

Brexit Towards UK Sustainable Urban Development: Assessing Shifts in EU-UK Resilience Strategies

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Abstract

The departure of the United Kingdom from the European Union, following the Brexit referendum, has had a profound impact on UK policies and strategies across various sectors. This influence is particularly significant in the field of sustainable urban development, which previously relied on substantial EU funding sources. The cessation of significant EU funding pushed the UK to realign its sustainable development strategy. This paper aims to explore the repercussions of Brexit on UK sustainable urban development policies, highlighting the need for new funding strategies and resilience measures. It will delve deeper into how the UK is adapting to these changes and evaluate the effectiveness of its post-Brexit strategies in sustaining urban growth. This analysis is conducted within the theoretical framework of neoliberal institutionalism, which provides insights into how international organizations like the European Union and the UK government interact in the context of shifting power dynamics and national interests. Using a qualitative method, the findings will be supported by analyzing official documents, journals, and reports from relevant bodies to examine the changing landscape of UK urban development policies and resilient city strategies post-Brexit.

Keywords: Brexit; Sustainable Urban Development; European Union; United Kingdom; Resilient Cities

Abstrak

Keluarnya Inggris dari Uni Eropa, menyusul referendum Brexit, telah berdampak besar pada kebijakan dan strategi Inggris di berbagai sektor. Pengaruh ini khususnya signifikan dalam bidang pembangunan perkotaan berkelanjutan, yang sebelumnya bergantung pada sumber pendanaan UE yang substansial. Penghentian pendanaan UE yang signifikan mendorong Inggris untuk menelaraskan kembali strategi pembangunan berkelanjutannya. Makalah ini bertujuan untuk mengeksplorasi dampak Brexit pada kebijakan pembangunan perkotaan berkelanjutan Inggris, dengan menyoroti perlunya strategi pendanaan baru dan langkah-langkah ketahanan. Makalah ini akan menyelidiki lebih dalam bagaimana Inggris beradaptasi dengan perubahan ini dan mengevaluasi efektivitas strategi pasca-Brexitnya dalam mempertahankan pertumbuhan perkotaan. Analisis ini dilakukan dalam kerangka teori institusionalisme neoliberal, yang memberikan wawasan tentang bagaimana organisasi internasional seperti Uni Eropa dan pemerintah Inggris berinteraksi dalam konteks pergeseran dinamika kekuasaan dan kepentingan nasional. Dengan menggunakan metode kualitatif, temuan ini akan didukung dengan menganalisis dokumen resmi, jurnal, dan laporan dari badan-badan terkait untuk memeriksa perubahan lanskap kebijakan pembangunan perkotaan Inggris dan strategi kota yang tangguh pasca-Brexit.

Kata kunci: Pembangunan Perkotaan Berkelanjutan; Uni Eropa; Britania Raya; Kota Tangguh

Introduction

The historic referendum of June 23, 2016, wherein the United Kingdom (UK) voted to leave the European Union (EU), reshaped the way UK formulated their public policies. Prior to Brexit, as a member state of the EU, the UK has received significant funding in developing resilient cities in its regions and sustainable urban development goals. Fundamentally, sustainable urban development can be simply defined as the design and development of cities focusing on environmental sustainability and inclusive access of opportunities and resources for people. The process is conducted while expending the lowest financial and environmental cost possible, but still practical to achieve resilience against

multiple scales of disruptive events.¹ These major financial contributions from the EU to the UK mainly come in the form of European Structural and Investment funds and the European Agricultural Guarantee Fund. The significant issue of Brexit's repercussion towards the UK's sustainable urban development is the potential dismantling of a well-developed governance system for regional policy in the UK. This includes the loss of strategic partnerships, multi-level governance relations, and long-term budget allocations that were previously supported by EU frameworks which could hinder effective sustainable urban development initiatives.² Moreover, the process of disengagement from the EU has exacerbated existing spatial inequalities within the UK, further putting doubts in finding an effective solution for the classic conundrum of "left-behind" cities. The uneven development across regions, especially the historic North-South divide may become more pronounced, making it challenging to implement sustainable urban development policies that address these disparities.³ Brexit has also meant that local governments will lose access to various funding mechanisms and support systems that facilitated sustainable urban development projects. This loss could significantly impact local governments and communities that relied on EU resources for their sustainability efforts. The withdrawal from these funding streams due to Brexit thus presents a crucial turning point, compelling a re-evaluation of the UK's approach to urban development and its long-term sustainability strategies. This transition highlights the new challenges and opportunities that the UK must navigate in a post-Brexit society.

Literature Review

Cumming (2011) defined *spatial resilience* as an integration between spatial attributes and the components of resilience. In his work "Spatial Resilience: Integrating Landscape Ecology, Resilience, and Sustainability", the concept of spatial resilience is pivotal. This concept is expressed as a relationship between different aspects of the system and its resilience across different scales. According to Cumming, resilience refers to the ability of a system, such as a city, to maintain its essential functions and structure in the face of external pressures and changes. This concept includes the ability to adapt or evolve without losing the characteristics necessary to define the content of the system. Cumming's work on spatial resilience delves into the critical aspects of system size and spatial configurations in determining the resilience of socio-ecological systems, like urban environments. He emphasizes that larger systems generally exhibit greater resilience due to factors such as connectivity and structural complexity. These principles suggest that understanding and managing spatial attributes is crucial for enhancing the resilience of urban environments, making them particularly relevant for developing sustainable city strategies in the EU and UK.⁴

Resilience, as conceptualized by Cumming, is intricately linked to sustainability. Resilience in urban systems, characterized by the ability to withstand and adapt to external stresses, is a foundational aspect of sustainable development. This resilience ensures that cities can maintain their essential

¹ "Sustainable Urban Development - Institute for Transportation and Development Policy," ITDP.org, July 29, 2014, <https://www.itdp.org/our-work/sustainable-urban-development/#:~:text=It%20means%20inclusive%20access%20for>.

² Nick Henry and Adrian Smith, "Europe And/or the UK: Post-Brexit Urban and Regional Development Futures – a Special Issue," *European Urban and Regional Studies* 28, no. 1 (January 2021): 3–7, <https://doi.org/10.1177/0969776420982742>.

³ Ibid.

⁴ Graeme S. Cumming, "Spatial Resilience: Integrating Landscape Ecology, Resilience, and Sustainability," *Landscape Ecology* 26, no. 7 (June 15, 2011): 899–909, <https://doi.org/10.1007/s10980-011-9623-1>.

functions and identity over time, even in the face of environmental, social, and economic challenges. Consequently, incorporating resilience principles into urban planning and policy-making is key to achieving long-term sustainability, ensuring that urban environments can adapt, survive, and thrive in an ever-changing world.

In the journal article, “Designing, planning, and managing resilient cities: A conceptual framework,” Kevin Desouza and Trevor Flannery described urban resilience as the ability of cities to absorb, adapt, and respond to unpredictable shifts in the urban system. The resilient city must possess the capacity to adapt and withstand stressors such as shocks of population growth, global economic crises, technological failures, human-induced chaos and environmental catastrophes. The scope of resilience has to be set on a long-term horizon to deal with the progressive decline of cities in the long term. Moreover, they explain the complexity of the systemic nature of cities that are made up of physical (manmade resources and processes) and social (people, institutions, and activities) components. The capacity to proactively collaborate in multisectoral networks between global city governments is key to develop the resilience to withstand the influence of the stressors and shrewd planning for favorable outcomes. In their opinion, a systematic framework consisting of planning, designing, and managing is significantly vital in building resilient cities while implementing flexibility, adaptability and agility capabilities in the system.⁵

From the journal article, “Sustainable Urban Development in the UK: Rhetoric or Reality?” Michael Pacione argues about the early stages of implementing the sustainable urban development (SUD) from a theoretical and structural level in the UK. The SUD in the UK is fundamentally formed via a system based on a hierarchy of national policies and guidance notes, regional spatial planning strategies, and local development frameworks. Furthermore, the framework guidance on SUD is provided by the establishment of national principles and goals with decentralization for local authorities to enact change within their area. The UK approach in SUD consists of two main features which is the spatial planning approach and community involvement as means to create sustainable, safe communities.⁶

According to Pacione, the key challenge for governments embracing the ethos of SUD is to realize the concept of ideal living environments. The daunting task of instilling the ethos in the attitudes of civilians has to be considered a long-term generational process of change involving stakeholders such as individuals, households, voluntary sector agencies, private sector, and multi-level governance. To successfully implement SUD policies, Pacione believes a combination of top-down and bottom-up approaches which embraces the idea of subsidiarity is required. Pacione’s analysis comprehensively argues about the conceptualization, planning, and execution of SUD within a UK context.⁷

Lastly, according to Benito Giordano in his journal article, “Post-Brexit regional economic development policy in the UK? Some enduring lessons from European Union Cohesion Policy,” the end of the UK’s involvement in the EU Cohesion Policy is likely to impact their spatial inequalities in the short, medium, and long term. Furthermore, Giordano stresses the importance of continuing the policy approach that is built upon strategic partnership working, multi-level governance, and transparent

⁵ Kevin C. Desouza and Trevor H. Flannery, “Designing, Planning, and Managing Resilient Cities: A Conceptual Framework,” *Cities* vol.35 (December 2013): 89–99, <https://doi.org/10.1016/j.cities.2013.06.003>.

⁶ Michael Pacione, “Sustainable Urban Development in the UK: Rhetoric or Reality?,” *Geography* 92, no. 3 (November 1, 2007): 248–65, <https://doi.org/10.1080/00167487.2007.12094204>.

⁷ Ibid.

long-term budget allocations upon new domestic urban development policies. Giordano argues that the impact of the EU Cohesion Policy could be mainly felt across local UK regions. The funding had led to important achievements and genuine additionality in projects and localities so much that it would feel like a huge loss due to Brexit. The policy had proved to be effective in driving local economic trajectories through investment and encouraging key local stakeholders to collaborate with various examples across the UK, one of which being the investment into business support and improving basic infrastructure in Liverpool. Therefore, Giordano highlights the potential challenges and opportunities for the UK in developing its own independent regional development policies post-Brexit. He believes the recent leveling up approach established in UK politics is still unclear on how it will be reflected into their domestic regional policies.⁸

The concept of resilient cities through sustainable urban development has increasingly gained its momentum in popular discourse, shaping the way institutions formulate urban planning policies. By navigating through several perspectives from the literature, we seek to dissect the intersection of public policy, urban planning, national and international cooperation in building sustainable cities in the scope of domestic UK urban development policies. This paper aims to critically analyze the impacts of Brexit on sustainable urban development in the UK. It seeks to open new perspectives regarding the post-Brexit implications on the UK's sustainable urban development progress. With the absence of the EU Multiannual Financial Framework, the UK is experiencing major challenges, especially in reshaping its policy approach and sustaining its regional development independent from EU funding. The leveling up approach adopted in the UK's policy-making process to curb the interregional sustainable urban development disparities across their region face shortcomings in terms of the process of accurately determining the beneficiary cities urgently requiring redevelopment. In the post-Brexit era, the UK must employ new strategies by taking a different path in seeking new partnerships and agreements with other nations or international institutions to help ensure its sustainable urban development stays on track with its national development goals. This includes assessing how the cessation of EU funding, particularly from streams like the Multiannual Financial Framework, influences UK urban development policies. The focus of this research will be to unlock fresh insights into understanding how the UK has equipped itself into adapting to these changes, identifying new resilience strategies, and evaluating the effectiveness of these strategies in maintaining sustainable urban growth in a post-Brexit landscape. This analysis is essential for grasping the complexities and nuances of the UK's transition to a self-reliant urban development model in the absence of EU support.

Theory and Research Method

Neoliberal institutionalism, a theory in international relations, is central to this research. This theory emerged as a response to the limitations of realism, particularly during the increased global interdependence in the 1970s. Pioneered by thinkers like Robert Keohane and Joseph Nye, this theory posits that while the international system is anarchic, states are rational actors that can and do cooperate to maximize absolute gains, especially with the aid of international institutions. These institutions play a crucial role in facilitating cooperation by reducing transaction costs, providing information, and ensuring transparency, thus enabling states to overcome the challenges of anarchy and self-interest.

⁸ Benito Giordano, "Post-Brexit Regional Economic Development Policy in the UK? Some Enduring Lessons from European Union Cohesion Policy," *European Urban and Regional Studies* 28, no. 1 (November 11, 2020): 26-33, <https://doi.org/10.1177/0969776420970624>.

Neoliberal institutionalism uses concepts like game theory, particularly the Prisoners' Dilemma, to illustrate how states can achieve mutually beneficial outcomes through reciprocal cooperation, even in a competitive international environment.⁹

Global interdependence, the situation that warrants the emergence of neoliberal institutionalism created multifaceted complexities in international relations. Economic interdependence is one of the facets which allows neoliberal institutionalism theory to gain its momentum. The concept of economic interdependence in neoliberal institutionalism relates to the intricate economic relationships among states, forged through cross-border trade, investment, and financial flows. This theory emphasizes that such interconnectedness allows states to be more sensitive to each other's economic policies and conditions, leading to a network of mutual dependencies.¹⁰ This aspect of neoliberal institutionalism highlights how states, while operating in an anarchic international system, are inclined to cooperate and form institutions that manage these interdependencies, seeking mutual economic benefits and stability.

This research will be conducted with a qualitative method by gathering and analyzing official documents, journals, data and reports from the European Commission, UK parliament, and other relevant bodies. This will include an analysis of legislative texts, policy briefs, and official statements to understand the evolving dynamics of UK urban development policy and resilience cities strategies in the post-Brexit era. The study will also incorporate analyses from independent think tanks and academic institutions to provide a balanced perspective on how Brexit has affected sustainable urban development in the UK. By applying neoliberal institutionalism to this study, the research will explore how Brexit has reshaped the UK's urban development policies within this framework of economic interdependence and institutional cooperation. The analysis will assess whether the UK's departure from the EU aligns with or diverges from the theoretical expectations of neoliberal institutionalism regarding international cooperation and the management of economic interdependencies.

Analysis

Brexit or the exit of the UK government from EU membership was driven largely by internal debates over sovereignty, immigration control, and the belief that leaving the EU would empower the UK to independently forge global trade deals. The decision to leave was seen by proponents as a way to "take back control" over British laws and borders. The June 2016 referendum on the United Kingdom's membership in the European Union marked the beginning of a historic shift in UK-EU relations, culminating in the activation of Article 50 in March 2017 which formally initiated the Brexit process.¹¹ Over the subsequent years, negotiations centered on key issues such as financial settlements, citizens' rights, and border arrangements, with UK leaders clarifying a trajectory towards a "hard Brexit" that would prioritize control over immigration and sovereignty, while opting out of the EU's single market and customs union. On January 31, 2020, the UK would officially leave the EU, marking the end of the Brexit process and beginning the transitional period during which the EU and the UK negotiated their future relationship. The transitional period ending in December 2020, resulted in a new

⁹ Margaret P. Karns, Karen A. Mingst, and Kendall W. Stiles, *International Organizations: The Politics and Processes of Global Governance* (Lynne Rienner Publishers, 2015).

¹⁰ Joseph S. Nye and Robert O. Keohane, "Power and Interdependence Revisited," *International Organization* 41, no. 4 (1987): 725–53, <https://www.jstor.org/stable/2706764>.

¹¹ Simon Bulmer and Lucia Quaglia, "The Politics and Economics of Brexit," *Journal of European Public Policy* 25, no. 8 (May 31, 2018): 1089–98, <https://doi.org/10.1080/13501763.2018.1467957>.

trade relationship between the UK and the EU based on a “Canada-plus” model.¹² These shifts coupled with the political and economic uncertainty that characterized the Brexit negotiations have had significant implications for UK policy-making, particularly in sectors such as sustainable urban development. This research will explore how Brexit has influenced the landscape of sustainable urban development funding and policy in the UK, considering the potential impacts of reduced EU funding and evolving regulatory frameworks on the country’s urban resilience and environmental objectives.

a. Assessing Brexit's Impact on UK Sustainable Urban Development Funding and Policy

Brexit has impacted the United Kingdom’s Sustainable Urban Development (SUD) in various aspects. To assess this categorically, there are two ways in which Brexit influenced the dynamic of SUD in the UK. The first aspect is the financial dynamic of SUD, where the interplay of EU funding significantly influenced the development of cities in the UK. This funding was a vital resource for many urban development projects, and Brexit has triggered the need to reevaluate the financial strategies in order to compensate for the loss of these funds. The second aspect is the policy-making dynamic. Brexit has led to a shift in policy frameworks and strategies for urban development. These two aspects are crucial in understanding the overall impact of Brexit on Sustainable Urban Development in the UK.

Initially, this analysis will focus on the financial dimensions of Brexit's impact on Sustainable Urban Development in the UK. From 2010-2018, the UK annually received approximately €6.8 billion in EU funding. The main sources were the European Structural and Investment funds and the European Agricultural Guarantee Fund. During 2014-2020, these funds contributed €17.2 billion and €22.5 billion respectively. Notably, the Multiannual Financial Framework (MFF) that governed these funding allocations was set to conclude in 2020. The MFF targets five areas: smart and inclusive growth, sustainable growth, security & citizenship, global Europe, and administration. Sustainable and resilient urban development funding therefore falls into the category of MFF targeted funding as it is part of the smart, inclusive and sustainable growth sector. The end point of MFF after 2020 marked a significant transition for the UK, as future access to such substantial EU financial support for sustainable urban development was no longer guaranteed post-2020, a reminder for new funding strategies and policy adjustments in the wake of Brexit.¹³

¹² Ibid.

¹³ Philip Brien, “EU Funding in the UK,” Commonslibrary.parliament.uk, October 29, 2020, <https://commonslibrary.parliament.uk/research-briefings/cbp-7847/>.

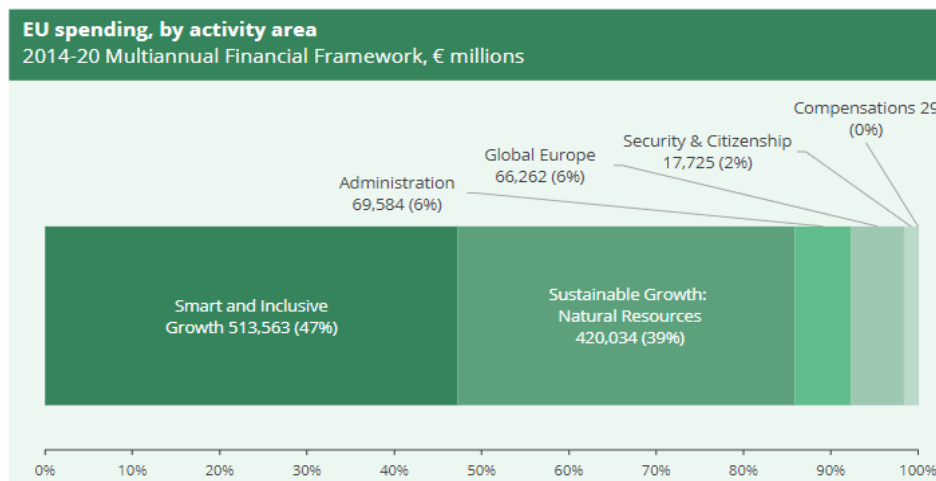


Figure 1. EU MFF Funds Distribution (Brien, 2020)

The United Kingdom as a member state received the European Union funding through Multiannual Financial Framework (MFF) that is set from 2014 to 2020. The MFF is the European Union long-term budget that covers a typically seven year period. Here (Fig 1.), it can be seen that 'Smart and Inclusive Growth' and 'Sustainable Growth: Natural Resources' were the two most significant areas of investment, receiving 47% and 39% of funds respectively.¹⁴ These allocations highlight the EU's prioritization of economic development and environmental sustainability.

Components of the MFF includes budgets for ESI (European Structural and Investment) fund that are dispersed into different funding channels: The European Regional Development Fund (ERDF), the European Social Fund (ESF), Cohesion Fund, European Maritime and Fisheries Fund (EMFF), and the European Agricultural Fund for Rural Development (EAFRD). The role of ESI is especially important in UK development as it targets NUTS 2 region, a second tier region across the UK. This means that it ensures equal development in the UK region outside England, including regions like Wales and Scotland. These funds are integral for the UK's SUD. For example, the European Agricultural Fund for Rural Development (EAFRD) represents the largest source of funding within the ESI aimed specifically at Sustainable Urban Development (SUD) (Fig 2.).¹⁵

¹⁴ Ibid.

¹⁵ Ibid.

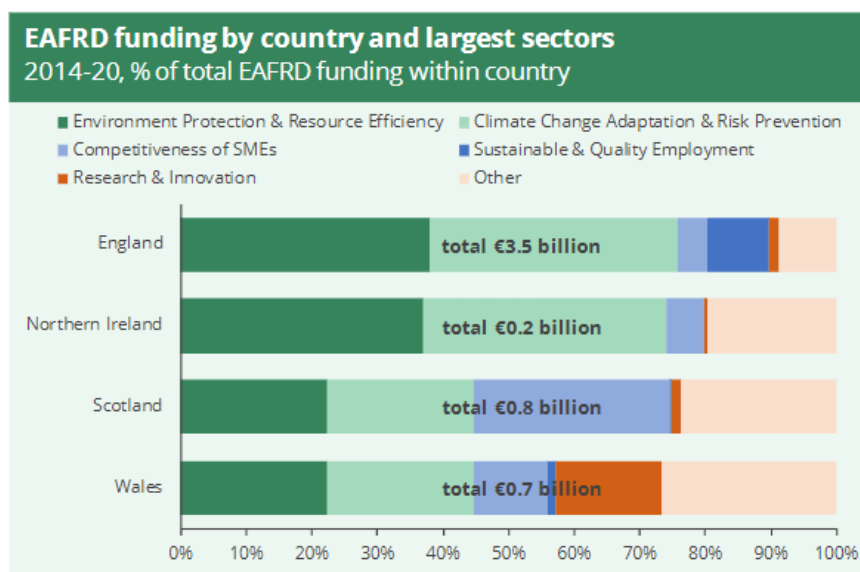


Figure 2. EAFRD Funding Distribution (Brien, 2020)

This data indicates that the European Agricultural Fund for Rural Development (EAFRD) has allocated funds across various regions of the UK, with the largest share going to England at €3.5 billion. Notably, the EAFRD's funding has been significantly directed towards Environment Protection & Resource Efficiency, Climate Change Adaptation & Risk Prevention, which is a critical component of Sustainable Urban Development (SUD).¹⁶

The Withdrawal Agreement between the UK and the EU ensured that during the transition period (2020), the UK would continue to be eligible for funding from EU programs as if it were still an EU member state. This arrangement allowed for the continuation of funding applications and payments for projects agreed upon before the end of 2020.¹⁷ However, following the transition period, new applications for EU funding ceased, as the UK was no longer part of the EU's financial framework for 2021-2027. This shift necessitated the creation of new financial mechanisms within the UK to support Sustainable Urban Development post-Brexit.

Secondly, another dimension to consider is how Brexit influenced the SUD in policy making context. In the 1970s, the UK was acknowledged as “The Dirty Man of Europe” as it was the only country in Western Europe that failed to control its negative environmental consequences (pollution, waste management, toxic regulation, etc.).¹⁸ EU membership introduced the UK to stringent environmental regulations and frameworks, compelling it to adhere to higher standards. This transformation was marked by the adoption of various EU directives and regulations that covered critical areas like air and water quality, waste management, and wildlife conservation. Afterwards, the UK became a leading country in environmental protection and SUD.

Substantial portion of the UK's environmental and sustainability regulations were developed in collaboration with the EU. These include the EU Emissions Trading System (ETS), which is a major

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸John Vidal, “Brexit Would Return Britain to Being ‘Dirty Man of Europe,’” *The Guardian*, February 3, 2016, <https://www.theguardian.com/environment/2016/feb/03/brexit-would-return-britain-to-being-dirty-man-of-europe>.

component of the EU's policy to combat climate change through a cap-and-trade system for carbon emissions. Another critical area is the Energy Saving Opportunity Scheme (ESOS), a response to the EU Energy Efficiency Directive (EED), which mandates large organizations to conduct regular energy audits. Additionally, the UK's involvement in broader climate commitments, like the Paris Agreement, has been influenced by its EU membership.¹⁹ The uncertainty surrounding future UK-EU relations further complicates this issue, particularly in areas such as the Paris Commitment and climate regulation. The UK's standalone domestic legislation, like the Climate Change Act 2008, will continue, but participation in collaborative international efforts like the EU Emissions Trading System (ETS) is uncertain.²⁰

Additionally, in 2019, the UK witnessed a heightened focus on domestic environmental issues, evidenced by the Green Party's significant gains in the European elections, and the pervasive influence of climate activism movements like the Extinction Rebellion. This period also saw environmental concerns become a top priority for a substantial portion of UK voters. However, the emergence of COVID-19 shifted governmental priorities towards economic recovery, leading to a resurgence of environmental challenges, notably increased use of single-use plastics. Despite initial commitments to maintain high environmental standards post-Brexit, recent government actions have raised doubts about its commitment to these ideals, reflecting a complex and potentially uncertain future for UK environmental policy.²¹

The UK faces several significant challenges in crafting sustainable urban development policies following its exit from the EU:

- **Environmental Governance Gap:** The departure from the EU means that the UK must establish a new framework for environmental governance. Unlike the EU, the UK lacks transnational mechanisms to coordinate and enforce environmental policies across borders.²² As pollutants, and many environmental challenges transcend beyond the border of a nation, it's important that environmental policy allows cross-border cooperation. For example, the UK has left the EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regime. The departure from the EU has also influenced the participation of the UK in the European Environmental Agency, reducing the access that the UK has towards many resources and environmental regulators.²³
- **Devolution and Policy Divergence:** Environmental policy is now devolved to different nations within the UK.²⁴ This raises the potential for policy divergence, as each nation may pursue its own environmental agenda, potentially leading to inconsistencies in standards and regulations.
- **Trade Agreements and Environmental Standards:** The UK's future trade deals, particularly with the EU and the US, will have a significant impact on its environmental policies. Balancing trade

¹⁹“How Brexit Is Influencing the UK’s Sustainability Progress,” Perspectives.se, August 23, 2022, <https://perspectives.se.com/data-management/brexit-influencing-uk-sustainability>.

²⁰ Ibid.

²¹Charlotte Burns, “Brexit’s Implications for Environmental Policy,” UK in a changing Europe, August 8, 2020, <https://ukandeu.ac.uk/long-read/brexit-implications-for-environmental-policy/>.

²² Ibid.

²³David Baldock, “Environmental Regulation in the UK after Brexit Where Runs the River?,” Accessed on January 18, 2024, <https://library.fes.de/pdf-files/bueros/london/19842.pdf>.

²⁴Ibid, Charlotte Burns, Brexit’s Implications for Environmental Policy, UK in a changing Europe.

interests with environmental protection is a complex challenge, as lowering standards to facilitate trade may undermine environmental goals.

b. UK's Policy Response and New Funding Strategies

The UK's environmental policy approach has evolved post-Brexit. Before Brexit, the UK largely aligned its environmental regulations with EU standards, cooperated with EU member states, and adhered to EU governance mechanisms. However, post-Brexit, the UK prioritizes regulatory autonomy, establishing its own domestic regulatory regimes, and reducing emphasis on EU alignment. This divergence of policy approach is also showcased by the pattern of devolving policy making. The impact of devolution on environmental policy in the UK has become increasingly significant, especially after Brexit. Devolved administrations, such as the Scottish and Welsh governments, have gained more control over environmental matters within their respective regions. While environmental standards were previously harmonized across the UK through EU regulations, devolved nations now have the flexibility to set their own standards and priorities. For example, Scotland has shown a commitment to aligning with EU environmental legislation to protect standards and facilitate potential re-entry into the EU. In contrast, England has pursued greater regulatory autonomy.²⁵

The United Kingdom has formulated Environmental Act 2021 to fill the gap that EU once filled in water, waste and pollutants regulations. The environmental bill also established the Office for Environmental Protection (OEP), a new overseeing body responsible for ensuring government and public entities adhere to environmental laws and regulations, while also holding them accountable for their actions in environmental matters.²⁶ The environmental policy is set to continue until 2023. It is built upon ten key environmental goals, including protecting biodiversity, improving air and water quality, managing exposure to chemicals, maximizing resource efficiency, and mitigating climate change. The apex goal is to halt the decline in biodiversity, which involves creating and restoring wildlife habitats, protecting land and marine areas.

The policy is supported by significant funding commitments, including more than £750 million invested in tree-planting and peatland restoration through the Nature for Climate Fund. There are plans to raise at least £500 million per year of private finance into nature's recovery by 2027 and more than £1 billion by 2030, as outlined in the updated Green Finance Strategy. Additionally, £100 million will be allocated to improve coastal and flood defenses in the most frequently flooded areas.²⁷

However, when it comes to the realization of these policies, it still wasn't clear on how the UK is going to be able to replace the pervasive funding and institutional framework that was once established by EU membership. Additionally, the EU has funds that are dedicated to the development of rural areas and at the same time climate regulating, risk preventing, and environmentally protecting those areas. The Environmental Act, on the other hand, hasn't yet established a substantial framework in addressing sustainable infrastructure development. In cities development however, the UK set their fundings to come from 3 main sources: Town Funds, UK Shared Prosperity Funds, and Leveling Up Funds.

²⁵ Ibid. Baldock, Environmental Regulation in the UK after Brexit Where Runs the River?.

²⁶ "The UK Environment Act - What's Happening Now?," Clientearth.org, <https://www.clientearth.org/latest/news/why-the-uk-environment-bill-matters/>.

²⁷ "Environmental Improvement Plan 2023: Executive Summary," GOV.UK, <https://www.gov.uk/government/publications/environmental-improvement-plan/environmental-improvement-plan-2023-executive-summary>.

c. Evaluation of the Effectiveness and Challenges of Post-Brexit Urban Development Policies

There are many subset of challenges in readjusting policies and diverging it from EU's sustainable urban development policies. This challenge spans across the UK's internal political turmoil, financial and capacity limitation in replacing EU's aid towards sustainable urban development.

1. UK Left Behind Cities and Unequal Development:

One of the critical challenges that the United Kingdom faces in its post-Brexit urban development policies is addressing the issue of left-behind cities and the persistence of regional inequalities. Even before Brexit, the UK experienced significant regional disparities in economic development, with London and the South East outpacing other regions in terms of economic growth and job opportunities. The EU had played a role in addressing these disparities through funding programs like the European Structural and Investment Funds, which aimed to support less prosperous regions and promote balanced development across the country.

With the cessation of EU funding and support, there is a risk that these regional inequalities could be exacerbated. The challenge for post-Brexit urban development policies is to find effective ways to bridge the gap between more affluent cities and those that have been left behind. This requires targeted investment, infrastructure development, and job creation in regions that have historically lagged behind, ensuring that economic opportunities are more evenly distributed across the UK.

2. Devolution and Policy Divergence:

Another challenge in the post-Brexit context is the devolution of powers related to environmental and urban development policies. While devolution allows for more localized decision-making and tailored policies to address regional needs, it also introduces the potential for policy divergence between different nations within the UK. For example, Scotland and Wales have shown a commitment to maintaining alignment with EU environmental standards, while England has pursued greater regulatory autonomy. This policy divergence can complicate matters, leading to inconsistencies in environmental regulations and standards across different parts of the UK. It requires effective coordination and cooperation between devolved administrations and the central UK government to ensure that overarching sustainability goals are not compromised.

3. Regulatory Frameworks:

De-Europeanisation in environmental policy involves not only removing EU rules but also building new institutions and regulatory frameworks. The UK has faced challenges in establishing new structures for environmental protection. Brexit necessitated the creation of regulatory bodies like the Office for Environmental Protection (OEP), responsible for overseeing compliance with environmental laws and regulations. While such institutions are critical for upholding environmental standards, their effectiveness and ability to fill the regulatory gap left by the EU remain to be seen.

4. Capacity Constraints:

Another challenge that the UK has encountered in implementing post-Brexit urban development policies is capacity constraints within its governmental institutions. The article highlights that the UK's governmental capacity has been weakened by factors like pre-Brexit austerity measures and the unforeseen challenges posed by the COVID-19 pandemic. These constraints have made it difficult for UK governments, both at the national and regional levels, to fully deliver on their promises related to the control and implementation of environmental and urban development policies. Effective policy implementation requires adequate resources, skilled personnel, and the ability to respond to changing circumstances.²⁸ The capacity constraints faced by the UK may slow down the development and execution of sustainable urban policies and undermine their effectiveness.

5. London Case Study

London, as the UK's financial and policy epicenter, encountered significant disruptions in its sustainable development initiatives post-Brexit due to funding and policy uncertainties. With the loss of EU funding, which previously supported multiple green and urban regeneration projects, London initially faced a financial gap that hindered its environmental goals. The city's approach to sustainability, however, adapted swiftly; alternative funding mechanisms, such as public-private partnerships and green bonds, have been leveraged to support ongoing initiatives. One prominent success has been the Ultra Low Emission Zone (ULEZ) expansion, aimed at reducing air pollution by restricting high-emission vehicles from entering the city.²⁹ London's focus on creating a "Global Britain" has led to efforts that align with broader, post-Brexit goals, positioning the city as a resilient leader in sustainable urban policies despite external funding challenges.

6. Manchester Case Study

In Manchester, Brexit's impact was particularly felt in the region's sustainable urban development as the city had been a recipient of significant EU Structural Funds aimed at supporting regional growth and green initiatives. Following Brexit, funding uncertainties raised concerns about the continuity of projects essential to Manchester's vision as a Northern Powerhouse. Nevertheless, the city has taken proactive steps to bridge this gap, shifting its focus towards locally-driven initiatives, backed by the Greater Manchester Combined Authority (GMCA). Manchester has sustained its commitment to achieving carbon neutrality by 2038, a goal pursued through substantial investments in public transport systems, green spaces, and energy-efficient housing developments. The city's resilience in the face of Brexit-

²⁸“Why ‘Taking Back Control’ of Environmental Policy Is Easier Said than Done,” British Politics and Policy at LSE, July 4, 2023, <https://blogs.lse.ac.uk/politicsandpolicy/why-taking-back-control-of-environmental-policy-is-easier-said-than-done/>.

²⁹ Maelyne Coggins, “ULEZ and Its Expansion,” Institute for Government, September 22, 2023, <https://www.instituteforgovernment.org.uk/explainer/ulez>.

related setbacks has enabled it to realign urban development strategies that support long-term sustainability and economic growth.³⁰

d. The Implementation of Neoliberal Institutionalism In Revitalizing Post-Brexit Urban Development

In the context of the post-Brexit urban development in the UK, the main principles of the neoliberal institutionalism perspective can be applied as a relevant theoretical framework to analyze how the UK approaches its urban development policies to address its domestic urban challenges. Its emphasis on the importance of international cooperation to fulfill the mutual interest of all parties is a beneficial practice that the UK has to implement to boost its funding and implementation of urban development policies. After being exempt from the financial support of the MFF, the UK should optimize its diplomacy and negotiation capabilities to bolster its regional development by attracting foreign direct investment (FDI), MoUs, sister cities collaboration, and other forms of international cooperation. By opening up more opportunities for cooperation and agreements, the UK can allocate more funds to support its sustainable urban projects while refocusing a portion of their national budget to other essential sectors.

Neoliberal institutionalism also highlights the pivotal role of economic interdependence in forging complex economic relationships in order to achieve the mutual benefits among nations. The UK should play a more active role in the global domain by formulating economic agreements in the urban development sector with other countries. Through the agreements, a transfer of knowledge and resources can be achieved between nations seeking to foster economic and trade relationships that may support their urban infrastructure and development.

Conclusion

In conclusion, the departure of the United Kingdom from the European Union through the Brexit referendum has had a profound impact on various aspects of UK policies and strategies. One area significantly affected is sustainable urban development, which previously relied on substantial EU funding sources. The cessation of significant EU funding has forced the UK to realign its sustainable development strategy, leading to a need for new funding strategies and resilience measures.

This paper has explored the repercussions of Brexit on UK sustainable urban development policies, highlighting the financial and policy-making dimensions. It has critically analyzed how the UK is adapting to these changes and evaluated the effectiveness of its post-Brexit strategies in sustaining urban growth. The analysis was conducted within the framework of neoliberal institutionalism, providing insights into how international organizations like the European Union and the UK government interact in the context of shifting power dynamics and national interests.

Financially, Brexit led to the end of EU funding sources like the Multiannual Financial Framework (MFF), which played a vital role in supporting sustainable urban development in the UK. To compensate for this loss, the UK has introduced new funding mechanisms and strategies, including the Environmental Act 2021 and funds like Town Funds, UK Shared Prosperity Funds, and Leveling

³⁰ Manchester City Council, "Manchester City Council Report for Information," September 5, 2019, <https://democracy.manchester.gov.uk/documents/s9689/The%20Impact%20of%20Brexit%20on%20the%20Manchester%20Economy.pdf>.

Up Funds. However, challenges remain in replacing the comprehensive funding and institutional framework previously provided by EU membership.

On the policy-making front, Brexit has triggered a shift in the UK's approach to environmental regulations and sustainable urban development policies. The UK now prioritizes regulatory autonomy, setting its own domestic standards and governance mechanisms. Devolution of environmental policy-making to different nations within the UK has also introduced potential policy divergence. The paper has highlighted the importance of addressing challenges such as the environmental governance gap, policy divergence, and the impact of trade agreements on environmental standards in the UK's post-Brexit sustainable urban development efforts. The effectiveness of the UK's policies will depend on its ability to navigate these challenges while maintaining its commitment to sustainability.

The application of neoliberal institutionalism in revitalizing post-Brexit urban development emphasizes the significance of international cooperation, economic interdependence, and forging economic relationships to achieve mutual benefits. The UK can explore opportunities for cooperation with other nations, attracting foreign direct investment (FDI), and engaging in international agreements to support its urban development initiatives. In conclusion, the paper underscores the complexity of Brexit's impact on sustainable urban development in the UK and the need for adaptive strategies in a post-Brexit landscape. It highlights the importance of sustainable policies, international collaboration, and resilience measures to ensure the continued growth and development of UK cities in the face of evolving challenges.

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