

What next for regional policy?



Professor Frank Peck of the University of Cumbria's Centre for Regional Economic Development writes for in-Cumbria on the big issues of the day and the economic data behind them. This month, post-Brexit, what will happen to Cumbria's regional development funding in future?

We now know that by a small majority, the British electorate has voted to leave the EU. In Cumbria, the vote was slightly more emphatic than average. In Carlisle, Copeland and Barrow in particular, the majority in favour of leave was over 60 per cent.

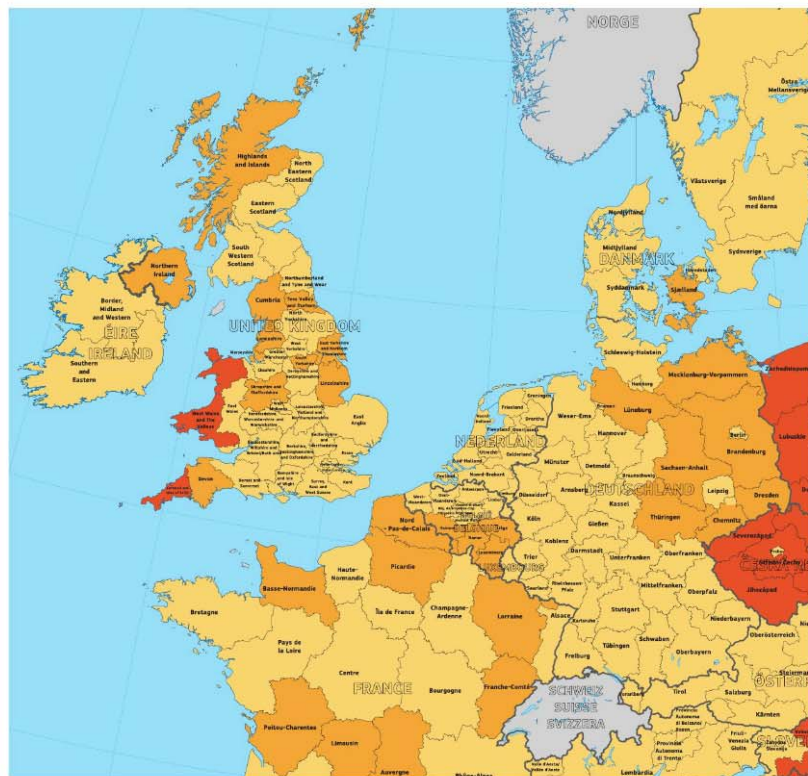
The nation as a whole is now coming to terms with the consequences across a huge range of policies affecting the economy, society and the environment. If you are not sure what this might mean, have a look at the range of EU policies at http://ec.europa.eu/policies/index_en.htm. The list is extensive.

In terms of the economy alone, it affects agriculture, fisheries, enterprise, competition, mergers, monopolies, procurement, science, technology, innovation, sector development, R&D, employment, skills, transport, tourism... The list goes on, and includes public policy towards "regions and local development".

We are currently in the 2014-2020 phase of regional development funding from the EU and strategies are already in place to determine how to meet the priorities of EU Regional Policy which include coordinated investment in strategic transport and communications infrastructure, support for small and medium-sized enterprises (SMEs), creation of new and lasting job opportunities and building a more inclusive society.

EU policy documents make clear that the role of EU funding is to invite co-finance from respective national budgets to encourage national governments to invest resources in disadvantaged regions.

In the current phase of spending, Cumbria was planning to benefit from such an approach as a "transition region" where Gross Domestic Product per head is



EUROPEAN STRUCTURAL FUNDS ELIGIBILITY 2014-2020

■ Less developed regions (GDP/head less than 75% of EU-27 average)	€182.2bn
■ Transition regions (GDP/head between 75% and 90% of EU-27 average)	€35.4bn
■ More developed regions (GDP/head greater than 90% of EU-27 average)	€54.3bn

between 75 and 90 per cent of the EU average, and therefore receives investment from European Regional Development Fund and European Social Fund. The map above shows Cumbria shares this status with 10 other UK regions, with West Wales and the Valleys, and Cornwall and the Isles of Scilly, having less developed status.

Cumbria's European Structural and Investment Plan Strategy document (see the Cumbria LEP website) shows £78m of EU regional development funding planned for 2014-2020.

So, what is to become of UK Regional Policy after Brexit? In the midst of complex negotiations and multiple policy re-think in Whitehall, will a systematic UK approach to investment that ensures balanced spatial development emerge?

Free from the levers applied by Brussels, how will UK government respond to the need to address economic and social inequality between the constituent UK nations and the various regions of England? And how will this impact on levels of public and private investment in Cumbria? This is just one of many significant areas of policy debate that will need to be faced in the years ahead.

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