

Lord Robert Kerslake UK 2070 Speech, 6th February 2019

Good morning and thank you for inviting me to talk to you about the work of the 2070 Commission.

The UK 2070 Commission is an independent inquiry into the deep – rooted spatial inequalities in the United Kingdom.

There has been a debate about these inequalities and how best to tackle them for as long as I have involved in public service.

The uncomfortable reality though is that despite the government initiatives that have been taken, the economic disparities, particularly between London and the South East and the rest of the country have grown.

I doubt that I need to quote too many of the statistics to this audience, but to give just two from the IPPR Commission on Economic Justice that I was a part of:

- Median incomes in the North West, North East, West Midlands, and the South West are now more than a third below those of London and the South East.
- In London, the UK has the richest region in Northern Europe, yet we also have six of the ten poorest regions, making the UK the continent's most geographically unbalanced economy.

The impact of these acute and growing economic spatial disparities is threefold:

- **Firstly**, it means that we are not taking full advantage of the economic opportunities that those parts of the UK have to offer.
- **Secondly**, it creates an imbalance of wealth and opportunity that in turn creates division.

- **Thirdly**, it creates enormous pressures in terms of population growth, housing affordability and overloaded infrastructure on the economically performing parts of the country.

There is therefore a compelling case for continuing to explore these disparities and how they might be reduced.

This case is made even stronger by the potential impact of Brexit, which most economic commentators expect to widen our economic divisions, especially if it happens without an agreed deal with the European Union.

Given their longstanding nature and our previous inability to close them, a reasonable question to ask is how this Commission will be different.

I think that it is distinctive in two main ways.

Firstly, it is consciously long game. We want to look back fifty years and forward fifty years – hence the title UK 2070.

This will allow us to look at past and potential patterns of investment over a long period.

A longer view is also vital if we want to provide a proper context for investment in major infrastructure, whether road, rail, ports, airports or ICT.

We will of course look for and identify early wins, and set out an agenda for action.

This would include exploring new meta regional or provincial structures.

But the disparities are longstanding and so it would not be surprising if some of the interventions needed are equally so.

Secondly in terms of distinctiveness, the Commission will explore the potential of an Economic Spatial Framework to help address these inequalities.

To date, across different governments, there has been an essential reliance on the market to address spatial inequalities, with relatively modest spatial interventions.

This is pretty clearly a reliance that has not delivered.

Whilst governments cannot direct where and how the private sector develops, it can shape this development through its decisions and actions.

Such spatial frameworks exist in different forms in most of Europe and for Scotland, Wales and Northern Ireland.

However, no such plan has been developed for England.

A national economic spatial strategy that in turns links to provincial and local spatial strategies could provide a much needed context for big investment decisions, and be a powerful enabler for devolved decision making at regional level.

It will not be the role of the Commission to produce such a plan – that is for Government.

But we will lay the foundations for the current or a future government to act on this.

We have consciously chosen the scope of our Commission to include Scotland, Wales and Northern Ireland rather than just England.

This is so that we can build on and learn from their work in developing economic spatial strategies and ensure that the key links between the different nations are addressed.

The Commission that has been formed is a very strong one, drawing from local government, business, academia and the policy world.

We are fortunate to have support from the Lincoln Institute of Land Policy, the Universities of Manchester and Sheffield and University College London, the Sykes Charitable Trust and Turner Townsend.

Work is already underway and the Commission has already held three meetings.

We have published our Prospectus, set up a website and identified a set of Key Questions that we want to address.

A Programme of Research has been developed and a call for Evidence undertaken.

Our timetable is to produce a Progress Report this Spring and we are holding a Symposium in Leeds on the 13th June to discuss it.

We will produce an interim report this Summer and a final report will be produced in January 2020.

One of my key ambitions for the Commission is that we challenge the received wisdom and long held assumptions about this issue through the use of evidence.

This will help to ensure that future policy is based on a true understanding on the nature and scale of the task.

Our website already has three Think Pieces.

The first by Professor Philip McCann on the perceptions of Regional Inequality and the Geography of Discontent.

It compares the UK to 30 other OECD countries across 28 different indicators and demonstrates to my satisfaction that the UK is one of the most regionally unbalanced countries in the industrialised world, second only to Slovakia.

The second, by Professor Cecelia Wong and the Spatial Policy and Analysis Laboratory at the Urban Institute in Manchester.

This looks at the current methods used to measure spatial inequality, how the UK fares on these and asks if the UK's approach to infrastructure investment reinforces inequality.

The third, by Dr David Nguyen asks questions about the way we think about economic disparities.

There will a lot more to come.

This brings me neatly to the Institute report, National Spatial Strategies in an Age of Inequality that is being promoted today.

Initially submitted as evidence to our Commission, it is now being published as a Policy Report by the Institute.

It is an enormously valuable contribution to the debate.

The theme of today's event, the relationship of inclusive growth to artificial intelligence, is also very relevant.

We looked at this in the Economic Justice Commission and one statistic struck home to me.

According to Institution of Robotics, three quarters of the productivity improvements from Artificial Intelligence come from the application of current best practice and only a quarter from new innovations.

The future is already here.

Let me conclude by saying that I think that the Commission is a brilliant initiative focussed on a vital issue and I feel very fortunate to be chairing it.

I hope that the Institute and indeed all of you in the room continue to stay involved in it.

Thank You.