Rethinking city-regionalism as the production of new non-state spatial strategies: the case of Peel Holdings Atlantic Gateway Strategy

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RETHINKING CITY-REGIONALISM AS THE PRODUCTION OF NEW NON-STATE SPATIAL STRATEGIES: THE CASE OF PEEL HOLDINGS ATLANTIC GATEWAY STRATEGY

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Abstract  City-regions are widely recognised as key to economic and social revitalization. Hardly surprising then is how policy elites have sought to position their own city-regions strategically within international circuits of capital accumulation. Typically this geopolitics of city-regionalism has been seen to represent a new governmentalised remapping of state space conforming to the prevailing orthodoxy of neoliberal state spatial restructuring. Through a case study of the Atlantic Gateway Strategy, this paper provides a lens on to an alternative vision for city-region development. The brainchild of a private investment group, Peel Holdings, the Atlantic Gateway is important because it points toward the production of new non-state spatial strategies. Examining Peel’s motives for invoking the city-region concept, the paper goes on to explore the tensions which currently surround the strategy to further identify the potential and scope for non-state spatial strategies. Connecting this to emerging debates around the key role of asset ownership and the privatisation of local democracy and the democratic state, the paper concludes by suggesting the key question arising is can and will the state maintain its degree of governmental control over capital investment in major urban regions in an era where persistent under-provision of investment in urban economic infrastructure behoves institutions of the state to become ever more reliant on private investment groups to deliver the jobs, growth and regeneration of the future.

Key words  City-region; Atlantic Gateway; space of dependence/engagement; metropolitan regime; non-state space

JEL codes  018; R10; R58
RETHINKING CITY-REGIONALISM AS THE PRODUCTION OF NEW NON-STATE SPATIAL STRATEGIES: THE CASE OF PEEL HOLDINGS ATLANTIC GATEWAY STRATEGY

“Organization is at the center of attempts to defend, enhance the interests of those dependent on some particular place-specific conditions to defend or enhance a space of dependence” (Cox, 1998, p. 15)

“The problem is one of conceptualizing the relation between place-specific interests and power centres. Both have scalar expressions, and those with interests have powers” (Cox, 2010, p. 219)

INTRODUCTION: CITY-REGIONS AS POLITICAL CONSTRUCTS

Amid globalization city-regions are widely recognised as key to economic and social revitalization. In fact orthodoxy has developed around the belief that city-region-scaled spatial agglomerations are the pivotal social and political-economic formations in the era of globalized capital accumulation (Scott, 2001). This is derived from geo-economic arguments which confer upon city-regions the status of competitive territories par excellence. In this respect, we should not be surprised that policy elites have looked enviously upon these major urban and regional growth economies and, captivated by their position at the apex of the post-Fordist growth dynamic, sought to position their own city-regions strategically within international circuits of capital accumulation by creating the conditions necessary to attract transnational capital (Brenner, 2009). Accordingly, city-regionalism no longer refers simply to the geo-economics of city-regions but is increasingly focused on what Jonas (2012, p. 2) calls the “contingently produced geopolitical project” of late capitalism. From this perspective, emphasis is rightly placed on the need to analyse new modes of governance
and political participation at the city-region level, alongside the distributional struggles within city-regions which shape city-regional institutions and politics. Only by doing this, it is argued, can we come to understand “the contested role of city-regions” and as a consequence better “theorize capital-state-space relations” (Jonas 2011, p. 6).

Notwithstanding the fact that each geopolitical project is specific to the national context within which it is located, this paper focuses on recent developments in England to enunciate further the geopolitical construction of city-regions. England is a vivacious setting within which to pursue city-regional research owing to the smorgasbord of initiatives, policies, strategies and institutional frameworks which have been summoned up by policy elites in recent years to operate across a, variously defined, city-regional scale (Harrison, 2010b). This hive of city-regional activity is symptomatic of how devising new – generally accepted to mean more flexible, networked, and responsive – forms of planning and governance at the scale of city-regions has ascended to become an officially institutionalised task for political strategists and policy elites the world over (OECD, 2007). Yet for all of the international support, fervent posturing and triumphalism being marshalled by those advocating city-regions as the “ideal scale for policy intervention in a globalized world” (Rodríguez-Pose, 2008, p. 1029), critics ultimately believe a ‘thin’ approach is being adopted (Harrison, 2007; Jonas and Ward, 2007). In England, for example, the lack of a coherent master plan has resulted in a set of “reactionary and incremental adjustments that lack strategic direction, buy-in and focus” (Ayres and Stafford, 2009, p.619). Stated more bluntly, initiatives branded as city-regional have produced nothing more than a patchwork quilt of assorted, weak, and often contradictory and overlapping initiatives that have failed to live up to expectation. Nonetheless, a decade on the enduring appeal of city-regions remains undiminished among policy elites.
To be sure, the allure of city-regionalism as a geopolitical project was embellished in 2010 when the new Coalition Government announced the abolition of the regional tier of governance in England, declaring their intention instead to establish Local Enterprise Partnerships (LEPs) – joint local authority-business bodies supporting local economic development by operating across ‘functional economies’: city-regions in other words (HM Government, 2010; Business, Innovation and Skills [BIS]/Communities and Local Government [CLG], 2010). Today, the map of local and regional economic development in England is divided into a mosaic of 39 subnational units (LEPs), each bearing some, little, or no resemblance to city-regions. Yet despite the change in political orientation at the centre of UK politics, there is little chance to celebrate. Early indications suggest only minimal change to the trajectory or fabric of the city-regionalism project in England:

“[Despite being] launched with similar ‘can-do’ business and community empowerment bravado, LEPs are likely to fail. Their modus operandi involves rolling forward existing centrally-orchestrated policy regimes, deploying limited levers and mechanisms to influence the business community, and ultimately being unable to correct deep-rooted market failures.” (Jones and Jessop, 2010, p. 1144 emphasis added)

So despite the allure of city-regionalism as a geopolitical project in England, as elsewhere, there remains limited hope that it will achieve the ambitious goals – growth and competitiveness, meaningful economic prosperity, expected affluence, ability to tackle entrenched inequalities, scope to encourage smart planning, enable piecemeal democratic rights – that its academic and non-academic architects and proponents purport.

Launched in 2008, the Atlantic Gateway Strategy (AGS) provides a radical alternative to the prevailing orthodoxy of neoliberal state spatial restructuring and governmentalised remappings of state space which have characterised previous, and indeed current, city-
The brainchild of Peel Holdings, a private investment company, the AGS is a bold and unique vision which aims to establish Liverpool-Manchester as a globally competitive urban area. Encompassing a population of 6 million and an economy worth upwards of £50 billion (Gross Value Added) per annum, the Atlantic Gateway is England’s largest economic metropolitan area outside London and has the critical mass necessary to (at least) be considered a ‘global’ city-region (Scott, 2001). Yet it remains one of the most socially and economically polarised. Four of the seven districts with the highest local concentration of deprivation in England (eight out of the top ten if you include areas within 20 miles of the Atlantic Gateway) and three of the four districts with the highest overall levels of deprivation are contained within it (CLG, 2011a).

In an era of state under-provision – certainly relative to the investment in infrastructure and state subsidy that once characterised the Fordist-Keynesian State – the Atlantic Gateway represents an important window onto what may ultimately turn out to be the next stage of city-regionalism as a geopolitical project (cf. Jonas, 2012). To develop this argument, the paper begins by situating the AGS within the broader framework of how city-regionalism has emerged as a geopolitical project in England. This is important because it shows how the AGS is unusual in its genesis occurred outside the formal structures of the state – what we might conceive to be a new non-state spatial strategy (cf. Brenner, 2004). More substantively it goes on to raise important questions about the changing nature of the state, in particular the role of the state in regulating local and regional development when key assets (e.g. land, infrastructure) and contracts for service delivery previously the preserve of government (e.g. health, education, local government) are owned increasingly by non-state private industry actors. Rethinking city-regionalism along these lines, Section 3 draws on Cox’s (1998) distinction between spaces of dependence and spaces of
engagement to analyse the motivation and rationale for Peel constructing the Atlantic Gateway spatial concept, before Section 4 reveals how and why they Peel are invoking the city-region concept and the tensions which currently surround the Atlantic Gateway initiative as Peel seek to defend and enhance their interests in the region. The final section concludes with some broader reflections on what an analysis of the Atlantic Gateway initiative can contribute to our understandings of city-regionalism as a geopolitical project of late-capitalism, and the production of new non-state spatial strategies more generally.

**CITY-REGIONALISM: ENGLAND’S MAGIC BULLET?**

It is now over ten years since *Is There a ‘Missing Middle’ in English Governance?* (New Local Government Network [NLGN], 2000) became the antecedent to a resurgent interest in city-regions as spaces for subnational planning and governance in England. Against the backdrop of ascending city-region orthodoxy, the case for new planning and governance arrangements resulted in a host of initiatives, including: the *Sustainable Communities Plan*, which identified cross-regional growth areas in south east England (Office of the Deputy Prime Minister [ODPM], 2003); the *Northern Way*, a growth strategy centred around eight interacting, yet hierarchically differentiated, city-regions (ODPM, 2004; Northern Way Steering Group, 2004); *Economic Development Companies*, city or city-region wide development companies formed to drive economic growth and regeneration (CLG, 2006a); *Multi-Area Agreements*, bringing together local authorities to enable more effective cross-boundary working (CLG, 2006b); *Statutory City-Regions*, enabling increased responsibility and financial flexibility over economic development and planning issues (HM Treasury, 2009); *Local Enterprise Partnerships* (HM Government, 2010; BIS/CLG, 2010); and most recently, *Economic Prosperity Boards* and *Combined Authorities* in areas where there is
demand for a single formal metropolitan administrative authority to replace a range of single-purposes joint boards and quangos (CLG, 2010).

Alongside the global appeal to city-regions (see Herrschel, 2012; Segbers, 2007; Vogel et al., 2010; Xu and Yeh, 2010), a clear policy rationale underscores endeavours to construct these new institutional structures, infrastructures, territorialities, statutory frameworks and supports in England. There are at least five broad agendas that warrant mention. First, indicative Rodríguez-Pose and Gill’s (2003) axiom on devolution, previous initiatives championed as devolving activity to subnational tiers of government devolved responsibilities but failed to empower those institutions with meaningful resource, ensuring England remains highly centralised (particularly in relation to Scotland and Wales where greater resource was devolved). Second, persistent and increasing gaps in the growth rates between regions places increased pressure on the central state to be seen taking measures to rebalance the economy. Third, accelerated urbanisation in the latter half of the twentieth century has left cities in England under bounded. Manchester, for instance, has a metropolitan population in excess of 2.5 million yet the local government boundary means only an area containing 450,000 residents is under the direct influence of the city authority.

Following on from this, fourth, relations between those local authorities operating within a functional economic area or metropolitan landscape have generally resulted in more municipal competition than collaboration. The UK Government’s measuring of local authority performance exclusively by the services delivered within their authority means traditionally there has been little or no incentive to co-ordinate service delivery across the city-region. One area where cross-border collaboration and policy integration is emerging, however, is in spatial planning and this is the fifth point. Recognising that growth is being constrained by the formal territorial structures of the state spatial planning is increasingly
conducted through new interregional initiatives in what are termed ‘soft spaces’ (Allmendinger and Haughton, 2009; Harrison and Growe, 2012; Heley, 2012). Established as part of the 2003 Sustainable Communities Plan Thames Gateway in south east England is often put forward as an exemplar, showcasing how these soft planning spaces are requiring new policy and governance arrangements as they do not share boundaries with other statutory bodies (Allmendinger and Haughton, 2009).

Now on reflection many of these policy agendas are not unique to England, though some clearly do appear more pronounced in England than in other contexts. What makes England somewhat exceptional, and pertinent to researching city-regionalism as a geopolitical project, is the trigger which thrust these policy agendas into sharper focus. The trigger to which inference is made is the ill-fated plans of the previous Labour Government to establish a regional tier of government in England (1997-2004). In what would have marked the insertion (or more accurately, the beginning thereof) of the final piece of the Devolution and Constitutional Change jigsaw, the rejection on November 4th 2004 of plans to establish the first elected regional assembly in North East England provided a watershed moment for subnational governance in England. The importance attached to this event is threefold: it derailed the regional agenda; consensus suggested “a new regional policy was required” (CLG, 2007, p. 3); and in the broadest sense, this was to be guided by the need (for political elites) to respond to the five barriers preventing effective subnational governance outlined above.

Swept along by a wave of international support, city-regionalism appeared as England’s magic bullet for its urban and regional ills. For a period of two or three years city-regions were the fashionable concept, the newfangled ‘must have’ strategy for policy elites. The Northern Way (and its offspring, the Midlands Way and Regional Cities East), Economic
Development Companies, and Multi-Area Agreements were all launched during this period.

Government Department’s commissioned report after report (ODPM, 2006; CLG, 2006), their Ministers eulogised at length about how city-regions were driving forward competitiveness (Kelly, 2006), and academic and policy think-tanks went into overdrive producing a corpus of pamphlets and sound bites for both political and popular consumption (Centre for Cities, 2006; Institute for Public Policy Research, 2006; Local Government Association, 2005; NLGN, 2005).

Nevertheless, while it is widely accepted that England is seeking greater engagement with city-regionalism as a geopolitical project, contradictions exist in policies aimed at increasing the institutional capacity of city-regions. The first of these is the geography of city-regionalism. Various empirical studies suggest that city-regions, as politically constructed, do not conform to mappings of the new urban economy which map city-regions according to labour market analysis, travel-to-work areas, and so on (Harrison, 2010a). The second is mission creep. This has seen policies launched as ‘city-regional’ become wider in scope as elected politicians open them up to all areas (those excluded or are on the fringes of city-regionalism) by framing them as ‘sub-regional’ (Harrison, 2010b). Third is the ambivalence of the central state. Evident from points one and two, that city-regionalism was then to disappear from the political radar during 2007-2008 was further indication of how this project was not a Government priority. This was despite the UK Government launching a major review of subnational economic development and regeneration in this period which from initially stating a desire to respond, in part, to the city region agenda ultimately provided only a limited, somewhat implicit endorsement of city-regions (HM Treasury et al., 2007). The lack of tangibly ‘new’ institutions is fourth. Many so-called new institutions (and by implication their outlook) were not in-fact new but scalar
amplifications or contractions of previous entities (Lord, 2009). Finally fifth, the state (in and through its territorial/scalar configuration) retains the key role in orchestrating how city-regionalism is geo-politically constructed.

Although containing a number of important policy tensions and political contradictions, there is however growing political recognition that city-regions remain important for implementing many of the UK’s core economic, social, and public policies, and also empowering communities therein. Plans to establish statutory city-regions (HM Treasury, 2009) and elected mayors in England’s major provincial cities (that is, those cities at the heart of major urban regions) (CLG, 2011b), the decision in Wales to commission a City Regions Taskforce (Welsh Assembly Government, 2012), and the establishment of LEPs in England all point to this. But what if anything is new in this second phase of city-regionalism? To answer this let us look briefly reflect on the establishment of LEPs.

While undoubtedly much is being made of the UK Coalition Government’s championing of LEPs, the early signs offer little scope for enthusiasm. Of the 39 partnerships approved very few can justifiably claim to be working across a functional economic, let alone city-regional, area. For in spite of the economic boosterism which accompanied their launch the starting point for most individual LEPs was political not economic. The result is sub-regional, as opposed to city-regional, functional economic areas averaging populations of just 1.5 million. One might therefore imagine that if LEPs were being constructed from established political power structures (e.g. counties, subregions) they would be coherent spaces but according to the Secretary of State for Business, Innovation and Skills, Vince Cable, most proposals were “hopelessly fragmented” (quoted in Carpenter, 2010). Fragmentation was also a theme picked up recently by Pain (2011a) in her analysis of England’s primary functional economy – the London (mega) city-region – where
she argues governance will now be considerably ‘weaker’ and fragmented with now 12 LEPs operating across this area rather than the three sets of regional institutions in the period of regionalism which preceded it.

General ambivalence is also evident. A report produced by the consultants SQW (2010, p. 6) claimed business involvement in preparing bids was “in general, thin” and “unsurprising given the difficulty of marshalling the business community to engage in a process that – from their perspective – could have seemed abstract and of no immediate consequence”. Added to this, the UK Government has been slow to resource LEPs. Nonetheless, the fact there is now 39 LEPs, covering all but one local authority in England, suggests there has not been complete ambivalence. But this overlooks one key factor. LEPs are the Coalition Government’s preferred model for the governance of subnational economic development, which for want of a better description means they are the ‘only show in town’. To put it simply, there is nothing much that is new in the proposals for LEPs that was not on offer to local areas through previous initiatives (e.g. Multi-Area Agreements), but where there was limited take-up of the opportunities to work across this geography when offered under voluntary conditions by the previous Labour Government, the Coalition Government’s abolition of the regional tier of governance and the loss of resource for subnational economic development this brought about, left areas with little option but to engage. Although never presented as such, this obligation and the fact the Government retained the power to decide which LEPs were approved ensured this exercise had all the hallmarks of neoliberal state spatial restructuring through a new governmentalised remapping of state space. It is hardly surprising that many commentators have been quick to suggest LEPs are ‘destined for oblivion’ (Walker, 2012).
What makes the Atlantic Gateway initiative stand out is that on first viewing it is not many of the things outlined above: (1) the contrivance of private investors the Atlantic Gateway is not centrally orchestrated by the state but genuinely business-led – a new non-state spatial strategy in the making; (2) covering an area of 6 million residents and an economy worth £50bn per annum it has the critical mass to be an agglomeration economy à la Scott’s (2001) notion of the global city-region; (3) it does not map onto known political or administrative units but has fuzzy boundaries; (4) it offers something distinctly ‘new’, that is, it is not a scalar amplification or contraction of previous entities; (5) the promise of a £50 billion investment also suggests it is well-resourced; and (6) contra the fragmentation of governance arrangements across England’s largest urban economic regions with the establishment of LEPs it seeks to provide a single governance arrangement to work across England’s second largest economic urban region.

In this way the Atlantic Gateway Strategy presents an alternative vision of city-regionalism as a geo-political project. Yet it also poses a series of searching questions about what an alternative city-regionalism might amount to, not least of which is the motivation for private investors such as Peel to now embark on such an initiative. It is to these questions the paper now turns.

INTRODUCING ATLANTIC GATEWAY: THE ‘THAMES GATEWAY OF THE NORTH’

The Atlantic Gateway is the result of 25 years investment in infrastructure, transport and real estate, predominantly, though not exclusively, in the North West region of England. In 1971, John Whittaker established the foundations of today’s company when he acquired Peel Mills. Having then acquired another textile business in John Bright & Brothers the company was launched on the London Stock Exchange as Peel Holding PLC in 1981. This was
soon followed in 1983 by the acquisition of Bridgewater Estates and its land portfolio of
18.75km² in and around Manchester and Salford, before in 1987 the Manchester Ship Canal
(a 36-mile long inland port) was added to Peel’s portfolio. Expansion into retail came in 1996
when work began building the Trafford Centre (opened 1998), a 2 million sq ft retail space
which now attracts over 30 million visitors per annum. Soon after Peel expanded into
transport with the part, then full, acquisition of Liverpool (John Lennon) Airport between
1997 and 2000. Reverting back to a private company in 2004, the acquisition in 2005 of The
Mersey Docks and Harbour Company made Peel the second largest ports group in the UK.
Then in 2007 Peel began developing the largest purpose-built media community in Europe –
MediaCityUK in Salford Quays. Alongside all of this, Peel Energy generates 3GW of electricity
from low-carbon energy sources, enough to power 3 million homes (more than the number
in the Atlantic Gateway). Peel’s latest initiative is its proposed £50 billion co-ordinated
cross-sector investment strategy known as the Atlantic Gateway.

*Peel’s Vision: company vision becomes spatial vision*

The Atlantic Gateway concept was first launched on 5 September 2008, albeit at inception it
was referred to as ‘Ocean Gateway’. In both its original and later guises, Ocean Gateway and
Atlantic Gateway present Peel’s vision for raising the international profile of the Liverpool-
Manchester urban corridor and capitalising on its economic potential as a “global growth
opportunity” to become a “globally competitive urban area” (Peel, 2010a, p. 2). Glance
through the three prospectuses and two technical reports produced by Peel between
November 2008 and October 2009 and unsurprisingly what you see are all the hallmarks of
economic boosterism and the hegemonic discourse of urban and regional competitiveness
*in action*. Indicative of this is the stated vision for the Ocean Gateway: “To maximise the
potential of the North West as a globally significant region, using the Ocean Gateway as an economic powerhouse and environmental asset to enhance, strengthen and bring together the Liverpool and Manchester City Regions” (Peel, 2009, p. 2). But where the real interest lay is in how Ocean (Atlantic) Gateway came to be launched as an alternative vision of city-regionalism as a geo-political project and a new non-state spatial strategy.

To understand this we need first recognise two distinct, yet at the same time related components which underscore Peel’s launching in September 2008 of Ocean Gateway. In the first instance, Ocean Gateway amounts to Peel’s company vision (looking to 2050) for how a planned £50 billion investment programme in 50 of its most significant projects will shape the long-term future of the company. It should not be underestimated that Ocean Gateway provides Peel with a platform to showcase their projects, thereby raising their profile (regionally, nationally, and internationally), and contributing to the future success of the company. But alongside Peel’s company vision, Ocean Gateway also constitutes a metropolitan spatial vision. The result of over 25 years investment in an ever expanding portfolio of activity across the real estate, transport and infrastructure, leisure, retail, media and energy sectors in the North West region, each of Peel’s 50 Ocean Gateway projects is located in close proximity to the 35-mile River Mersey and Manchester Ship Canal gateway corridor connecting two urban cores (Liverpool and Manchester) – a point reinforced by the initial vision of the Ocean Gateway spatial concept pictured on the front cover of all Ocean Gateway outputs put into the public domain during this period to demonstrate the localised geography of these 50 projects.

Peel’s motives: from space of dependence to space of engagement
Connecting the two visions is this recognition that Peel’s company vision is by virtue of its geography a subregional metropolitan spatial strategy. But it goes further than this. For the extent of Peel’s existing portfolio, which sees them control many of the region’s prime economic assets (across the real estate, transport and infrastructure, leisure, retail, media and energy sectors), the fact they are now one of the major landowners in the area, and the proposed level of investment into this urban area have all made Peel one of the most powerful political voices in the region. One important consequence of this is Peel’s vision majorly impacts the spatial visions developed by other governmental structures, in both statutory and non-statutory strategies, operating within or across the area now defined by Peel’s Ocean Gateway spatial concept. This is no coincidence. Echoing earlier debates on the governance of cities and city politics through the formation of territorial alliances (see Cox, 1993), Ocean Gateway signified a carefully thought out strategy by Peel to actively engage and use their growing influence to enrol other state/non-state actors operating outside the locality (at regional, national and international scales) to defend, expand, and enhance their corporate interests in and through the formation of a ‘new’ metropolitan regime or metropolitan growth coalition. More to the point, what Ocean Gateway has is all the hallmarks of Cox’s (1998) erudite conceptualisation of the distinction between ‘spaces of dependence’ and ‘spaces of engagement’, its connection to the politics of scale and the search for local urban politics – a problem recently revisited by Cox in the context of metropolitan governance (Cox, 2010; 2011).

While it is now some time since Cox first made this distinction, his heuristic remains one of the most powerful explanatory tools available for conceptualising the political construction of spatial scales, and it is worth quoting at length:
“Spaces of dependence are defined by those more-or-less localized social relations upon which we depend for the realization of essential interests and for which there are no substitutes elsewhere; they define place-specific conditions for our material well being and our sense of significance. These spaces are inserted in broader sets of relationships of a more global character and these constantly threaten to undermine or dissolve them. People, firms, state agencies, etc., organize in order to secure the conditions for the continued existence of their spaces of dependence but in so doing have to engage with other centers of social power: local government, the national press, perhaps the international press, for example. In so doing they construct a different form of space which I call here a space of engagement: the space in which the politics of securing a space of dependence unfolds.” (Cox, 1998, p 2 emphasis added)

Following this line of argument, what I want to suggest here is Peel’s company vision (the 50 Ocean Gateway projects) can be seen as representing their space of dependence, and the spatial vision (the Ocean Gateway spatial concept) their space of engagement. What thinking like this alerts us to is on the one hand, if city-regionalism has for the past decade been conceptualised as part of the state’s spatial strategy to enable it to govern (certainly true for England), conceptualisation of alternative visions of city-regionalism as a geopolitical project must be cognisant of the fact space is constructed in order to defend, enable certain essential interests to be realised – in the case of the Ocean Gateway spatial concept, this is Peel’s corporate interest in the future of 50 of their most strategically important sites/projects. On the other hand, it points us toward the potential for tension and struggle between those constructing the space of engagement and the other centres of social power they have to engage in order to enable certain essential interests to be realised. For quite simply this is where the politics (of city-regionalism) unfolds, determining what is possible and what is not (Cox, 2010).

But while this heuristic is useful in providing the broad framework, more detailed analysis needs to be undertaken to account for why Peel sought to construct the Ocean
Gateway as a space of engagement at the time they did. In short, what triggered the launch of Ocean Gateway in October 2008? A number of possible reasons emerge, all centred around a notion that Peel had reached a tipping point. The first sees Peel branching out from the North West region with a clear aim being to raise their profile and influence at a national and international scale. This can be seen through their investment in flagship national projects (e.g. MediaCityUK in 2007), purchase of Clydeport (2003) and The Mersey Docks and Harbour Company (2005) to make Peel the second largest ports group in the UK, and acquiring in 2011 of a controlling interest in the global film and television studio operation, Pinewood Shepperton Studios. Alongside this, Peel have been expanding their influence by allowed Vancouver Airport Services (now Vantage Airport Group) to acquire 65% of Peel Airports Ltd in 2010, and selling the Trafford Centre in return for a 20% stake in Capital Shopping Centres Ltd (who control four of the six top shopping centres nationally\textsuperscript{ix}) and the appointment of Peel’s Chairman, John Whittaker, as its Deputy Chairman in 2011. Most recent of all, 2012 has seen Peel sign an international trade agreement with a Chinese investment group to construct the Peel International Trade Centre as part of Peel Waters £10bn investment in the regeneration of the Mersey docks.

Second, with over 25 years of investment along the Liverpool-Manchester urban corridor Peel’s landownership of prime sites and control of major assets (especially transport and infrastructure) has brought with it a stronger political voice. One illustration of the way this political voice has been fostered is the strengthening relationship between Peel and the Northwest Regional Development Agency (NWDA). Established in 1999, the NWDA was assigned statutory responsibility for producing and implementing the North West’s Regional Economic Strategy (RES). Overseeing a regional economy worth £119 billion per annum, the RES focused on developing the regions key sites and assets, with particular
focus on those old industrial areas in need of investment to regenerate brownfield land. The issue for the NWDA was their annual budget never exceeded £450 million and, among others, Peel controlled many of the key sites and assets identified within the RES. What this meant was that for the NWDA to implement the RES, and by implication achieve their centrally-imposed targets (e.g. number of jobs created or safeguarded, businesses created, hectares of brownfield land remediated), they relied on investment companies such as Peel to be the delivery agents. Simply put, as Peel’s portfolio of land and assets expanded during this period – especially into different sectors of the economy – the influence they were able to exert over the NWDA grew immeasurably. Uniting to form a new governing alliance, Peel’s influence within the NWDA was affirmed in December 2007 when Robert Hough, previously Deputy Chairman of Peel Holdings and an Executive Director for over 13 years, was appointed Chair of the NWDA, replacing Bryan Gray, who exactly one year later came to be Chair of Peel Media.

Building on from this, third, the announcement in July 2007 that the Labour Government planned to abolish Regional Assemblies in England and transfer their statutory responsibility for producing the region’s spatial strategy to Regional Development Agencies – as part of plans to develop Integrated Regional Strategy’s – opened up a new opportunity for Peel to exert their influence over the NWDA and achieve legal weight to their Ocean (Atlantic) Gateway concept. In August 2010 Peel looked to have secured this, when the Atlantic (Ocean) Gateway concept was identified by the NWDA as one of its ‘key strategic priorities’ when *RS2010* (The Integrated Regional Strategy) went out to consultation (NWDA, 2010a). Endorsing Atlantic (Ocean) Gateway in this way would not only enable Peel to defend their corporate interests from those who threaten to undermine or dissolve them,
but put them in a very strong bargaining position to enable their interest in these 50 projects to be realised.

Part and parcel of this, it must be remembered, is that Peel’s ambitious plans for further expansion are all subject to planning approval – and this is the fourth point. At the launch of Ocean Gateway, John Whittaker made it abundantly clear in a speech to gathered delegates that Peel was pushing for a special planning regime in order to streamline the planning permission process:

“Ocean Gateway should have its own planning regime led by the regional development agency and the local authorities so we can overcome individual authority objections.” (Quoted in Barry, 2008)

Framed very much in the context of enabling Peel (and other investors) to accelerate the delivery of major infrastructure projects and job creation initiatives for the areas represented by the gathered delegates, it did not escape the attention of those present that this was to the explicit benefit of Peel’s corporate expansionist plans.

And finally fifth, it would be wrong not to mention the loss of state subsidy to the Gateway region resulting from a major reduction in European Regional Development Fund monies (due to the accession of Eastern European countries to the EU), the 2008 economic crisis, and the 2012 abolition of Regional Development Agencies – although the latter both came after Peel launched Ocean Gateway. This was very much the key theme emerging from the NWDA (2010b) press release that announced the launch of the Atlantic (Ocean) Gateway:
“We all know the public purse is going to be constrained – it will be private investment which will characterise the next decade.” Steven Broomhead, Chief Executive, Northwest Regional Development Agency

“This framework ... reflects the changing role of the public sector” Cllr John Merry, Leader of Salford City Council (and NWDA Board Member)

What is particularly pertinent about these two quotes is the suggestion of a broader transition, one which opens up the possibility that initiatives such as Atlantic (Ocean) Gateway will become common place – perhaps even indicative of a second stage of city-regionalism as a geopolitical project of late-capitalism (cf. Jonas, 2012)? But what is for sure is initiatives such as Atlantic (Ocean) Gateway open the way to a whole new politics of city-regionalism centred upon new metropolitan alliances and regimes.

**TENSIONS AROUND THE ATLANTIC GATEWAY**

*From Ocean Gateway to Atlantic Gateway: Reconstructing the Space of Engagement*\(^{xi}\)

Part and parcel of constructing their space of engagement, a month after Ocean Gateway was launched Peel met with the Department for Communities and Local Government and HM Treasury (finance ministry) in October 2008 to lobby ministers for a single planning authority model – a la Thames Gateway – in order to streamline, and by implication speed up, the planning permission process. One key outcome of this meeting, and subsequent meetings held locally within the North West region over the next couple of months, was that for the Ocean Gateway to achieve the statutory status desired by Peel through the 2010 Regional Strategy process, the Ocean Gateway had to be developed and expanded in such a way that it became a regionally-owned product of which Peel was a key stakeholder. Engagement with other centres of social power thus saw Ocean Gateway (predominantly
Peel) morph into Atlantic Gateway (still predominantly Peel but including the addition of sites in other ownership). Quickly agreed, it nevertheless remained another twelve months before the Atlantic Gateway Strategy (AGS) was officially launched on 16 March 2010 – a point which suggests the subsequent politics which unfolded in constructing this new spatial scale needed much negotiation.

From Gateway Corridor to City-Regions: A Case of Reluctant City-Regionalism?

Following on-going discussions, meetings and consultations which took place throughout 2009, it was not until the early part of 2010 that the NWDA issued two versions of the AGS to stakeholders and invited final comments. Coming less than two months before the AGS was officially launched, the change of title from *Atlantic Gateway – Framework for a Global Growth Opportunity* which appeared on the first version (circulated on 18 January) to *Atlantic Gateway – Accelerating Growth across the Manchester and Liverpool City Regions: Framework for a Global Growth Opportunity* appearing on the second version (circulated on 12 February) provided a clear indication to one of the major political tensions which unfolded when constructing this new spatial scale – to be, or not to be, city-regional in focus.

Reflecting Peel’s particular interest in the River Mersey and Manchester Ship Canal the Atlantic (Ocean) Gateway spatial concept started out as a transportation gateway and urban corridor. In part, this recognises that although the Liverpool and Manchester economies interlock, broadly speaking they continue to operate in isolation and independent of each other. Indeed, despite history telling us that previous commitments to a collaborative approach between the two areas (including the Liverpool-Manchester Vision Study and the Liverpool-Manchester Concordant, both 2001) have not resulted in joint
strategic working or realised the opportunities for cross city-region policy making working and the wider investment opportunities that this might bring there remains logic in attempts to nurture and harness the economic potential of Liverpool-Manchester. But in part, it also chimes with a broader trend which has seen the ‘gateway’ and ‘corridor’ concepts re-emerge and provide a key focus for European spatial and planning policy (Pain, 2011b). Rather than focus on city-regions per se what we see in the original Ocean Gateway prospectuses is detailed attention towards the location of Liverpool-Manchester on a number of Trans European Transport Network (TEN-T) Priority Axes. But this all changes as Ocean Gateway became Atlantic Gateway, and Peel’s endeavour to construct their space of engagement saw their goal of securing statutory weighting for their vision become predicated on the prominence afforded to the city-region concept.

If we take the final Ocean Gateway prospectus as our starting point, while the focus of attention remains very much on the concept of a transportation gateway and urban corridor, the city-region concept begins to appear as a mechanism by which Peel justify the Liverpool-Manchester connection. Here they are quick to point to the POLYNET study of Hall and Pain (2006), which identifies Manchester as a Category 2 and Liverpool a Category 5 ‘Mega City Region’, and the UK Government’s 2008 Planning and Optimal Geographic Levels for Economic Decision Making – The Sub-Regional Role report which shows that together, Liverpool-Manchester is one of just thirteen functional urban regions in North West Europe (CLG, 2008). In addition, and for the first time, Peel assign their 50 projects to three different spatial reaches – the Liverpool City Region (21), Manchester City Region (14) and Ship Canal Corridor (15). The latter is important because what we see in transition to the AGS is a move away from urban corridor, to a hierarchy of settlements, until finally the Atlantic Gateway spatial concept comes to be defined and delimited according to these
three spatial reaches. This is not only evident in the insertion of “Accelerating Growth across the Manchester and Liverpool City Regions” between the first and second versions of the AGS, but in the new spatial visions which appeared on the front cover of the AGS documents (depicting a network of inter-city connections between Liverpool and Manchester, but also other subregional centres such as Warrington and Chester). Moreover within the AGS, explanation of the Atlantic Gateway Framework is now formulated with the Liverpool and Manchester City Regions as the starting point, to which Peel’s 50 Ocean Gateway projects are then added, to produce a spatial concept – the Atlantic Gateway – which is an amalgamation of the two spatial visions (‘city-region’ plus ‘urban corridor’). And like many city-region strategies the Atlantic Gateway came to be compared to other major European growth areas (notably London and the South East, Paris Île-de-France, Randstad and Rhône-Alpes).

To understand why the AGS geography became compromised in this way we need once again to reflect on the unfolding politics of Peel’s endeavour to construct their space of engagement. The first point to emphasise is that Peel’s major ally, the NWDA, was itself a key advocate of focusing attention on city-regions. When in 2004, the NWDA – along with their North East and Yorkshire & Humberside counterparts – were placed in charge of The Northern Way growth strategy by the UK Government, the first thing they did was to convert the strategy from one based on growth corridors (one of which incidentally had Liverpool-Manchester as part of it) to one focused on city-regions. Part and parcel of reconfiguring the Northern Way was the NWDAs decision to designate three city-regions (Liverpool, Manchester and Central Lancashire), a process which was to give future regional spatial strategy making a demonstrable city-region twist in the North West (Harrison, 2010a). In this way, we can see that for the NWDA to endorse Peel’s vision in their Regional Strategy
then they would have to do like-wise – a point emphasised in the draft Regional Strategy which outlined the first three strategic spatial priorities for the North West as (1) Manchester City Region, (2) Liverpool City Region, and (3) Atlantic Gateway (NWDA, 2010a). Alongside this, a second point worth emphasising is how the in the process of preparing the new Regional Strategy the NWDA appointed SQW consultants to conduct a study and stakeholder consultation into the existence of a Manchester-Liverpool corridor. SQW (2009, p. 24) reported back that “there is no tangible integrated growth corridor between the two core cities in the North West region” and stakeholders “did not recognise Atlantic Gateway as a geography”. Despite their contention that ‘Ocean Gateway is a reality’ (Peel, 2012) the need for Peel to revisit the urban corridor concept in order secure the support of NWDA is clear to see.

A third point is that not only did Peel have to engage with the NWDA, they also had to engage and secure the support of the city-regions themselves. In the case of Liverpool this was less problematic, in part because more of Peel’s 50 projects are located within their city-region but also, as Pemberton and Lloyd (2011, p. 508) point out, the city-region “does not have a clear institutional identity and, as a consequence, no overarching city-regional governance mechanism currently exists” to combat Peel’s advances. In contrast, Manchester City Council has been the most vocal critic of the AGS, growing increasingly frustrated and exasperated by Peel’s failure to fully acknowledge what they see as the primary role within the Atlantic Gateway of the Manchester City-Region. In contrast to Liverpool, Manchester has been operating across what amounts to a city-regional geography for over twenty-five years. Ever since the previous Conservative Government abolished the Greater Manchester Metropolitan County Council in 1986, the ten local authorities have voluntarily worked together in partnership. With an overarching city-region
governance mechanism in place, as well as an economy which alone produces 52% of the Northwest’s total economic output of £117bn per annum, the Manchester City Region had a much stronger vested interest in protecting its strategic position within the spatial priorities of the NWDA. As if to illustrate this, just days before the official launch a report by the Manchester City Council Executive stated bluntly how “investment needs to be focused on the city-regions, and not on the ‘corridor’ between ... Without the unequivocal focus on the centrality of City Region growth, the Framework has the potential to undermine and dilute economic growth in the north west” (Manchester City Council, 2010a, p. 4).

What we see in the case of Atlantic Gateway then is strong parallels with classic accounts of the ‘new urban politics’ (Cox, 1993), in particular the different forms urban regimes take depending on the structural power of business and the changing nature of the local political environment. Peel’s initial attempt to ‘bargain out’ (Stone, 1989; Kantor et al., 1997) the terms of cooperation for a new metropolitan governing coalition, principally though not exclusively with the NWDA, saw them use their bargaining resources and the opportunities afforded by an increasingly dependent-public sector to create a political alliance, align strategic priorities, and achieve the political power to give the regime “power to” (Stone, 1989) or the capacity to act in achieving economic goals set to meet the shared political and corporate interests of the regional state and Peel. Clear to see is how the distribution of bargaining advantages that structure encounters between the public- and private-sector players operating in and across the Atlantic Gateway geography have altered, a cause and effect of the need to constantly renegotiate the terms of cooperation within the regime in light of the changing political and economic conditions and their determinant impact on ‘regime’ politics.
Signifying the extent to which Peel seem prepared to go to secure Manchester’s support, and their space of dependence, Peel inserted “Accelerating Growth across the Manchester and Liverpool City Regions” into the title of the AGS, responded to many of the criticisms levelled at them by the City Council Executive, and listed the primary objective as being “to support and accelerate Manchester and Liverpool city regions’ growth strategies” (Peel, 2010a, p. 4). Yet for all Peel’s endeavour in securing the support of key stakeholders things began to unravel soon after the AGS was officially launched amid much fanfare on 16 March 2010.

*Peel’s Capacity – Losing its Main Ally*

On 22 June 2010, only a few weeks after the new Conservative-Liberal Democrat Coalition Government was formed, the announcement that RDAs were to be abolished undid much of the work Peel had done to secure the support of the NWDA. Of critical importance for Peel was the recognition that the Regional Strategy, which they had worked so hard on ensuring the Atlantic Gateway concept appeared, would disappear before Peel could secure the statutory weighting they cherished so much. In short, what the Coalition announcement amounted to was an erosion of the conditions by which Peel had been able to establish their space of engagement, by implication re-opening their space of dependence (their corporate interest in these 50 Ocean Gateway projects) to the increased risks of being undermined or threatened by external forces.

Part and parcel of this announcement was the Coalition Government’s prioritising of Local Enterprise Partnerships, and their letter issued to Local Authority Leader and Business Leaders on 29 July 2010 requesting proposals for joint local authority-business bodies which can support local economic development by operating across ‘functional economies’.
Amounting to “a total surprise”, according to Peter Smith, Leader of the Association of Greater Manchester Authorities, Peel responded to the changing politico-institutional landscape by submitting the Atlantic Gateway spatial concept as the basis for “private-led special purposes LEP” (Peel, 2010b, p. ii). What stirred the political waters was that LEP bids were being prepared separately for the three areas (Liverpool City Region, Manchester City Region, and Cheshire/Warrington) covered by the AGS proposal, and Peel’s decision was seen locally to position them in competition with local authorities. On hearing the news, announced just three days before the Government’s deadline for proposals, Peter Smith went on to state:

"The bid concerns me on two levels. First, that they [Peel] thought it was not worthwhile talking to local authorities [in the Atlantic Gateway economic zone]; second, what will they do [through a region-wide LEP] that couldn’t be achieved through an area-based LEP [covering a smaller area]?" (Quoted in Hickey, 2010)

Manchester City Council (2010b, p. 7) was also quick to affirm that:

“The [Manchester City Council] Executive has a clearly established policy position where the Atlantic Gateway is concerned; this is not a functioning economic area and while there are some proposals contained within it which are likely to have merit and support at least in principle, there are other aspects of the proposals which cannot be supported given the potential to distort established sub-regional priorities.”

A regional Leaders Forum was hastily convened for 7 September, the day after the deadline for bids to Government, to discuss Peel’s LEP proposal. The next day it was widely reported that Peel had withdrawn their LEP proposal, yet what was to emerge in the days that followed was Peel had secured approval to pursue the creation of a specialist delivery vehicle which would be loosely accountable to the three LEPs (if approved by Government)
and lead to the formation of a new public-private governing coalition. The upshot of this is
that Peel had successfully negotiated a new position for the Atlantic Gateway, albeit one
which is ultimately much weaker than it would have been had they been successful in
gaining statutory weighting through the Regional Strategy process. Nevertheless, with LEPs
under-resourced and facing an uncertain future (Ward and Hardy, 2012), the long-game
might actually play to Peel’s advantage, as their investment capacity once more gives them
a stronger bargaining position to secure the future of the Atlantic Gateway Strategy, and by
implication their space of engagement. Certainly the decision by Liverpool City Region to
support the Peel-owned Liverpool Waters site for Enterprise Zone status, following on 6
March 2012 with the granting of planning permission by Liverpool City Council for Peel’s
£5.5bn Liverpool Waters development (after Peel threatened to walk away if objections led
to a public inquiry) suggest Peel’s desire to construct a space of engagement and protect
their commercial interests will continue to see them use their bargaining advantages to
bargain out the terms of cooperation within this governing coalition, set the agenda for
investment and development in the urban-economic infrastructure of the Liverpool-
Manchester metropolitan area, and manage the unfolding politics of city-regionalism
therein.

Concluding comments: in what sense a new non-state space?
This paper began by suggesting that Peel’s Atlantic Gateway framework exhibited all the
hallmarks of what might amount to the next stage of city-regionalism as a geo-political
project of late-capitalism (cf. Jonas, 2012). If neoliberal state spatial restructuring and
governmentalised remappings of state space were indicative of the first stage, where city-
regionalism is part of the state’s spatial strategy to maintain its legitimacy for managing and
regulating the post-Fordist growth dynamic, the Atlantic Gateway was posited as a radical alternative exhibiting a different set of tendencies – namely, it offered something distinctly new, was orchestrated by business (so outside direct/indirect state control), was well resourced, and had been designed to operate across a functional urban region à la Scott’s (2001) global city-region concept or Hall and Pain’s (2006) polycentric mega-city-region concept. Moreover, it was suggested that in an era of increasing state under-provision in urban-economic infrastructure and the state’s continued inability to manage uneven development, the scope, calls, and popularity for private investment companies such as Peel to invest in major metropolitan areas could open the door to more like-minded initiatives, that is, new non-state spatial strategies, in the future. Certainly this appears to chime with a growing body of research exploring the key role of asset ownership and the implication therein for the future of democracy and the democratic state. One of a growing number of academics researching ‘post-politics’ and the rise of the post-political urban condition (see Harrison and Hoyler, this issue), Raco’s (2012) foray into the role of contracts and the privatisation of local democracy is proving particularly revealing in eliciting fresh insights into a world whereby urban-economic infrastructure, and by implication metropolitan regions, are becoming a key regulatory and investment space which private industry seeks increasingly to control, manage and extract value from.

What this paper has revealed, however, is that in revisiting Cox’s (1998) distinction between spaces of dependence and spaces of engagement is to invoke what remains one of the most powerful explanatory tools available for conceptualising the political construction of spatial scales generally, and in the current political-economic climate, city-regions in particular. Cox’s heuristic device reveals how Peel’s company vision became a spatial vision by virtue of their 50 Ocean Gateway projects being located in close proximity. In other
words, they were never part of a city-region policy per se. Rather the Atlantic (Ocean) Gateway framework (their space of engagement) was initially constructed in a way that served to ensure Peel’s corporate interests (their space of dependence) were defended and enhanced as a result. Not dissimilar to how city-regionalism as a governmentalised remapping of state space is part of the state’s spatial strategy to maintain its legitimacy for managing and regulating the economy, we can see how this alternative vision of city-regionalism as a geopolitical project is similarly constructed (that is, defined, delimited, and designated) to benefit its architects.

But as noted, in the case of Peel city-regionalism was only engaged with reluctantly. It was only the necessity for Peel to engage with other centres of social power to construct their space of engagement that the Atlantic Gateway concept became city-regional in its focus and construction. What this alerts us to then is the role of inherited landscapes of state scalar organisation and the realisation that even when constructed outside the state, economic development and investment strategies such as Peel’s Atlantic Gateway have to engage with institutions of the state in order to construct their space of engagement, and secure their space of dependence. Given inherited structures of state scalar organisation continue to ensure there is no blank landscape for new spatial strategies (even those constructed outside of state control) the state continues to enact a key role in orchestrating economic development. Yet perhaps the question which arises from the experience of Peel’s attempt to construct the Atlantic Gateway is for how long the state will be able to maintain this degree of control in an era where state under-provision of investment in urban economic infrastructure behoves institutions of the state to become ever more reliant on private investment groups to deliver the jobs, growth and regeneration of the future.
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This is not to say that there are not examples of successful city-region economic development – Manchester, for example, is often held up as a ‘model’ of best practice – but these remain isolated examples and certainly do not add up to a coherent city-region programme for subnational economic development. Similarly, there are those who see recent government announcements regarding Enterprise Zones, ‘City Deals’, and TIF (Tax Increment Financing) as new motivation within the UK Coalition Government for putting city-regions at the forefront of economic development initiatives in England, but again they appear to offer limited levers to enable the meaningful change purported.

It is beyond the scope of this paper to go into detail about each of these initiatives – for this see Harrison (2010); Shaw and Greenhalgh (2010).

This states that “Although national governments would prefer, ceteris paribus, to devolve responsibilities (authority) to their regional or state governments with as few accompanying resources as possible, the subnational governments would prefer the opposite case. The balance between these extremes will depend upon the relative strength, or, in political terms, legitimacy, of the two tiers of government.” (Rodríguez-Pose and Gill, 2003, p. 334).

Talk of pressure to rebalance the economy is perhaps less-evident of late with an acceptance that growth, wherever this is most viable, is vital in this economic downturn and there is an acceptance in some parts of government of widening disparities.

Although potential solutions were put forward to plug the democratic deficit still untouched following the failure to establish ERAs these were soon overtaken by the orthodoxy surrounding city-regions and the geo-economic rationale for embarking on city-regionalism as a necessary geo-political project in late-capitalism.
Often referred to as being an important watershed was the 2006 OECD Review of Newcastle and the North East which recommended strengthening governance capacity at the city-region level after condemning regional structures as ‘weak’.

This section draws on empirical research conducted on Local Enterprise Partnerships by the author during summer 2011. This took the form of both desktop research and semi-structured interviews (x25) with local authority officials (involved in an executive capacity, economic development, enterprise, or regeneration), LEP Board Members and officers, councillors, MPs, regional bodies, and representatives from Government Departments. The findings are published in a report (Harrison, 2011).

Available to view at http://www.peel.co.uk/projects/oceangateway [Last accessed March 2012]

Incidentally, and important in the context of Atlantic Gateway, CSC also have a 48% stake in the Arndale Centre – Manchester’s main city-centre shopping complex.

Robert Hough remains a director of Peel Holdings and is now chair of the Liverpool LEP.

This section draws on data mainly sourced from the minutes of board meetings but then confirmed and expanded upon in interview by those involved in, or close to, these discussions.

Alongside this there is some operational reality in dealing with one landowner is much easier, but with Robert Hough, a director of Peel Holdings, now chair of the Liverpool City-Region LEP there is certainly some interesting local politics surrounding key investment decisions and strategic priorities.