted how such an approach potentially marginalises ‘the rural’ due to the dominance of metropolitan centres in this policy approach. The chapter has demonstrated the way in which the NWGD has been constructed in order to align with city-region developments, though this is revealed to be deeply problematic for rural regions. The NWGD, premature in
its evolution, is being implemented with little or no acknowledgement of the various concerns raised above. We have questioned the rural viability of the implied and applied urban growth model. This approach to economic development also has the potential to create further uneven growth for rural areas, by failing to consider the ways in which areas external to the city region are capable of creating different models of economic growth, which do not rely on urban agglomeration. All this said, a Mid-Wales Growth Deal is being prepared, which is also without a core city context to drive economic development and experience could mirror some of pitfalls and dilemmas of the NWGD.

North Wales’s unique selling point is its natural resources and unique identity as a bio-diverse region with important cultural heritage, which arguably chimes uncomfortably with a hegemonic discourse of partnership-based inward investment. Only specific actors from the local business communities, the LAs and the two national governments have agency to enact what a growth deal should or could be. There is limited evidence that such a model can and will succeed; and certainly limited ‘periphery proofing’ has been undertaken. With infrastructure and skills lagging over time, based on limited rounds of investment, the jury is out on whether the growth deal model will exacerbate historic patterns of displacement (out-migration) and skills capacity to sustain any growth within economic development. There is a dire need to improve the quality of jobs and the strategic roles played by the cultural heritage and agriculture tourism sector, as well as community level economic development possibilities around green energy. As two commentators point out:

‘We know the kinds of activity that will persist … the kinds of economic activity that are geographically bound … Welsh language tourism, green infrastructure.’ (Interviews, Colegau Cymru, 2017)

‘We are not an industrial powerhouse, but we have an extraordinary landscape based on our environmental credentials … there is an opportunity to develop the image of North Wales; successful businesses do (re)locate here for lifestyle reasons.’ (Interview, sustainability consultant, 2016)

In addressing this and offering new knowledge, future research in this rural vein can contribute to the emerging literature on inclusive growth via city-region building (see Bevan Foundation and Joseph Rowntree Foundation, 2017; Lee, 2019; Vickers et al, 2017). This is seeking out...
a new economic model and for the likes of the Royal Society of Arts (2016, 2017), with regards to social and economic policy, reducing inequality and deprivation can itself drive growth. This requires investment in social infrastructure, including public health, early years support, skills and employment services, which should go hand in hand with investment in physical infrastructure, and in business development. This will have a first order impact on productivity and living standards. This sits within a broader framing of events whereby the context of Brexit has stimulated: a new Shared Prosperity Fund with potential for regional actors; increased demands for greater devolution; and a strengthening of calls for Welsh independence (see Welsh Government, 2017b). The rural challenges of delivering on this in the context of the NWGD have never been so pressing and the need for alternative economic development approaches, sensitive to the geographies of rural localities, has never been so urgent.