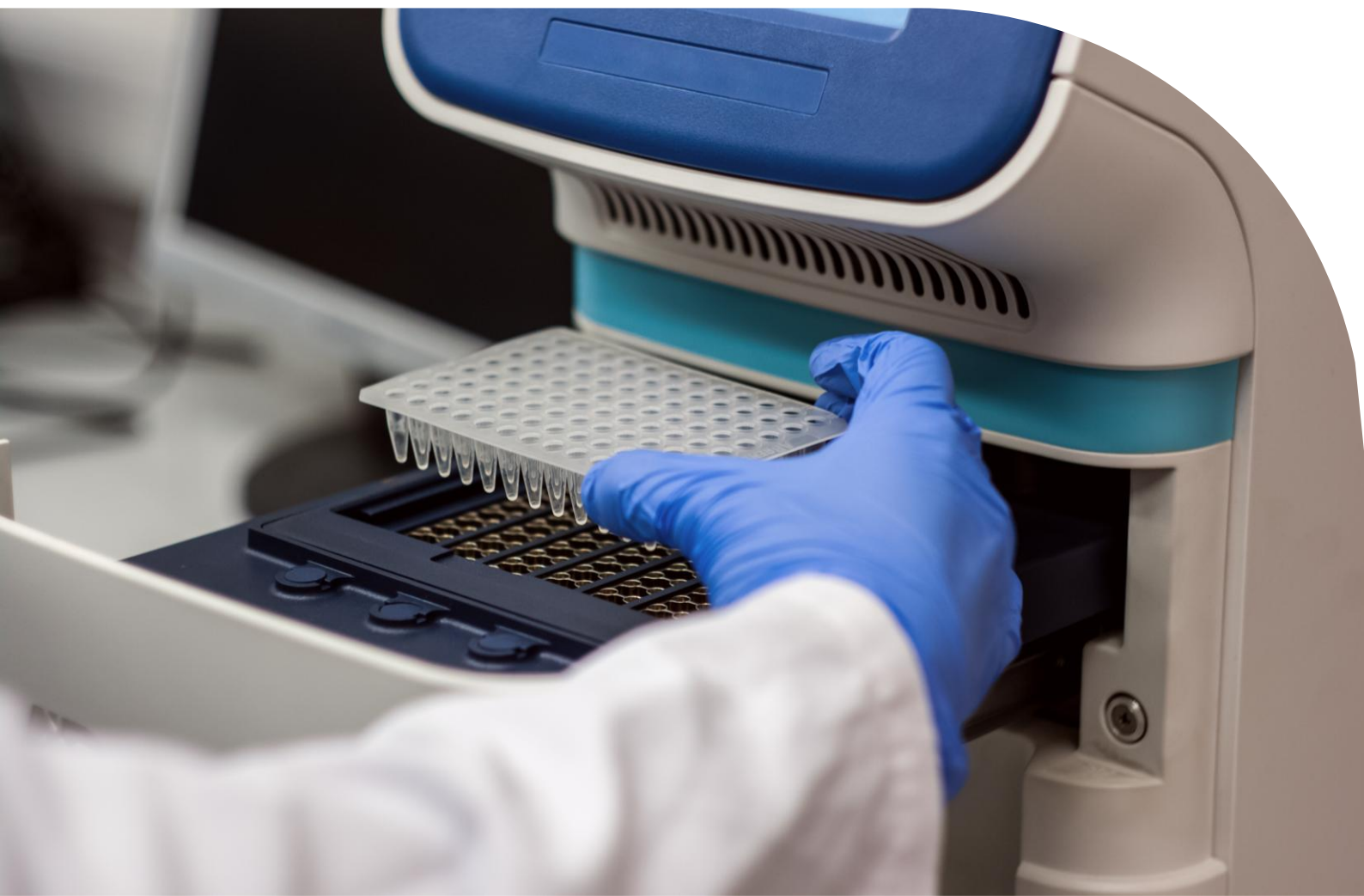


“Growth in every postcode”: maximising the opportunity in county areas

October 2026



Contents

Introduction	03
The economic role and potential of county areas	06
1. A different kind of economy	08
2. The scale of the contribution	09
3. The growth opportunity	10
4. A strong labour market with a specific skills constraint	11
5. Infrastructure and access	13
6. Living standards – prosperity with concentrated exceptions	14
7. What drives county productivity – and what doesn't	15
8. Devolution, what the map shows	16
9. The potential	17
Creating a place-differentiated approach	18
Exploring some options for typologies	21
Conclusions and recommendations	28
Appendices	38
Appendix A	39
Appendix B	40
Appendix C	42
Appendix D	43
Appendix E	49
Appendix F	50
Appendix G	51
Appendix H	52

Introduction

Introduction

When the then Prime Minister-in-waiting stood in Manchester’s People’s History Museum in June 2026 and pledged to deliver “good growth in every postcode”, he did so as someone who has experienced first-hand both the benefits of devolution and the challenges of making a case to central government to devolve more powers and funding to a sub-regional level.

This report seeks to speak to these two opportunities. It is not about the benefits or not of different configurations of unitary authorities and the wider Local Government Reorganisation agenda¹ – rather it is about these areas as places. Above all, it is a report about the untapped opportunity for growth that exists in every county area: an opportunity that needs to be seized if the Prime Minister’s ambition of growth in every postcode is to be realised.

The 39 county and unitary areas that CCN represents – and which this report refers to as ‘county areas’² – are central to the UK economy, driving growth and delivering the essential public services. Collectively, they represent around 27 million residents (47% of England’s population)³ and approximately 39% of England’s GVA⁴ (workplace-based) – an economic footprint comparable to the England’s largest city-regions combined. Yet, despite this scale, the value and fiscal importance of county areas is repeatedly under-recognised in national policy and funding discussions, which have traditionally focused on ‘core cities’ narratives.

Therefore, a change in Prime Minister is a natural moment to reconsider the policy agenda. To challenge current thinking about economic growth and devolution and to move it from a ‘core cities’ template that assumes a dominant urban core and dense agglomeration effects to one that better supports polycentric economies made up of interconnected towns, rural and coastal communities and strategic centres of employment.

County areas contain major labour markets, key transport corridors, globally competitive business clusters, and much of England’s land, natural capital and nationally significant infrastructure. As such, if the new Prime Minister is serious about delivering growth and addressing some of the UK’s underlying economic challenges then enabling and supporting these places is critical.

This report makes the case for a place-differentiated growth policy, one that promotes “demand-side” measures targeted at specific places and not simply “supply-side” interventions applied uniformly from the centre.⁵ In doing so this report intentionally picks up on some of the logic set out in Alan Milburn’s interim review for the Department for Work and Pensions on young people and work⁶, where place acts as “a multiplier” for young people facing identical risk factors – so a young person facing identical risk factors will do worse in a place with fewer opportunities and greater public demand than in a place that is the opposite. This is a report about ensuring county areas are positive place multipliers.

The risk with simply continuing with the same economic growth and devolution policy (as clearly articulated in Localis’s Everything in its right place report⁷) is that regional inequalities are compounded rather than resolved and that national growth is hindered.

To make the case for this change in policy direction this report begins by setting out the economic role of county areas through the analysis of a wide range of socio-economic measures. In doing so it places particular focus on the evolving role of constituent authorities within Mayoral Strategic Authorities (MSAs) and Foundation Strategic Authorities (FSAs), recognising their growing importance in shaping and delivering place-based growth. A priority underlined by the Government’s Rewiring the State paper and its explicit reference to universal coverage of strategic authorities by 2028⁸.

The report then looks beyond the data and seeks to explore and understand county areas through the lens of a number of example typologies including spatial character, economic role, sectoral specialism, drivers/enablers/providers and resilience. The purpose of this is not to label individual county areas but rather to underline the importance of place-differentiation and the fact that county areas cannot be viewed in policy terms as undifferentiated from the rest of England. A polycentric county area with a strong foundation economy and acute demographic resilience challenges needs a very different policy response to a coastal authority anchored by a single strategic asset – although both remain invisible to the current policy model built around a dominant urban core.

The report then concludes with a series of recommendations. These recommendations are not about revolution but rather evolution. They are about adapting policy to deliver on the devolution ambition that has already been established. The choice facing the new government is therefore not whether devolution continues but how can it be shaped so that it builds on but is different from ‘Manchesterism’ and truly unlocks growth in county areas.



¹At the time of publication the Government’s rapid review of the local government reorganisation programme was ongoing

²To be precise about scope: throughout this report, ‘county areas’ refer to the areas of CCN member authorities – the 21 shire counties and 18 unitary councils listed in Appendix A – and group figures cover both tiers unless a specific tier is named. As such, both now and in the future, some ‘county areas’ will comprise multiple unitary authorities and others just one. For a list of terminology definitions used in this report please see Appendix B

³ONS mid-year population estimates, 2024

⁴ONS, Gross Value Added (balanced) (GVAb) workplace based, 2023

⁵See Bennett School of Public Policy, Cambridge for a discussion of this in relation to economic inactivity ([Good jobs needed in the right places](#) - Bennett School of Public Policy accessed – 14 July 2026)

⁶See DWP (2026) Young people and work: interim report ([Young people and work: interim report](#) - GOV.UK accessed – 14 July 2026)

⁷See Localis (2026) Everything in its right Place ([localis.org.uk/wp-content/uploads/2026/06/Localis-Everything-in-its-Right-Place-A5-Report-MAY2026-PRF04aFINAL_REPORT.pdf](#) accessed – 14 July 2026)

⁸See [https://www.gov.uk/government/publications/rewiring-the-state-cabinet-statement/rewiring-the-state-cabinet-statement-html](#) accessed – 21 August 2026

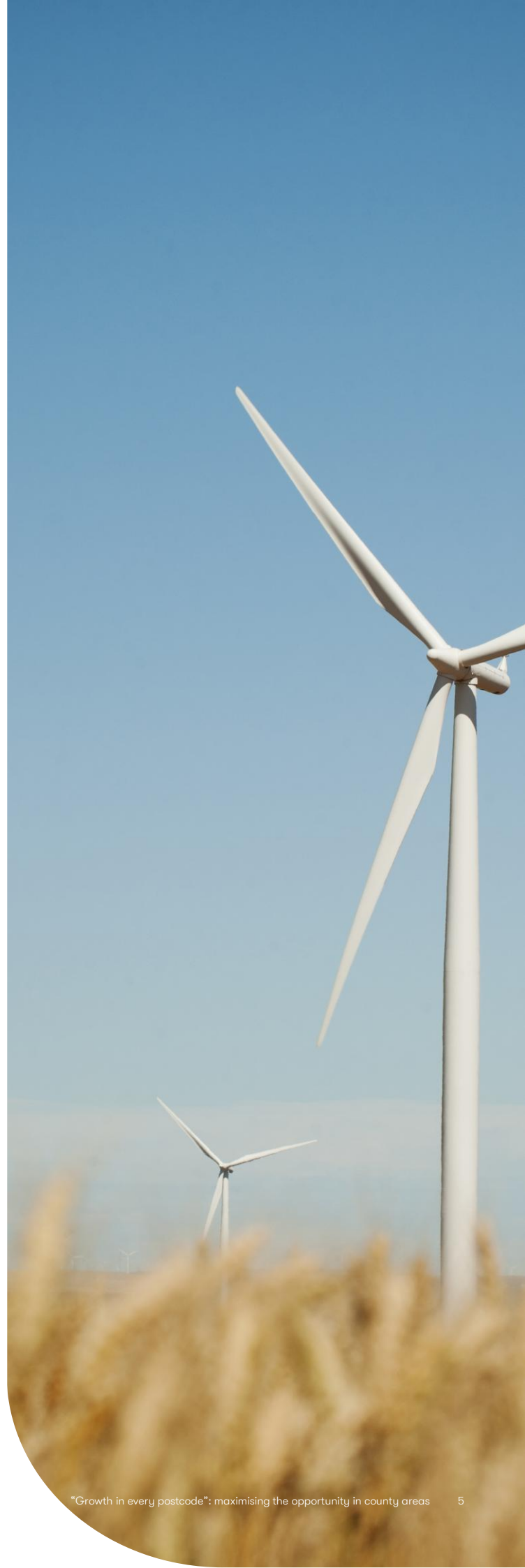
How this report is structured



The next section sets out the evidence: what kind of economies county areas are, what they contribute, and what constrains them. The typologies section then translates that evidence into a structured framework for differentiating between county areas, and the recommendations apply the framework to policy. The methodological approach, full data sources and the supporting indicator-by-indicator analysis are in Appendices C and D⁹.

The evidence base for this report combines a desk-based review, detailed socio-economic data analysis across CCN member authorities and comparator groups, and in-depth consultations with member authorities – set out in full in Appendix C.

⁹Readers who want the argument can follow the main body, and readers who want the workings can follow the appendices



The background image shows a large container ship docked at a port. The ship is covered in colorful shipping containers. In the background, there are port cranes and a city skyline across the water. A large, semi-transparent purple circle is overlaid on the left side of the image, partially covering the ship and the text.

The economic role and potential of county areas

The economic role and potential of county areas

The introduction outlined that growth policy built on a ‘core cities’ template does not describe county areas, and that the prize for getting this right is national.



This section provides the evidence for both claims. It answers three questions: what kind of economies county areas are; what do they contribute to the UK; and what constrains them from contributing more. The answers run directly into the typologies and recommendations that follow – the variation documented here is what the typologies systematise, and the constraints identified here are what the recommendations address.

Throughout, CCN member authorities are compared against non-CCN unitary authorities, metropolitan districts and London boroughs, with shire counties and CCN unitary authorities shown separately where the distinction matters (see Appendix B for full definitions). Headline group figures are exact aggregate ratios – numerator and denominator summed across constituent authorities – wherever the measure permits; weighted means are used only where an indicator is a published median or modelled estimate (hourly pay) and are labelled as proxies. Because averages can mask as much as they reveal, the distribution across individual authorities sits behind every group figure, with the full spread analysis in Appendix D. Definitions, sources and the geography reconciliation used to handle local government reorganisation are in Appendix C.



1. A different kind of economy

County areas are not smaller versions of city economies; they are structurally different economic systems, and three features define the difference: they are dispersed, polycentric (and often coastal) and self-contained.

CCN member areas are markedly more rural than the rest of England: 41% of neighbourhoods in CCN unitary authorities and 27% in shire counties are classified rural, against 4% in metropolitan districts and none in London. If anything these figures understate the point, since the classification is built on Lower Super Output Areas, which do not separately identify settlements below around 1,000 people – the villages and hamlets most characteristic of deep-rural England.

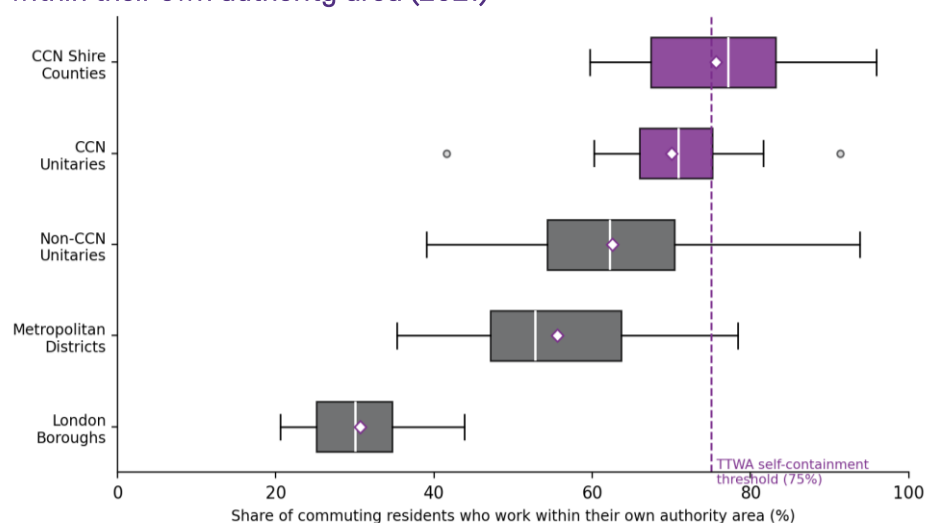
The starkest single expression of the difference is density: CCN areas average 2.4 people per hectare, against 17.2 across non-CCN England and 57.0 in London boroughs – a more than seven-fold gap with urban England generally, and over twenty-fold with the capital. Lower density raises the cost of delivering services and the complexity of connecting people to jobs; it also brings what dense places lack – space, natural capital and quality of life – which is why the report treats county geography as a different operating environment for growth policy, not a deficient one.

County areas also carry a disproportionate coastal presence (20 of England's 46 upper tier coastal authorities¹⁰ and a substantial geographic coverage of England's coastline) and a polycentric settlement pattern: economic activity distributed across 17 major urban centres, nearly 300 large and medium towns, more than 600 small towns and over 2,000 villages and hamlets, rather than concentrated in a single core. This is the polycentric economy the introduction described – and it is measurable, not rhetorical.¹¹

The defining evidence of county distinctiveness comes from commuting data because county areas are effectively self-contained labour markets. Among residents who travel to a workplace, 74.9% of those living in CCN shire counties do so within their own county – effectively at the 75% threshold the ONS uses to define a Travel to Work Area – and CCN unitary authorities are close behind at 70.7%¹². The average CCN authority of either type therefore has many similarities to a self-contained labour market i.e. commuting flows largely stay within the boundary – although it is important to note that a county area is not one integrated labour market and often contains several which is reflective of their polycentric nature.

What it does mean is that the county footprint is a coherent unit for the transport and skills powers a strategic authority holds. Cumbria (96%, measured on Census 2021 geography, now Cumberland and Westmorland and Furness), Cornwall (91%) and Herefordshire (82%) all far exceed the ONS definition of self-containment. Individual metropolitan districts (59% on average, median 53%) and London boroughs (31%) are, by contrast, fragments of larger labour markets rather than economic units in their own right. The exceptions within the CCN membership are however instructive: the London-edge authorities – Hertfordshire (68%), Surrey (65%) and the unitary Central Bedfordshire (42%, the lowest in CCN membership) – and the shire counties ringing the large provincial cities, with Derbyshire, Staffordshire, Nottinghamshire and Leicestershire all at 60–62%, show heavy commuting to neighbouring urban cores – precisely the distinction that Typology 1 (spatial character) formalises in the 'creating a place-differentiated approach' section.

Share of commuting residents who work within their own authority area (2021)



What this means for growth:

County boundaries broadly correspond to real, functioning labour markets in a way that many individual urban authority boundaries do not. This provides evidence for treating county areas as sensible economic geographies for Strategic Authorities – and it means growth policy built on the assumption of a dominant urban core and dense agglomeration simply does not describe, and fails to account for, these places.

¹⁰Including estuarine frontage

¹¹Rurality: ONS/DEFRA Rural–Urban Classification 2021 (LSOA-based). Coastal authorities and settlement counts: ONS built-up areas 2022 and the definitions in Appendix C

¹²Census 2021 origin–destination commuting data (ONS), local authority level, aggregated to 2021 upper-tier geographies. Self-containment is the share of resident workers with a fixed workplace whose workplace lies within their own authority; those working mainly at or from home and those with no fixed workplace are excluded from both numerator and denominator. Census 2021 was conducted in March 2021 under coronavirus restrictions, depressing commuting volumes relative to a normal year; ONS advises caution in comparing 2021 travel-to-work data with earlier censuses. The within-area shares quoted here should therefore be read as structural indicators – rather than as a precise measure. Cumbria, North Yorkshire and Somerset are reported on their pre-April-2023 boundaries, as in the source; CCN group figures are aggregate ratios (within-authority commuters over all fixed-workplace commuters), consistent with the basis note in Appendix C

2. The scale of the contribution

The distinctiveness of county economies would matter less if they were economically marginal. They are however the opposite: on most measures of volume, county areas carry more of the national economy than any other group of places: more than the metropolitan districts, the non-CCN unitaries, or London's boroughs¹³. Places carrying this share of the country's people, businesses and output cannot be an afterthought in national growth policy.

Measure	CCN areas	Context
Population (2024)	27 million (47% of England)	Projected to grow 6.5% by 2036 (growth above the England average). This scale underlines the critical role county areas will play in accommodating future population growth.
Economic output	39% of England's GVA; £824bn (2023)	Comparable to England's largest city-regions combined.
Businesses	47.5% of England's business base; 413 per 10,000 people	Business density marginally above non-CCN areas (397).
Employment	12 million jobs (42% of England)	Employment rate – 78.4% of 16–64s in shire counties and 78.3% in CCN unitary authorities, the highest and second highest of any authority type.
Housing delivery	55% of homes measured under HDT 2020–23; ~52% of net additions 2024/25	Every CCN unitary authority met or exceeded its housing requirement.

Two entries deserve emphasis. On housing, county areas are not blockers but the principal deliverers: CCN shire counties built 121% of their assessed requirement over 2020/21–2022/23 and CCN unitaries 151%, while London delivered 88% – and county housing stock has grown faster over the past decade than in metropolitan districts (see detail in Appendix H).

While the Government's revised housing targets imply a significantly higher level of housing delivery than is currently being achieved in most parts of England, county areas continue to account for a disproportionately large share of new housing completions. Therefore, even though delivery falls short of the new national ambition this does not alter the finding that county areas remain among the strongest contributors to housing growth.

On enterprise, county areas host nearly half of England's businesses (47.5%) at a density above the non-CCN average (413 vs 397 per 10,000 people) and well above the metropolitan districts. The pattern of employment is also more conventional than the 'rural' label suggests: the non-tradeable share of county employment (i.e. goods and services consumed locally) (58.1%) is essentially identical to metropolitan districts (59.5%), a finding that shows county economies are not disproportionately local-services economies.

In fact, our analysis indicates that metropolitan districts, not counties, have England's lowest tradeable employment share (classification and detail in Appendix F). County areas also host 1.5 million professional and business services jobs, 345,000 in advanced manufacturing, and the majority of the land-based, energy and food-producing activity on which the wider economy depends – and importantly, sectors that are central to at least five of the Industrial Strategy's eight priority sectors (mapped in the sectoral specialisation grouping in the 'creating a place-differentiated approach' section)¹⁴.



What this means for growth: County areas are where the volume of the English economy sits: its people, businesses, homes and a large share of its strategically significant sectors. National growth arithmetic cannot work without them – put simply, a percentage point of growth across 39% of England's GVA is worth more than a point of growth in any single city-region – London included.

¹³Table sources: ONS mid-year population estimates 2024 and subnational projections; ONS regional GVA(B) 2023 and regional GDP (chained volume measures) 2023; ONS business demography 2024; ONS BRES 2024 and Annual Population Survey (year to March 2026); MHCLG Housing Delivery Test 2023 measurement and Live Table 122 (2024/25);. The fiscal counterpart: CCN areas contributed 43% of England's tax revenue in 2022/23 (Grant Thornton/CCN, Fiscal devolution, 2025). Volume shares partly reflect population scale (CCN areas hold 47% of England's residents); they evidence the significance of these places rather than their relative performance. Per-head comparisons are addressed separately in this section.

¹⁴Housing: MHCLG HDT 2023 and Live Table 125 (Appendix H). Tradeable shares: BRES employment at SIC division level with the classification in Appendix F. Sector employment: BRES 2024. Industrial Strategy priority sectors: HM Government, Invest 2035 / the modern Industrial Strategy.

3. The growth opportunity

County output has grown more slowly than the rest of the country over the past decade – in cash terms, and more importantly in real terms. In real terms (chained volume measures¹⁵), CCN areas grew 14.7% between 2013 and 2023 – against 17.2% for England, 17.9% in London, 19.2% in metropolitan districts and 20.4% in non-CCN unitary authorities¹⁶.

Authority type	Real GDP growth 2013–23	Within-group range
CCN shire counties	+14.9%	Surrey -2.9% to Warwickshire +27.9%
CCN unitary authorities	+14.2%	Cumberland -3.0% to N. Lincolnshire +25.7%
Metropolitan districts	+19.2%	South Tyneside -4.7% to Manchester +52.6%
Non-CCN unitary authorities	+20.4%	Isles of Scilly -19.8% to Wokingham +60.6% (Scilly, pop. c.2,100, is a volatile micro-economy estimate)
London boroughs	+17.9%	Hillingdon -9.9% to Hackney +84.8%

Had county areas simply matched the England growth rate over the decade, their output in 2023 would have been around £19 billion higher. That is the size of closing the gap alone – before any claim about county areas doing better than average – and it compounds every year the gap persists. Against faster-growing urban economies the gap is wider: had county areas matched the growth rates of London or the metropolitan districts over the same period, their output in 2023 would have been around £24 billion or £34 billion higher respectively.¹⁷

The spread across individual authorities tells the more precise story, and it previews the typologies. Surrey – by any conventional reading is England’s archetypal county growth engine – recorded just 2.9% real growth in ten years, and it has the least affordable housing in England outside of London.

However, this is not an economy that has run out of ideas or opportunity (it has the highest output per job of any county area and the second-highest rate of Level 4+ qualifications); it is an economy that appears growth constrained by housing. Surrey, therefore, is direct evidence of the challenge facing the 'national growth engine' places in the Typology 2 grouping: for them, the issue is less about stimulating growth but removing the constraints on it and ensuring that growth enablers (such as housing and infrastructure) are in the right place. At the other end of the spectrum, Cumberland is the only CCN authority to have shrunk in real terms, part of a consistent pattern in areas with a legacy-industrial past, discussed in

more detail below and captured in Typology 5 (resilience and structural challenges).

Alongside headline growth, it is also important to note that the tradeable share of employment – the sectors that sell beyond their local area and bring new income into a place, typically the most productive part of an economy – is drifting: down 1.4 percentage points in CCN areas since 2015 while rising 1.9 points in London¹⁸.



What this means for growth: The growth opportunity is real and structural: in 2023, county output was around £19 billion lower than it would have been had county areas kept pace with the England growth rate from 2013-2023. The evidence points to three likely drivers: constrained capacity in the strongest county economies (Recommendations 3 and 6), structural transition in the legacy-industrial minority (Recommendations 4 and 5), and a national drift of tradeable activity toward London that targeted place-differentiated investment could help counter (Recommendations 2 and 9).

¹⁵Chained volume measures (CVM) express economic output at constant prices, removing the effect of inflation so that changes over time reflect real growth in volume rather than price changes.
¹⁶ONS, Regional gross domestic product: local authorities, chained volume measures in 2022 money, 1998–2023 (April 2025 release). Legacy geographies mapped to current boundaries per Appendix C.
¹⁷Grant Thornton analysis of ONS regional GDP, chained volume measures in 2022 prices (1998–2023 release, the latest local authority data available at the time of analysis). CCN real GDP of £751.5bn in 2013, grown at the England rate of 17.2%, implies £881.0bn in 2023 against £862.1bn actual – an £18.9bn shortfall in 2023. This is the gap that had built up over the decade, rather than the total output forgone across it, and it describes the position in 2023. The England rate includes county areas themselves, so this is a conservative measure. The size of the gap depends on the years compared – across every ten-year period since 1998 it ranges from around £6bn to £35bn – but county areas grew more slowly than England in each of them, though not in every individual year.
¹⁸Tradeable/non-tradeable: BRES workplace employment classified at SIC two-digit division level as tradeable, non-tradeable or mixed. The mixed category – around 13% of employment, covering activities such as logistics, employment agencies and parts of the creative and visitor economy – is excluded from both shares, so the two do not sum to 100%. There is no official ONS classification of tradability; the one used here follows the empirical rankings in Rice and Venables (2022), with the two divergences documented in Appendix F. Tradability is a spectrum rather than a binary, and a whole division is classed one way even where activity within it varies – notably, tourism-facing hospitality is classed non-tradeable even though in coastal visitor economies it effectively sells to external customers – so the shares are indicative rather than precise. The same classification is applied to 2015 and 2024, so the change over time is measured on a consistent basis. Full division list, references and results are in Appendix F.

4. A strong labour market with a specific skills constraint

County labour markets are the strongest in England. The employment rate – 78.4% of 16–64s in shire counties and 78.3% in CCN unitary authorities, the highest and second highest of any authority type (year to March 2026) – exceeds metropolitan districts by nearly seven percentage points; economic inactivity (18.8%) is the lowest of any authority type, and the gap to urban England has widened since 2021.

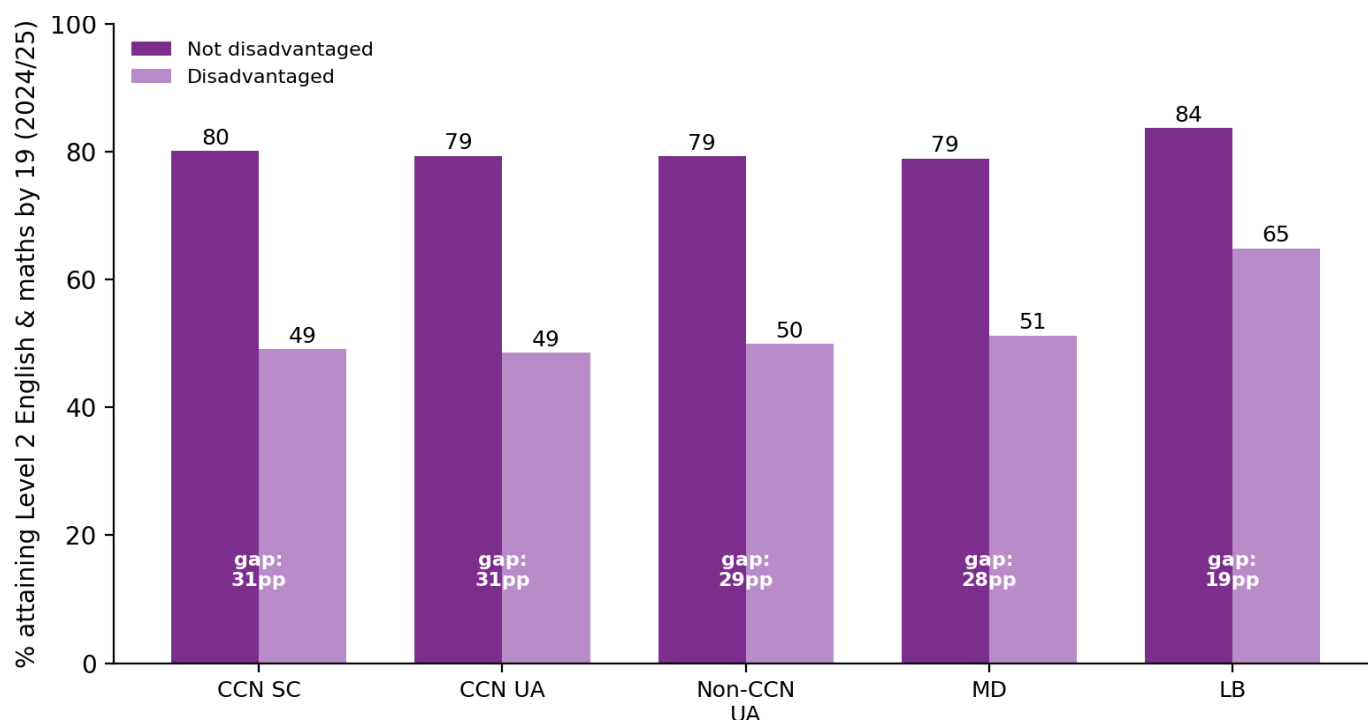
Within the smaller inactive population, the share who say they want a job has risen to around 22%. That is a group for whom the right support could make work possible, and it is directly relevant to the role of CCN members in delivering Get Britain Working plans (Recommendation 7).¹⁹

Against this strength sits one specific, well-defined constraint: the skills pipeline narrows with age, and it narrows more in county areas than anywhere else.

Stage	CCN position	Comparison
Early years: children meeting expected level (2024/25)	76.4–76.5% – strongest in England alongside London	Metropolitan districts 72.4%
Level 2 English & maths by 19 (2024/25)	73–74% – at the England norm	London has pulled ahead: 77.6%, up 4.4pp since 2016/17
The disadvantage gap at 19	31 percentage points between non-disadvantaged (80%) and disadvantaged (49%) pupils – the widest in England	London 18.7pp; Non-disadvantaged pupils attain near identically wherever they live (outside of London) – the area difference comes from how disadvantaged pupils fare
Level 4+ qualifications, 16–64 (2025)	44–46%	London 63.7% – an 18–20 point gap
Adult FE participation (2024/25)	Shire counties 4,610 and the CCN unitaries, 5,102 per 100,000 – the lowest and second lowest in England	Metropolitan districts 5,755



Attainment gap by disadvantage status: Level 2 English & maths by age 19, 2024/25



What the data shows, step by step: county children do well at every stage – the strongest early-years results in England, and Level 2 and Level 3 results at 19 above every other part of the country outside London. The problems are specific. First, disadvantaged young people fall further behind between school entry and 19 than anywhere else in England – the widest gap in the country – even though children who are not disadvantaged do about equally well wherever they live outside London. Second, far fewer working-age county residents are qualified to degree level or equivalent than in London (44–46% against 63.7%) – even though county young people’s results to 19 are as good as anywhere outside the capital. Our data cannot separate the two possible causes – what happens in local education after 19, and graduates moving – but the contrast between strong results at 19 and a lower graduate share among residents points to migration, and historic national evidence supports that reading: around a quarter of all new UK graduates were working in London within six months of finishing their degree.

The pull is jobs, and it shows in pay: in county areas, residents earn more than local jobs pay – residence-based hourly pay exceeds workplace-based pay by around 8% in shire counties and 6% in CCN unitary authorities, which indicates that many residents travel out of their area for better-paid work – the reverse of metropolitan districts and non-CCN unitaries, where workplace pay is the higher. In short, the county gap is not in jobs but in higher-paid local jobs: county residents can earn more, but often only by leaving their area to work – rather than making growth translate into higher earnings within county areas. Third, adult further education participation is the lowest in England in exactly these areas – the places where the case for catch-up provision is strongest. This is the Milburn ‘place as multiplier’ mechanism from the introduction, observed in the data: young people with similar starting points, diverging outcomes, driven by place.²⁰



The skills problem in county areas is not general underperformance – it is a disadvantage-concentration problem and a top-end pipeline problem compounded by fewer adults taking part in further education and retraining than anywhere else in England. That specificity points to targeted post-16 progression and devolved adult skills (Recommendation 7), rather than blanket school-improvement programmes. It also means the workers that growth needs are largely already there – the task is fixing the routes for disadvantaged young people and adult learners, and creating the graduate jobs that keep qualified people local. Demography sharpens the point: county working-age populations are projected to grow around a percentage point slower than total population over 2031–36 – so the case for making full use of the residents counties already have strengthens as the population ages.

²⁰Skills table sources: DfE early years foundation stage profile 2021/22–2024/25; DfE Level 2/3 attainment by age 19, 2016/17–2024/25 (disadvantage breakdown from the same release); APS RQF qualifications 2022–2025 (calendar years); DfE further education and skills 2020/21–2024/25. Earnings: ONS ASHE 2024, workplace and residence bases (residence/workplace ratios: shire counties 18.45/17.16, CCN unitaries 17.38/16.45, population-weighted average of local authority medians). Graduate mobility: Swinney P and Williams M (2016), The Great British Brain Drain: where graduates move and why, Centre for Cities – 24% of new UK graduates (2014–15 cohorts) were working in London within six months of graduating.

5. Infrastructure and access

Infrastructure will not create growth by itself, but its absence caps it – and in county areas three findings organise the picture.

First, digital connectivity has improved sharply but a generational gap is opening. Gigabit-capable coverage in county areas has risen to 79–83% of premises, narrowing the gap to urban England from 18 points in 2023 to around 11 – evidence that targeted build, commercial and public, reaches hard geographies. The areas still further behind on coverage (Norfolk, Cornwall, coastal and peninsula areas) map exactly onto the peripheral and coastal category of Typology 1.

But on 5G – the newest generation of mobile network – the gap has opened wide again: outdoor 5G coverage from all four operators reaches 28% of premises in shire counties and just 14% in CCN unitary authorities (24% combined), against 76% in metropolitan districts and 95% in London.

The pattern repeats with each new generation of network: county areas start far behind and catch up late in the cycle – the superfast gap has closed, the gigabit gap is closing, and the 5G gap has just opened. This is a supply problem, and the fixed network shows why the usual demand objection does not hold: where full fibre has actually been built in county areas, take-up (43–47% of covered premises) is higher than in London or the metropolitan districts, and monthly data use per connection matches urban levels. That does not measure mobile demand directly, but it illustrates that county areas use better connectivity when it is built.²¹

Second, county labour markets run on car access. Reaching a major employment centre (5,000+ jobs) takes around 20 minutes by car from county areas but around 40 minutes by public transport (employment-weighted CCN-wide; 38–46 minutes across the two CCN groups) – double the car time, and around 70% longer than the equivalent public transport journey in urban England. A county resident without a car can reach far fewer jobs within a reasonable journey – a structurally smaller effective labour market.

This association between transport access and the earnings and inactivity patterns above is strong – public transport journey time is one of the two strongest correlates of local productivity in the analysis in section 7 (method in Appendix E). Access to everyday services shows the same pattern: a third of county residents live within a 15-minute walk of a library, against over half of urban residents, and under a fifth are within 15 minutes of a rail station, against around half (Appendix D).²² It is an issue that is equally true in terms of access to education and training opportunities.

Third, the relationship between infrastructure and productivity differs structurally between county and urban England, as section 7 sets out. The point to carry forward is that connectivity investment is not a generic good: it is specifically where the county productivity margin sits.



What this means for growth: The infrastructure case for county areas should be prioritised, especially transport access to employment centres and completion of the digital build – the two constraints that measurably track county productivity – sequenced ahead of housing growth (Recommendation 3). And the case does not rest on coverage alone: where full fibre has been built, county take-up is higher than in London or the metropolitan districts, and usage matches urban levels – evidence that investment in county connectivity is used, not wasted.



²¹Ofcom Connected Nations, local authority data, July 2025 release (coverage, take-up and data usage); comparison to September 2023 release. Ofcom Connected Nations, local authority mobile coverage data, July 2025. Outdoor 5G coverage at high confidence from each of the four mobile networks Ofcom measures: EE, Virgin Media O2, Three and Vodafone. Vodafone and Three merged in May 2025, but Ofcom continues to report the two networks separately while they are combined.

²²DfT Journey Time Statistics, table JTS0401, 2019 (the most recent LA-level edition; the series has not been updated since). Amenity access: ONS, travel time to the nearest library and nearest rail station (share of residents within a 15-minute walk, population-weighted), 2024 release.

6. Living standards – prosperity with concentrated exceptions

On most headline living-standards measures, county areas perform well: less widespread deprivation (4–5% of neighbourhoods in the most deprived decile, against 24% in metropolitan districts), recorded crime a third lower than non-CCN areas, lower fuel poverty, and healthy life expectancy above the England average (the full indicator analysis is in Appendix D). However, two features matter most for the growth argument.²³

The first is the affordability paradox. Outside London, CCN shire counties are the least affordable places in England to buy a home (house prices at 8.7 times household disposable income, against 5.9 in metropolitan districts) – despite delivering more housing than anywhere else, and with the smallest social and private rented sectors of any authority type to absorb the pressure.



High demand meeting constrained supply is most likely the market's verdict on where people want to live and work; it is also, as the Surrey growth figures suggest, the mechanism by which some of the strongest county economies are constrained. County Durham shows the opposite: house prices there are 4.3 times household disposable income, the most affordable as any county area, which could be a sign of an economy that needs more demand, meaning more and better-paid jobs, rather than more housing. This is another illustration of why this report insists on place-differentiated policy and why the typologies that follow are necessary.

The second is a consistent legacy-industrial pattern that the averages conceal. County Durham appears at the adverse end of the CCN distribution on four separate measures in this evidence base – social housing concentration, crime, early-years outcomes and NEET rates – and Cumberland is the only CCN authority with negative real growth. These are county-classified authorities with metropolitan-style structural challenges, and Typology 5 (resilience and structural challenges in the 'Creating a place-differentiated approach' section) exists to recognise them as a distinct category rather than average them into a county story they do not fit.

The same is true at neighbourhood level, and it reveals underlying county inequality: 36 of the 39 CCN authorities contain at least one neighbourhood in England's most deprived decile – even though authority-level averages are low. County disadvantage is not a story of divergent whole authorities but of localised pockets within otherwise prosperous places – precisely the geography that authority-level statistics do not see, and part of what Recommendations 9 and 10 ask appraisal frameworks to correct.

What this means for growth: County prosperity is real but has two edges: affordability pressure that constrains the strongest economies, and concentrated disadvantage – in legacy-industrial and coastal communities – that the county average hides. Both point the same way: differentiate the policy response by place, which is the work of the typologies.

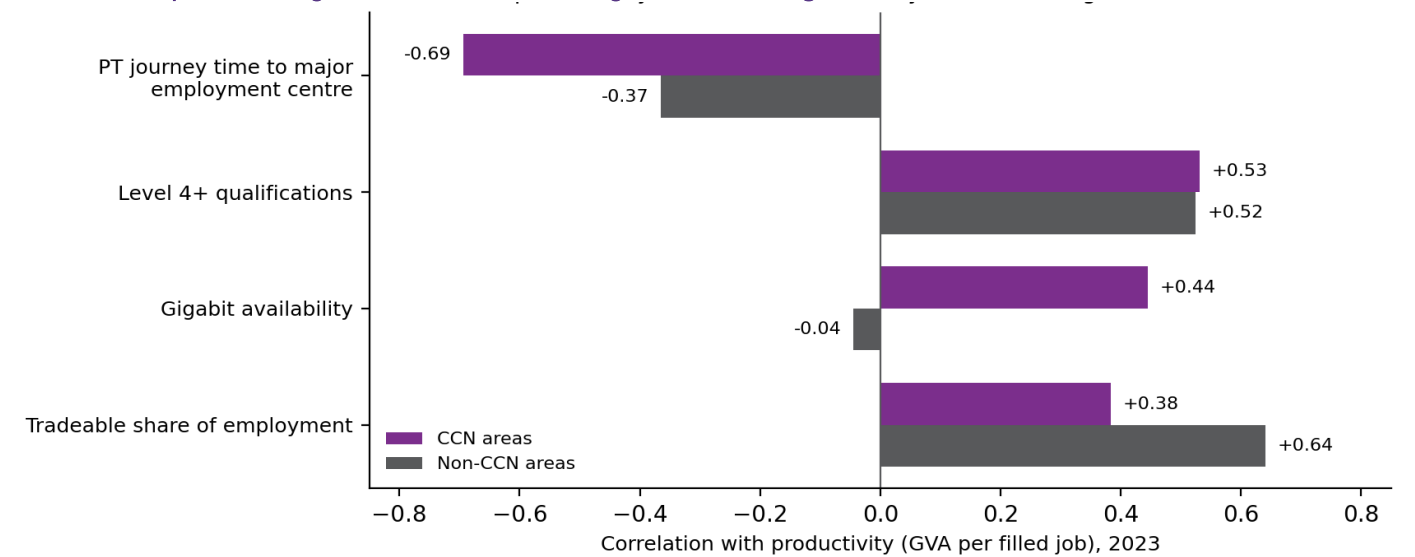
²³Deprivation: MHCLG Indices of Deprivation. Crime: ONS Police Force Area tables, year ending March 2026 (Community Safety Partnership data; Kent exclusions noted in Appendix D). Fuel poverty: DESNZ sub-regional tables, 2024 data. Healthy life expectancy: ONS.

7. What drives county productivity – and what doesn’t

Productivity is where the earnings gap, skills and the infrastructure evidence converge. County area output per job (£61,600) sits some 14% below non-CCN areas, and the gap to London is wider still. The question that matters for policy is what that gap tracks – and the answer differs between county and urban England.²⁴

Correlation with productivity (GVA per job)	CCN areas	Non-CCN areas
Public transport time to major employment centre	−0.69 (strongest)	−0.37
Level 4+ qualifications	+0.53	+0.52
Gigabit availability	+0.44	−0.04
Tradeable share of employment	+0.38	+0.64 (strongest)

What tracks: productivity differs between county and urban England



In urban England, productivity lines up most strongly with sector composition – measured here as the tradeable share of employment, the proportion of jobs in industries that sell beyond their local area²⁵ (+0.64) – though qualifications matter everywhere (around +0.5 in both). In county areas the strongest out of those tested is access – public transport time to a major employment centre (−0.69) – followed by qualifications, while the link with sector mix is much weaker than in urban England (+0.38 against +0.64).

The academic literature explains why: tradeable-sector strength raises wages across a whole area, but not every area needs to host the clusters – it needs to be well connected to them (Rice and Venables, 2022). The most productive county economies (Surrey, Cheshire East and Hampshire) combine public transport times to major employment centres below the county median – 30 to 36 minutes, against 37.5 – with above-average graduate rates; the least productive (Herefordshire, East Sussex and Shropshire) sit at 48–65 minutes.^{26 27}

²⁴ONS subregional productivity: GVA per filled job, 2023, current prices. Correlation: Grant Thornton analysis – methodology and caveats in Appendix E.

²⁵As defined in section 3 and classified in Appendix F

²⁶These are cross-sectional associations rather than causal – the methodology and caveats are in Appendix E.

²⁷Rice, P. and Venables, A.J. (2022), Tradeability, Productivity, and Regional Disparities: theory and UK evidence, The Productivity Institute Working Paper 021 (also CEPR DP17806).

8. Devolution, what the map shows



Many of the areas still without any devolution arrangement are county areas.

The county areas already absorbed into mayoral arrangements are predominantly northern and midlands areas, while some of England's most prosperous county areas (Surrey, Hertfordshire, Kent) remain outside any arrangement (Hampshire entered the priority programme in 2025). The county areas with the greatest absolute economic weight, the most acute supply-side constraints and – as section 1 above showed – the labour-market perhaps best suited to the strategic authority model are precisely the places the devolution map has not reached.

Public finances show a similar pattern. Analysis published by Grant Thornton and CCN in 2025 found that county areas raise 43% of England's tax – 57% of everything raised outside London – but receive 39% of the public spending that can be traced to places. County areas also come close to paying their own way: spending in county areas exceeds the tax raised there by just £137 per person, against an England-wide gap of £1,171 per person. This suggests that the places nearest fiscal balance have the least control over how money is raised and spent locally. The same report also documents the funding-competition and capacity barriers that Recommendation 2 addresses.²⁸



What this means for growth: The case for extending devolution to county areas rests on readiness and fit: self-contained functional economies, demonstrated delivery capacity, and constraints (planning, transport, skills) that sit exactly where strategic authority powers operate.



²⁸Grant Thornton and County Councils Network (2025), Fiscal devolution: exploring the options in England's counties – 2022/23 net fiscal position analysis.

9. The potential



Taken together, the analysis supports an evidenced statement of county potential. County areas are:

- distinctive – polycentric, dispersed, often rural and coastal economies that frequently function as near self-contained labour markets that do not always fit the agglomeration model on which national growth policy is built;
- substantial – 47% of England's people, 39% of its output, 48% of its businesses, over half its housing delivery and the backbone of the Industrial Strategy's priority sectors;
- constrained, not converging – county output in 2023 was around £19 billion lower than it would have been had county areas kept pace with England's growth since 2013. This is driven by identifiable constraints for example, capacity in the strongest economies, access and skills across the majority, and structural transition in the legacy-industrial minority;
- and ready – with residents who want to work, demonstrated delivery on housing, full-fibre take-up exceeding London's, and economic geographies with functioning labour markets.



The potential is therefore not speculative: it is the difference between county areas continuing to grow below the national rate and growing at or above it. But the evidence is equally clear that this potential cannot be unlocked by a single county playbook – Surrey's constraint is not Cumberland's, and Cornwall's economy is not Hertfordshire's. Turning one evidence base into differentiated policy requires a structured way of distinguishing between county areas. That is the purpose of the typologies, to which this report now turns.



Creating a place-differentiated approach

Why is place differentiation important?

The previous section made clear the scale, diversity and complexity of county areas. It is however a headline picture that masks profound variation in economic structure, sectoral composition and growth potential. As such, a single policy response applied uniformly across county areas would be both analytically indefensible and practically counterproductive in driving growth.

The purpose of the example typologies set out in this section is to illustrate how that complexity can be translated into a structured and usable framework for Government. Therefore, rather than treating county areas as a homogeneous block, the example typologies provide a means of differentiating between places in a systematic way – focusing in on common characteristics that shape an area's economic role, growth potential and policy needs. Each of the typologies builds directly on the indicators in the preceding section including patterns of rurality, sector composition, productivity, earnings, business demography and infrastructure access and aligns this with qualitative insights gathered through both stakeholder consultation and reviews of local economic strategies.

It is important to note at the outset that these typologies are not mutually exclusive and nor are they intended to be definitive. The specific typology required will depend on the policy area in question, its funding objectives and its theory of change in driving growth. The call in this report is not for one or more of these typologies to be adopted and applied uniformly. Rather it is for government departments to think more about place as they design, make the case for and ultimately invest in growth. Or put simply, to design a place-differentiated typology related to specific growth policy areas.

Given the multidimensional nature of local economies, a number of county areas will fit within more than one grouping. This should therefore be intentional in the design of any typology. It is particularly the case with county areas where, given the geographic scale, it is extremely likely that an individual place could fit in more than one category. This overlap is itself informative: where an area appears in several categories, that signals the range of policy levers it needs.



The value of the typologies is not in assigning each place a single fixed identity but in highlighting different dimensions of economic character that can be used to inform how government engages with and invests in county areas.



The rationale for typology-driven policy

National economic policy has traditionally been shaped by a relatively narrow set of spatial assumptions often centred around the logic of agglomeration, the significance of metropolitan centres and an expectation (hope!) that growth radiates outward from urban cores.

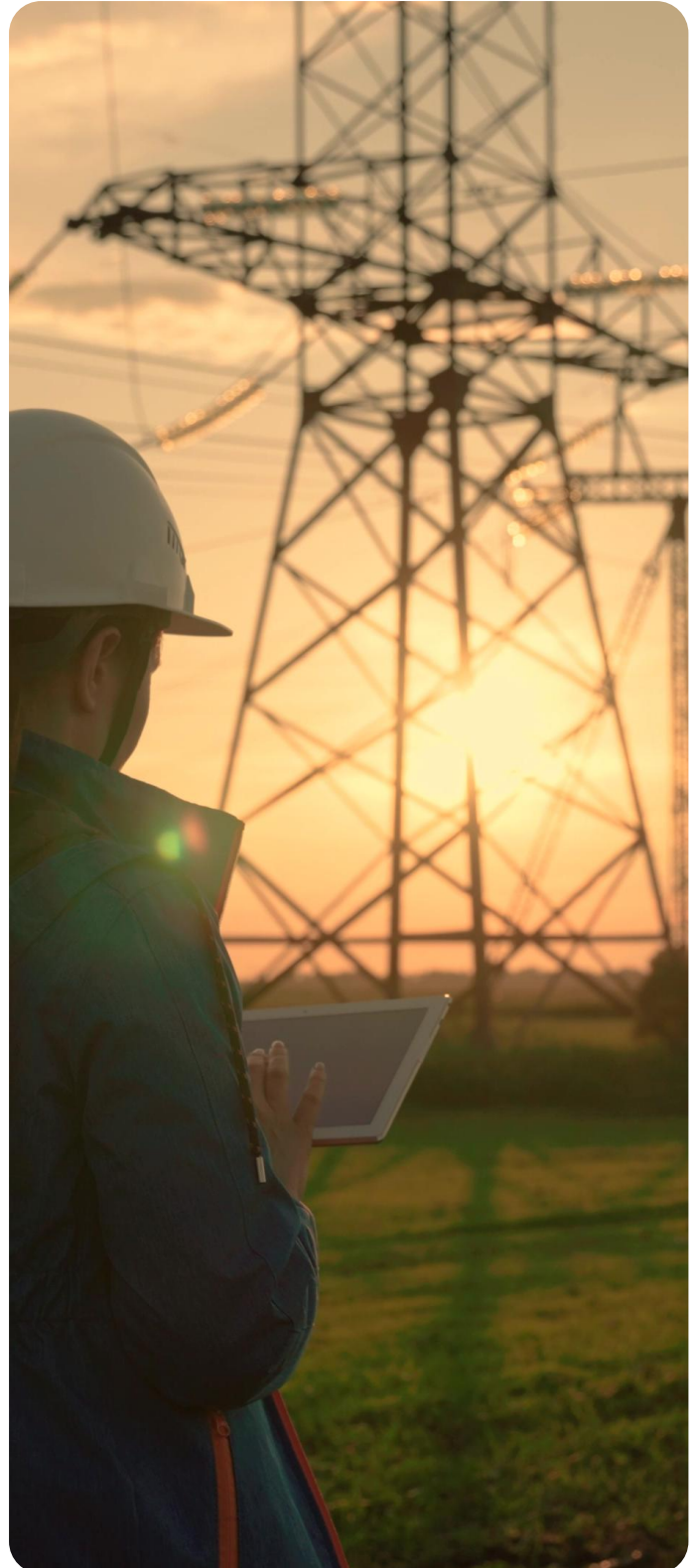
These assumptions are embedded in investment decisions and policy – sometimes subtly sometimes explicitly. However, they do not reflect the economic reality of county areas where – as shown through the data analysis – production, employment and innovation are distributed across polycentric networks of towns, corridors and rural communities.

The result is an inadequate recognition of the distinctive economic geography of county areas in both policy and funding. National tools, levers and funding pots as well as devolution opportunities are designed for urban geographies that either do not translate to a polycentric context or place county areas at a distinct disadvantage. For example, the Brownfield Land Fund where design assumptions mean that dispersed, small-scale brownfield land is ineligible.



Our rationale for proposing the development of typologies in growth policy making is threefold:

- To help interpret the wealth of place-based data available by moving beyond descriptive indicators to explore underlying structural differences.
- To support more effective policy design by identifying common characteristics shared across groups of authorities.
- To surface interconnections and dependencies between county areas and national economic priorities and understand the economic role that different places play in the national system.



Exploring some options for typologies

Given the points above, what follows is five example typologies that we have developed to reflect a distinct dimension of economic character. The intention is that this is illustrative rather than comprehensive.

Having provided an overview of the five examples, the section ends with a worked example for how the typology can be applied to drive place-differentiated policy making.

Typology 1: Spatial character

This typology classifies authorities according to their spatial character and settlement pattern – factors that invariably shape the cost and complexity of service delivery and impact directly on policies related to transport connectivity, labour market access and the dynamics of agglomeration. Within this typology we have identified four categories:

- **Metropolitan edge and polycentric county areas** (places such as Surrey²⁹, Hertfordshire, Essex and Kent) are characterised by higher economic density and strong functional linkages to major cities. The economies tend to be organised around multiple local employment centres and they benefit from proximity and good access to metropolitan labour markets. However, this proximity is also a source of structural tension as the gap between workplace and resident-earning is often significant.
- **County town-led areas** (places such as Hampshire) lack a single dominant urban centre and are instead structured around a network of mid-sized towns. As a result economic activity is distributed across the geography and there is often significant variation in deprivation and living standards.
- **Rural and dispersed county areas** (places such as Northumberland, Cumbria, Herefordshire and Shropshire) are defined by low population density, high service delivery costs and limited agglomeration effects. As functional economies they are fundamentally different systems organised around market town networks with economic activity spread across a large commuting zone.
- **Peripheral and coastal county areas** (places such as Cornwall, Devon, Dorset, Norfolk and Suffolk) are similar to rural and dispersed and county town-led authorities but face a further structural constraint as a result of remoteness and a coastal geography. The result is that these economies are heavily reliant on seasonal activities, have lower levels of productivity and often face significant infrastructure deficits (both digital and transport) that can limit their integration with wider national markets.

Typology 2: Economic role

The second typology moves from spatial to functional and explores a place's position in relation to the national economic system and the balance between tradable, high-productivity sectors and foundational, locally-serving industries. This typology is important because it shapes both an area's growth trajectory and the type of policy intervention that is most likely to impact on growth. Again, there are four categories:

- **National growth engines** (places such as Surrey, Oxfordshire, Hertfordshire and Cambridgeshire) are defined by strong concentrations of professional and business services, digital technology, life science and advanced manufacturing – sectors that are highly productive, growing and well paid. Often these places are part of a wider innovation ecosystem anchored by universities, research institutions and global firms.
- **Regional growth anchors** (places such as Warwickshire, Gloucestershire, Derbyshire and Leicestershire) have strong foundations in sectors such as advanced manufacturing, applied innovation, logistics and commercial services. These are sectors with moderate to high productivity growth. As places these areas are important nodes in national supply chains and often contain significant clusters or hubs, including aerospace and automotive, that are an important element of the UK's broader competitiveness.
- **Balanced and traditional economies** (places such as Hampshire, Essex, Kent and Wiltshire) display a mixed industrial base that combines manufacturing, public services and some higher-value sectors, albeit without any single dominant driver. Positively, their diversity provides a degree of resilience but also means they face a broad range of different policy challenges making the case for investment and intervention harder to articulate within national frameworks.
- **Foundational economies** (places such as Cornwall, Devon, Northumberland and Lincolnshire) are characterised by employment in health and social care, public services, land-based industries and the visitor economy. While less productive, these are high employment-high importance sectors and in terms of national growth, a small percentage point increase in growth will drive significant numbers of jobs. Their importance both locally and nationally in relation to sectors such as food production or construction is increasingly overlooked in national growth policy.

²⁹It should be noted that given the current reorganisation of local authority structures and the uncertainty that exists at the time of writing about the 'end' position, this section deliberately refers to geographic areas rather than individual authorities so Surrey is used instead of East Surrey and West Surrey, Cumbria instead of Cumberland and Westmorland and Furness etc.

Typology 3: Sectoral specialisation

The third typology captures the specific sectoral strengths of a place and often differentiate county areas from metropolitan economies. Unlike the broader economic role classification above this typology specifically considers industrial specialisms that create competitive advantage, attract inward investment and underpin nationally significant priorities. There are five categories:

- **Advanced manufacturing and engineering** (places such as Derbyshire, Staffordshire, Warwickshire and Gloucestershire) which includes aerospace, defence and automotive supply chains as well as precision engineering clusters. The economic strength of these places is not primarily in a headline GVA growth figure but in the depth of expertise and resulting strategic value of their output to national issues such as security, competitiveness and reputation.
- **Science, innovation and knowledge intensive** (places such as Oxfordshire, Cambridgeshire, Hertfordshire and Buckinghamshire) often cluster around university cities, research parks and global technology firms. Specialisms include life science and digital. These sectors contribute disproportionately to national productivity and exports. The challenge for these places is not about stimulating growth but managing it, ensuring that infrastructure, housing, skills and land supply are in place to facilitate growth.
- **Logistics, distribution and construction** (places such as Northamptonshire, Leicestershire, Nottinghamshire and Kent) play a strategic role in national supply chains, benefiting from road and rail networks and/or proximity to major ports and distribution centres. For these sectors their efficient functioning is a prerequisite for the productivity of the wider economy, although they have historically attracted limited attention from a policy and investment perspective.
- **Land-based and environmental economy** (places such as Lincolnshire, Shropshire, Herefordshire and North Yorkshire) combine agricultural production, clean energy, aggregates, natural capital and environmental services. Innovation and growth in these areas is often ambitious at the local level but can be less recognised at a national scale.
- **Visitor economy and culture** (places such as Cornwall, Devon and Somerset) are characterised by a significant reliance on tourism, creative industries and heritage assets. These sectors support a large volume of employment and play an important role in sustaining economic activity locally. They are however highly exposed to seasonal volatility and shifting consumer behaviour which makes transition and diversification an important policy challenge.

Typology 4: Drivers, enablers and providers

The fourth typology seeks to distinguish between how county areas contribute to economic growth considering whether they are drivers of growth and employment or enablers of growth in surrounding areas or as providers of the land, food, energy and labour force that sustain that national economy. These three categories are unpacked in more detail below:

- **Economic driver** (places such as Surrey, Oxfordshire, Cambridgeshire and Hertfordshire) are high-GVA, export-orientated economies that generate surplus employment and tax. Their growth generates spillovers into surrounding areas through commuting, supply chains and investment flows. They are often recognised (although at times insufficiently) within national growth narratives.
- **Economic enabler** (places such as Kent, Essex, Buckinghamshire and Warwickshire) facilitate growth through land, labour, infrastructure and the functional role and relationship they play within a wider city-region economy. Their economic role is often undervalued because it is partly expressed through the performance of the larger neighbouring metropolitan area. Recognising the importance of these places and driving investment to them will require appraisal frameworks that can capture economic benefits across a wider “place”.
- **Economic provider** (places such as Lincolnshire, Devon, Suffolk and Northumberland) produce the food and energy that the national economy depends on. This economic contribution is rarely captured or acknowledged in policy which tends to focus on conventional productivity metrics and market-priced outputs. These areas require a more comprehensive and spatially sensitive growth framework.



Typology 5: Resilience and structural challenges

The final typology is future focused and looks at the exposure of county areas to structural transitions that will define the coming decades: energy transition, demographic change, automation and AI. It seeks to distinguish between areas that are well placed to navigate the transition and those that face structural risks. There are three categories:

- **Highly diversified and resilient** (places such as Oxfordshire, Surrey and Warwickshire) these authorities combine multiple growth sectors with a strong skills base. They are not immune to structural transition but they have greater resilience enabling them to absorb and adapt to change. The challenge for these areas is managing growth sustainably ensuring that the right levels of housing, infrastructure capacity and employment land are brought forward to support growth.
- **Moderately diversified** (places such as Nottinghamshire, Gloucestershire and Leicestershire) have some sectoral risks but a focus on manufacturing and logistics provides a degree of resilience and if this is coupled with investment in skills, innovation and renewable technologies then there is a transition pathway available.
- **Structural risks** (places such as Devon, Northumberland and Lincolnshire) as a result of a heavy reliance on tourism, public services and agriculture coupled with ageing populations that place rising pressure on health and care systems. Support for these places in building resilience, investing in infrastructure and transitioning the economy has to be a pre-requisite for government.

A worked example

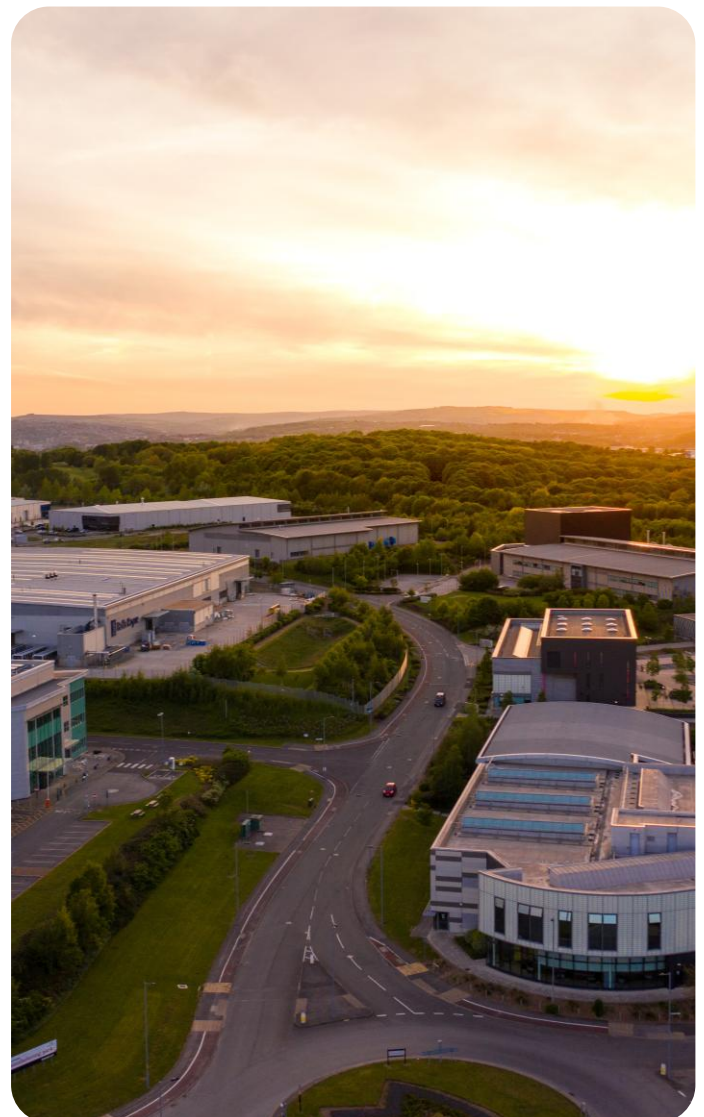
Taking the first typology – spatial character – the purpose of this worked example is to show all 39 county areas that are members of CCN can be allocated to a category using a data driven approach.

The first step was to use three measures to allocate county areas, each capturing a distinct spatial fact rather than an economic outcome:

1. Settlement density – residents per hectare, which governs service delivery cost and the scope for agglomeration.
2. Metropolitan orientation – the share of employed residents whose workplace is in a metropolitan district or London borough, which distinguishes an area whose labour market is largely its own from one that functions as part of a city region.
3. Coastal exposure and remoteness – the share of an area's built-up areas that are coastal, combined with public transport journey time to a centre of 5,000 or more jobs.

The second step was then to apply four rules, in order, so that every area is in one primary category. The rules are ordered rather than exclusive: an area can meet the test for more than one category, and where it does the additional characteristic is recorded alongside the primary allocation.

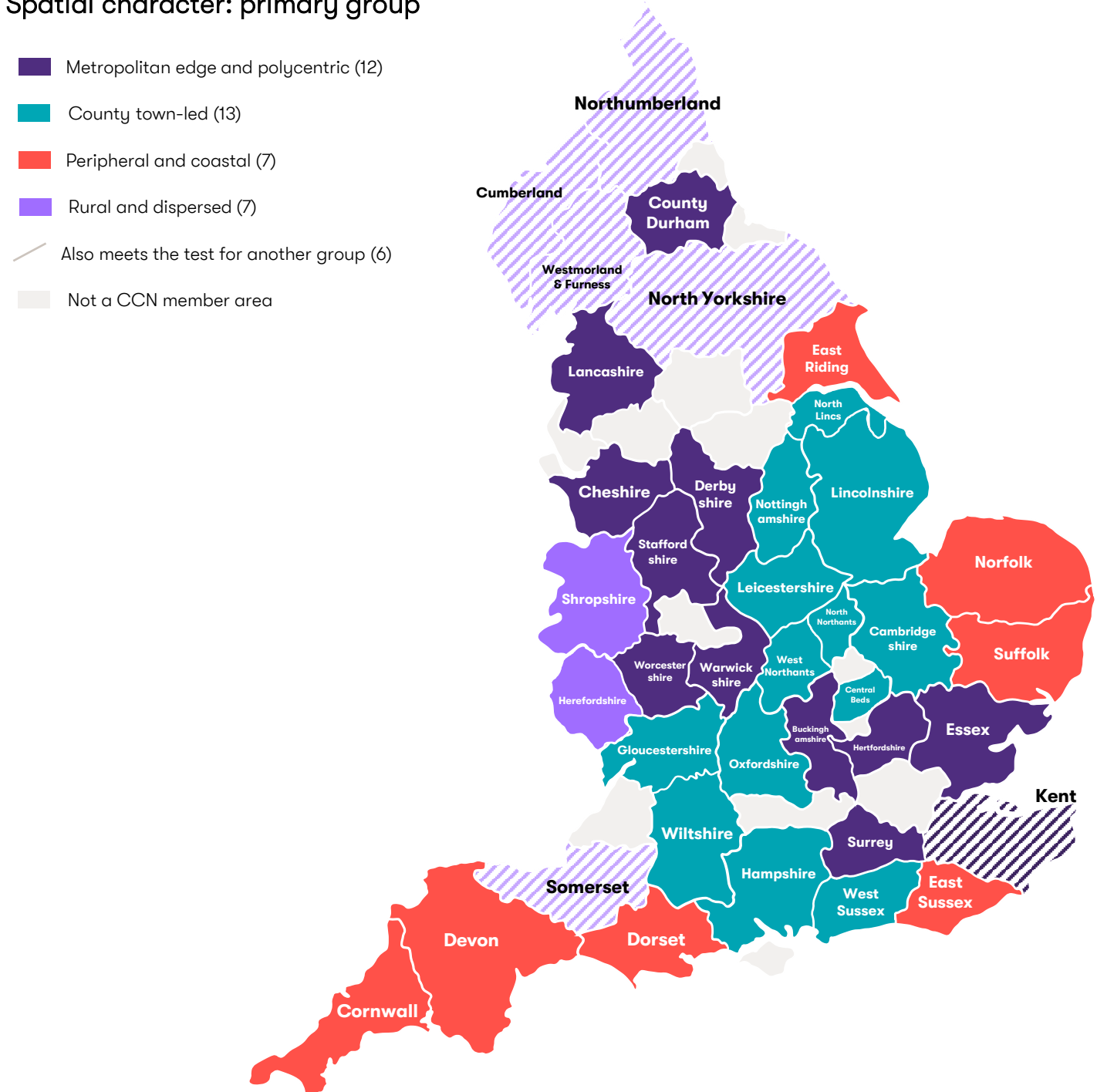
1. An area with fewer than 1.1 residents per hectare is rural and dispersed – extreme sparsity is the dominant spatial fact wherever it occurs, and the distribution breaks cleanly at this point (Shropshire 1.0, then Devon 1.3).
2. Of the remaining areas, an area where 10% or more of employed residents work in a metropolitan district or London borough is metropolitan edge and polycentric; the data breaks naturally here too, between Derbyshire at 10.1% and Central Bedfordshire at 6.3%.
3. Of those areas left, an area where at least 5% of built-up areas are coastal and public transport journey times are above the CCN median (37 minutes) is peripheral and coastal³⁰.
4. Everything that remains is county town-led.



³⁰The journey time threshold is the median across the 39 member areas (37 minutes), so the test distinguishes the better- and worse-connected halves of county England rather than measuring against an absolute standard; there is no published benchmark for what constitutes remote access to employment. The coastal threshold of 5% of built-up areas represents a judgement about what constitutes a material coastal presence. Areas close to either threshold should therefore be read as borderline rather than definitively in or out of this group.

Norfolk illustrates the sequence well. Its density is 1.7 residents per hectare, above the sparsity threshold, so it is not rural and dispersed; 0.7% of its employed residents work in a metropolitan area, far below the 10% threshold, so it is not metropolitan edge; 12% of its built-up areas are coastal and its average public transport journey time is 58 minutes, above the CCN median, so it is peripheral and coastal. Applying the same four tests to every member authority produces the allocation mapped below³¹.

Spatial character: primary group



³¹ONS mid-year population estimates 2024 and standard area measurements; Census 2021 travel-to-work flows (fixed workplace only, so the elevated home working of the census period does not enter the calculation); ONS built-up areas 2022; DfT Journey Time Statistics table JTS0401, 2019. Travel-to-work data is published only for the predecessor county for the areas reorganised in 2023, so Cumberland and Westmorland and Furness share a single metropolitan orientation value: both fall well below the threshold and the allocation does not turn on it.

The table below sets out the allocation measures. Economic scale is shown for context but is not used in the allocation: it is important to note that these are spatial groupings, not a ranking. The final column records where an area also meets the test for another group³².

County area	People per hectare	Rural neighbourhoods	Coastal built-up areas	Residents working in a metro area	Journey time (mins)	GVA, productivity basis (£bn)	Also meets the test for
Metropolitan edge and polycentric (12)							
Surrey (SC)	7.5	9%	0%	22.9%	30	51.6	
Hertfordshire (SC)	7.5	12%	0%	20.3%	27	46.3	
Kent (SC)	4.5	26%	21%	11.6%	39	44.9	Peripheral and coastal
Essex (SC)	4.2	23%	16%	14.0%	34	42.5	
Lancashire (SC)	4.2	20%	10%	10.9%	32	33.9	
Warwickshire (SC)	3.2	30%	0%	18.5%	34	22.7	
Staffordshire (SC)	3.5	22%	0%	15.2%	35	21.6	
Derbyshire (SC)	3.2	31%	0%	10.1%	41	19.1	
Buckinghamshire (UA)	3.7	28%	0%	12.8%	33	18.1	
Worcestershire (SC)	3.6	25%	0%	14.3%	33	16.2	
Cheshire East (UA)	3.6	17%	0%	13.6%	32	15.9	
County Durham (UA)	2.4	42%	5%	19.7%	35	11.4	
County town-led (13)							
Hampshire (SC)	3.9	19%	14%	2.4%	36	49.5	
Oxfordshire (SC)	2.9	36%	0%	2.0%	31	28.4	
West Sussex (SC)	4.5	20%	18%	3.9%	36	26.7	
Cambridgeshire (SC)	2.3	42%	0%	1.7%	44	24.7	
Gloucestershire (SC)	2.5	28%	0%	0.9%	35	21.5	
Leicestershire (SC)	3.6	32%	0%	2.9%	33	21.4	
Nottinghamshire (SC)	4.1	22%	0%	4.3%	32	18.7	
Lincolnshire (SC)	1.3	46%	5%*	1.1%	52	18.0	
Wiltshire (UA)	1.6	42%	0%	0.9%	37	14.5	
West Northamptonshire (UA)	3.2	26%	0%	2.1%	36	14.5	
North Northamptonshire (UA)	3.8	26%	0%	1.3%	39	8.4	
Central Bedfordshire (UA)	4.4	36%	0%	6.3%	37	7.0	
North Lincolnshire (UA)	1.9	44%	7%	5.6%	30	5.6	
Peripheral and coastal (7)³³							
Norfolk (SC)	1.7	49%	12%	0.7%	58	23.1	
Suffolk (SC)	2.0	38%	11%	1.0%	41	21.8	
Devon (SC)	1.3	48%	24%	0.4%	48	21.7	
Cornwall (UA)	1.6	55%	36%	0.4%	64	13.8	
East Sussex (SC)	3.3	24%	19%	2.5%	65	10.6	
Dorset (UA)	1.5	45%	18%	0.7%	52	9.5	
East Riding of Yorkshire (UA)	1.4	41%	10%	3.5%	50	8.9	
Rural and dispersed (7)							
North Yorkshire (UA)	0.4	51%	3%	11.3%	57	19.1	Metropolitan edge
Somerset (UA)	0.8	46%	8%	0.5%	51	14.7	Peripheral and coastal
Shropshire (UA)	1.0	57%	0%	5.3%	52	7.6	
Westmorland and Furness (UA)	0.3	49%	17%	0.7%	49	7.2	Peripheral and coastal
Cumberland (UA)	0.4	49%	24%	0.7%	64	6.8	Peripheral and coastal
Northumberland (UA)	0.7	44%	23%	29.4%	55	6.2	Metropolitan edge; Peripheral and coastal
Herefordshire (UA)	0.9	53%	0%	1.1%	48	4.6	

³²Please note: One asymmetry follows from the method: county town-led is defined by the absence of the other three conditions, so it cannot be recorded as an additional characteristic and its members cannot acquire one.

³³Because the test requires both a coastal presence and above-median journey times, county areas with a significant coastal periphery do not all fall into this group. Two patterns explain this. Lancashire, Hampshire, West Sussex and Essex have substantial coastal towns but journey times below the median: their coastal communities are real, but these counties function as part of well-connected wider economies. Lincolnshire has well above-median journey times, but its coastal settlements are a small share of a large network of inland towns and villages, so its coastal share falls just below the threshold (*its coastal share is 4.5% but this is shown rounded in the table). Measuring coastal exposure by the share of an area's larger towns rather than all built-up areas would place both Lincolnshire and Lancashire in scope. The discussion of coastal communities in this report is not confined to the areas grouped here.

In this example the categories have been built only from settlement pattern, commuting geography and coastline and not from any measure of economic performance. This is intentional as it means that the creation of the typology is separate from economic outcomes. The table below shows how each category performs on a range of economic outcomes.

Category	Areas	GVA (£bn)	Output per job	Level 4+ qualifications	Gigabit availability	Tradeable employment	Residence over workplace pay
Metropolitan edge and polycentric	12	344	64,606	47.1%	84%	29.2%	+8.5%
County town-led	13	259	61,339	44.2%	85%	31.0%	+6.7%
Peripheral and coastal	7	109	54,910	41.4%	74%	26.0%	+6.7%
Rural and dispersed	7	66	52,605	43.2%	77%	30.0%	+4.8%

Even at this simple level a number of distinct policy signatures start to emerge.

- Metropolitan edge and polycentric areas have the highest output per job and the strongest qualification base, but also the widest gap between what their residents earn and what their local jobs pay (+8.5%) – the signature of an area exporting its workforce to a neighbouring city region.
- County town-led areas sit in the middle on output and qualifications, they have the highest tradeable employment share and are self-contained economies with a working export base and no metropolitan neighbour to lean on.
- Peripheral and coastal areas are the weakest group on most measures – output per job (£54,910) is below every group except rural and dispersed, lowest qualifications, weakest digital coverage, and a tradeable share 5 percentage points below the county town-led group, reflecting the visitor economy.
- Rural and dispersed areas have low output per job but hold up better on qualifications and tradeable employment than their productivity suggests and have the narrowest residence-workplace pay gap of any group (+4.8%): implying that these are genuinely self-contained economies, not commuter hinterlands.

So, what does this mean for Government? Very simply put, the different categories need different things to support growth, and the recommendations that follow in the next chapter illustrate this further. For example, metropolitan edge and polycentric areas need the connectivity, employment land and housing to keep pace with growth pressure.

County town-led areas need investment in those towns and the provision of support to the businesses that are based in them. Peripheral and coastal areas need connectivity and skills investment as a precondition for anything else. Rural and dispersed areas need services and infrastructure funded on a basis that recognises what sparsity costs.



The implications

Taken together, these five typologies further demonstrate that county areas cannot be treated as a homogeneous policy category. Whether viewed through spatial character, economic role, sectoral specialisation, function as drivers, enablers or providers, or exposure to structural transition, the same underlying message holds: different county areas require different policy responses if national growth ambitions are to be realised.

The worked example demonstrates how this differentiation can be applied using available data. Using this approach would give Government a practical basis for targeting growth policy and investment. This is not a call to select a single preferred typology, but to embed place-differentiated thinking into the design of growth policy itself, matching interventions to the specific characteristics and constraints of each type of area.



The next section builds directly on this analysis, as it shows how the different conclusions and recommendations for Government can be translated to reflect the diversity of county area economies.





Conclusions and recommendations

Conclusions and recommendations

County areas are not peripheral to England's growth story. They are 47% of its population, 39% of its output, nearly half its business base and the majority of its housing delivery – but they have grown more slowly than the rest of the country over the past decade. Had county areas simply matched the England growth rate between 2013 and 2023, their output in 2023 would have been around £19 billion higher.

The report intentionally sets out the growth opportunity that exists. County area labour markets are strong, with the highest employment rate and the lowest economic inactivity of any authority type. County children achieve the best early years results in the country.

What holds them back is structure: public transport journey times to major employment centres that run at double the equivalent car journey, and correlate with county productivity more strongly than any other factor tested; a skills pipeline that narrows after 19, with the widest disadvantage gap in England and the lowest adult further education participation; and capacity constraints on land, grid, water and housing in the strongest county economies.

Critically, these constraints are not evenly distributed. Surrey's problem is not Cumbria's, and Cornwall's economy is not Hertfordshire's. That is why this report does not offer a single county area playbook. Typologies give Government a structured way to tell these places apart, with alternative cuts by economic role, sectoral specialism, economic function and resilience – so that policy can be differentiated by evidence rather than by assumption.

Rewiring the State builds much of the machinery these findings require: strategic authority coverage across England by the end of 2028, an operating principle of devolving by default, retained business rates from April 2027 and retained income tax from 2028, a commitment to rebalance public investment per head between places, and a new No. 10 North as the engine room for a place-based approach.

The challenge, however, is that almost every specific offer in *Rewiring the State* is addressed to mayors – the 16-to-19 budget, employment support, affordable homes funding, the Good Growth Funds – and many county areas are currently non-mayoral foundation strategic authorities.

The 10 recommendations that follow are therefore designed to help to close that gap. They fall into four groups – investment, strategic, tactical and technical – and each is mapped against the example typologies set out in the previous section, so that Government can see not only what to do, but where doing it will make the greatest difference.

In order to maximise the growth potential of county areas and ensure that it effectively supports the Government's national growth agenda we recommend that government explores, and ultimately implements, these 10 recommendations.

Investment

01 Secure county areas a route into Local Growth Plans and shared priorities

Government should extend the Local Growth Plan framework to Foundation Strategic Authorities and to county areas without a strategic authority, and in doing so open the shared priorities process on the same terms as Mayoral Strategic Authorities.

Local Growth Plans are now the route through which growth funding is deployed. Shared priorities are co-determined with MHCLG and hardwired into the work of every department. The plans act as the guiding star that Spatial Development Strategies, Local Transport Plans, Local Skills Improvement Plans and Get Britain Working Plans align to. County areas need to have access to this so that they have a statutory plan for growth and an investment plan – tailored to their place – that can enable it.

Without this, the consequence is that many of the challenges identified in this report – public transport access, grid and digital capacity, post-16 progression – will not be addressed. As an immediate step, MHCLG should share its own analysis with county areas developing growth plans, as it does with new Mayoral Strategic Authorities, and Government should confirm that the social value duty in the National Procurement Policy Statement applies to county growth plans once published.

02 Create a genuine growth financial settlement model

Government needs to deliver on the ambitions set out in the Devolution White Paper in terms of both integrated settlements and a simplified funding landscape as well as the potential for true fiscal devolution presaged in *Rewiring the State*. However, this cannot be limited to Mayoral Strategic Authorities. If growth in county areas is to be maximised it has to extend to Foundation Strategic Authorities.

The trade-off for this flexibility should be the establishment of a localised performance agreement that is focused on specific growth outcomes (productivity, economic inclusion, job creation etc) and it should be established for a time-limited period (three to five years). Key to the success of these agreements is the ability to adapt the performance measures to the specifics of the individual area and its ambitions. That way these plans can be used as a genuine tool to drive growth.

A critical part of this settlement has to be removing short-term funding competitions. Currently this is creating the double negative of draining capacity – as staff time is absorbed in the application process – and creating strategic misalignment as focus is turned to individual components that are often separate from the wider growth agenda. This is why the ability for strategic authorities to be able to retain an element of income tax growth is important.

The fiscal evidence supports this. County areas raise 43% of England's tax and 57% of everything raised outside London but receive 39% of the public spending that can be traced to places. Spending exceeds tax raised by just £137 per person, against £1,171 across England as a whole. These are the places closest to paying their own way and furthest from controlling how the money is raised and spent.

Rewiring the State commits Government to work with the sector on a blueprint for the capacity and capabilities strategic authorities need, and to transfer funding and resource from the centre where functions are devolved. County areas should be central to designing that blueprint. They carry the largest volume of the English economy but, as this report shows, the greatest exposure to the capacity drain that competitive funding creates. A settlement that hands over powers without the resource to exercise them will not deliver growth.

03 Prioritise infrastructure investment in county areas

Government should prioritise grid upgrades, digital, water/sewer capacity and investment in key strategic transport corridors and align this with powers to safeguard employment land and the ability to sequence infrastructure delivery before housing.

This investment will directly address multiple challenges faced by county areas from power constraints to labour market access. It will also have an enabling effect on a number of key growth sectors – for example the significance of grid access to the successful delivery of offshore wind projects.

The productivity analysis in section 7 shows where the return sits. Public transport journey time to a major employment centre is the strongest correlate of county productivity of any factor tested (–0.69, against –0.37 in non-CCN areas), and gigabit availability correlates with county productivity (+0.44) while showing no relationship at all elsewhere (–0.04). The digital gap is also reopening: outdoor 5G coverage from all four operators reaches 28% of premises in shire counties and 14% in CCN unitary authorities, against 76% in metropolitan districts and 95% in London.

Rewiring the State commits Government to rebalance public investment per head between places. County transport access and digital completion are clear opportunities that rebalancing could deliver growth.

Strategic

04 Greater recognition and resources for the foundation economy

Government should complement the Industrial Strategy with funding and industrial policy levers that explicitly support sectors such as construction, manufacturing, logistics and tourism. This could include the development of clear procurement pipelines, delivery of supply chain programmes and investment in skills and training.

These sectors, individually and collectively, are significant national employers and very important to county area economies. While they may not have the headlines of many of the highest and fastest growing sectors, due to their scale small percentage uplifts in employment and/or GVA can deliver significant growth.

The premise that county economies are disproportionately local-services economies does not hold. The non-tradeable share of county employment (58.1%) is essentially identical to metropolitan districts (59.5%), and it is metropolitan districts, not counties, that have England's lowest tradeable employment share. The structural problem is different: foundation sectors sit outside the Industrial Strategy's eight Sector Plans, and it is those Sector Plans that are designed to join up with Local Growth Plans. Sectors employing a large share of 12 million county jobs therefore have no route into the machinery that aligns national and local growth policy.

05 Recognise and adequately resource strategic assets across county areas

Government needs to establish a mechanism to map, badge and prioritise nationally significant assets outside of metropolitan areas. These are assets that are important in driving innovation and growth – acknowledging that these are often split across individual authorities. These badges then need to enable access specific funding and support.

Many of these assets are essential to national security, net zero and exports but are often absent from national strategies or funding routes that flow to MCAs and big city research hubs.

The scale is established in section 2. County areas host 345,000 advanced manufacturing jobs, 1.5 million professional and business services jobs, and sectors central to at least five of the Industrial Strategy's eight priority sectors. Local Growth Plan economic overviews are required to identify regional sector strengths informed by the Industrial Strategy – a process from which county assets are currently absent.



Tactical

06 Make strategic planning work across county geographies and administrative boundaries

Spatial Development Strategies are now a statutory requirement, but they will be prepared on mayoral geographies. Government should ensure every county area is covered by a strategic planning framework of equivalent status, and that the framework can operate across boundaries, so unmet need arising in one strategic area can be planned for and delivered in another.

This is the practical gap. Much of England's unmet housing need arises in tightly constrained urban and mayoral geographies and can only be met beyond them. Without a strategic mechanism spanning those boundaries, that need has nowhere to go: it is either absorbed piecemeal into individual plans without the infrastructure to support it, or it is not delivered at all. County areas are where it lands. CCN shire counties built 121% of their assessed requirement over 2020/21–2022/23 and CCN unitary authorities 151%, against 88% in London. Delivery is not the constraint. The planning geography is.

Strategic plans are well suited to resolving this. They identify broad locations for growth rather than allocating specific sites, which makes them the right instrument for settling where growth should go across a functional economic geography without pre-empting the local plans that follow. The same framework can protect strategic employment sites from piecemeal loss and enable a coherent approach to brownfield land dispersed across many small sites.

A strategic plan covering a wider geography can set out not only what infrastructure is required but what has to be delivered first. That is a significant determinant of whether growth in county areas is deliverable, and it is the mechanism that would turn the infrastructure priorities in Recommendation 3 into a sequenced programme rather than a list.

07 Devolve targeted skills and business support to county areas

Government should provide delegated control over adult skills and business support beyond MSAs and offer flexibility to tailor to sector corridors and across wider geographies to support targeted investment into specific sectors.

This is particularly important in SME-heavy local economies where bespoke scaling support and the establishment of clear vocational and training pathways are particularly important in enabling growth.

Rewiring the State gives mayors control of the 16 to 19 budget, regionally shaped technical and vocational pathways from age 14, and devolved employment support, in order to drive down youth inactivity. County areas have the widest disadvantage gap at 19 of anywhere in England (31 percentage points), 44–46% of working-age residents qualified to Level 4 or above against 63.7% in London, and the lowest adult further education participation in the country – precisely the problems these powers are designed to fix. Local Skills Improvement Plans and Get Britain Working Plans are expected to align with a Local Growth Plan: county areas have neither the plan nor the powers. Restricting both to mayoral areas would withhold the tools from the places with the clearest evidenced need.

08 Establish a county area community benefit protocol

The Government's recent decision to apply the Bill Discount Scheme for communities living near new transmission network infrastructure projects is a welcome step forward. However, it needs to be formalised and widened to other intrusive aspects of infrastructure. That is why for national infrastructure investments around energy, water and transport Government should create a standard offer of local community benefits, skills pipelines and supply-chain participation that are supplemented by transparent engagement and place-specific investment plans in order to ensure that residents benefit from larger infrastructure projects that often “pass through” a geography.

This protocol would also close a live gap in procurement policy. The National Procurement Policy Statement asks contracting authorities to take account of priorities in local and regional growth plans where these are available – wording that delivers nothing in places that have no plan.

Technical

09 Create a “place-balanced” growth framework

Government should build out from the recent Green Book update to better reflect a “place-based” approach in considering a more rural and poly-centric context. This will then help establish a growth framework that requires departments to assess funding proposals against criteria such as rural viability, dispersed clusters, polycentric travel to work areas and publish how funding allocations reflect these criteria. As suggested in the previous chapter this could be effectively done through the creation of place-differentiated typologies.

This approach will help address the systematic metro bias in funding and policy design. It will also help put ‘skin on the bones’ of the coastal and rural area of competence for strategic authorities, which was a late amendment to the English Devolution and Empowerment Act.

The Brownfield Land Fund is the clearest illustration: its design assumptions make dispersed, small-scale brownfield land ineligible, which excludes precisely the sites county areas have. The underlying mismatch is measurable. County areas average 2.4 people per hectare against 17.2 across non-CCN England, and 74.9% of shire county residents who travel to work do so within their own county – functioning labour markets that appraisal frameworks built on agglomeration logic cannot see. *Rewiring the State* puts the burden of proof on departments to justify holding decisions centrally; the same principle should apply to appraisal criteria that hold places to an urban standard.

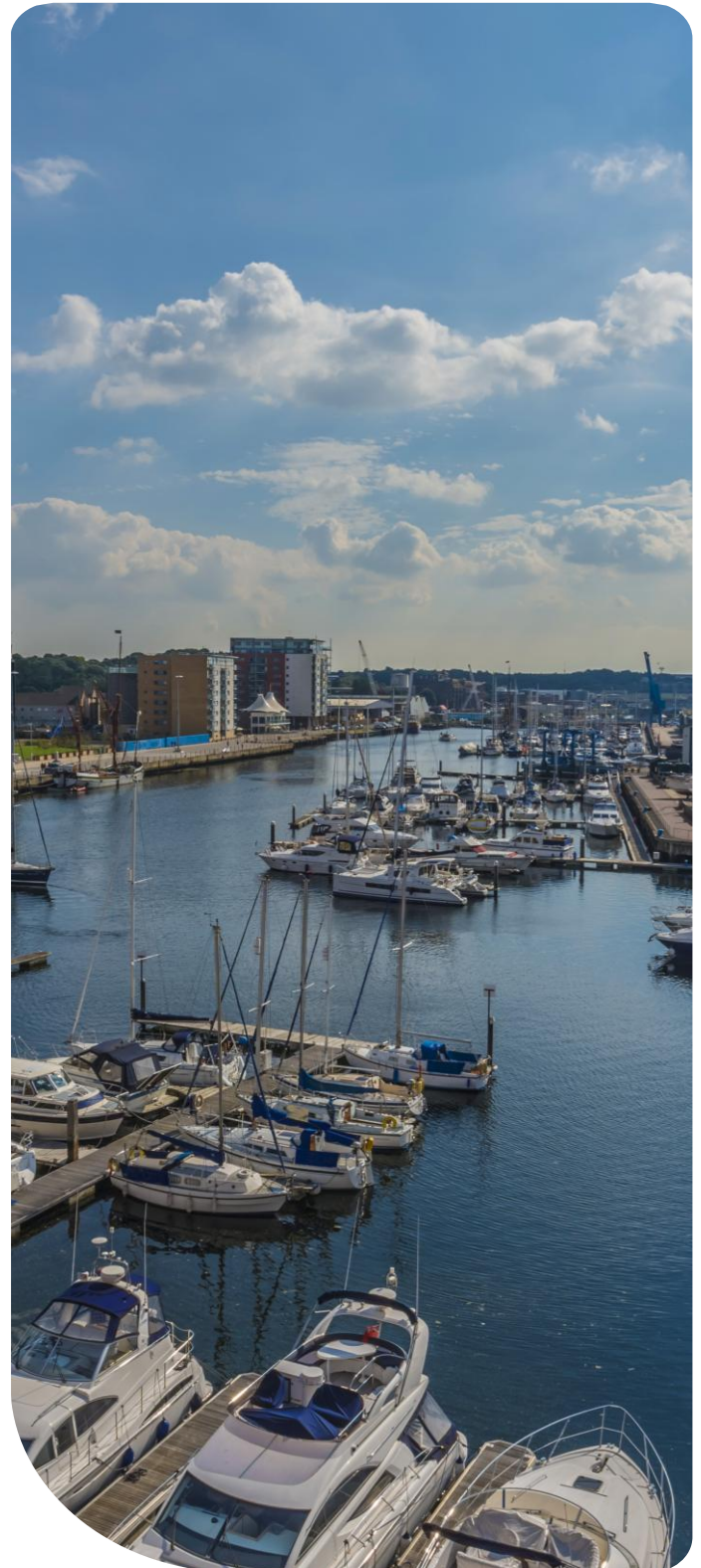
10 Further update the Green Book to better reflect poly-centric and more rural areas

Building on the above, this update would provide guidance on how to properly weight dispersed benefits, connectivity gaps and the opportunity cost of “being left behind” including worked examples.

This is particularly important in relation to land value uplift and the MHCLG supplementary appraisal guidance.

It is only by making changes like this that credible cases for investment can be made.

Where Recommendation 9 sets the requirement on departments, this recommendation addresses the technical guidance that determines whether a business case can be built at all. The scale of the gap is quantified: had county areas matched the England growth rate between 2013 and 2023, their output in 2023 would have been around £19 billion higher. Guidance that cannot value dispersed benefits, connectivity gaps or the opportunity cost of being left behind will not release it.



Recommendation	T1: Spatial Character	T2: Economic Role	T3: Sectoral Specialisation	T4: Economic Function	T5: Resilience & Structural Challenges
R1: Secure county areas a route into Local Growth Plans and shared priorities	Rural & dispersed and peripheral & coastal areas have the least capacity to produce a growth plan unaided – MHCLG analytical support should be weighted toward them. Plans must be able to cover polycentric travel-to-work geographies rather than single administrative boundaries.	National growth engines and regional growth anchors hold mature economic evidence bases and could produce plans at pace. Foundational economies need the shared priorities process most, as their constraints are least visible in national datasets.	Local Growth Plan economic overviews must identify sector strengths informed by the Industrial Strategy – advanced manufacturing, science & innovation and logistics specialisms currently have no route to register. Land-based and visitor economy specialisms need shared priorities that recognise non-market outputs.	Economic enablers need plans that span functional economic areas, since their contribution is expressed through neighbouring city-regions. Economic providers need shared priorities capable of capturing food, energy and labour contributions that conventional growth metrics miss.	Structural risk areas gain most from a 10-year planning horizon and from the investment pipeline route to the National Wealth Fund and Office for Investment. Highly diversified & resilient authorities need plans that protect growth capacity rather than simply stimulate demand.
R2: Create a genuine growth financial settlement model	Peripheral & coastal and rural & dispersed areas face the most severe capacity drain from short-term funding competitions, given limited officer resource. Integrated settlements should explicitly weight for polycentric and dispersed geographies where strategic alignment is harder to achieve across fragmented structures.	National growth engines and regional growth anchors are best placed to deploy flexible settlement funding rapidly. Foundational economies need longer settlement periods (5+ years) and ring-fenced baseline funding given weaker revenue generation capacity.	Areas with advanced manufacturing or science & innovation specialisms should be able to direct settlement funding toward sector-specific infrastructure and skills without competition-by-competition justification. Land-based and visitor economy specialisms – often undervalued in conventional metrics – require explicit inclusion in performance agreement criteria.	Economic providers are most disadvantaged by the current system as their contribution (food, energy, labour) is not captured by conventional growth metrics. Settlement design must include non-market productivity indicators. Economic enablers need funding that spans functional economic boundaries rather than administrative borders.	Areas with structural risks face the worst capacity constraints and are least able to compete effectively for short-term pots. Performance agreements must include resilience-building metrics, not just productivity outputs. Moderately diversified authorities should be incentivised to invest settlement funding in transition sectors.

R3: Prioritise infrastructure investment in county areas	Rural & dispersed and peripheral & coastal areas have the most severe infrastructure deficits – grid, digital, water/sewer and transport corridors – and highest per-unit delivery costs. Investment sequencing (infrastructure before housing) is especially critical in these geographies. Metropolitan edge authorities need targeted investment in strategic transport corridors to manage commuting pressure.	National growth engines are constrained by grid and water/sewer capacity limiting their ability to deliver housing and employment land at pace. Foundational economies require basic connectivity investment (digital, transport) as a prerequisite for any productivity improvement. Regional growth anchors need investment in key supply chain transport corridors.	Advanced manufacturing & engineering authorities require grid upgrades as a strategic priority – power constraints directly limit growth of defence and aerospace facilities. Science, innovation & knowledge-intensive authorities need digital infrastructure and water capacity to support lab and campus development. Logistics & distribution authorities need road/rail network investment to maintain national supply chain efficiency.	Economic providers require grid investment for renewable energy projects and rural digital connectivity to support agricultural technology. Economic enablers need transport infrastructure investment to maintain functional relationships with neighbouring city-regions. Economic drivers need infrastructure scaled to their growth trajectory – supply-side constraint is the primary growth bottleneck.	Structural risk areas need infrastructure investment as a resilience measure, not just a growth lever – connectivity investment reduces isolation and widens economic opportunity. Highly diversified & resilient authorities risk losing their growth advantage if infrastructure investment does not keep pace with growth demand.
R4: Greater recognition and resources for the foundation economy	County town-led and rural & dispersed areas often have the highest concentration of foundational sector employment (health, care, retail, hospitality) and stand to gain most from targeted procurement pipelines and skills investment. Peripheral & coastal areas need seasonal economy transition support embedded in foundation economy programmes.	Foundational economies are the primary beneficiary – explicit industrial policy support for their dominant sectors (health & social care, public services, land-based industries, visitor economy) would directly drive employment and productivity growth. Balanced & traditional economies benefit from programmes that help diverse industrial bases develop supply chain linkages.	Visitor economy & culture authorities need transition funding to diversify beyond seasonal employment. Land-based & environmental economy authorities need supply chain development programmes that connect agricultural and environmental services to wider national markets. Logistics & distribution authorities benefit from skills and training pipelines addressing chronic workforce shortages.	Economic providers are the central beneficiary – the recommendation directly addresses the invisibility of their contribution in national policy. Economic enablers need foundation economy resources that recognise cross-boundary labour market dynamics.	Structural risk areas – where foundational sectors dominate – need foundation economy investment as their primary growth pathway given limited capacity to shift rapidly to knowledge-intensive sectors. Moderately diversified authorities can use foundation economy programmes as a stabilising base while pursuing higher-value sector development.

R5: Recognise and adequately resource strategic assets across county areas	Assets are often split across multiple authorities in polycentric geographies – the mapping mechanism must be able to aggregate assets that span administrative boundaries. Peripheral & coastal areas host nationally significant assets (port infrastructure, environmental assets, defence sites) that are frequently absent from national strategies.	National growth engines and regional growth anchors contain the highest density of nationally significant assets – universities, research parks, advanced manufacturing clusters – but these often lack formal recognition in national funding frameworks. Foundational economies host assets (food production systems, environmental services) of national importance that are systematically absent from asset mapping exercises.	Advanced manufacturing & engineering authorities host defence, aerospace and automotive assets that are critical to national security and competitiveness – formal badging would unlock innovation and security funding. Science, innovation & knowledge-intensive authorities need asset recognition to compete with metropolitan research hubs for UKRI and industrial strategy funding.	Economic drivers have the strongest existing recognition – the recommendation primarily benefits economic enablers and providers whose assets (ports, food systems, energy infrastructure) are undervalued in national frameworks. Recognition should include appraisal of cross-boundary spillover benefits.	Highly diversified & resilient authorities should use asset recognition to protect and scale their competitive advantage. Structural risk areas often contain assets (coastal heritage, environmental capital, agricultural systems) that are nationally significant but poorly funded – badging these assets is a critical step in building a viable economic transition pathway.
R6: Make strategic planning work across county geographies and administrative boundaries	Metropolitan edge & polycentric areas are where unmet need from adjacent mayoral geographies will land, and they have the least means to plan for it – a cross-boundary mechanism matters most here. Rural & dispersed areas need broad-location planning capable of directing growth to sustainable settlements rather than allowing it to disperse across many small sites	National growth engines face the sharpest infrastructure sequencing problem: growth capacity is constrained by what is delivered first, not by demand. Foundational economies need broad locations that safeguard land for food production, logistics and visitor economy infrastructure before it is absorbed by housing.	Logistics & distribution areas need growth locations identified at a strategic scale, as large-scale distribution facilities cannot be accommodated once displaced by local-level decisions. Science, innovation & knowledge-intensive areas need infrastructure sequenced around campus and research park expansion rather than around housing alone.	Economic enablers are the most exposed. They absorb commuter housing generated by neighbouring city-regions without any strategic mechanism to plan for it or secure the infrastructure it requires. This is the clearest case for cross-boundary planning in the typology. Economic drivers need the power to sequence infrastructure ahead of housing to protect growth capacity.	Structural risk areas need broad locations identified for transition sectors, so that land is available as legacy employment contracts. Highly diversified & resilient authorities need strategic frameworks that can plan across many small, dispersed brownfield sites – the pattern the current Brownfield Land Fund design excludes.

R7: Devolve targeted skills and business support to county areas	Polycentric and rural areas have labour markets that cross many boundaries — delegated control over adult skills must be exercisable across wider geographies than a single authority. Metropolitan edge areas need flexibility to align skills provision with neighbouring city-region sector priorities.	Foundational economies need bespoke skills pathways for sectors (care, construction, hospitality) that are historically underserved by national skills frameworks. National growth engines and regional growth anchors need flexibility to direct business support toward scale-up and export activities rather than generic start-up support.	Advanced manufacturing & engineering areas need vocational and apprenticeship pathways aligned to specific sectoral needs (aerospace, automotive, precision engineering). Science, innovation & knowledge-intensive authorities need postgraduate and research skills pipelines. Visitor economy authorities need transition skills programmes that build transferable capabilities beyond seasonal hospitality roles.	Economic providers need skills programmes that support agricultural technology adoption and clean energy workforce development. Economic enablers need business support that addresses SME scaling challenges specific to their functional role in wider city-region supply chains.	Structural risk areas need skills investment as a resilience measure — retraining and upskilling programmes targeted at workers in automatable sectors. Moderately diversified authorities should use delegated skills budgets to fund the reskilling pathways needed to support transition to adjacent growth sectors.
R8: Establish a county area community benefit protocol	Rural & dispersed and peripheral & coastal areas most frequently experience large national infrastructure projects (energy, transport, water) that 'pass through' without generating local economic benefit. The protocol must be designed for dispersed geographies where supply chain participation requires active brokerage rather than passive market access.	Foundational economies and balanced & traditional economies have the highest proportion of residents working in sectors (construction, logistics) that could directly participate in infrastructure supply chains — the protocol should create structured access routes. National growth engines should use the protocol to ensure infrastructure projects generate skills and supply chain benefits that feed back into local economic ecosystems.	Land-based & environmental economy areas host significant renewable energy and water infrastructure — the protocol should ensure these authorities receive structured community benefit, skills pipelines and local procurement commitments. Logistics & construction areas are natural supply chain participants and should be formally included in procurement plans for major national projects.	Economic providers are the most affected by infrastructure that extracts value without local reinvestment — the protocol directly addresses this structural injustice. Economic enablers should use community benefit mechanisms to capture investment flows associated with major projects that serve neighbouring metropolitan areas.	Structural risk areas are most dependent on community benefit protocols as a mechanism for capturing economic value from national infrastructure given their limited capacity to compete for direct investment. The protocol should include minimum standards for skills pipeline investment targeted at areas with high automation risk.

R9: Create a 'place-balanced' growth framework	The existing Green Book framework is structured around urban agglomeration logic — this systematically disadvantages rural, dispersed and polycentric geographies. The updated framework must include criteria such as rural viability, dispersed cluster assessment and polycentric travel-to-work area analysis. Metropolitan edge areas need assessment criteria that capture cross-boundary functional relationships.	Foundational economies are the most disadvantaged by current appraisal frameworks, which tend to undervalue employment density and over-weight GVA per head. The framework update should include employment multiplier effects for foundational sectors. National growth engines need the framework to capture wider supply chain and innovation spillover benefits.	Land-based & environmental economy areas need appraisal criteria that value non-market outputs (environmental services, food security, carbon sequestration). Advanced manufacturing & engineering authorities need frameworks that capture strategic value and national security contributions, not just market productivity.	Economic providers need a framework that values non-market productivity — food production, energy security, environmental services — alongside conventional GVA metrics. Economic enablers need appraisal tools that capture cross-boundary economic benefits rather than confining assessment to the authority boundary.	Structural risk areas need the framework to explicitly assess the opportunity cost of underinvestment — the report references this as 'the cost of being left behind'. Highly diversified & resilient authorities need the framework to capture the sustainability of growth, not just its pace.
R10: Further update the Green Book to better reflect polycentric and more rural areas	This recommendation directly addresses the structural bias against dispersed, rural and polycentric geographies in current appraisal guidance. Worked examples should be developed for polycentric travel-to-work areas and dispersed brownfield land — the current Brownfield Land Fund design is specifically identified as disadvantaging these geographies.	Foundational economies need updated guidance on how to weight employment density and local multiplier effects in business cases. National growth engines need guidance on capturing innovation spillover and knowledge externality benefits in project appraisals.	Land-based & environmental economy areas need specific guidance on valuing non-market outputs (aggregates, clean energy, food systems) in MHCLG supplementary appraisal guidance. Logistics & distribution authorities need updated transport appraisal guidance that captures network-wide productivity effects of strategic distribution infrastructure.	Economic providers need Green Book guidance that gives equal weight to supply-side economic contributions (food, energy, labour) as to market-facing productivity outputs. Economic enablers need worked examples demonstrating how to assess cross-boundary land value uplift and infrastructure benefits.	Structural risk areas need the connectivity gap and 'left behind' opportunity cost to be formally embedded in Green Book guidance with worked examples — without this, credible investment cases cannot be made. The report explicitly identifies this as a prerequisite for building viable business cases.

Appendices



Appendix A:

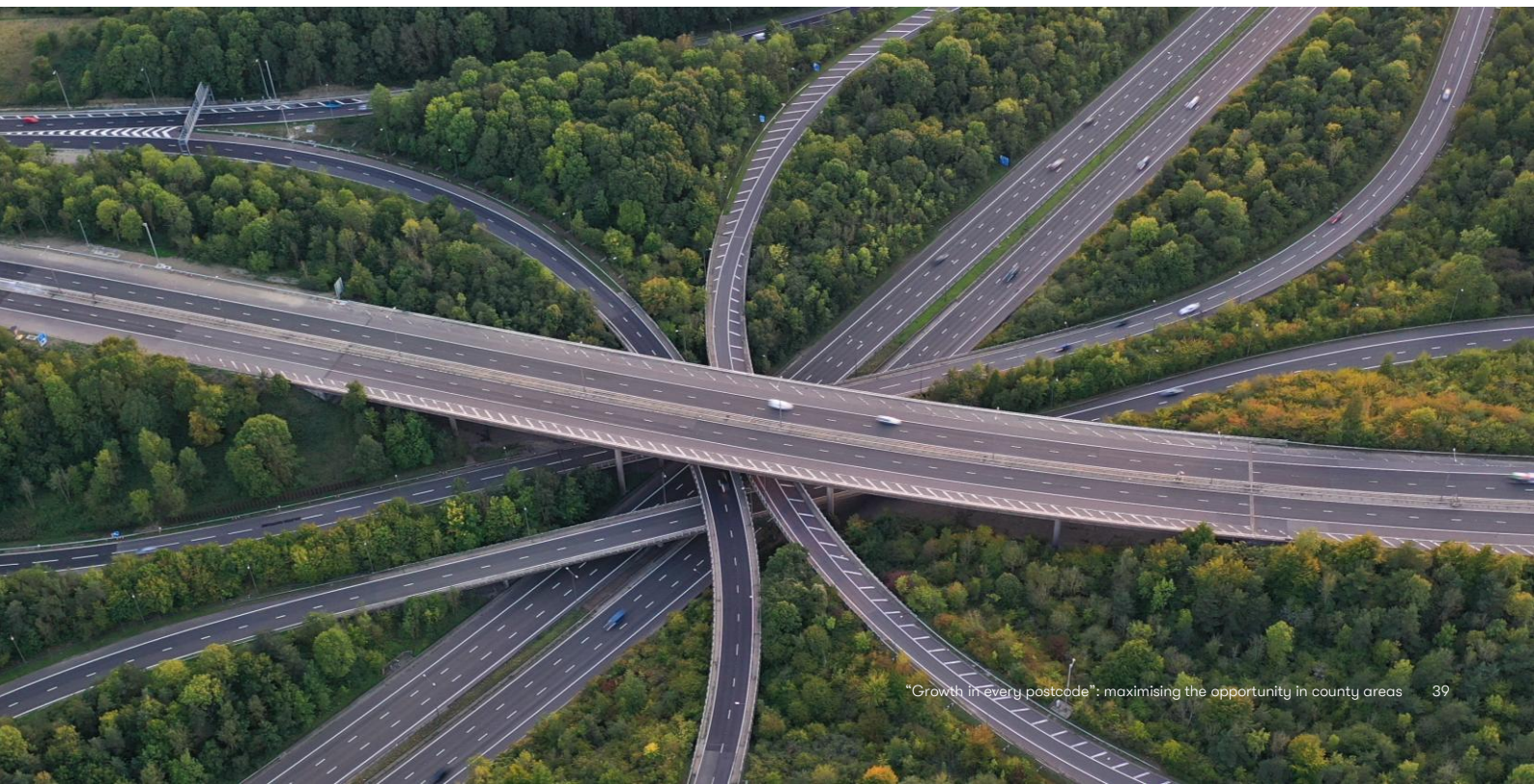
CCN area geographies

Shire counties

- Cambridgeshire
- Derbyshire
- Devon
- East Sussex
- Essex
- Gloucestershire
- Hampshire
- Hertfordshire
- Kent
- Lancashire
- Leicestershire
- Lincolnshire
- Norfolk
- Nottinghamshire
- Oxfordshire
- Staffordshire
- Suffolk
- Surrey
- Warwickshire
- West Sussex
- Worcestershire

Unitary authorities

- Buckinghamshire
- Central Bedfordshire
- Cheshire East
- Cornwall
- Cumberland
- Dorset
- County Durham
- East Riding of Yorkshire
- Herefordshire
- North Lincolnshire
- North Northamptonshire
- North Yorkshire
- Northumberland
- Shropshire
- Somerset
- West Northamptonshire
- Westmorland and Furness
- Wiltshire



Appendix B: How county areas are described in this report

The report uses a number of terms for CCN member authorities and the areas they are compared against. This appendix defines each of them.

County areas

“County areas” is used throughout for the 39 CCN member authorities taken together: 21 shire counties and 18 unitary authorities, listed in full in Appendix A. “CCN areas”, “CCN member areas” and “CCN member authorities” mean the same thing and are used interchangeably where the sentence reads better. Where the report says “county areas” it means the whole geography of those 39 authorities – for a shire county, that includes the district councils within it.

Tiers within CCN membership

Term	What it means	Number
CCN shire counties – also “shire counties”	Upper-tier county councils in two-tier areas. Responsible for services such as transport, adult skills and strategic planning; district councils within them hold the remaining functions.	21
CCN unitary authorities – also “CCN unitaries”	Single-tier authorities that are CCN members, holding both county and district functions.	18
District councils	The second tier within shire county areas. Districts form part of the county area and are included in county-area figures, but are not themselves CCN members.	164

Comparator groups

Group	What it means	Number
Non-CCN unitary authorities – also “non-CCN unitaries”	Single-tier authorities outside CCN membership, including the Isles of Scilly. Mostly cities and towns that were separated from their surrounding county.	45
Metropolitan districts	The authorities of the six former metropolitan counties – Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire.	36
London boroughs	The 32 London boroughs and the City of London.	33
“Non-CCN areas”	All three groups above taken together, used where the comparison is county areas against the rest of England.	114

What county figures exclude

Several cities are unitary authorities in their own right and are not CCN members, even though they sit inside a county geography. They are excluded from every county figure in this report. Leicester, Derby, Stoke-on-Trent and Nottingham are entirely surrounded by their county – the whole of each city boundary is shared with it – and Luton, Telford and Wrekin, and York are almost so. This matters when reading a county figure: “Leicestershire” does not include Leicester, so the figure describes the county authority’s area rather than the wider economy of which the city is part. Where the report discusses commuting into neighbouring urban centres, those centres are frequently these excluded cities.

Geography and vintage

All figures use local authority geography as it stood from April 2023. Cumberland and Westmorland and Furness replaced Cumbria, and North Yorkshire and Somerset became unitary authorities, in April 2023; all four are counted here as CCN unitary authorities. Where a data source is published for predecessor districts, the values are aggregated to the current authority. Two datasets – travel-to-work flows and journey times – are only published for the predecessor geography, and this is noted where it affects a figure.



Appendix C: Methodological approach and data sources

This appendix sets out the methodological approach, with the data sources and geography conventions used in the analysis.

Approach

This report draws on three interlinked components to build a robust and evidence-based understanding of the role of county economies. These components have been developed iteratively, ensuring that evidence, analysis and stakeholder insight are combined to provide a clear and credible foundation for the report's conclusions and recommendations.

- Desk-based review: a review of published data, policy literature and existing research on place-based growth, alongside county area strategies and delivery activity – used to understand the historical and policy context for local economic growth including the impact of devolution and emerging Strategic Authorities; identify the financial and non-financial inputs that support growth; review current thinking on what drives successful place-based growth; and capture the scale and nature of investment and activity undertaken by county areas.
- Detailed socio-economic data analysis: a comprehensive analysis of key indicators across CCN member authorities and comparator areas, covering business activity, productivity, infrastructure, labour markets and living standards – assessing the economic contribution of county areas over time, exploring relationships between indicators, understanding variation within and between areas, and comparing performance with non-county areas.
- Case study consultations: targeted engagement with local and national stakeholders, including CCN member authorities and central government departments, to test emerging findings, capture local insight, explore delivery considerations, strengthen and validate recommendations.

Comparator groups and geography

Authorities are classified into five groups on the CCN membership (21 shire counties and 18 unitary authorities): CCN shire counties, with district-level data rolled up to county level, CCN unitary authorities, non-CCN unitary authorities, metropolitan districts and London boroughs. Where source data predates local government reorganisation, legacy authorities (Cumbria, North Yorkshire, Somerset, and the 2019-21 Buckinghamshire, Northamptonshire, Dorset, BCP and Suffolk changes) are mapped to current boundaries so that all comparisons are on a consistent basis.

Group figures are exact aggregate ratios (numerator and denominator summed across constituent authorities) wherever the measure permits – shares, rates per head, densities and travel-time averages are all constructed this way.

Weighted means are used only where an indicator is a published median or modelled estimate (for example ASHE median hourly pay) and are noted as proxies, since group medians and modelled measures cannot be re-derived from published authority values. Nothing is a simple average of authorities unless explicitly labelled as such.

Principal data sources

ONS (economy): regional GDP (chained volume measures) and GVA(B) by local authority, including GVA by industry; subregional productivity; business demography; Annual Survey of Hours and Earnings; regional gross disposable household income. ONS (population and geography): mid-year population estimates and subnational population projections; Standard Area Measurements; built-up areas 2022; rural-urban classification; Census 2021 origin-destination commuting (ODWP01EW). ONS (living standards and access): healthy life expectancy; housing purchase affordability; subnational dwelling and household tenure; police recorded crime (Community Safety Partnership tables); amenity counts and travel time to services. Nomis (ONS): Annual Population Survey – employment, inactivity, qualifications (RQF); Business Register and Employment Survey (BRES) – sector and tradeable employment. DfE: Level 2/3 attainment by 19; EYFSP; participation and NEET (16–17 and 16–21); further education and skills. MHCLG: Housing Delivery Test 2023; Live Tables 100, 122, 125; Indices of Deprivation. DESNZ: sub-regional fuel poverty. Ofcom: Connected Nations (July 2025). DfT: journey time statistics (JTS0401, 2019). Secondary analysis: Grant Thornton and CCN (2025), Fiscal devolution (tax and public spending by place). Time bases differ by indicator and are stated where material.



Appendix D: Supporting indicator analysis

This appendix carries condensed indicator-level analysis, plus the distribution (spread) analysis behind the group figures.

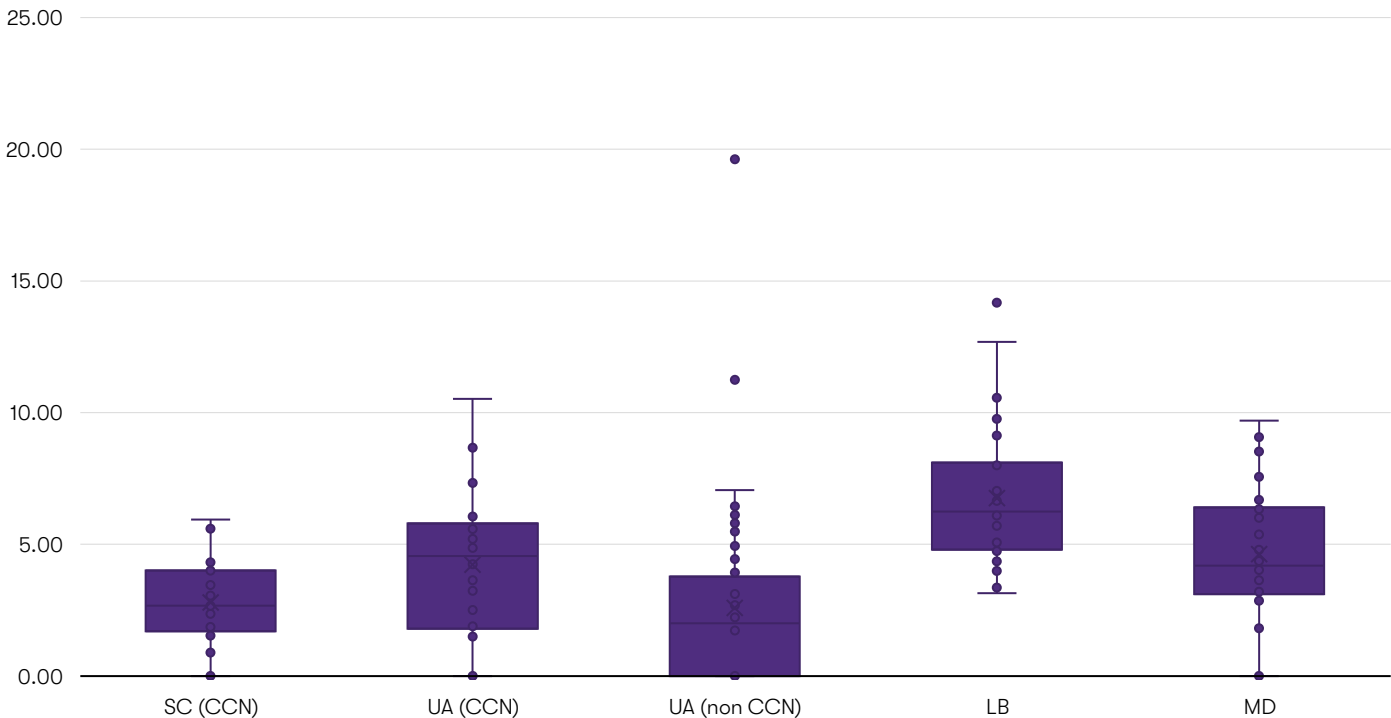
Demography

CCN areas account for over 27 million residents (2024), projected to reach approximately 29 million by 2036 (+6.5%, above the England average of 5.4%) and faster than any other authority type. The oldest profiles are in rural and coastal unitaries – Dorset (51.2% working-age by 2036), Herefordshire, East Riding and Shropshire (around 55%) – while the youngest county profiles (Oxfordshire, Cambridgeshire, around 63%) are in the strongest economies. This is the evidence behind the demographic pressure identified in the resilience grouping (Typology 5), and it strengthens rather than weakens the labour-supply argument in section 4: as the resident workforce share shrinks, making full use of the people counties already have – the inactive who want to work, adults missing Level 3 – matters more, not less.

Population density is 2.4 people per hectare across CCN areas, against 17.2 in non-CCN areas and 57.0 in London boroughs (land areas on the ONS standard extent measure) – the spatial fact behind the connectivity analysis in section 5 and the spatial-character typology (Typology 1), which identifies low density and dispersed settlement as drivers of service-delivery cost.

Amenity density (per 100,000 population, ONS 2024) tells a more nuanced story than raw travel times alone. On most community-facing amenities, CCN areas show higher density per capita than non-CCN areas – a function of lower population density rather than better absolute provision. The exception is rail stations, where CCN areas are markedly worse served than metropolitan areas and London.

Rail Stations per 100,000 people

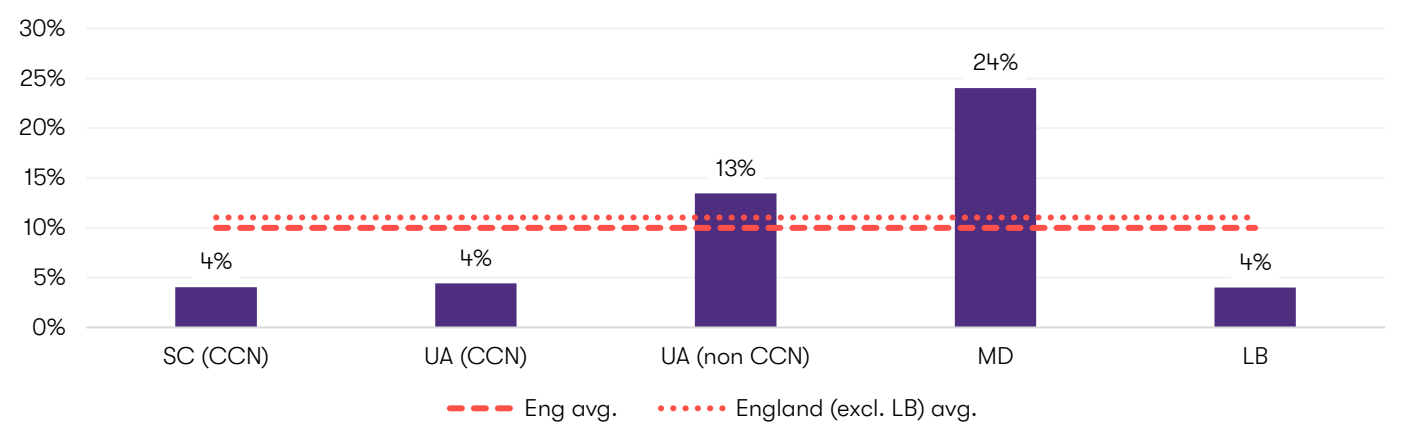


Access to services reflects the same geography from the resident’s side: county areas have more facilities per head than urban England (481 amenities per 100,000 people against 339 in metropolitan districts and London, counting GP surgeries, dental practices, libraries, post offices, community facilities and similar) – dispersion produces more, smaller facilities – but each is further away: 33% of county residents live within a 15-minute walk of a library against 54% in urban areas, and 19% within 15 minutes of a rail station against 49%.

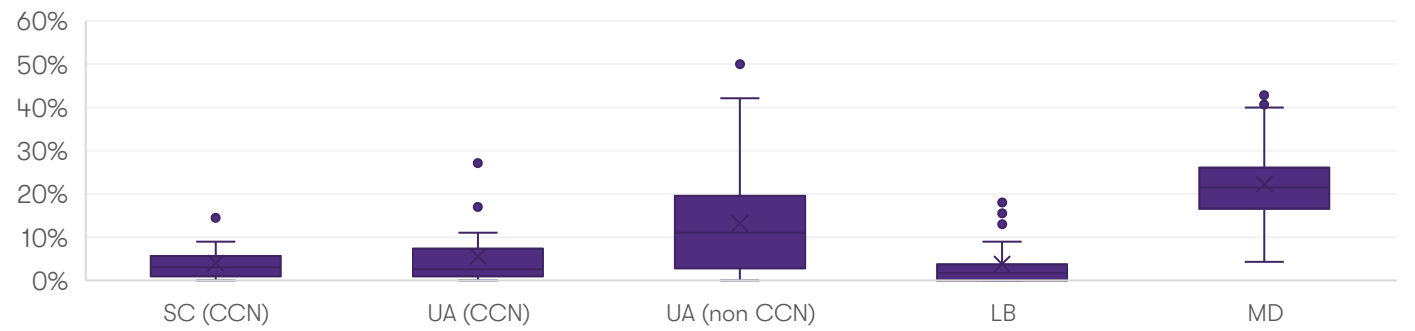
Deprivation and income

CCN areas have a lower share of neighbourhoods in the most deprived decile (4–5%) than non-CCN unitaries (13%) or metropolitan districts (24%), but with considerable within-area variation and concentrated pockets in smaller towns and isolated communities. Gross disposable household income per head in CCN areas is broadly at the England average and below London (£32,330), with tightly clustered distributions – disparities exist at neighbourhood level rather than as extreme outliers.

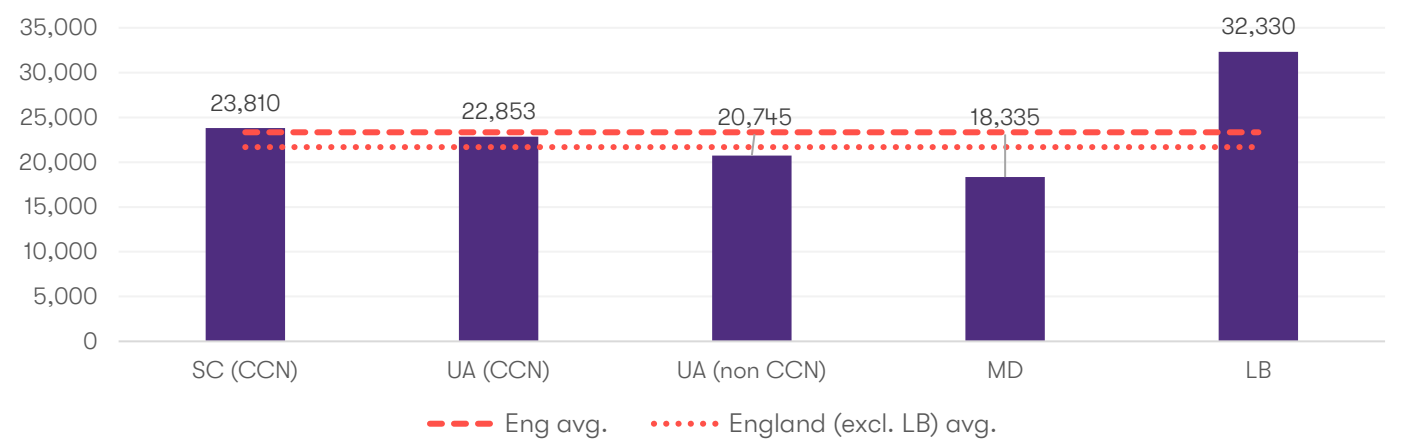
IMD – LSOAs in most deprived decile (%)



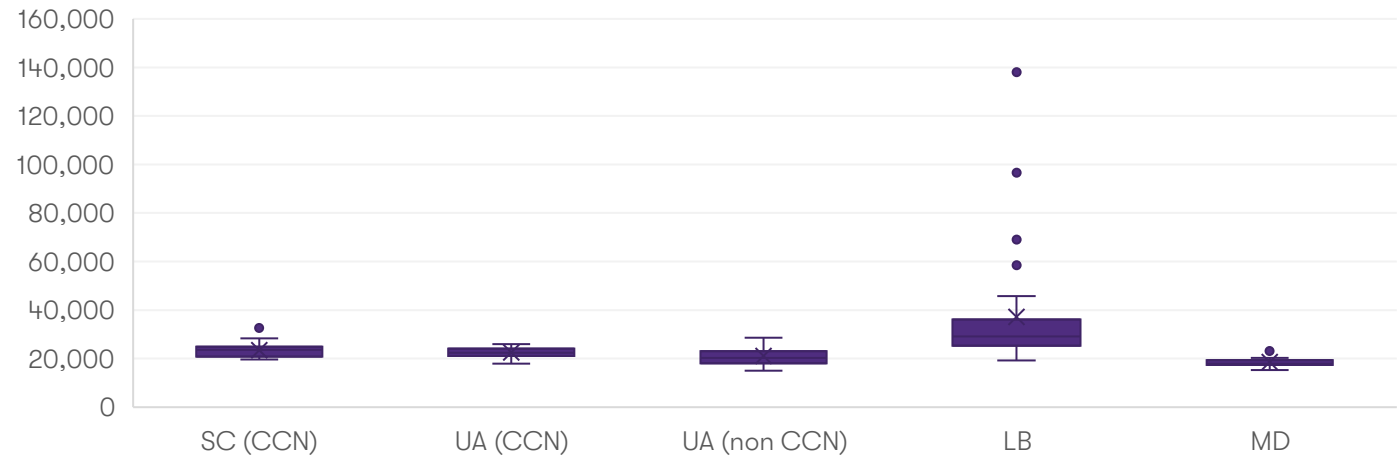
IMD – LSOAs in most deprived decile – distributional spread(%)



Gross disposable household income per head



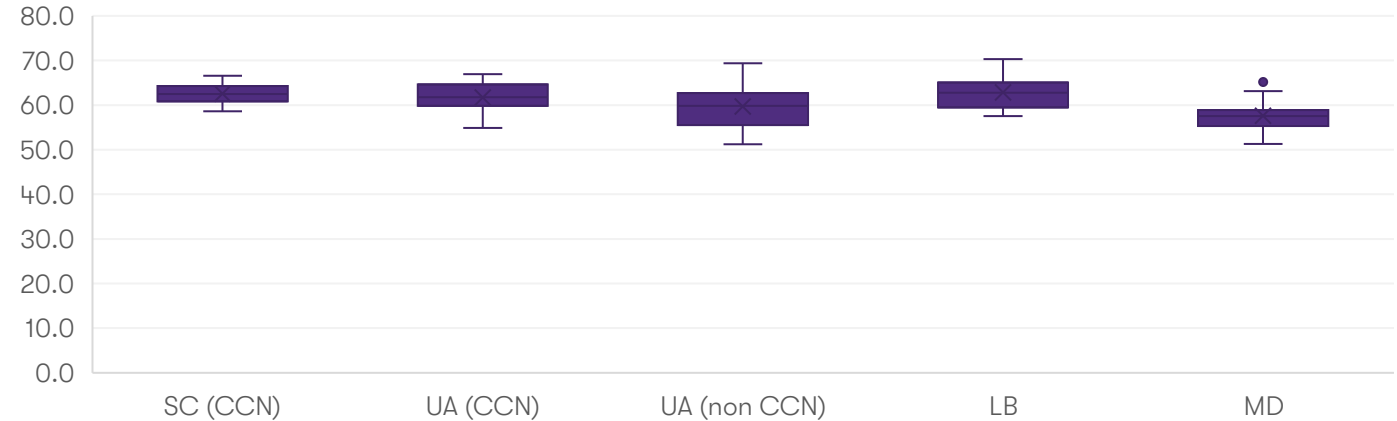
Gross disposable household income per head



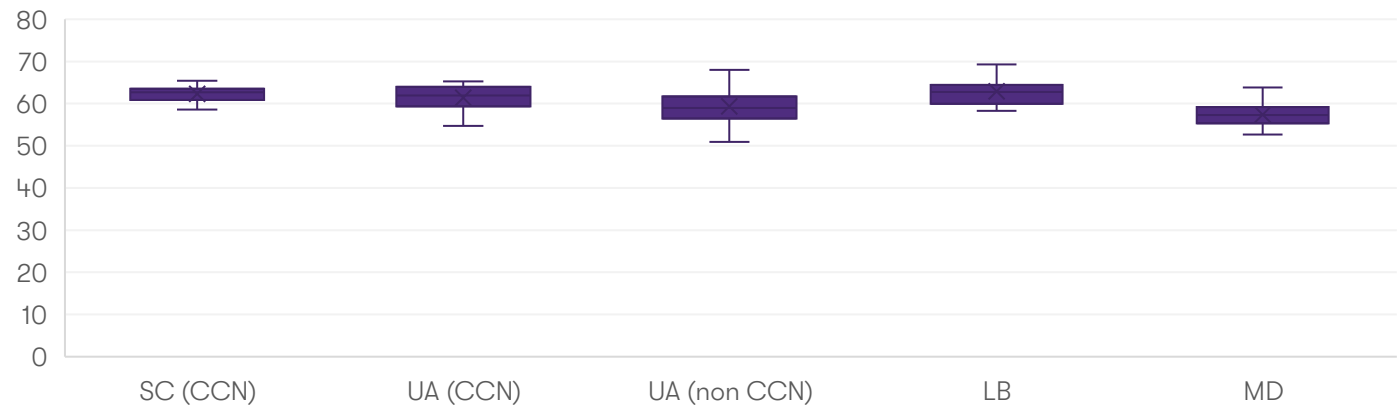
Health

Healthy life expectancy in CCN areas (62.2 years female, 62.0 male) is above the England average (60.5/60.3); metropolitan districts are lowest (57.6/57.3). Simple averages across authorities, not population-weighted.

Females healthy life expectancy



Males healthy life expectancy



Earnings

Workplace median hourly pay in CCN areas (£16.97) is below non-CCN areas (£18.16) and England (£17.60); residence-based pay (£18.16) is higher, and close to the England figure of £18.31, with residence exceeding workplace pay in both shire counties and CCN unitary authorities – the commuting-for-pay pattern discussed in section 4 and the spatial typology. Population-weighted averages of local authority medians.

Business demography and sectors

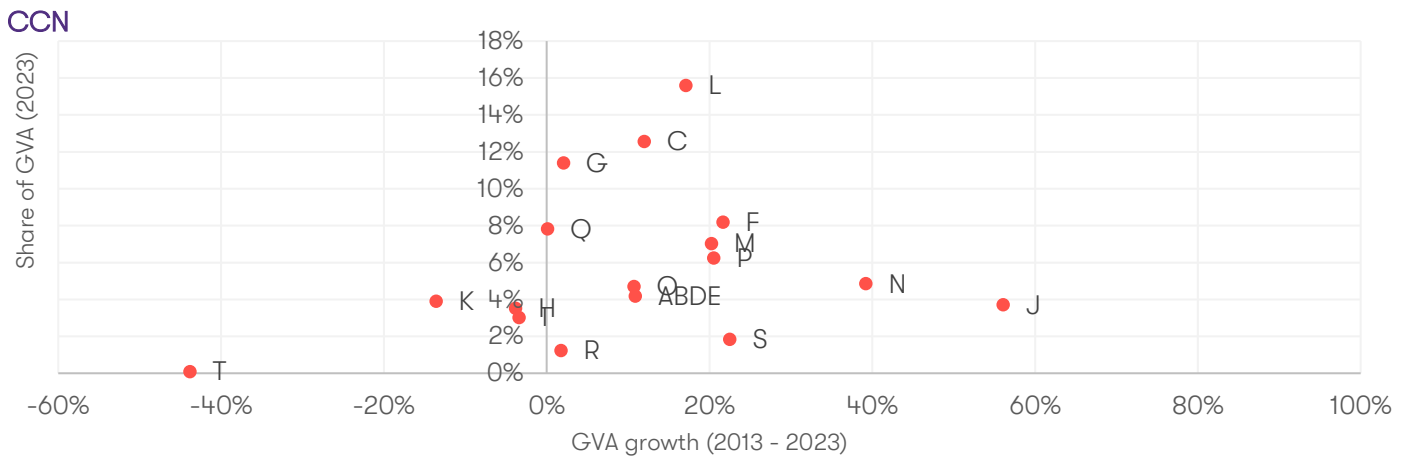
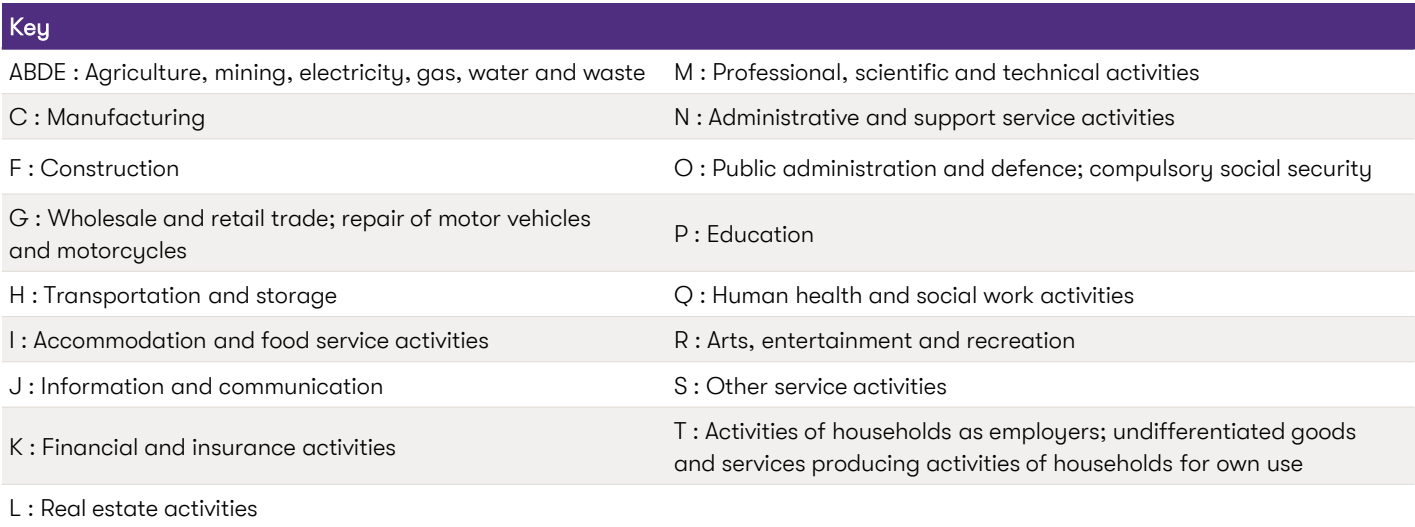
CCN areas host over 1.1 million businesses – 47.5% of England’s business base – with high churn (101,855 births, 99,135 deaths) and business density of 413 per 10,000 population against 397 in non-CCN areas. Sectoral employment: 1.5m professional and business services, 845k foundational industries, 755k digital and technology, 345k advanced manufacturing; 2015–24 trends show growth in life sciences (+31%) and professional and business services (+11%), but digital employment grew only 4% against 22% in non-CCN areas, and financial services

employment fell 15% while growing 12% elsewhere – consistent with the tradeable-trend and Level 4+ findings in the main body.

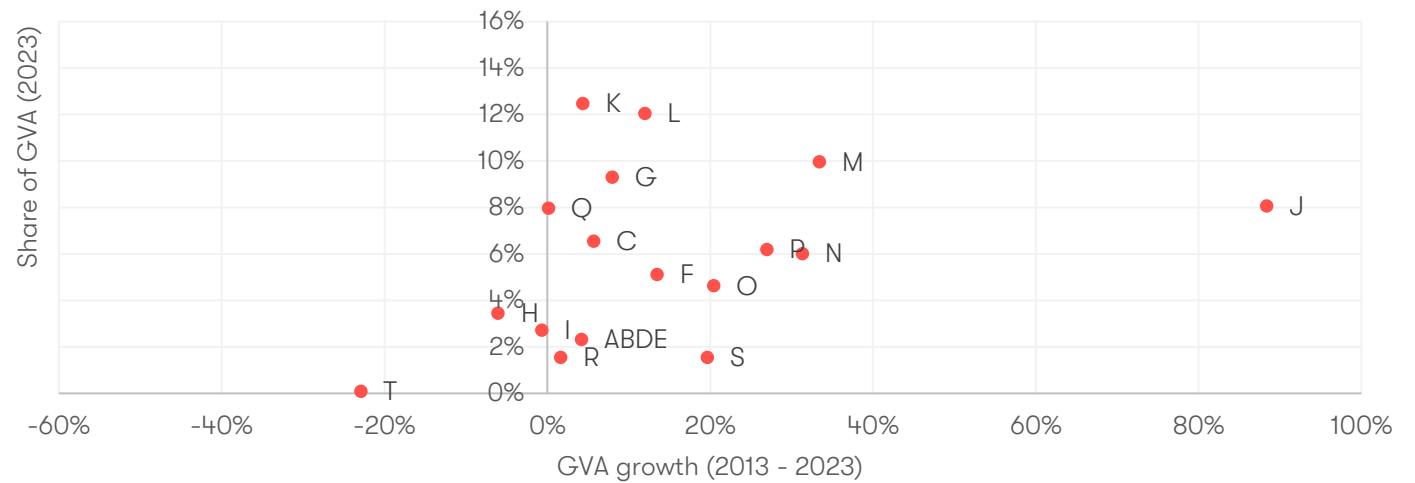
GVA sector analysis (growth against share, and specialisation indices) shows that CCN economies have balanced, diversified profiles with the highest specialisation in land-based/utility sectors (ABDE).

Analysis of GVA growth, sector share and specialisation provides further insight into the economic structure and performance of county areas compared to other geographies.

Looking first at GVA growth (2013–2023) against sectoral share of GVA (2023), the charts below highlight a diverse performance across both CCN and non-CCN areas. In CCN economies, sectors tend to cluster around more moderate growth rates and mid-range shares of GVA, indicating steady but less extreme performance compared to non-CCN areas. This chart does however mask the variation within each authority type and individual authorities.

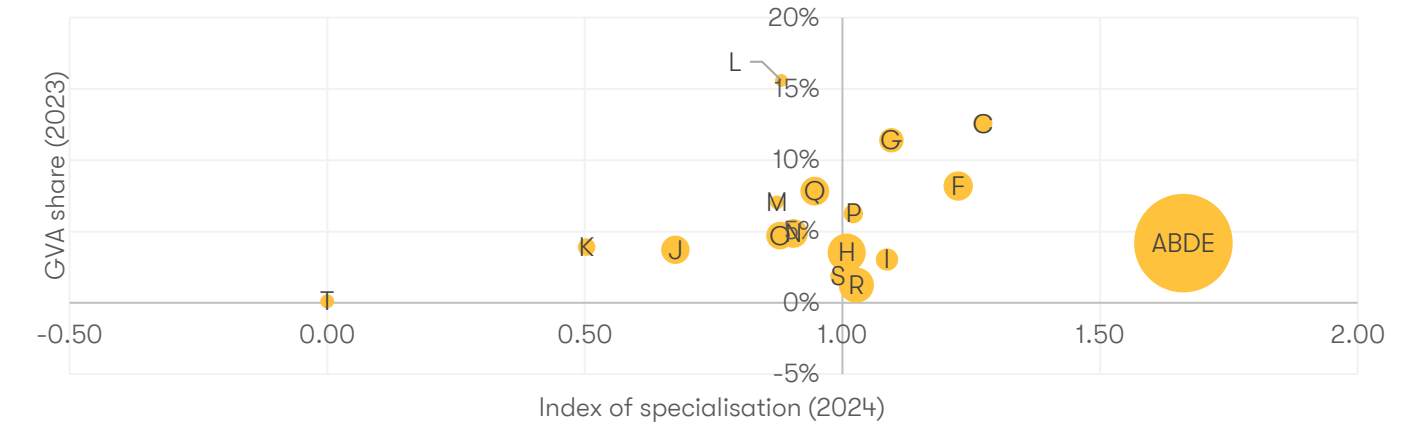


Non-CCN

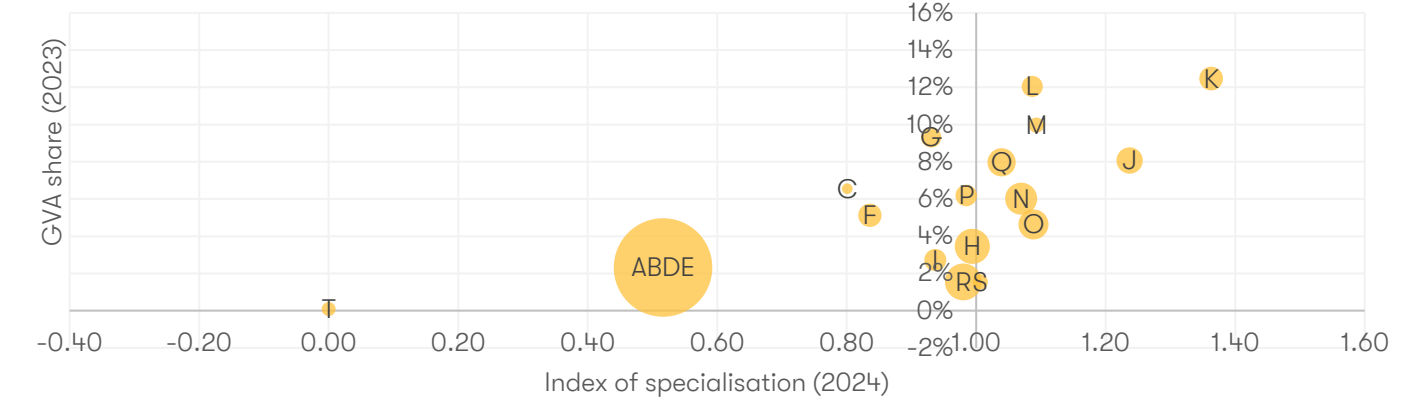


The bubble charts provide further insight by comparing sector share of GVA (2023) with an index of specialisation (2024). In CCN areas, it is notable that the most specialised sectors are not those which account for the highest share of GVA.

CCN



Non-CCN



By contrast, non-CCN areas show a wider spread of specialisation, with several sectors exhibiting higher indices (above 1.2–1.4) alongside stronger GVA shares. This indicates more concentrated economic specialisms, particularly in higher-value sectors, which are often associated with urban economies and larger labour markets.

Another notable feature is the prominence of Agriculture, mining, electricity, gas, water and waste sectors (labelled ABDE in the chart), which appear as the largest bubbles across both CCN and non-CCN areas – but in CCN areas in particular, these sectors are highly specialised.

Taken together, the analysis suggests that county economies are characterised by balanced and relatively diversified sectoral profiles, with fewer highly concentrated or high-growth sectors compared to more urbanised areas. While this can support resilience, it may also limit the pace of productivity growth. This analysis does however mask the variation within each authority type and individual authorities.

Living standards detail

Housing tenure: CCN areas are ~69% owner-occupied with the smallest social rented (13.5–14%) and private rented sectors of any authority type; urban social-rent shares are falling roughly four times faster, gradually narrowing the gap. Fuel poverty: CCN 9.5% vs non-CCN 10.3%; the highest CCN rates are in Herefordshire (13.1%) and Shropshire (12.8%). Crime: 63.7 offences per 1,000 in CCN areas vs 96.1 in non-CCN – the largest relative gap of any indicator, with barely overlapping distributions (Kent excluded for data-quality reasons). NEET 16–17 (official, Dec–Feb basis): CCN 2.9–3.4% vs metropolitan districts 4.0%, rising everywhere since 2022. A caution on comparing individual authorities: councils that lose track of more young people (recorded as 'activity not known') will record fewer as NEET, since some of the untracked are in fact NEET – so a low NEET rate can reflect either genuinely few NEET young people or weaker tracking. Authority-level NEET rates should be read alongside the 'not known' rate; the DfE publishes a combined measure for this reason.



Appendix E: Productivity correlation methodology

Across 151 upper-tier authorities, productivity (GVA per filled job, 2023) is compared with four measures – public transport time to a major employment centre (2019), Level 4+ qualifications (2025), gigabit broadband availability (July 2025) and the tradeable share of employment (2024). The four were chosen in advance to represent the four candidate drivers the report examines – access, skills, digital infrastructure and industrial structure; no other measures were tested and discarded. Results are simple correlations, reported separately for CCN areas (39 authorities) and non-CCN areas including London (112). The orderings – journey time strongest for CCN areas (-0.69), tradeable share strongest for urban areas ($+0.64$) – hold when London is excluded. What the correlations can and cannot show: they are associations, not proof of cause, and cause could run either way; the four measures overlap with one another, so their correlations with productivity are not independent; the measures come from different years; and with only 39 CCN authorities each value carries wide uncertainty. The gigabit contrast likely reflects range restriction: urban coverage is near-universal, so variation – and hence correlation – exists only in county areas.



Appendix F: Tradeable/ non-tradeable classification

Employment is classified at SIC 2-digit division level (88 divisions) as tradeable, non-tradeable or mixed, applied to BRES workplace employment. There is no official ONS classification; the leading UK study (Rice and Venables, 2022, Tradability, Productivity and Regional Disparities, The Productivity Institute WP021) treats tradability as a continuum proxied by the spatial concentration of employment. The classification used here aligns with their empirical rankings – their most ubiquitous sectors (retail, construction, public administration, education, health, accommodation and food) match the non-tradeable list, and their sparsest (finance, ICT, mining, specialised manufacturing) match the tradeable list – with two documented divergences: wholesale (classified tradeable here; ubiquitous in Rice and Venables) and transport and storage (mixed here; sparser there). Neither materially affects the group comparison. Supporting references: What Works Growth, Understanding tradeable and non-tradeable sectors (tradability as a spectrum – relevant to visitor-economy areas where tourism-facing hospitality is effectively tradeable); Zeugner, Tradeable vs Non-tradeable: an empirical approach (European Commission), for trade-share-based classification. Key results: CCN non-tradeable share 58.1% vs metropolitan districts 59.5% (no county over-concentration); London the only outlier (tradeable 37.3%); tradeable share falling in CCN areas (–1.4pp since 2015) and metropolitan districts (–1.7pp) while rising in London (+1.9pp).



Appendix G: Devolution comparison detail

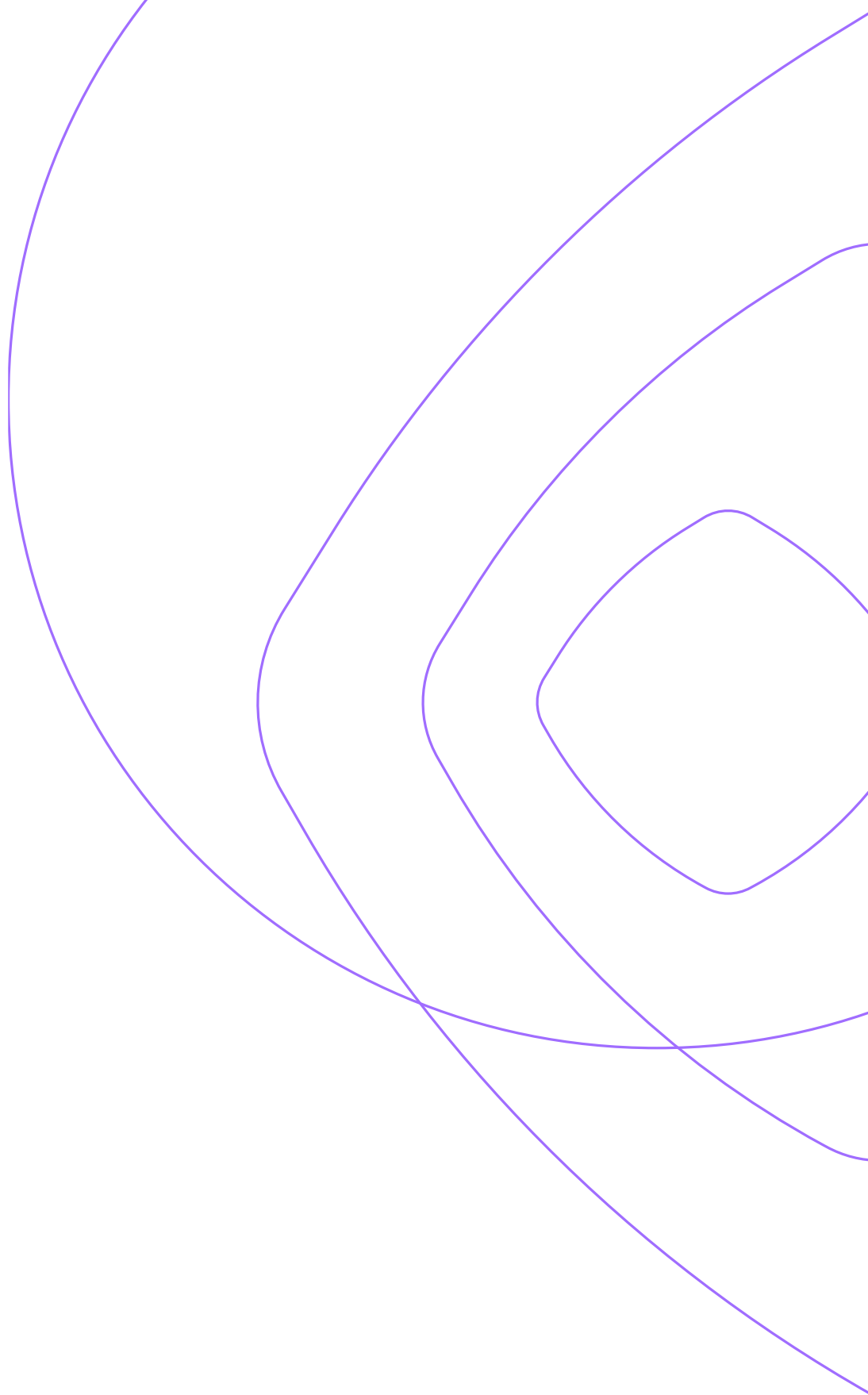
Every upper-tier authority is classified by devolution status: mayoral devolution, the priority programme, or no arrangement. Growth: over 2013–23, areas with mayors grew 18.1% in real terms, areas with no arrangement 16.3%, priority-programme areas 15.8%. The mayoral lead disappears on inspection. It comes almost entirely from the areas that got mayors first (by 2017) – mostly the big-city combined authorities – which grew 20.9%. Areas given mayors later (mostly in 2024) grew 17.2%, barely above areas that never had one; and if London is counted in the early cohort, the early mayoral areas actually grew more slowly (15.5%) than areas with no arrangement. In short, the faster-growing places were selected for devolution first – the data does not show that devolution made them faster-growing. The same holds within CCN membership: devolved and non-devolved county areas differ by around one percentage point of growth, and the counties that already have devolution are the weaker county economies (41.0% holding Level 4+ qualifications and £28,400 GDP per head, against 48.1% and £33,300 in counties with no arrangement) – devolution to date has reached northern and midlands counties while the most prosperous county economies remain outside. Other measures (qualifications, employment, gigabit coverage, self-containment) show the same pattern: they describe who received devolution, not what devolution did. What follows from this: none of it shows devolution failing – most mayoral institutions are under three years old, so the test has not run. But it means no causal claim about devolution and growth is defensible in either direction.



Appendix H: Housing detail

Housing Delivery Test 2023 (three years to 2022/23, the latest published; the 2024 measurement remained unpublished as of May 2026): CCN shire counties delivered 121% of requirement, CCN unitaries 151% (all 18 at or above requirement), non-CCN unitaries 103%, metropolitan districts 105%, London 88%. Requirements reflect the pre-December 2024 standard method, which set low numbers outside cities; the December 2024 method (0.8% of stock plus affordability uplift, mandatory) raises national assessed need to ~370,000 a year and redistributes it toward county geographies, so past over-delivery does not imply future comfort. Dwelling stock (MHCLG Live Table 125): stock in CCN areas grew 10.6% over 2015–2025 – identical in both tiers – against 7.4% in metropolitan districts and 8.8% in non-CCN unitary authorities; London boroughs grew 11.0%. The main-body comparison is therefore with metropolitan districts, the correct like-for-like urban group outside the capital. In 2024/25 CCN shire counties recorded the highest net-additions rate of any authority type (9.1 per 1,000 dwellings), and CCN areas together delivered just over half of England’s net additions. Affordability (house price to equivalised household disposable income, 2023/24): CCN shire counties 8.7 – the least affordable authority type outside London (16.3) – against 5.9 in metropolitan districts; range from County Durham 4.3 to Surrey 11.9. All legacy-geography reconciliations as per Appendix C.





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