

Placecast Podcast: Episode Seven – Transcript

In the latest episode of *PlaceCast*, Nicola Headlam sits down with Dr Charlotte Hoole and Professor Andy Pike for a deep dive into one of the most pressing challenges facing England today: how we allocate public funding and govern economic development across regions. With decades of combined experience in subnational governance, Charlotte and Andy bring sharp insights and grounded expertise to a conversation that's both timely and urgent.

As England grapples with entrenched geographical inequalities and a fragmented funding landscape, this podcast explores the findings of their recent ESRC-funded project on improving public funding allocation. From reflections on the legacy of regional development structures to lessons from international models like France and Australia, the episode offers a compelling look at what it will take to build a fairer, more effective system of place-based investment.

Nicola Headlam:

Welcome to PlaceCast, a Local Policy Innovation Partnership Hub production based at the University of Birmingham. PlaceCast is essential listening for those keen to explore the ins and outs of knowledge mobilisation for influence in central and local government, based on the view that it is only through animating the power of place-based leadership that the wicked problems of 2025 can become more manageable.

In today's episode, I am having an extreme geek out fangirl moment. Both our guests, Andy Pike and Charlotte Hoole, are working in the sweet spot around governance of economic development that I find so interesting. They are both absolutely excellent on place leadership issues that support or not economic development in the UK and the spatiality of the economy and how we've got ourselves in such a mess in England where governance of the economy and subnational matters have so tangled up. So sit comfortably, Placecasters. It is a brilliant episode that we've got for you.

Could you introduce yourself and your work? And if we start with Charlotte, please?

Charlotte Hoole:

Great. Thanks, Nic, and thanks so much for the invitation to contribute to the podcast today. So I'm Charlotte Hoole, and I'm a research fellow at City-REDI, the City-Region Economic Development Institute at the University of Birmingham, and I've been in this role since 2019 albeit I did first join City-REDI as a Policy and Data Analyst back in 2016 and I was in that role for a couple of years.

My research focus is broadly subnational governance and decentralisation. It was the focus of my PhD and my ESRC postdoc fellowship that I did back in 2018-19 and it's continued to shape the projects I've been involved in at City-REDI since.

So these include the LIPSIT project, it was a while back now, back in 2019, 2021, and that project focused on the impact of governance structures on place-based policies and central local relations and their role in shaping regional disparities. I've also worked on related projects

through WMREDI and more recently the ESRC Improving Public Funding Allocation Project, which I worked on up until March of this year alongside Andy.

Andy Pike:

Yeah, hello. Thanks a lot for the invitation to contribute. Good work being done here on the podcast now, important and timely interventions now, and these debates around sub-national governance and policy. A awful lot going on in this space at the minute, so this is all very timely and worthwhile stuff.

My name is Andy Pike. I'm the Henry Daish Professor of Regional Development Studies at CURDS and CURDS is a Centre for Urban and Regional Development Studies at Newcastle University. It's been around since the late 70s, really doing this kind of research and policy-related activities. And I haven't been there since then, but since the early 90s, I've been there doing work on local, regional, urban development policy and governance.

Nicola Headlam

Brilliant. Well you are most welcome, both of you. Thank you very much. It's quite interesting. Sometimes on these podcasts, we've had people that are a little longer in the tooth, like yourself, Professor, but also the early career piece as well, because I think it's certainly really exciting and it's opening up in terms of working across boundaries a lot more, I think, within and beyond the academy. That would be my reflection from a career that's nowhere near as august as yours, Andy, but also a little bit longer than yours, Charlotte.

So we're here to talk about the improving public funding allocation projects specifically. Can you tell me why you feel funding reform and addressing geographical inequalities in England is such a pressing issue right now?

Charlotte Hoole

So I would say that both funding reform and addressing geographical inequalities are pressing issues for several reasons. I won't go into them all, but just to highlight a couple. One being that England obviously continues to face deeply entrenched geographical inequalities in productivity, income, health, education, and so on and so forth. The list goes on. These inequalities limit the potential of many places to contribute to national growth. They create inefficiencies and social costs that affect us all essentially.

And on top of this, the funding system remains highly centralised, fragmented, and at least until recently, very competitive often favouring areas with greater institutional capacity and leaving others behind. And this is obviously reinforcing existing divides.

I mean, there's certainly an opportunity for our project and in terms of pushing our project's findings, because obviously we've seen quite a bit of change recently, new government coming in last year, followed by the English Devolution White Paper and more recently the Bill and De-signal window of opportunity to rethink how public funding is allocated.

There's also this year been a wave of government consultations focused on improving funding allocation. So obviously the government are wanting to make change and put some priority in this space. I know Andy's been involved in some of those and I was involved in one earlier this year. But there's also kind of something's missing from the current vision.

One of these, which is central to our project, is the current emphasis on national economic growth and not really on reducing geographical inequalities and obviously just focusing on economic growth, risk further concentrating resources in the major centres. So yes, that's why it's a pressing issue right now.

Nicola Headlam

Gosh. So it's timely because of the new government. I mean, I think some of us that have been around for a while, are a little bit frustrated that there isn't really anything to hang regional growth off per se at the moment. I know that this has been your career, Andy, but if you think about in the Brown government and the regional PSA targets, there was a whole target tree which connected kind of political statements through a regional infrastructure and notwithstanding rehashing the debate about RDAs. It certainly feels a bit more of a denuded landscape for regional hard targets, but we're not hearing a great deal of warm words either. You're right, the National Growth Mission appears to trump everything. What's your view on that, Andy?

Andy Pike:

Yeah, I mean, as you say, the kind of national constraints, the sort of stagnation worry is most pressing, really, in terms of the government's mission to try and get economic growth stirred up and hope that generates the tax revenues to be able to sort of ease the tight public finance situation if you're looking at that kind of macroeconomic picture. And you're quite right to say that when that hits the place and the sort of sub-national dimension, certainly within England, then it's not entirely clear how it all fits together. It's certainly there and part of the discussion.

For instance, in the industrial strategy, a very national growth-oriented focus, key sectors being identified, I mean, the intersection with place and localities and regions and cities within that, obviously a little more open beyond the sort of broad commitment that they want growth everywhere in the country, but it isn't really arguably fleshed out in as much detail as us kind of more spatially aware folk might want.

And then I guess in terms of the institutional architecture, as you say, yeah, the regional structures and the capacity and the resources that they had are clearly long, gone 15 years plus ago, since 2010 and the start of austerity. So I think you're looking now at. It's still a patchwork.

I mean, we've often talked about a pendulum swinging between regional and local sets of institutions, and it's kind of swung away sharply from a kind of regional set of structures in 2010 to a much more local set with LEPS. But now that's gone, and it's kind of the pendulum's really sort of settling around a kind of sub-regional kind of set of entities, isn't it, really, with these new kind of strategic authorities and the government's desire, then, as Charlotte was saying, with the bill to sort of fill out this very uneven map that we have of powers and resources across England,

sort of mayoral combined authorities, combined authority levels and filling that in and now tasking them with producing local growth plans.

So it's an uneven landscape. As the cliché often, the point is made, you wouldn't start from here. But the problem is this is where you're starting from. And they're probably quite wise as a national government with a growth focus and tight public finances to not want to tear it all up and start again. You've had too much churn and reorganisation and new institutions. You know, they roughly last about 10 years or so.

John Tomaney and I wrote a little piece for a British Academy thing on regional policy history recently. And if you go back to TECs (Training Enterprise Councils), RDAs, Urban Development Corporations, they spend 10 years, you know, they're three, four years to get their head around their system. Two or three years doing good things, and then two or three years being wound up and abolished. So it's a depressingly sort of repetitive cycle, really, if you look in that post-war period. So probably government is quite right to avoid doing a complete rethink with a blank sheet of paper.

But it does create big adaptation challenges. You know, how do you get this new system to work? You're filling in the blanks and trying to get local actors to kind of work together and coordinate in a very, very tight public financial setting, aren't you? So new combined authorities, not to mention the whole spectre of local government reorganisation, as well, chucked in there too. So there's a lot of moving parts, you could argue, in terms of how that architecture is trying to work and to coordinate that with a national level that's very focused on national growth missions and tight public financial environment, it's challenging.

Nicola Headlam:

I mean, I'm tempted to say, Andy, that it's not just that the pendulum has swung, bits of the pendulum have kind of been sold off or broken off or kind of rotted off, I think. Certainly those of us that remember the capacity of the regional tier with fondness now, I mean, it wasn't perfect by any means, but certainly Bec Riley's the principal investigator of the LPIP programme, and when she was at the RDA as the kind of she could commission from us and others, she had 3 million a year to commission just research studies on the North West. So I feel like there was a much more finer-grained understanding of the ways in which the system was able to pull in academic subnational economic expertise.

My worry is that as well as being a slightly broken subnational economic system in terms of its outcomes, also a lot of the connections aren't there in such a strong way, which is why we need good research projects such as this one with public policy connections.

What do you think it might take for the principles and proposals from your research to become embedded within national policy? What are the key principles to consider? And what tangible change do you feel that this research could bring to places that are currently left behind?

Andy Pike:

One of the key things we tried to do in the project, which it must be said was on a quite a tight time scale as well, in terms of its joint endeavour between the ESRC, Economic and Social Research Council, and as well Ministry of Housing, Communities and Local Government,

started under the last Conservative government, of course, as well. So we had to do the full kind of absorption of the change in government in the midst of a 10-month project.

So we've been very ably led by Charlotte to navigate these treacherous waters in a very short and sharp project. But one of the key things we wanted to do was to kind of engage critically with some of the literature to try and understand the sort of first principles, if you like, in terms of...How do you go about designing and formulating approaches then to allocating public funding across territories and particularly with a view to trying to reduce geographical inequalities as a kind of goal as part of that.

And these are classic things, you know, the old National Audit Office Trinity of 'economy, efficiency and effectiveness' echoed from the Audit Commission many years ago, things like equity, devolution, you know, classic kind of principles that we'd recognise. And we also understood that in certain governance settings, political moments, you get people trying to look for balances or trade-offs between these things.

So we've had various periods, I think, in England and the UK in a post-war period then where equity was kind of prioritized above efficiency and vice versa. Similarly, although we still have a very highly centralised sort of governance system, particularly in England, there has been sort of incremental steps. I guess we're in one of those at the moment towards relatively more devolution and decentralisation.

And, you know, there's been moments of lucidity and clarity. I mean, there's simplification stuff that was started under the last administration. That was a clear recognition that, as Charlotte was saying earlier, as this been a pressing issue, the system has just got fiendishly complicated. Too many small, short term, very specific types of funding measures that make it very difficult to navigate the system, a lot of competition. So the ambition of simplification, I think, of those funding streams was obviously a very important principle. Being wrestled with still by the government now, and you're seeing in the devolution agenda and bill, I think moves towards devolution accountability then as part of that process.

So I think the report and the work we did and the project then was really trying to emphasize that going back to first principles to try and help with that kind of adaptation and tweaking and improvement of the current system, some of that being run with. More scope, of course, to go further then on collaboration, cooperation, both at national sub-national levels, trying to get more joint working, trying to get the alignment of priorities and programs then between the different levels, national, sub-national and local. And we mentioned the industrial strategy, I think, and local growth plans has been a key part of that.

And then as well, I mean, we did talk about the lack of kind of overall quantum of resource that's actually going into sub-national development and governance too, which I think as you were sort of hinting at the start there, Nicola, that's one of the core things that is troubling in all this. There just isn't enough money going into this kind of stuff to really move the dial and make a difference, irrespective of how we go about allocating that between different places.

So meaningful, properly resourced devolution is going to be really key, particularly enabling these sub-national institutions, many of which are well down the track, but some are really struggling to sort of get started with new fledgling arrangements and organisations then trying to integrate existing bodies like LEPs and with investment arms and so forth to try and develop the move towards this holy grail and have a much more kind of place-based, tailored, responsive kind of set of arrangements then and using their powers and responsibilities then to both

mobilise the potentials that they've got locally, but also deal with some of the challenges and the pitfalls and the shocks. I think this sort of era of polycrisis seems to be really, really problematic, I think, for both national and sub-national entities to try and deal with.

Nicola Headlam:

I think one of the things that is slightly annoying in my Northern Powerhouse days, the only thing I think I achieved in that job was I didn't have a Northern Powerhouse fund that anybody had to kill themselves fighting over because the analysis it was felt was there. There is the underperformance of the north is institutional, is to do with investment, both public and private.

And I wanted to just follow up and ask, have you got anywhere with the areas of research interest from either MHCLG or BEIS in this territory? Because it felt like they were looking for kind of evidence again in this kind of territory. But again, the Citizen Local Growth Unit as was, which was covering both departments, has kind of separated out again. So in terms of having a spatial fix on the problem.

Andy Pike:

It's hard for us to say. I think we kind of worked productively, I think, with the contacts within MHCLG at the time. Charlotte, I'm sure, will say more perhaps in a moment. I think the challenge they had, of course, is they were dealing with a change of government, which had really kind of shifted the focus from having a conservative administration with a Secretary of State focused on the 'levelling up' agenda, at least the rhetorical emphasis upon that as a policy agenda backed up by a white paper from 2022, that at least the diagnosis of the geographical inequalities and issues and so forth, we would concur with the extent to which missions and fragmented pots of money were actually going to move the dial and change that in substantive ways, we might have more problems with. So they were having to deal with a change of government.

So we would hope, and I think this is something that we, you know, this podcast can perhaps help sort of refresh and renew some of those contacts and ideas then and point people back towards the report and signal that we're always happy to talk and do further work on these sorts of questions for the current administration, which is kind of had to roll with the punches.

I think it's been quite a tumultuous kind of early stage, early first year, I think, for the new government and trying to deal with these big national macroeconomic and public financial questions at that macro level has been very difficult. And I'm sure they're struggling to kind of keep up in terms of building in geographical and sort of more spatial dimensions within that, really, when you've got an overriding kind of national growth and public financial constraint sort of pressure over the top.

We do have ongoing contacts with people in local government finance within MHCLG and so forth, but that's almost a separate world almost given the sort of ongoing issues and all the various consultations that are working in that space.

Nicola Headlam:

In terms of tangible changes, Charlotte, do you want to come in?

Charlotte Hoole:

Yes, I was just going to say in terms of MHCLG's involvement in the project, it might just help if I explain a little bit about where the project came from.

So Andy and myself were involved in an ESRC sandpit at the beginning of last year. And this was a four-day collaborative workshop funded by then DLUC, now an MHCLG. And basically, it was designed to try and generate innovative interdisciplinary research around the former levelling up agenda, which as we know, when new government came in was no more.

But basically, the sandpit brought together academics like Andy and myself, but also stakeholders from business, third sector and government. And we were basically asked to discuss and come up with the different ways to respond to a number of government-defined challenges, one of these being how can we improve public funding allocation. And as a group, we obviously responded to that. But because of that process, because the project was funded by MHCLG and the intention was to work quite closely with them throughout the project, we did meet regularly with MHCLG to feed into what we were doing and to let them know what we were doing.

But of course it was tricky because of that change in government and because the levelling up agenda obviously went out the window and their focus had to shift to other things. It was challenging at times just in terms of finding that middle ground of how to move forward with the project in such turbulent times or during a time of a lot of change.

Just going back briefly to kind of the principles and how can we get some of our findings embedded, I think, as Andy highlighted, we've shown that there's great potential for change in this area, but of course it does hinge on a couple of critical enabling conditions. One of these that I would highlight is political will and national commitment. Now, reform really requires sustained political commitment, so we're talking across colours, across governments.

Of course, as I've already spoken about reducing geographical inequality needs to become a core part of the national growth agenda if they want to allocate funding in ways to reduce geographical inequalities. And as other research has found, widening inequality is not inevitable, and there's a lot pointing to previous policy regimes just not really being ambitious enough. We know other countries have done it, so it can be done. And yeah, a lot of this requires political bravery, it requires vision, long-term consensus, and which requires political risk. And of course, governments generally don't like taking too many risks.

Just one more thing to highlight before we move on is that I think it also hinges on building back that national capacity, which I know Andy already pointed to earlier. I just think reform simply won't stick unless we invest in stronger local institutions. And that means stable funding and no doubt more of it. But also, as I mentioned earlier, I think we need some from central government more generally to want to build back that capacity at the local level, which we know has been stripped over the last decade or more.

Nicola Headlam:

So I think some of the things that are making me feel a little bit cheerful, a return of a single pot and total place approaches. There's a lot of chat about that, which I think certainly in this sort of decade leading up to the financial crisis, we had done an awful lot in terms of the new Labour agendas around neighbourhoods and place. And we did sort of end up in a relatively good place around single pot and total place being kind of objectives. But I think what your report shows is that that kind of experience had more or less been completely lost in the intervening time. Although I have heard total place mentioned a lot more recently than I have for a while, so maybe that's a positive, is that resource allocation with a place-based or a total place head. And also the test and learn processes seem to me to be making a virtue of the mess.

I mean, I did a thing earlier in the summer. My view is that governance of economic development in England is that it's a bin fire. No function is the same in any one place. So it's just if you can't explain it, then you can't really grip it. So the test to learn and learn experiments that are coming forward seem to be quite hopeful, hopefully.

Can you share an example from your research where funding allocation was handed effectively? What made it work and what lessons can we draw from that?

Andy Pike:

Yeah, I think there's a number of things that we draw out in the report. I think one of the kind of curses of the system is centralisation and when the governance, when the decision making are overly centralised, then there have been some ways where particular funding schemes would try to work around that rather than ultimately sort of overturn it or challenging it or having it tip across from too centralised to decentralised. I think that's happened where we've had these kind of menu prospectus type approaches in some of the funding streams. So you basically had locally led consolidation of business cases where they've had certain schemes under certain thresholds. You know, you debate and argue about whether those thresholds are high enough in terms of the amount of funding involved. And you can get this kind of alignment then that has a degree of local flavour and tailor into local potentials and issues, but also crucially demonstrates its contributions to international strategic directions and efficiency in terms of the use of these scarce public funding. So I think these were the kind of things that we used there.

What we had cited from the research in city-region, sustainable transport settlements and investment zones seem to work along this basis. So that was one thing. Again, I mean, you could step back, I suppose, and say, well, that's just more sophisticated ways of doing centralisation, which discuss.

I think on the second one, where there's a perception, I think locally as well. And we did it, we worked with the National Centre for Social Research and did like a public engagement workshop as well. And that was really illuminating in terms of getting the voice of people on the ground in terms of their perception of how public funding is spent with little perception, of course, as you would expect of which funding stream it came from, but rather focused on whether they perceived that funding to have been spent effectively or not.

And I think there was some potential in terms of introducing and evaluating some more of these kind of innovative mechanisms then about local public participation then in terms of how do you utilise the funding, how do you monitor and evaluate it.

And yeah, there's been some work on citizens assemblies, juries, these sorts of things, which, you know, again, has been pretty experimental, small scale, it's happened in a few places, a couple of test beds and case study types of things. But that, again, might have a very important role for a national government and arguably combined authorities and local governments then struggling to kind of show that there are tangible difference making people's lives better on the ground, which has really been the big concern in the last year that there's this kind of growing geography of discontent, a turn to populist parties and solutions may or may not add up over time. So I think those sorts of things are going to be the kinds of things we would highlight from the report and the study.

Nicola Headlam:

Charlotte, do you have effective examples?

Charlotte Hoole:

I think they're the two that I would have also picked out, but I think it's just clear that kind of stakeholders are just crying out for more flexibility and for more empowerment to shape proposals that reflect their unique context. And I think with regards to innovative public participation mechanisms, I think a key lesson here is that effective funding doesn't just need to be about its allocation.

It's also about governance, about participation and also trust and funding can become a tool for empowerment and the building backlash trust, which we know is lacking at the moment.

Nicola Headlam:

I couldn't agree more. And certainly the City Regional Transport contributions to the CSR process, they went in as sort of fragmented and then they came back out as the resurgence of Northern Powerhouse Rail for the first time in about six or seven years as a concept. So I guess, as Andy was saying, the dead hand of centralisation might actually move in and out, don't you, of local prioritisation and central prioritisation.

But the quantum, as we've said before, it isn't just about finding more innovative ways to deliver an ever smaller pot of money. It's about investment models. The scale of investment, public and private, in left-behind places needs to be different.

In the research, you had a look at France and Australia, and I just wondered if there were any specific lessons from those countries in terms of equitable funding allocation and decentralised governance that we might look to.

Charlotte Hoole:

Yes, so as part of the project, we looked at a couple of international approaches in France and Australia, basically looking at how do they do it. Of course, there are others, but they do offer

some lessons which I'll just kind of highlight briefly, but if listeners are interested, there are two case study reports with all the details.

So if we look to France first, France has a constitutionally enshrined system of fiscal equalisation, which is quite a mouthful, but essentially it's basically about redistributing resources to encourage fairness across regions. We also have something called state-region contracts and these are seven-year agreements between national government and regional or local authorities and these of course support longer-term planning and investment and help align national priorities with local needs as we've already highlighted is an issue in England. France also provides tailored funding and technical support to small and medium-sized towns and this is in acknowledgement of their unique challenges and potential.

So in terms of what we can learn from France, maybe that embedding equalisation in legislation can help ensure fairness and stability. That long-term co-design contracts can help to align national and local priorities. And that target in support beyond major cities helps with capacity building and place-based planning in those areas that just don't have the resources to kind of go it alone.

Just quickly looking to Australia. Now Australia obviously has a very different governance system to our own. So it offers a strong example of horizontal fiscal equalisation within a federal system. In terms of good practice, they have what they call a Commonwealth Grants Commission, which is an independent body that allocates revenue to states based on their fiscal capacity and the cost of delivering services. And the ultimate goal of the commission is to ensure all states can provide comparable public services regardless of their starting point.

Another standout initiative we found is the royalties for regions in Western Australia. Now, this program reinvests 25% of mining royalties directly into regional communities. It's legislated, it's long term, and it supports everything from infrastructure to health and economic diversification. And it's kind of a rare example of place-based investment with real local input.

So again, in terms of lessons, well, one, that independent oversight could help depoliticise and stabilise funding, and two, that legislative long-term investment funds can empower local areas and build resilience.

Now, of course, there's always the challenge with lessons from other countries in terms of how we adapt these to our own context. And I won't really go there. But just one other thing to mention that we didn't really look at in the case that is as such, because we're interested more on those equalisation mechanisms.

But in other countries we have more embedded devolution models in Germany being a typical example where these models grant some national government significant control over their own revenue generation. And now we know we just don't have that here. Local places have very little, they can't raise their own funds basically. So I just wanted to kind of add that to the mix as well in terms of how other countries do that and what lessons we could learn.

Nicola Headlam:

What I'm hearing is immediate research visits to both Australia and the south of France. Well, I think the old phrase that we used to use was no country's ever become federal by mistake,

which is, you know, there was a, you know, we've all done lots of interesting comparative work over the years, particularly under the aegis of the OECD,

Andy. I think, you know, some of that stuff's been really useful and helpful in terms of thinking through kind of proportion of resource locally and all those kinds of things. I think the interesting thing about the French context is, you're right, it's a much more deal. There's contracts, the Contrade de Ville and the Community Urban, they've been running for 30, 40 years and an area just kind of falls into that stream when they feel that they're ready to negotiate on those formal terms with central government. It really is quite a different situation.

But what was occurring to me as you were talking was there's another system which is very different in the way that our devolution is (says French phrase) emerging of where you might have a mandate as a mayor, but you might also be a deputy for that area in the legislature. And I don't think, we're not looking at our mayors at the moment are kind of jockeying for who's going to be members of parliament rather than taking the mayoralities to be sort of strong entities in their own right.

I think both the northeastern mayor and the northwest mayor, both in quite different ways, haven't made much of a secret of having political ambition to go back to the centre. And in France, you can be both the mayor and the deputy. I think that's a very, Dan Jarvis was Sheffield and then went back in to be a junior minister in the government. And I think it's partly that devolution hasn't got that kind of maturity and heft.

You'd rather be a very junior minister than a mayor of a major metropolis. That seems mad to me. Being genuinely the voice of a place ought to be possible within the devolution settlement. I don't know what you think about any of that.

Andy Pike:

I think, as Charlotte was outlining, the kind of institutional histories, the political cultures and traditions and that in the countries are obviously very clear points of particularity and distinction that are very hard to sort of distill and draw lessons. But you do rightly, I think, draw some interesting conclusions there in terms of that history of, it's not just centralisation, it's centralism.

You know, the idea that people's political ambitions and careers then are only further then through, as you say, moving to the centre. So I think that's quite a strong, strong problem. Sam Friedman's wonderful Failed State book is very good to read on all that in terms of the maladies of the UK and its kind of governance structure and this overbearing centralisation that's distorted many aspects, not least the way in which people have the appetite and talent to be able to kind of pursue political agendas and projects and that find that they can only meaningfully do that or perceive they can only meaningfully do that by going through the centre.

It's important to note too that, certainly in the French case, I mean, in our ESRC Beyond Left Behind Places project, we looked at France, Germany and the UK. And it's interesting that a lot of those kind of tailored funding for small and medium sized towns was a relatively reactionary set of funding measures that kind of almost aped the towns fund, longer term plans for towns that we had in England because they were really about trying to show that state was listing and funnelling money back into some of the places that have been these kind of local rural hotspots, then of the Gilets jaunes, Yellow Vest, protests, these very early kind of populist protests against

increased levies on diesel and so forth that had really kicked off in France. So I think all of that kind of politics of populism and, you know, how central states can sort of respond to that kind of stuff is really, it's part of that picture.

I think as well with Australia, yeah, the Western Australia stuff, I mean, that's kind of windfall stuff there that's very strong and interesting way in which to use these windfall royalties in a very place-based way from huge mining revenues. Again, you know, hard to see where that sort of comes from in an England or UK setting, I think.

Nicola Headlam:

The city that I know best in France is Nice. And there's been a political dynasty down there, the Estrosi family, who by no means the most progressive gang, but they stayed and they built up a political power base within the mayoralty of Nice. And of course, Nice has got this brand new snazzy tram, which has completely changed the geography of the entire city. And really, I think this is exactly what we're discussing. If you have a political, Andy, from your work, the notion that a polity and an infrastructure, they go together, don't they? So by building actual physical infrastructure, you also, it builds your ability to think politically at the scale at which you're able to deliver the infrastructure, that kind of extra statecraft thinking. And again, certainly in the Nice and in the municipality context, by having this huge project, which has taken a long time to deliver, it's hard to imagine a mayor that would be able to deliver something of that scale.

Think of the debates around the Leeds tram. We've been talking about a Leeds tram in the time it took them to build it in France, and France is not the most effective government by any means. I think it's an area of frustration that it is so hard to get things done locally, I think.

And that was one of the things that was interesting about the levelling up agenda. There was genuinely a feeling of you can stay home and still go far in its kind of purest form. It was about not being a big Hoover sucking talent away from the regions or the great cities of the UK. It was that you could build a meaningful life and a well-paid life, never having touched the capital region itself, which I think is quite hard to evidence these days in England, certainly.

Andy Pike:

It's this kind of paradox, if you denude local and sub-regional and regional institutions of capacity and resources and powers, then it's no wonder then that you struggle then to get good people to pursue their careers in those institutions. So that's been the bind of centralisation and centralism then within a UK state, hasn't it?

You know, and then the UK state will turn around from the centre and say, well, the competence, the capacity of people at the sub-national level is maybe not as much as we would want or as high as we would want it to be. So it's a real chicken and egg type thing, really, isn't it?

To try and say, well, how do you start breaking down the negative dimensions of centralisation, centralism that we've discussed today in ways that open up that space? And, you know, to my mind, the conclusion is always, well, you have to have meaningful decentralisation of powers and resources, you know, even if you feel there's not capacity and competence for people to use it. Decentralisation should be about people making mistakes and learning from it and

developing as a result of it. That's been seemingly the lesson, I think, of the more successful devolved institutions or those that have just been doing it for longer, isn't it?

Nicola Headlam:

What are you working on next? Sounds like there's a lot to get your teeth into in this agenda. Charlotte, what are you working on next?

Charlotte Hoole:

Thanks, Nic. Yes, I mean, I will continue promoting the findings of this project and looking for opportunities for impact. But going forward, I'll be continuing my work as a theme lead on the LPIP hub, which I've been carrying out some work looking at the concept of governance capacity and ways for building back that subnational capacity that we've spoke a lot about during today's session. I'm currently working on that with colleagues from University of Birmingham and University of Bristol.

And linking to the work of the LPIP Hub, I'm also going to be working on the UPEN programme, the University's Policy Engagement Network that will run until the end of 2028, with the aim to build UPEN into a sustainable network and connected infrastructure for academic policy engagement across the UK.

Nicola Headlam:

Excellent. What about you, Andy?

Andy Pike:

It's kind of still stuck in local government finance land. So building on the last book, for Oxford University Press, on financialisation and local statecraft, which tries to understand how local councils have been dealing with austerity and centralisation since 2010. Mia Gray and I of Cambridge University are addressing this deceptively simple question of why has my local council gone bust? That's basically trying to explain what's happened at the so-called 'bankrupt', in inverted commas, councils that issued these Section 114 notices from the Local Government Finance Act from 1988, basically because they either made unlawful expenditures or couldn't balance their annual budgets. And there's been nine local councils doing this, some multiple times since 2018 and 2025.

So we're trying to get our heads around why that's happening. Questions of capacity and the erosion of powers and resources and centralisation loom large in that story. And we're trying to sort of tell the story and explain it that lessons can be learned for the future for local councils to avoid these sorts of very disastrous, damaging and very negative kind of implications then for their local areas that are managing something like 4 billion quids worth of public expenditure, providing essential public services to nearly 4 million people as well. So this, it's substantive stuff amongst all whatever it is today, 317 local councils that we have in England currently.

Nicola Headlam:

I mean, don't worry, it feels like universities are following them into this sort of bankrupt but not dead, this sort of zombie place in number as well. So that doesn't feel very cheery, does it?

Andy Pike:

No, I don't think I have ever been accused of doing cheery work.

Nicola Headlam:

In fact, I think I've been quoting you since the 90s. You had that fundamentally unglamorous quote. I use that absolutely everywhere. Fundamentally unglamorous dimensions of subnational government and governance. Just in case I was coming over, it was really cool then, you know.

In your research, in this project and probably more broadly, have you come across individuals that exemplify either strong place-based leadership or effective brokerage?

Now, it's a slightly jargony question. So brokerage is on the academic side. So people that but pull together others, we would say are place brokers. And then place-based leadership, it's almost like Lego bricks. So you've got a good broker is able to pull together or co-produce good evidence. And then you've got a place leader, and that's how you would dock together.

So can you name specifically either a really good place-based leader or a really effective broker?

Charlotte Hoole:

So yes, I certainly have. I would say I work day-to-day with people who are very effective knowledge brokers. And of course, roles are becoming more recognised in programmes like the LPIP Hub and the UPEN that I'll be working on over the next few years. So yes, I certainly do and great that their role is being more acknowledged.

In terms of strong place-based leadership, my PhD did touch on this and I kind of found what you'd expect in terms of good place leaders being those who are able to mobilise local resources, create the right conditions for partnership working, et cetera. The ones we hear about a lot.

I think one thing that stood out for me in that work is the importance of leaders having either kind of deep community roots or community ties, kind of really knowing the place that they represent, being able to connect meaningfully with the people they represent, and that tends to kind of foster more genuine public trust, which as I alluded to earlier, is lacking at the moment. So I think if you can get a place leader who can do that, then they're very effective.

Andy Pike:

Yeah, I think the research and policy work we've done with local councils and the department, the MHCLG, currently, I think I've come away with the utmost respect really for the statutory officers, the chief execs, the chief finance officers, the monitoring officers that are in local councils, particularly in England, that have had to confront unprecedented austerity, you know, a very highly centralized governance and funding system, where they've had limited autonomy and reduced capacity since 2010 at the same time as trying to deliver essential local public services for some of the most vulnerable people within their areas.

So I'm constantly amazed at their ability to navigate a very difficult, challenging set of financial pressures that currently show very little sign of actually having the systemic causes behind them being resolved.

Nicola Headlam:

I think that's great to hear, actually, because I think there is a bit of a nasty thing that happens where some academics certainly approach the people that work within the local systems and structures as sort of stooges for neoliberalisation or whatever. But actually they're really committed officers, really trying to make the best of really serious constraints. And they're always very thoughtful about what they aren't able to achieve for the communities that they serve, I find. I've got utmost respect for anybody working in the system, particularly after the sort of brain drain and the sort of cuts. It is very difficult to kind of hold it together, I think, as a local leader in that way.

The last question is an opportunity for you both to have a wave of my place-based magic wand, a place-based innovation magic wand. Be careful with it, can grant a wish. You will have absolute power to do one of these things, but you must use your powers to make a tangible change to a specific place. Your change will be specific, measurable, actionable, recordable and transferable. Smart magic is hard to get hold of at the moment and is subject to a 20% reducing multi-year budget settlement.

So you can have either a 10 million pound project fund that's completely yours to do with what you will. You can have half an hour with the cabinet and a slide deck, tempted to say a set of knuckle dusters, but that would be a different conversation. You can have editorial control of the front page of a tabloid. You can have a clause to insert into a bill. You can have a simple message that goes viral on TikTok. You can have anyone to stand up and say, gosh, you're absolutely right about the whole issue is around public resource allocation. Or you could have a kind of answer to a question that's always bothered you.

So while you digest, what's really been interesting about this, I've asked probably 30 people this question this year, and there's no problem in just taking the money. A lot of people try and deliver under straightened circumstances. So, oh, I'm not allowed to just take the money, am I? You are allowed to just take the money if you think you could do something good with it. Obviously, I'm trying to look at the ways in which we might be able to exert influence as scholars over the decision makers that we have.

So who wants to go first? The place-based magic wand from Charlotte.

Charlotte Hoole:

Yes, good question. Not sure I'm sticking to all the rules in my answer, but I think I'd insert some sort of clause into the recent devolution bill. And linking back to our findings from the project, this clause might mandate some sort of creation of a framework of national equalisation or for national equalisation and capacity building. I'm probably trying to do too much in one clause. But basically, I definitely need to give this more thought.

But this clause might, for example, require all major public funding programmes to undergo some sort of geographical impact assessment to evaluate their contribution to reducing geographic inequalities. But also, I'd like to introduce some sort of long-term capacity building programme. And as part of this, I'd establish A dedicated capacity building fund, which would be ring-fenced to avoid pressures to deploy the resources elsewhere and allocated on the basis of need. And obviously this is to help develop local governance capacity and aid those weaker areas to build up their basic institutional capacities and capabilities.

I've probably covered too much then. If I had to go with one, I'd probably go with the capacity building programme.

Nicola Headlam:

I'm going to use the magic wand on myself and say that Charlotte should be the Chief Scientific Officer for MHCLG. What do you reckon?

Andy Pike:

I go, why not?

Nicola Headlam:

Andy, what would you do that was magic.

Andy Pike:

Yeah, I mean, if you want some magical thinking, I suppose I would wish for the UK to have a written constitution and constitutionally protected powers and resources for local government. You know, there are models out there, things like the European Charter for local self-government.

Nicola Headlam:

A very good standard note exists on that in the House of Commons library written by me.

Andy Pike:

Oh, exactly. If you have that, you can frame constitutional protections, the articulation of what local government's autonomy, powers and resources would be and stop it being this unmoored

institution that's just a creature of parliament and governments changing every four or five years or so, an actor in a very centralized governance and funding system that's a victim of changing political cycles and unfunded mandates where they've got legal responsibilities to do things without the matching inappropriate funds to deliver them.

So, we outlined a number of incremental, moderate and radical changes in our report from the study with Charlotte and colleagues. And that was one of the more radical ones because we realised that potentially has big payoffs, but is a hugely difficult technical, political, even cultural thing to try and effect in the in a country such as the UK.

Nicola Headlam:

We are all exception. no rule, I think now is fair to say, both in terms of our language and our governance structures, particularly in the sub-national. I've been loving doing some work with the Welsh LPIP this summer, and we have got such different political cultures underneath the umbrella of whatever the United Kingdom's wobbly archipelago. But I remember very clearly in the previous round of legislation asking what were the mechanisms for feeding back from the nations back into the centre? To complete stupefaction, because the idea was that devolution was an arrow, went out of London and stayed out of London. The idea that things would be done better in other parts of the UK. And in general, we just lack feedback loops and learning, I think, on the whole piece.

Well, you were both brilliant.

Andy Pike:

Great. Thanks a lot.

Charlotte Hoole:

Thank you.