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To cite this article: Jack Newman, Simon Collinson, Nigel Driffield, Nigel Gilbert & Charlotte Hoole (2023): Mechanisms of metagovernance as structural challenges to levelling up in England, *Regional Studies*, DOI: [10.1080/00343404.2023.2217215](https://doi.org/10.1080/00343404.2023.2217215)

To link to this article: <https://doi.org/10.1080/00343404.2023.2217215>



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Published online: 15 Jun 2023.



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# Mechanisms of metagovernance as structural challenges to levelling up in England

Jack Newman<sup>a</sup> , Simon Collinson<sup>b</sup> , Nigel Driffield<sup>c</sup> , Nigel Gilbert<sup>d</sup>  and Charlotte Hoole<sup>c</sup> 

## ABSTRACT

At the time of writing, the UK government is attempting to tackle place-based inequality through its 'levelling up' agenda. To be effective, such interventions require local institutions with the capacity, powers, and budgets to develop and implement long-term strategies. Multi-level metagovernance, the ongoing reorganisation of local governance systems by the central state, has become a salient political process in England, characterised by fragmented system design, distorted local strategies, micromanagement and mistrustful central–local relations. These various problems are underpinned by a problematic combination of quasi-markets and state hierarchy. Together, these metagovernance mechanisms significantly constrain local capacity to deliver economic development.

## KEYWORDS

devolution; metagovernance; levelling up

JEL O43, R58, R59

HISTORY Received 21 July 2022; in revised form 28 April 2023

## 1. INTRODUCTION

'Levelling up' is an ambiguous concept in the UK political discourse that has come to encompass a multiplicity of meanings as it has emerged from Conservative Party thinking on inequality (Newman, 2021). For example, the Levelling Up White Paper states that it 'means giving everyone the opportunity to flourish, ... living longer and more fulfilling lives, and benefitting from sustained rises in living standards and well-being' (Department for Levelling Up, Housing and Communities (DLUHC), 2022). Despite its conceptual elasticity, levelling up has solidified with a core meaning: to level up is to tackle inequalities between *places*, while also improving outcomes in all places. Key contributions to the existing literature (e.g., Tomaney & Pike, 2020) question the substance of this policy in the context of the UK, but the fact that it has resonated with local agencies, from district councils to pan-regional bodies, illustrates the perceived need to address place-based imbalances in the UK, even if both the way to tackle this and the institutions needed to deliver it are a matter of debate.

Attempts to tackle place-based inequality create major challenges for policymakers, because the potential for

different regions to grow varies considerably. Drawing on empirical data from two workshops and 59 semi-structured interviews with key policy stakeholders from seven case study areas in the UK, we argue here that although 'levelling up' is a huge challenge in itself, it will be further hampered by England's current governance structures and institutional relationships. This paper therefore joins many existing voices making this argument, but it also goes a step further by unpacking and tracing the causal mechanisms that link metagovernance strategies to policy implementation. Viewed in this way, we are able to specify which specific features of the governance system constrain local economic development and, crucially, how they do so.

The current economic challenges of levelling up present both pan-regional problems, in terms of differences in incomes at a point in time, and inter-temporal problems, in terms of understanding growth potentials, and the extent to which place-based initiatives can influence either. Tackling such problems requires local policy to understand the combinations of factor endowments present in the region, how to combine them to maximise growth and in what contexts interventions can be effective.

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Ideally, regional agencies should have the capability to intervene intelligently and effectively in their own local economies, including being able to: identify firms and sectors with the potential to create good jobs; conduct focused inward investment activities; tailor skills strategies to the resulting demand to enable people to access the jobs created and to progress; partner with firms to boost skills demand in those firms and in the local economy; and adopt spatial and transport policies so that people can get to the jobs (Bailey et al., 2018; Pitelis & Runde, 2017).

These policy ambitions face a particularly difficult set of underlying constraints and limitations in England. Inequality of income is a symptom of a much wider set of difficulties, including inequality of education, opportunity, employment, skills acquisition and investment opportunities, which are in turn the product of significant imbalances in the growth trajectories of the English regions over the long term. This polarisation is linked to a path-dependency, which has left English regions increasingly more or less attractive to private investment and high-skilled workers.

MacKinnon et al. (2022) argue that new models of governance may be required to address these issues. Interventions must be adapted to each unique local context, and this is one major reason that the governance systems of all countries are structured with some degree of devolution, whereby resources and decision-making powers are under the control of local agencies tasked with customising interventions to have the maximum impact on the regional economy. As a result, the challenges of levelling up have been met to some extent in other countries, focusing on subregions that suffer from both economic and institutional challenges (Connolly, 2020). However, England, the largest nation in the UK, has one of the least-devolved governance structures in the Organisation for Economic Co-operation and Development (OECD) group of countries (Pabst & Westwood, 2021), making it singularly unsuited to achieving levelling up. The dominance of Westminster linked to the centralised development of the British civil service (Richards & Smith, 2015; Westwood et al., 2021) sets the context for centre-periphery relationships. This approach has, as we note, come under a high degree of criticism in recent years, particularly, for example, over skills delivery, in addition to the economic development functions discussed here. The corollary to this is that national oversight provides agency and assurances to government concerning public expenditure. We argue, however, that this is inefficient.

The contribution of this paper is to specify the mechanisms through which governance structures limit the capacity of local actors to tackle the widely recognised range of social and economic challenges. The paper begins by considering the existing literature on place-based inequalities, subnational institutional arrangements and the relation between them. We then seek to build on the established literature on 'metagovernance', arguing that, if anything, this understates the scale of the problem in the UK. We focus in particular on the underlying importance of 'collibration', the process by which different

modes of governance are creatively combined and implemented to change the rules of the game (Jessop, 2016). Having established this frame, the main findings from the workshop and interview data are presented, detailing the particular 'rules of the game' that have developed in England's subnational governance system. Our findings lead us to conclude that the system, characterised by a problematic combination of quasi-markets and state hierarchy, is fundamentally unsuited to tackling place-based inequalities. A foundational rethink of the basis of subnational governance is needed, one that restructures and simplifies the system and enables long-term place-based strategies backed by adequate subregional policy capabilities.

## 2. PREVIOUS ANALYSES OF ENGLAND'S GEOGRAPHICAL INEQUALITIES

Institutions, governance structures, and the degree and type of devolution play a role in the distribution of both the means to create economic prosperity and the benefits that result from this wealth creation. There is, however, no straightforward relationship between these elements (Collinson et al., 2022). In particular economic and institutional contexts, certain levels and types of devolution appear to help promote stronger growth and/or reduce local inequalities. Rodríguez-Pose (2020) and Rodríguez-Pose and Ganau (2022) provide a helpful overview, pointing to evidence that shows that institutions (specifically the quality of local institutions) matter to the pace and quality of local economic growth, but also suggesting that further research is needed to demonstrate the relationship between the two. Tomany (2016) explains that the design of devolution is crucial to its economic effects, and argues that the current trajectory of English devolution will lead to regressive social outcomes and strengthened local elites.

When considering the relationship between devolved institutions and local economic development, it is important to consider England's historical and geographical particularities. While it shares many similarities with other developed democratic countries, its economy and governance system have distinctive features that have generated causally important path dependencies. England is governed as a unitary state by the UK government, and lacks a standard 'regional' tier equivalent to German *Länder* or Spanish Autonomous Communities. Instead, its subnational institutions form a patchwork of different arrangements, a legacy of decades of ad hoc and variegated reforms, creating an embedded incoherence that is inherently resistant to systematic reform (Pabst & Westwood, 2021). The history of this development reflects England's varied and contested subnational identities, differences between urban and rural areas, ideological disagreements between political parties, and divergent policy geographies across Whitehall (Newman & Kenny, 2023; Sandford, 2019b). While the complexity of the governance system therefore reflects, in part at least, the complexity of governing England, a stable systematic approach to multi-

level governance has been unable to emerge because of centrally driven policy churn (Pabst & Westwood, 2021). The governance system is remarkably centralised by international standards, especially given the size of the population (Blöchliger, 2013; Ladner et al., 2016) and devolved institutions in England lack the constitutional protection they receive in many federal countries (Leach et al., 2018; Newman & Kenny, 2023).

Much of the existing literature on England's subnational governance is critical of the degree or form of devolution. Some address the issue of whether central government wants meaningful devolution and/or regional rebalancing. Shaw and Tewdwr-Jones (2017) conclude that the UK government does not want meaningful devolution but *does* want regional rebalancing. This, however, raises the question of whether the latter can be achieved and sustained without the former. Successive governments have not recognised that piecemeal approaches are likely to fail. Westwood et al. (2021) detail the many changes that have taken place in the regional economic institutional nomenclature, and in common with other authors, they characterise the changes as repeated periods of instability and uncertainty, in direct contravention of wisdom drawn from the insights of institutions or institutional theory that emphasise the importance of institutional stability in fostering business and innovation ecosystems and therefore productivity (North, 1990; Ostrom, 1986). These changes reflect 'a reworking of privileged scales and sectors of policymaking, and with this a reworking of who the planning system must "join up" with, and how' (Allmendinger & Haughton, 2009, p. 631).

This has led to the emergence of new, informal 'soft spaces' of policy and governance arrangements, denoting the 'in-between' spaces of governance that occur outside or in parallel to formal government across different scales and administrative/political spheres (Allmendinger & Haughton, 2009; Haughton et al., 2013). These can occur, for example, due to 'genuine functional and fuzzy geographies' or as 'a deliberate tactic to create uncertainty or mask clarity over whether a particular area or place is included in a policy framework or not, disrupting accountability and transparency' (Haughton et al., 2013, p. 218). Research in this area has also revealed the risk of attempting to impose national interests in a top-down way, with soft spaces providing scope for strategic lobbying of an alternative imaginary by local actors (Allmendinger & Haughton, 2009; Gherhes et al., 2022; Hoole & Hincks, 2020).

Pike et al. (2012) explore the 'economic dividend' of devolution during the period of the Tony Blair Labour government and conclude that various outcomes resulted from different initial conditions. Examining the need for locally appropriate policies as a response to globalisation, they emphasise the importance of 'supportive political and economic frameworks, including multi-level systems of government and governance' (Pike et al., 2017, p. 54). Fiscal redistribution is also necessary as part of an institutional framework for 'the embedding of development in places and ensuring the social and spatial distribution

of its outcomes and impacts' (p. 54). Previous studies in this vein call for further research as part of an 'institutional turn' in the study of local and regional development, and the design of policies to support regions with dysfunctional institutional endowments (Molema & Tomaney, 2019).

How and what to devolve, and the structures and mechanisms needed, are addressed by other studies. Some examine specific agencies, such as combined authorities (CAs), local enterprise partnerships (LEPs) or local authorities (LAs) and/or the apparent effectiveness of particular interventions made by these agencies. Gherhes et al. (2020), for example, identify externally imposed constraints on local enterprise policymaking with the aim of reorienting interventions towards the support of high-growth potential businesses. They conclude that current arrangements constrain local agency and reduce the effectiveness of enterprise policymaking at the local level. This reveals a significant difference between the rhetoric and grassroots delivery of effective interventions. While some analyses see considerable potential in the 'power of narratives as coordinating devices for reversing regional disequilibrium', provided that an underlying consensus exists (Collier & Tuckett, 2021), others focus on the significant gap between the rhetoric and reality of balanced growth (Ayres et al., 2018; Gherhes et al., 2020).

Within the devolution debate, finance and local funding are a key focus as measures of devolved resource allocation (Muldoon-Smith & Sandford, 2021). This is particularly the case for the increasing number of studies that use the concept of metagovernance to frame their analysis of regional policy structures (O'Brien & Pike, 2019; Sandford, 2019a).

### 3. METAGOVERNANCE

A growing body of literature seeks to understand the interactional relationship between central and local government. Metagovernance is a central concept in this literature and can be defined as the 'government of governance through overseeing, steering, and coordinating governance arrangements' (Bell & Hindmoor, 2009, p. 11, cited in Etherington & Jones, 2016). Or as 'a practice by (mainly) public authorities that entails the coordination of one or more governance modes by using different instruments, methods, and strategies to overcome governance failures' (Gjaltema et al., 2020, p. 1771).

Other definitions adopt a more political dimension, often to use the framework to evidence agency or intention, or asymmetrical power relationships, with the latter as the starting point of the research. Bailey and Wood (2017) define metagovernance as 'the governance of governance networks conducted by the central state as a privileged (although not uncontested) site of political authority', or 'how the central state embeds its preferences in local governance networks' 'through the "hands-off" tools of network framing and network design' (p. 967). This can lead to an understanding of 'metagovernance' as the strategic activities used by the central state to control its subnational units.

Similarly, other contributors focus even more on *ideology* as the fundamental underpinning of metagovernance. Etherington and Jones's (2016) understanding of metagovernance emphasises the role of neoliberal ideology as a cause of governance problems, including the tension between local responsibility and central decision-making, the problems of local institutional fragmentation, and the shift from representation to private interests.

Westwood et al. (2021) cite several specific weaknesses of metagovernance structures in the UK, including, not least, multiple, different and often competing institutions, each with a particular remit attached to a particular spatial geography, all appearing to be operating at the same time. This 'can help us understand the ostensibly paradoxical phenomena of power being hoarded at the centre in the context of a purported "devolution revolution"' (Bailey & Wood, 2017, p. 983). The ever-changing and ambiguous responsibilities of local leaders in terms of decision-making power and control over resource allocation are common themes in the literature (Bentley et al., 2017; Sandford, 2020). These weaknesses, often described as failings, are connected to, or associated with, disparities in the economic performance of regions, particularly the productivity gap (Pabst & Westwood, 2021). For example, Westwood et al. (2021, p. 8) suggest that the 'UK's governance system itself partly accounts for regional inequalities (Carrascal-Incera et al., 2020; McCann, 2016) and that improving arrangements could foster stronger and more inclusive productivity growth'. Etherington and Jones (2016, p. 372) similarly argue that current 'metagovernance mechanisms are unable to sufficiently coordinate effective responses to address a deep legacy of de-industrialisation, deep-rooted labour market and social inequalities'.

While this research offers a great deal of valuable and foundational analysis, we seek in this paper to separate explicitly the ideological from the mechanistic in our application of metagovernance. Our aim is to use it as a neutral framework to examine different mechanisms of governance and their influence on uneven growth pathways across England. Its value in this analysis is as a structured approach to identifying the main components and relationships involved in the allocation of decision-making power and resources across the governance system. However, the use of this framing can help reveal or provide evidence for particular kinds of intention, agency or power relations, but without any preconceptions about the nature of these relationships. This approach helps distinguish between metagovernance structures that are developed or deployed to deliberately establish asymmetric power relations and those where the enactment and utilisation of inherently neutral mechanisms *results in* asymmetric power relations.

Metagovernance has been applied in previous studies alongside 'multi-level governance' as both alternative and complementary approaches. Metagovernance is about the reorganisation of different coexisting modes of governance, which may or may not be multi-level. Multi-level governance entails two dimensions: (1) a vertical

'interdependence of governments operating at different territorial levels'; and (2) a horizontal networking of governments and non-governmental agencies (Bache & Flinders, 2004, p. 3), which is particularly important at the regional level. Therefore, metagovernance is about reorganising modes of governance, whereas multi-level governance is about the territorial layering of governance.

The functioning of metagovernance in multi-level systems may occur *within* a particular level of the governance hierarchy. For example, the central state may reorganise its own modes of governance, which would have indirect consequences for subnational institutions. Similarly, a regional government might reorganise *its* own modes of governance, with consequences for both local and national governments (Connell et al., 2019). It is also possible for metagovernance to function *across levels of government*, whereby one level (usually a higher level) attempts to reorganise the modes of governance at another level (usually a lower level). This is 'multi-level metagovernance', the focus of this paper.

Gjaltema et al. (2020) outline an approach to applying the concept of metagovernance in practice, through a systematic literature review of related studies. This addresses the who (is the 'meta-governor'), the what (is the object of the metagovernance), the why (the rationale) and the how of metagovernance. The 'how' refers to the 'means through which meta-governance is enacted', which is where the contribution of this study sits. They identify the specific gap addressed in this paper: 'we know little about what metagovernance entails and how it actually works in practice (Bell & Hindmoor, 2009, p. 69; Torfing & Triantafyllou, 2011, p. 2)' (Gjaltema et al., 2020, p. 1760).

Bailey and Wood (2017) mobilise and develop Sørensen and Torfing's (2007) framework of networks management tools to explain the 'how' of metagovernance, highlighting both the formal tools of *designing* and *managing* a network, and the informal tools of *framing* and *participating* in a network.

Network design 'aims to influence the scope, character, composition and institutional procedures of the networks' (Sørensen & Torfing, 2007, p. 246). Network framing 'seeks to determine the political goals, fiscal conditions, legal basis and discursive story-line of the networks' (p. 246). Network management 'attempts to reduce tensions, resolve conflicts, empower particular actors and lower the transaction costs in networks' (p. 247). Network participation 'endeavours to influence the policy agenda, the range of feasible options, the premises for decision-making and the negotiated policy outputs' (p. 247). In this paper, we follow the existing literature in using this four-part framework for understanding the 'how' of metagovernance, but we also argue that these mechanisms must be understood against the backdrop of shifting governance modes.

Jessop's notion of 'collibration', the process of altering the weight of individual modes of governance to adapt to specific contexts, is particularly significant in multi-level metagovernance structures (Jessop, 2016, p. 80). These modes include the 'anarchy of the market and the

hierarchy of the state' according to Jessop, but this would benefit from further unravelling, as these governance modes are better understood as clusters of compatible or ideologically aligned governance processes. A wide range of structures and mechanisms, sitting between and incorporating elements of markets and state hierarchies, are applied in interactions between central and regional government agencies. Through a process of collibration, these agencies may select a particular framework of network management tools, or specific combinations of mechanisms, that benefit their interests. But there may also be cases of the same framework being used with different levels of agency or ideologically motivated intention, with different outcomes. Evidence of this would help differentiate between the role of the structures themselves and the role of interest groups applying these structures to achieve their own aims.

Prior research has also suggested that imbalances in capacity and capability are a factor influencing the lack of devolution in the UK context, particularly in relation to relinquishing fiscal powers to local institutions. McCann (2020) proposes that economic development and wealth creation must remain the central objective from which some fiscal responsibilities and powers might follow, but that the latter does not necessarily create the former. More generally, Jessop (2011) states that problems of management and policy failure require the above governance modes to be repeatedly readjusted, reorganised and recombined in new ways. Again, further analysis is worthwhile here. The cause–effect relationship between economic growth and fiscal responsibility is one dimension. But it is also important to understand the degree to which a self-reinforcing cycle exists whereby central government limits the devolution of fiscal powers to regions because of the (real or perceived) lack of capacity and management capability at the local level to take on fiscal responsibilities. In turn, regions fail to put forward robust cases for the resources needed from central government to develop appropriate levels of local capability (Hoole et al., 2023).

We propose that this relative weakness in local-level capability is a significant factor underlying the persistent, path-dependent nature of centre–periphery relations in the UK, characterised by the abovementioned imbalances or inequalities. Differences in capability across the dimensions of network design, framing, management and participation should therefore be more closely examined within the framing of multi-level metagovernance. This focuses part of our empirical analysis below on the degree to which asymmetries in capabilities both exist and enable particular groups to assert their interests and dominate the shaping of outcomes.

#### 4. METHODS

The purpose of the study reported here was to examine England's existing governance structures and processes from the perspective of multi-level metagovernance, and thus understand how these might constrain the

development and implementation of national levelling up policies. It is based on analysis of interviews and workshops with leaders from the key institutions of place-based policymaking. This section describes the methodological approach adopted for this study.

While the literature and data show that there are failings within England's system of subnational governance, it is necessary to speak to people on the ground to build explanations of *how* and *why* political institutions are failing (Vromen, 2010). The data-set draws on 59 interviews and two workshops carried out in 2020 with stakeholders from the devolved nations, CAs, LEPs, LAs, businesses, trade unions and educational institutions. These were carried out by a team of researchers working as part of a broader research project ('LIPSIT')<sup>1</sup> looking at how policy trade-offs are managed at the local and regional levels for achieving inclusive and green growth. The workshops took place before the interviews to refine the research agenda and guide the topics for more in-depth discussion, together with thorough engagement with the appropriate academic and grey literature. The interviewees were drawn from seven case study areas, including Black Country LEP, Enterprise M3 LEP, Humber LEP, North East CA, Tees Valley CA, West Midlands CA and Worcestershire LEP. These case studies were selected as part of a previous strand of research as regions that differ from each other in terms of their governance structure, the nature of their economies and their outcomes over time (for details, see Hoole & Collinson, 2020). The interviews were typically 60–90 min in length, took place via various video conferencing portals and were recorded following interviewee consent. In order to understand the 'why and how' of institutional challenges, we used a semi-structured interview schedule containing both open and probing questions (Fielding & Thomas, 2001).

All interviews were transcribed for analysis in NVivo (Vromen, 2010), with thematic coding identifying and grouping similar pieces of text within and between interviews (Fielding & Thomas, 2001). This was based on a 'grounded theory' approach, where theoretical concepts 'are explored in data, coded and then the theoretical idea is expanded based on the data', creating a 'to and fro process between data and theory' (Vromen, 2010, p. 259). A subsequent stage of thematic analysis drew out the findings that related specifically to how the process of multi-level metagovernance affects the system's capacity to deliver the levelling up agenda.

#### 5. FINDINGS: LEVELLING-UP CHALLENGES FOR LOCAL STAKEHOLDERS

In this section, the findings from our interview analysis and workshops are presented to specify the metagovernance mechanisms that act as structural barriers to the delivery of levelling up. These are organised according to the four metagovernance tools first introduced by Sørensen and Torfing (2007) in relation to 'network design', 'network framing', 'network management' and 'network participation' (Bailey & Wood, 2017). However,

first we discuss ‘collibration’, a mechanism involving a particular combination of two main *modes* of governance: the anarchy of the market and the hierarchy of the state, alongside consideration of relative capacity and capability, potentially as a ‘moderating’ factor in interactions between the centre and English regions.

In our analysis, we consider how these metagovernance mechanisms limit the possibility of levelling up by preventing the development and implementation of long-term place-based strategy to reverse the fortunes of ‘left-behind’ places (Tomaney & Pike, 2020). The findings are numbered in the text and summarised in Table 1.

### 5.1. Collibration

The UK government’s preference for delivering funding to local institutions via competitive bidding is an attempt to replicate the competitive mechanisms of the market. In an open market, private companies compete to maximise revenue, and in the governance system, there are attempts to redirect the activities of local institutions towards revenue maximisation. Thus, subnational institutions are positioned as competitors within the marketplace of the subnational governance system. The reforms of the 2010s sought to align the structure of some institutions with the structure of businesses, requiring LEPs to install boards, chairs and chief executive officers, and directing their efforts at the profit-like motives of revenue maximisation and local economic growth (Newman & Gilbert, 2022). The problem with applying this market mode in the local governance context is the scale of wastage in the system. One of the strongest complaints among interviewees was the amount of ‘time [that] is spent ... bidding into those streams’ (interview, North East CA, local politician), and ‘bidding for really small pots of money regularly’ (interview, West Midlands CA, CA staff). This also directly wastes money, with ‘each funding bid costing [a] LEP about £30,000 on average’ (interview, Black Country LEP, LA staff). In their attempts to maximise limited revenue, ‘a lot of time and resources have been wasted on projects that are never funded’ (interview, Black Country LEP, LA staff) (1.1).

There are two main consequences for the levelling up agenda. First, the short-termism inherent in the system prevents the development of long-term strategies within places. Existing funding rounds, funding competitions and budgetary regulations mean that LAs and regional bodies ‘barely have a one-year plan, let alone a three – or a five-year plan’ (interview, West Midlands CA, CA staff). This significantly limits the capacity for local governance; the ‘business community ... don’t understand why ... the grant just disappears overnight’ (interview, Humber LEP, LA staff) (1.2). Local communities and civil society groups cannot be engaged and mobilised effectively with the short-term funding arrangements currently in place (Kaye & Morgan, 2021). For effective partnerships and transformative change, there is a need for ‘single investment pots over a long period of time and the certainty [that they will continue]’ (interview, West Midlands CA, CA staff). This means ‘major budgets

that span either ten or fifteen years that we can plan against [and] lend against’ (interview, Black Country LEP, local chamber of commerce staff) (1.3).

Second, funding is delivered in fragmented and overly specific funding pots, preventing cross-sector policy interventions. There are significant inefficiencies, such as the ‘really unproductive ... scramble for [funding]’, which sometimes yields ‘just such insultingly small amounts of money’ (interview, West Midlands CA, CA staff). With the ‘very centrally controlled, grant-orientated approach’ (interview, Black Country LEP, LEP staff), local and regional institutions ‘haven’t got that flexibility to move things around’ (interview, Black Country LEP, LEP staff), undermining budgetary efficiency. Funding pots have so many strings attached that regional decision makers ‘often can’t do the right thing because of the wrong reasons’ (interview, Humber LEP, higher education leader) and funds are then spent on projects ‘even if it’s not the right thing’ (interview, West Midlands CA, CA staff) (1.4). Fragmented funding streams ‘[prevent] the ability locally to have a coherent strategy’ (interview, Humber LEP, local commentator) (1.5).

The failures of this system partly account for the deal-based approach that has emerged in recent years, where the centre tries to replace multiple short-term funding pots with longer term pots agreed in devolution deals. While this approach again mirrors private sector discourse of ‘deal-making’, the functionality of devolution deals relies primarily on a *hierarchical state governance mode*, in which the government agrees to longer term funding but within a framework of targets, ringfencing and cost-benefit analysis. CAs are held accountable to the centre, with 78% of their funding coming from central government grants (Paun et al., 2022). As a result, ‘mayors and combined authorities are subject to significant administrative accountability “up” to Whitehall’ (Hawksbee, 2022, p. 59) (1.6). The negotiation is fundamentally based on the hierarchy of a unitary state, whereby central government has the sovereignty and may delegate powers where it sees fit, rather than seeking to establish the split sovereignty of a federal system (Watts, 2013). This reflects a more traditional governance mode based on central command and control, which is also apparent in England’s wider system of local government, where central government uses its significant power to limit local government decision-making through various regulatory restrictions (Jeffrey & Swinney, 2020) (1.7).

### 5.2. Network design

The central government’s approach to *network design*, which entails changes to ‘the scope, character, composition and institutional procedures’ (Sørensen & Torfing, 2007, p. 246) of the subnational governance system, has been formalised under the levelling up agenda, with three levels of devolution deal: the fewest powers are available for partnerships of multiple LAs, more substantial deals are available to single institutions, such as county councils and CAs, and the most extensive powers are reserved for single institutions led by an elected mayor (DLUHC, 2022). As

**Table 1.** Examples of the effects of metagovernance mechanisms and implication for levelling up.

General mechanism	Mechanism in the English context	Effects of metagovernance mechanisms	Implications for levelling up
Collibration – the combination of governance modes (see section 5.1)	Market anarchy: competitive bidding, deal-making, and business-style structures State hierarchy: policy control through funding system, command and control through devolution process	1.1. There is a significant wastage of time, money and other resources 1.4. Lack of flexibility for subnational public spending 1.6. Accountability to centre rather than to local people 1.7. Limited decision-making capacity	1.2. Difficulties forging long-term partnerships with private sector, civil society and public sector bodies 1.3. Inability to make long-term plans to turn around local economy 1.5. Inability to develop cross-sector policymaking
Network design – central government changing the architecture of the wider governance system (see section 5.2)	Devolution deal framework, as set out in the Levelling Up White Paper A long history of ad hoc reform	2.1. Government structures that are resented/resisted by local leaders 2.2. Faltering negotiations in many places 2.3. Many areas unable to access much-needed resources and important policy levers 2.4. Some local institutions are ineffective and overstretched 2.5. A lack of long-term certainty for local policymakers 2.7. A complex and inefficient relationship with Whitehall 2.8. Lack of talented leadership and policy expertise in local institutions 2.10. An unconstructive relationship with central policymakers	2.6. Powers and resources do not go to the areas most in need, driving further place-based inequality 2.9. Lack of system-wide strategic direction 2.11. Institutions without levers, resources and capabilities do not attract talent and are trapped in low-capability spirals (though in some areas, there are positive upward spirals)

*(Continued)*



Table 1. Continued.

General mechanism	Mechanism in the English context	Effects of metagovernance mechanisms	Implications for levelling up
Network framing – central government discursive framing of policy priorities and political goals (see section 5.3)	Deal-making and competitive bidding place focus local attention on aligning with changing political priorities of the centre Accountability flows upwards to the centre rather than downwards to local people	3.1. Local institutions chase short-term central policy initiatives 3.2. Local strategies develop to secure available funding 3.4. Local strategies are further restricted by central cost–benefit analyses 3.5. Local institutions have weak accountability to local people 3.7. Public become disengaged by unfulfilled policies 3.9. Local institutions are often invisible to local people 3.10. Local businesses often do not actively engage with local institutions	3.3. Local strategies develop around central government initiatives, rather than the needs and specialisms of local places 3.6. Local institutions are not able to engage and mobilise the constellation of local actors and institutions necessary to build a prosperous local economy 3.8. Local people do not get on board with plans for local improvement
Network management – central government’s attempts to change the balance of power between local institutions and manage tensions (see section 5.4)	Ad hoc devolution and lack of clarity about the role of different tiers Partial devolution allows central government to retain key levers and have the final say The centre limits funding to subnational institutions in attempt to encourage and secure efficiency savings	4.1. Deal-making is used to encourage and block particular territorial formations 4.2. Central government struggles (and will increasingly struggle) to manage the workload of micromanagement 4.3. Tensions emerge between different tiers of local government, which each seek further powers from the centre 4.5. Local institutions lack the resources to employ sufficient staff and the right policy expertise 4.6. There is a lack of research and data analysis capacity in local government 4.8. Money is wasted on external consultants 4.10. In conditions of limited resources, institutions turn inwards	4.4. There is a lack of capacity in the whole system (at local and national level) to plan effectively, to develop policy, and to evaluate different policy interventions 4.7. Different tiers of government and equivalent institutions across the country are not working effectively together towards the long-term levelling-up goals 4.9. Local strategies to deliver levelling up are written by understaffed teams and external consultants. 4.11. There are further challenges in the attempts of local government to mobilise partnerships in the private sector and civil society

(Continued)

Table 1. Continued.

General mechanism	Mechanism in the English context	Effects of metagovernance mechanisms	Implications for levelling up
Network participation – central government plays an active role in local multi-agency networks (see section 5.5)	Central government seeks to secure particular improvements in local areas, including infrastructure and foreign direct investment Political parties use party connections to engage across government tiers	5.2. Local institutions are often locked out of central decision-making and negotiation with large businesses that are directly relevant to their area 5.4. Local areas lose trust in national government and develop cynical attitudes to central initiatives 5.6. Party politics enters into local decisions, leading to tensions and disputes 5.7. Good party political connections allow some areas to benefit, while others lose out 5.8. Collaboration between areas is undermined by party rivalry	5.1. Benefit of strategic coupling unrealised 5.3. Major private and public investments in local areas are always not integrated with local strategies 5.5. There is a wider lack of trust in the system between central and local government that undermines their capacity to work together towards levelling-up goals 5.9. Party politics drives resources into some areas and prevents collaboration in others, which often works against attempts to tackle place-based inequality

one interviewee explained, ‘local politicians often don’t particularly like mayors and so essentially [they ask]: is there a really big slug of additional resources which you will have some direct control over and is [the mayor] a price worth paying?’ (interview, Enterprise M3 LEP, LEP staff) (2.1). This often leads to negotiations breaking down: ‘Government wanted to see an [elected] mayor. Ministers have said that on a number of occasions. Multiple ministers have said that. Officials all believe that as well. Nobody was prepared to force anybody into that, so it hasn’t happened’ (interview, Humber LEP, LEP staff) (2.2).

Therefore, the consequence of network design through ‘deal-making’ is that powers and resources do not always go to the places most in need. In some regions, there are ‘teams of analysts [and] teams of people who are working on bidding or developing [policy]’ (interview, Humber LEP, LEP staff), while those regions that ‘haven’t got that capacity locally [are falling] further behind’ (interview, Humber LEP, LEP staff) (2.3). Where areas lack a devolution deal, there are complaints about the ineffectiveness of existing institutions, with interviewees commenting that they are ‘greatly over-stretched’ (interview, Worcestershire LEP, LEP staff), ‘just talking shops’ (interview, Humber LEP, LEP staff), and ‘basically a kind of marketing tool’ (interviewee, Humber LEP, local politician) (2.4). These institutions have suffered from a wide lack of certainty over their continued existence and a lack of clarity over their powers and budgets (Westwood et al., 2021) (2.5). Therefore, by seeking to control local institutions through the deal-making process, central government inadvertently creates a mechanism that tends to favour those with existing resources and penalises those without, thus sustaining and extending place-based inequalities, contra to the levelling up agenda (2.6).

Deal-based devolution is a defining feature of English metagovernance, but it is also one example of a broader feature of the governance system. England represents what Marks and Hooghe (2004) call ‘Type 2 multi-level governance’, which is characterised by the ad hoc creation of jurisdictions as and when they are needed, often to perform particular policy functions, which eventually leads to a great number of different institutions at various overlapping territorial levels. The result is that local and regional policies are ‘all regulated by a different bit [of Whitehall]’, with ‘different stakeholders reporting into different government departments’ (interview, West Midlands CA, CA staff) (2.7). This is made more difficult because ‘those departments aren’t always talking to each other’ (interview, Tees Valley CA, CA staff). Without a main point of contact in the UK government, ‘it’s very, very, difficult for [local institutions] to have an institutional relationship with [the centre]’ (interview, North East CA, LA staff) (2.8). Again, this works against the levelling up agenda, with the government acknowledging that ‘successful local growth policy requires strategic coordination’ (DLUHC, 2022) (2.9).

Finally, network design does not just matter in terms of local–centre relations, it also affects the capacity of local

institutions to attract talented employees and leadership. Currently, leadership in non-mayoral areas is seen by many as ‘not competent’ (interview, West Midlands CA, LA), to the extent that ‘you just need a different calibre of people doing that ... leadership role’ (interview, Humber LEP, local commentator) (2.8). Even the more developed CAs are seen to have a capability problem, trapped in a cycle where they lack the people because they do not have the powers, and are not given the powers because they do not have the people (Hawksbee, 2022; Hoole et al., 2023). The problem is that local and regional institutions are not appealing places to work, offering ‘thankless jobs’ (interview, Humber LEP, LEP staff). The ‘job definition is the key thing’ (interview, LEP chair) because ‘authorities with proper long-term budgets and powers and interesting areas of devolution policy [are] attractive places to work in’ (interview, Humber LEP, LEP staff). Capable people are drawn to well-funded institutions, with flexible budgets, appropriate powers, a clear vision and public recognition. This is shown by ‘the potential of combined authorities’ where there are ‘people running towards them – good, high-quality people that want to make change’ (interview, West Midlands CA, CA staff) (2.11).

### 5.3. Network framing

The scope for network framing depends significantly on network design. The *network design* restricts funding from local, stable and long-term sources, creating two main mechanisms of control: ‘devolution deals’ and ‘competitive bidding’. These mechanisms give central government particular power in *framing the network*, because subnational institutions are focused on aligning with government discourse as their primary path to obtaining income. The consequence is that local and regional policymakers find themselves ‘on a constant sort of hamster wheel’ (interview, West Midlands CA, CA staff), constantly chasing ‘the central government’s flavour of the month’ (interview, Black Country LEP, LA staff) (3.1). Because *network framing* occurs within a system controlled through its design, local strategies do not develop to meet the needs and specialisms of the place, but to align with the transitory political discourse of national politics. As each institution ‘follows the food chain [and] follows where the money is’ (interview, North East CA, higher education leader) (3.2), so ‘local needs and wants get diluted’, reinforced by ‘fiscal penalties’ for missed targets (stakeholder workshop) (3.3). A specific example of this constraint, cited by respondents in the study, is that of the *Green Book* investment evaluation and appraisal process. These are the procedural guidelines by which HM Treasury and other government departments assess the cost–benefit trade-offs for a public investment proposal (3.4).

Attempts to reframe the functioning of governance networks around local issues depend on effective public engagement and democratic processes in local institutions. And yet, the democratic accountability of LEPs is seen as a major problem, because they ‘pass on power to people who are ultimately not accountable for the outcomes’

(interview, North East CA, LA staff) (3.5). This builds on existing weaknesses in the accountability mechanisms in England's local government, which have been criticised for failing to link public opinion to local policy (Palese, 2022). Local accountability becomes increasingly important as local and regional institutions take on an expanded role. Directly elected mayors are an important mechanism of accountability, but 'accountability is very, very difficult' in all regions (interview, Black Country LEP, local chamber of commerce staff) because the complexity of the system makes it very difficult for the public to understand who is responsible for what. Even where there is a mayor, there are systemic problems that undermine the capacity of local leaders to frame governance networks in terms of local issues (3.6). One important example is that many projects are developed with 'extensive public consultation' (interview, Humber LEP, local politician), only for these projects not to be delivered, because the funding bid on which they were based was not successful (3.7). The next time that a new project or strategy is developed, 'the public think, oh no not again, not more artistic impressions' (interview, Humber LEP, LA staff) (3.8). Over time, undelivered promises erode public trust.

Public engagement is essential if subnational institutions are to hold the attention and affinity of local people and stakeholders. 'Engaging the community in [local] plans' would counteract 'the feeling [that] it's a top-down government strategy' (interview, Worcestershire LEP, LEP staff). A 'more engaged and informed ... citizenship' is seen as a key ingredient of change, without which 'we're going to get what we've always got' (stakeholder workshop). Currently, 'there's a level of invisibility in LEPs' (interview, West Midlands CA, LA staff), to the extent that the 'public don't know what the LEP is' (interview, Humber LEP, LEP staff) (3.9), and 'even businesses don't really notice it's there' (interview, North East CA, local politician) (3.10). Mayors are much more effective in engaging the public, as shown in increased voter turnout (Paun et al., 2022). This is primarily because 'the mayor is seen as the voice of the geography' (interview, West Midlands CA, CA staff), a prominent leader who receives attention in the local and national media.

#### 5.4. Network management

By designing the funding system around the mechanisms of deal-making and tendering, central government does not just rely on its discourse; it also holds the capacity to actively manage the network, using funding to encourage and block particular territorial arrangements (e.g., rejecting a Yorkshire-wide devolution; Hoole & Hincks, 2020) and particular institutional arrangements (e.g., insisting on elected mayors) (4.1). Another example is the common compromise in devolution deals, where a policy area is neither devolved nor entirely retained at the centre, but established as a partnership between a particular authority and a government department. Such partnerships open a direct channel for network management.

However, as devolution is rolled out across the country, this level of network management becomes increasingly

difficult to sustain, with each institution constantly having to renegotiate its remit in relation to others (4.2). The unstable and varied relations between regional and local governments are impossible for the centre to manage, except on a case-by-case basis. LAs want 'their capability as well as the capability sitting at the regional level' (interview, Humber LEP, local politician), while simultaneously 'the combined authority wants more powers and obviously somebody is going to lose them' (interview, Black Country LEP, trade union staff) (4.3). At the regional level, there is a general '[lack of] clarity about who does what' (interview, West Midlands CA, CA staff), with a need for 'a clearer divide between here's what the CA does, here's what a LEP does and here's how [they] should work together' (interview, West Midlands CA, CA staff). As a result of these various difficulties, 'there tends to be duplication where actually there's plenty for everybody to do' (interview, Black Country LEP, LEP staff). This not only creates inefficiencies, it undermines the place-based strategies that are essential to the levelling up agenda (4.4).

Aside from managing the remits of different institutions, the centre's main role in network management is controlling the levels of funding according to the organisational capacities of subnational institutions. The current situation was summed up by one LEP leader who said, 'people assume I've got a team of 60 or 70 people working for me and when I tell them that I've got a team of nine including my admin staff, people [are] staggered' (interview, Humber LEP, LEP staff) (4.5). The under-investment in the capacities of local and regional governance institutions is a form of *network management*, designed to save money at the centre and prevent wastage in subnational institutions. However, the consequence is merely a different type of inefficiency, as decisions are often made by people without the expertise to make them, and governance institutions are fundamentally unsuited to deliver the levelling up missions, with one region reporting that 'there's never been a history of ... transport planning in the region' (interview, Humber LEP, LEP staff) and that they 'don't have an analyst in [the] team' (interview, Humber LEP, LEP staff) (4.6).

This is part of a wider absence and decline of 'policy and research capacity' (interview, Humber LEP, LEP staff), characterised by 'economists in the local government areas [who] just photocopy what the ONS [Office for National Statistics] state' (interview, West Midlands CA, civic organisation staff), using statistics which often do not align with the institution's territorial remit (4.7). As a result, there is often a need 'to outsource' (interview, Humber LEP, LEP staff), which means 'paying a lot of money to external consultants' (interview, Black Country LEP, LEP staff) (4.8). With 'people on short-term contracts to deliver particular projects' (interview, Humber LEP, LEP staff), long-term place-based strategies are weak. This was evident during the creation of the now defunct local industrial strategies, many of which were mostly written by one or two LEP staff with 'a little bit of consultancy support on research and analysis and quite a few late nights' (interview, Humber LEP, LEP staff) (4.9).

Underfunding also creates a culture where ‘people turn inwards’ and ‘focus on solving their own problems and looking after their own organisations’ (interview, West Midlands CA, local chamber of commerce staff) (4.10). This inward-looking culture is an example of how the formalised structure of the governance system erodes informal institutional norms, leading to cultural change that further constrains the capacity of local institutions to form lasting partnerships. The way that funding is distributed means that businesses ‘get on board’ and ‘start to do something’, then ‘all of a sudden the grant that supports these activities [is withdrawn]’ (interview, Humber LEP, LA staff). The same is true in partnerships with educational institutions, with one ‘really successful programme’ not being refunded and leaving ‘a bitter taste in the school’s mouth’ (interview, Humber LEP, LA staff). These experiences, combined with the wider complexity of institutional arrangement, mean that ‘businesses who might wish to access support or to collaborate or plan with public institutions ... may simply walk away or not bother to try in the first place’ (Westwood et al., 2021, p. 32) (4.11). These inefficiencies are compounded by an absence of standardisation across the subnational governance system. Without the more rigid structures of an organised multi-level system, metagovernance is inevitably inefficient, relying on the micromanagement of relations at all levels, rather than the *macro*-management of a self-governing system.

### 5.5. Network participation

An important mechanism of multi-level metagovernance is network participation, whereby the central state plays an active role in the multi-agency networks of local areas. While this has the potential to create effective ‘strategic coupling’ with major firms that could draw investments into local places (Dawley et al., 2019), it is undermined by the lack of coordination between the levels of government, and by the centre’s attempts to achieve its own political aims (5.1). The consequence is a lack of communication about key projects, with one local leader ‘opening the paper to find a major investment which the [UK] government has agreed for the area’ (interview, Humber LEP) (5.2). The same interviewee reported that the investor insisted on bringing the local leadership onboard, against the wishes of central government (5.3). This in turn undermines trust between institutions, with widespread cynicism among local and regional leaders, who see devolution as ‘really capricious’, ‘politically driven’ (interview, West Midlands CA, CA staff), and ‘an easier way for the government to increase its centralisation’ (interview, Enterprise M3 LEP, LEP staff) (5.4). This again emphasises the importance of the ‘soft institutions’ of subnational governance (Haughton et al., 2013), as the formal structures of the governance system limit the development of the institutional norms and personal relationships that enable long-term trustful partnerships. As a result, future network participation becomes increasingly challenging, both for central government and for all

other institutions, as low levels of trust undermine the formation and utilisation of partnerships (5.5).

These tensions are made more problematic by ‘different political colours and interests between the LAs and the combined authorities’ (interview, West Midlands CA, LA staff) (5.6). In addition to its network participation through Whitehall departments, the government also attempts to participate through the internal structures and networks of their political party. Local actors respond by seeking advantages through party connections. The gameplaying is widely acknowledged by those who benefit, as well as those who lose out. One region highlighted ‘a benefit locally at the moment in that we’ve got a Conservative government and we’ve got a Conservative mayor’ (interview, Tees Valley CA, local politician). Another valued ‘good connections with our MPs’, having ‘quite influential MPs’ (interview, Worcestershire LEP, anonymous) (5.7). Local actors identify the consequence that ‘the politics of geography [are] going on as a consequence of the politics of parties’ (interview, Humber LEP, local chambers of commerce staff) (5.8). The instability and complexity of England’s territorial governance is thus further exacerbated by party political network participation (5.9).

## 6. POLICY IMPLICATIONS

Our policy implications present a challenge for the established *modus operandi* that seeks to promote regional development using a highly centralised system. This is exacerbated by the existence not just of inequality between regions, but also of inequality between areas within regions and the existence of pockets of deprivation that can only be understood at a local level. The policy response to this typically involves competitive bidding processes between regions, evaluated against for example Green Book criteria for both social and economic returns. The research presented here highlights that not only is this inefficient, it is also disliked by those seeking to implement it, and rather should be replaced by priorities based on *need*. The funding system also leads to short-term rather than long term planning, competitive rather than collaborative relations, and fragmented rather than cross-sector policymaking.

An alternative approach would allocate funding to target place-based inequalities, rather than on the basis of institutional performance. While the allocation of that funding should be based on a formula, the accountability for that funding should be based on strategically negotiated objectives, to ensure that local objectives are relevant to the local area but also align with national objectives. Accountability can be strengthened with elected mayors and London-style assemblies, and with the creation of place-based scrutiny committees at regional and national levels. Funding streams should be long-term, with place-based management targets to reward and encourage the necessary activity. Linking these reforms together under a ‘Levelling Up’ brand will help to engage the public, while the creation of place-based performance indicators would retain engagement.

Our findings highlight the importance of place-based capabilities. It is not enough for the centre to wait for local capabilities to emerge, because the existing system is driving further inequalities between places, so that institutions with limited capabilities are left further behind. There needs to be significant investment in the institutional capacity of England's subnational system, so that there is the capacity for policy expertise and policy evaluation, but also so that local institutions have the necessary resources to work effectively with national government. Fragmented governance systems are resource-intensive systems, and while we endorse long-term shifts towards simplification, this will take time, and meanwhile local government needs the resources to effectively negotiate the existing system.

This becomes increasingly important given the plan to merge England's LEPs into existing democratic institutions. In the mayoral CA areas, this process has been under way for several years, with the economic development role of the LEP overlapping significantly with the remit of the mayoral CA. Even in these instances, there is some work to be done because of unaligned borders, primarily in the West Midlands where three LEPs cut through the mayoral CA territory. There are additional complexities where mayoral CAs are taking on resources and responsibilities from LEPs dedicated to a particular function, such as small business support, and changing the focus and/or local delivery mechanisms, or diverting funds to other uses. Moreover, in other parts of the country, where mayoral CAs have not been created, the dissolution of LEPs points towards the localisation and fragmentation of spatial policy. This is particularly problematic in the English counties that are governed by a combination of unitary and county authorities. Currently, the deal-making approach to devolution is slow and patchy, leaving many areas to fall behind in terms of local economic development. The geography of devolution should not be an afterthought or a negotiating chip, because the scale, tiering, and bounding of subnational territory is the skeleton that holds together an effective system of metagovernance. Instead, the geography of devolution should be planned nationally but open to extensive consultation and research that can balance local identities with functional economic areas.

The 'Trailblazer Deeper Devolution Deal' announced by the Chancellor in March 2023 for the West Midlands (one of our case study regions) contains several new promises, including a commitment to local retention of business rates for 10 years ('worth £45 million per year'), a housing deal ('worth up to £500 million') and a commitment 'towards a Single Funding Settlement' (DLUHC, 2023). The expectation for the latter, from the next spending review, is that 'a region will be treated as if it were a government department, enabling the region to prioritise, target and decide how funding is spent in key areas'. This could help overcome a number of challenges described in this paper by simplifying and streamlining the negotiation process over the level and prioritisation of locally devolved resources. It also runs the risk of devolving responsibility

for resolving local productivity and inequality challenges, without sufficient resources. For these reasons, and to trace the impending changes in the metagovernance mechanisms described here, this would be a useful focus for future research studies.

## 7. CONCLUSIONS

Multi-level metagovernance occurs when the systemic logic and institutional architecture of a governance tier are adjusted or reorganised (intentionally or otherwise) as a result of decisions made at a higher tier. In England, where central government has significant power and a monopoly on sovereignty, there is a history of instability in governance arrangements, making multi-level metagovernance a salient political process. This paper has made use of extensive stakeholder interviews and workshops to explore how this process functions and what consequences it has for the levelling up agenda. This analysis therefore gives insights into how multi-level metagovernance should be approached in academic research, and how it should be approached by central policymakers as they attempt to unpick place-based inequalities and improve the fortunes of 'left-behind places'.

In relation to the academic research of metagovernance, this paper has made a number of theoretical innovations. We have mobilised a distinction between, on the one hand, metagovernance structures that are inherently asymmetric in terms of the power relations they establish and maintain, and, on the other, those where the enactment and utilisation of inherently neutral mechanisms results in asymmetric power relations. Evidence of this would help differentiate between the role of the structures themselves and the role of interest groups applying these structures to achieve their own aims. We have focused on the former to explore how metagovernance structures and processes act as causal mechanisms that constrain/enable levelling up. This entailed a conceptual coupling of Jessop's (2016) notion of collibration – the shifting combination and recombination of governance modes – with Sørensen and Torfing's (2007) four metagovernance tools: network design, management, framing and participation.

Through a process of collibration, agencies may select a particular framework of network management tools, or specific combinations of mechanisms, that benefit their interests. This process was revealed through analysis of the metagovernance tools in action. The selection of metagovernance tools may allow agents to pursue specific interests, but there are also unintended consequences of these actions that shift the particular combination of governance modes. This affects the asymmetry of power relations, and affects how policymaking is constrained and enabled at the local level. With this framework we have, therefore, been able to identify how a number of existing metagovernance mechanisms have a deleterious impact on the levelling up agenda. An example of this has been the recent disquiet expressed by the businesses community concerning their loss of voice at a local level following the demise of the

LEPs, with concerns that substituting this for national level engagement – between large employer organisations and central government for example, will not contribute to levelling up.

An important starting point for this analysis has been to use the existing literature to identify the economic interventions needed to reverse the fortunes of less prosperous places. This suggests a strategy to identify firms and sectors with the potential to create good jobs (beyond ‘growth firms’ and winning sectors, which often constitute a small percentage of local employment), and to conduct focused inward investment activities based on this analysis. In turn, there is a need to tailor skills strategies to the resulting demand, and to focus on inward investors who will boost skills demand in those firms and in the local economy, typically by helping firms to innovate. These skills interventions need to operate at the level of local labour markets, alongside strategies to develop infrastructure and place-specific research and development.

The delivery of such interventions at a local level requires long-term place-based strategy, led by institutions that have the capacity, resources, powers and budgets to develop and implement it. However, the current functioning of multi-level metagovernance constrains the development of these conditions:

- Attempts to make multi-level governance a quasi-market have created widespread inefficiencies and constrained long-term cross-sector policymaking. Simultaneously, the mobilisation and reinforcement of state hierarchies prevents the development of local sovereignty and creates a cage of restrictions around local government activity. The combination of these two governance modes creates contradictions that are realised in central attempts to design, frame, manage and participate in multi-level governance networks.
- A formalised system of deal-based network design accelerates devolution for some places, leaving others further behind, and adding a new driver to geographical inequality. It also results in a labyrinthine system-architecture that strains central–local relations and wastes local resources.
- Through deal-making and competitive bidding, local institutions get swept up in the gameplay of national politics, and ultimately develop strategies based on the funding they might and do win, rather than the needs and specialisms of the local place. A reorientation of network framing around local issues is constrained by the lack of local engagement, public trust and institutional recognition.
- The structure of England’s multi-level governance requires the centre to micromanage on a very large number of local issues, creating a fragmentation of local remits and responsibilities. Central management of local budgets has squeezed many local institutions so that they struggle to forge successful local partnerships and lack the policymaking capacity to deliver effective place-based strategies.

- The potential benefits of central–local partnerships are undermined by a lack of communication and coordination, which is particularly problematic for inward investment. Central government’s participation in local networks, especially through party structures, leads to lower levels of trust and increased territorial tensions. Here, there is a negative feedback loop between the formal governance structures and the informal ‘soft institutions’ based around trust and culture, constraining the potential for effective partnerships.

Our research suggests that what is required is to rethink the governance structures that underpin the sub-national governance system. At present these structures comprise a combination of free market thinking (competitive bidding) and top-down planning, both of which are counterproductive to redistribution. These findings reinforce wider observations about the UK’s political economy as entailing a combination of centralised statism and ad hoc market liberalism. In the varieties of capitalism literature, the UK is described as a ‘liberal market economy’ in contrast to its European ‘coordinated market economy’ neighbours (Hall & Soskice, 2001), but with an active state that acts in defence of certain longstanding market institutions (Wood et al., 2022). Its social policy is traditionally understood in terms of a largely liberal market-orientated welfare system (Esping-Andersen, 1990), but with certain strong social-democratic elements (Deeming 2017). It is therefore important to observe that the combination of state hierarchies and market solutions in England’s multi-level metagovernance are not merely reflective of the current government’s policy agenda, but of the more fundamental structuring of the UK’s political economy. Further work is required to explore how these governance modes can be combined to more effectively realise place-based policymaking, especially in delivering policy objectives around inclusive growth and environmental sustainability.

In the UK, and particularly in England, the narrative of ‘levelling up’ has fundamentally shifted public and political attitudes to place-based inequalities. At the time of writing, the levelling up agenda has strong backing from the government, but the political turbulence of British politics may well see its abandonment in the coming months or years. Although the slogan might be scrapped, and the particularities of the Levelling Up White Paper abandoned, there is a major political cost to pay for a government of any colour abandoning the actual policy objective of turning around struggling places to achieve greater geographical equality. Indeed, there is a recognition that local economic development is essential to meet the major economic, social, and environmental challenges that are rising to prominence in the UK and elsewhere. While this is undoubtedly going to require investment, and therefore difficult ideological debates about taxation, it is also going to require the rewiring of the governance system. Local places need to be able to make and implement long-term, cross-sector, place-

based strategies, and this is only possible if the processes of multi-level metagovernance are significantly altered.

## ACKNOWLEDGEMENTS

We thank the other project contributors: Charles Seaford, Ben Glover and James Sweetland (Demos); Dr Anastasios Kitsos and Dr Diana Gutierrez Posada (University of Birmingham); Dr Helen Tilley and Dr Ananya Mukherjee (University of Cardiff); and Lisa Fletcher and Gail Deason (University of Surrey).

## DISCLOSURE STATEMENT

No potential conflict of interest was reported by the authors.

## FUNDING

This work was supported by the Economic and Social Research Council (ESRC) [grant number ES/T002468/1], from September 2019 to October 2021, as a joint project between the universities of Birmingham, Cardiff, Surrey and Warwick and the think tank Demos.

## NOTE

1. 'Local Institutions, Productivity, Sustainability and Inclusivity Trade-offs', funded by the Economic and Social Research Council (ESRC) (see the Funding section).

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