

RESPONSE TO REGIONAL IMBALANCES IN THE UK ECONOMY INQUIRY

July 2019

1. Introduction

- 1.1 The Carnegie UK Trust is a policy and practice organisation working to improve the wellbeing of the people of the UK and Ireland. We change minds through influencing policy, and change lives through innovative practice.
- 1.2 We conceive of wellbeing as encapsulating all the things we need to have a good society – now and in the future. We call this societal wellbeing¹, and it brings together economic, social, environmental and democratic outcomes. The term societal wellbeing indicates that the economy and public spending are means to the goal of societal wellbeing, not ends in themselves.
- 1.3 The Trust has been actively involved in promoting holistic frameworks for societal wellbeing for a decade, beginning with the establishment of the Carnegie Roundtable on Measuring What Matters in Scotland in 2010². Since 2011 we have published case studies³ of how governments and civil society organisations can measure wellbeing from France, the USA and Canada. We have set out steps for developing a wellbeing framework in Northern Ireland⁴, produced guidance on wellbeing frameworks for cities and regions⁵, and convened an international roundtable discussion on developing successful wellbeing strategies and policies⁶. In Northern Ireland, we are now funding a programme of support to three Community Planning Partnerships to implement a wellbeing outcomes approach in their Community Plans.
- 1.4 Since 2016 the Trust has advocated for the position of towns in public policy. In the UK, two out of five of us live in towns⁷, and yet there is a policy and evidence gap for towns, with national strategy favouring cities. The Carnegie UK Trust, as one of the largest policy and practice institutions in the UK to be town-based, recognises this. We have published research examining the potential impacts of the UK exit from the EU on towns, and why some towns voted to leave in the first place. We have also supported innovative practice through domestic town twinning, and through our Test Town programme, which enabled young entrepreneurs to make use of vacant shops in town centres.

1 https://d1ssu070pg2v9i.cloudfront.net/pex/carnegie_uk_trust/2019/07/08120200/LOW-RES-4196-Carnegie-WellbeingLaw-A4.pdf

2 <https://www.carnegieuktrust.org.uk/publications/more-than-gdp-measuring-what-matters/>

3 <https://www.carnegieuktrust.org.uk/publications/shifting-the-dial-from-wellbeing-measures-to-policy-practice/>

4 <https://www.carnegieuktrust.org.uk/publications/towards-a-wellbeing-framework-short-report/>

5 <https://www.carnegieuktrust.org.uk/publications/sharpening-focus-guidance-wellbeing-frameworks-cities-regions/>

6 <https://www.carnegieuktrust.org.uk/publications/shared-vision-inclusive-implementation-innovation-approaches-developing-government-frameworks-wellbeing/>

7 <https://www.carnegieuktrust.org.uk/publications/quantifying-kindness-public-engagement-and-place/>

- 1.5 We wish to submit evidence to the Treasury Committee displaying the importance of prioritising societal wellbeing in plans to tackle imbalances in the UK economy, and highlighting priorities for towns within economic strategies.

2. Measuring societal wellbeing

Response to question: Which regional economic data should the Government focus on e.g. is it GDP growth, or for regions, is unemployment data and other indicators that measure well-being more relevant?

- 2.1 The purpose of economic policy is to enhance societal wellbeing. Economic development should be harnessed to improve economic, social, environmental and democratic outcomes for all citizens, and to create places where everyone can flourish.
- 2.2 To measure the impact of economic policy on wellbeing, a suite of local indicators for societal wellbeing – otherwise known as a wellbeing framework – should be adopted by the Government. These would provide localised evidence on the outcomes of a regional economic strategy.
- 2.3 The ONS already measures certain indicators to provide an understanding of the UK's societal wellbeing on the 'Measures of National Wellbeing Dashboard'⁸. These indicators were selected after extensive public consultation⁹. In Northern Ireland, each Community Planning Partnership has selected a suite of available indicators to measure their regional progress.
- 2.4 Wellbeing measures cover the main domains of societal wellbeing: the economic, environmental, social and democratic health of the country. Typically, indicators may cover employment, health, GDP, education, participation, and natural capital, amongst others. These measures tend to be a mix of subjective and objective indicators, which provide a holistic understanding of wellbeing to policy makers. Together, this data provides an indication on the success of government strategies.
- 2.5 Wellbeing frameworks support improvements in wellbeing by providing information to improve policy-making, and indirectly by changing the culture of policy-making. They support a new approach to governance that focuses on prevention, participation, horizontal integration of public policy, and localism.
- 2.6 Recommendation: The current focus on cost-benefit analysis in the Green Book should be revised to carry out a multi-dimensional assessment of wellbeing.

3. Understanding our towns

Response to question: The ONS produces regional statistics at different levels: regions/City regions/ Combined local authorities/local authorities and sectors. How useful is it to produce statistics at all these levels?

⁸ <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuresofnationalwellbeingdashboard/2018-04-25>

⁹ <http://researchbriefings.files.parliament.uk/documents/POST-PN-421/POST-PN-421.pdf>

- 3.1 Having data at a local level is vital to evidence-informed policy making that works for communities. Monitoring the impact of growth within as well as between regions is important for policy making that enhances societal wellbeing, as we have learnt in our project 'Embedding Wellbeing in Northern Ireland' which supports Community Planning Partnerships (CPPs).
- 3.2 CPPs have a duty to report on their progress towards the selected outcomes in their Community Plans, but the need for data at a local authority level is not always matched by its availability and accessibility, with much data only available at the Northern Ireland level¹⁰.
- 3.3 Data is also important at a lower level: at the scale of towns, and the places communities identify as living and working within. The Carnegie UK Trust supports two platforms, Understanding Scottish Places (launched 2015) and Understanding Welsh Places (launch forthcoming, October 2019)¹¹.
- 3.4 These accessible websites provide data which is available at town level (locality in Scotland, CBUA in Wales) to empower communities to better understand their places, and to be better prepared to contribute to local planning opportunities. Data is selected based on its uniform availability across the range of towns included in the criteria, and with an intention to be asset-based and provide evidence on the strengths of a town.
- 3.5 These platforms incorporate a model which assesses the relationships between places: the inter-relationship model, which categorises places from dependent to independent on a 7 point scale¹². From this, we can learn how towns are networked with other places, and are reliant on relied upon by local communities for their assets and relationships.
- 3.6 This data is valuable to communities to understand their own place, and to other groups for regional planning. Understanding the complexities within regions, is an important step in reducing economic imbalances.
- 3.7 Recommendation: It is useful to have statistics available at a range of geographies, including below the local authority level. Economic development data that is available at town level allows us to better understand the wellbeing challenges and opportunities facing towns. A 'what works' style organisation could assist with reviewing and disseminating evidence on what works for town development, supporting policy makers and practitioners to reflect on the evidence base within their local context.

4. Towns sharing in growth

Response to question: To what extent can devolution of funding to regional bodies promote growth and reduce regional disparities?

- 4.1 Within regions, places can have vastly different experiences of economic growth. To ensure sound decision making the voice and expertise of local communities should be heard within regional funding strategies.

¹⁰ <https://www.carnegieuktrust.org.uk/blog/skill-sets-and-mind-sets-using-data-to-embed-wellbeing-in-northern-ireland/>

¹¹ <https://www.carnegieuktrust.org.uk/project/usp/>

¹² Developed by the Centre for Local Economic Strategies (CLES). for details see: <https://www.usp.scot/StaticPage/Methodology>

Power to Communities

- 4.2 Over the last decade, policy and planning in the UK has focussed on metropolitan regions, as displayed by the proliferation of city deals. The intended agglomeration effects have not always led to improved outcomes for towns – those close to cities or those on ‘on the periphery’. There is currently no clear strategy for towns within the UK government, leading to a lack of joined up vision and funding.¹³
- 4.3 A lack of vision for towns has been compounded by a lack of local control. People in towns need a greater say over mechanisms of investment and priorities for spending. If Local Enterprise Partnerships are to channel funding, they will need substantial reform to enable them to better represent and benefit communities.
- 4.4 Recommendation: A long-term strategy for towns, should be developed which joins up thinking horizontally across departments, and vertically, listening to local voices. Devolved power and funding should focus on supporting the long-term improvement of local wellbeing outcomes.

Learning from Brexit

- 4.5 In 2018 we published a report called ‘New Powers, New Deals: Remaking British Towns after Brexit’¹⁴. This analysis identified less prosperous towns in the North of England and Wales, and pressured towns of Southern and Eastern England as making a demonstrable contribution to the vote to leave the EU.
- 4.6 This action could be understood a vote of discontent from either being left out of economic growth, or not receiving the required funding to manage the service pressure resulting from economic growth. The results of the referendum shows that outcomes for towns matter for national outcomes.
- 4.7 Regions are formed of complex networks of interconnecting places. To ensure that economic growth is harnessed for the wellbeing of towns, policy makers must understand the role of towns within regions: rather than passive recipients benefiting from the growth of cities, towns actively shape their regional economic geography.
- 4.8 Recommendation: Strategies to support the wellbeing outcomes of towns should involve governments participating in locally-led development strategies, adequately resourced by all levels and supported by the necessary bureaucratic capacity. These ‘town deals’ (following on from the pioneering deal in Grimsby) should involve a truly integrated approach and learn from inclusive growth approaches across different sectors and services.

5. Summary of recommendations

- 5.1 Recommendation: The current focus on cost-benefit analysis in the Green Book should be revised to carry out a multi-dimensional assessment of wellbeing.

13 https://d1ssu070pg2v9i.cloudfront.net/pex/carnegie_uk_trust/2019/07/31160819/Opportunities-for-towns.pdf

14 <https://www.carnegieuktrust.org.uk/publications/new-powers-new-deals-remaking-british-towns-after-brexit/>

- 5.2 Recommendation: It is useful to have statistics available at a range of geographies, including below the local authority level. Economic development data that is available at town level allows us to better understand the wellbeing challenges and opportunities facing towns. A 'what works' style organisation could assist with reviewing and disseminating evidence on what works for town development, supporting policy makers and practitioners to reflect on the evidence base within their local context.
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- 5.4 Recommendation: Strategies to improve the economic growth of towns should involve governments participating in locally-led development strategies, adequately resourced by all levels and supported by the necessary bureaucratic capacity. These 'town deals' (following on from the pioneering deal in Grimsby) should involve a truly integrated approach and learn from inclusive growth approaches across different sectors and services.