

Spotlight

REGIONAL DEVELOPMENT: URBAN ECONOMIES POST-COVID

Steve Reed MP / Raquel Ortega-Argiles / Andrew Lewer MP



Spotlight



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The great rebalancing act



At the end of 2019, after Boris Johnson won a landslide election, he promised the British public that 2020 would be a “fantastic year”. Little did he, nor anyone else for that matter, know that the next 12 months would bring a global pandemic and the worst economic recession this country has experienced in centuries. If 2020 was fantastic, it was in a truly different sense of the word to what the Prime Minister had intended.

Johnson might have more easily predicted one of the running themes of his time as Prime Minister since coronavirus hit: tensions between local government and Westminster. An unequal economy and calls for more devolution long predate his win. After the December vote, given the Conservatives’ success in the so-called “Red Wall” of former Labour seats, Johnson promised to “level up” the country. This government would redress regional imbalances and chronic underinvestment.

Since those pledges, the mood from the regions has remained one of criticism. From Greater Manchester Metro Mayor Andy Burnham challenging the government on coronavirus measures, to the establishment of the Northern Research Group led by the former Northern Powerhouse Minister Jake Berry, the message is that the government needs to share more power with local leaders, and that levelling-up rhetoric has yet to translate into meaningful policy.

If post-pandemic economic recovery is a chance to address those regional inequalities, few think the government has truly seized the opportunity. This is despite initiatives such as the £4bn Levelling Up Fund or Rishi Sunak’s plans to move thousands of civil service jobs outside London by 2030. As our survey of UK local councillors reveals (see pages 8-11), most respondents think that “levelling up” is little more than a slogan. The vast majority don’t expect the government to deliver on its promise to level up the economy before the next election.

Local elections take place next month. Whatever the results, Westminster needs to show local government representatives that they are equal partners in the UK’s pandemic recovery. From surviving the economic downturn, to moving to a more sustainable model of growth, to ensuring our cities facilitate good public health, the government’s repair agenda would only stand to benefit. ●

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NewStatesman

Standard House
12-13 Essex Street
London, WC2R 3AA
Subscription inquiries:
digital.subscriptions@
newstatesman.co.uk

Commercial Director
Dominic Rae

Account Managers
Cyrus Ramezani
Jugal Lalsodagar

Special Projects Editor
Alona Ferber

Special Projects Writers
Jonny Ball
Rohan Banerjee
Samir Jeraj

Senior Sub-Editor
Tony Rock

Design and Production
Henrik Williams

Cover Illustration
Sam Falconer



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News



Johnson to revive Blair era “Delivery Unit” to “level up”

Jonny Ball

Boris Johnson will be bringing back the Delivery Unit introduced by Tony Blair to Number 10 in a bid to keep his levelling-up agenda on track.

In January, the Prime Minister appointed Michael Barber, the former head of the unit in the New Labour era, to carry out an audit of the effectiveness of government that would review “the arrangements for driving and monitoring delivery”, according to an *Evening Standard* report. The unit will be staffed by 20 officials who will drive the government’s reform agenda.

The Prime Minister pledged to “level up” the economy after his 2019 election win. The coronavirus pandemic has raised serious questions about the efficacy of the British state, and senior figures within government are said to be frustrated with the slow pace of action within the civil service, and the supposed rigidity of a risk-averse Whitehall bureaucracy.

Most Europeans back combustion engine ban

Rohan Banerjee

Most European city dwellers are in favour of a phase-out of combustion engine car sales from 2030, according to a recent poll by YouGov. Of 10,050 survey respondents, spanning major cities including London, Warsaw and Budapest, 63 per cent agreed that only electric or emission-free cars should be sold after 2030.

Brussels-based campaign group Transport & Environment (T&E), which

Cities must adapt to “Covid decade”

Rohan Banerjee

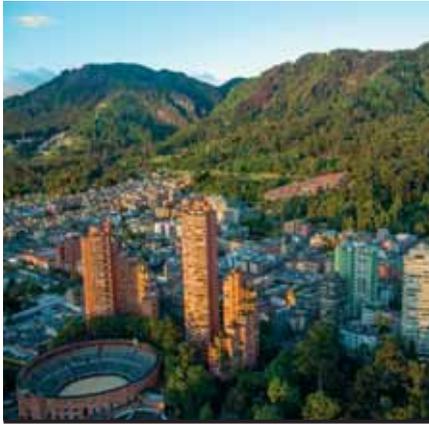
The social and economic fallout from the coronavirus pandemic could last for ten years or more, according to a new report from the British Academy. The report, requested by the UK government’s chief scientific advisor Sir Patrick Vallance, calls for an “urgent public policy overhaul” to address the “social damage wrought by the pandemic” in areas such as health, housing, education, energy, technology and transport.

It makes numerous recommendations around mitigating several city-specific trends caused by Covid-19, such as an increase in remote

working. The report highlights the need for larger and more affordable urban housing to help address possible mass migration out of cities, which would threaten to deplete economies if not managed carefully. The research also calls for improved data exchange between all levels of government and public sector bodies, as well as greater investment in skills provision to ensure more highly trained citizens are inclined to stay local to the cities they live in. The importance of digital connectivity – access to reliable and affordable internet – is also signposted as a key aim for any city government.

commissioned the research, has urged the European Commission to include a European Union-wide end date for petrol and diesel car sales in forthcoming climate policy proposals.

Public consciousness around climate change and the impact of carbon emissions is growing, according to Julia Poliscanova, senior director, vehicles and e-mobility at T&E. “People in cities are the most exposed to toxic levels of air pollution,” she said in a statement, “and they don’t want internal combustion engines to be sold for any longer than is necessary.”



UN calls for “fairer, healthier, greener” cities

Samir Jeraj

The United Nations Human Settlements Programme (UN-Habitat) has called for a “new social contract” in the wake of the Covid-19 pandemic, with cities at the forefront of providing universal basic income, healthcare and housing. Cities such as Colombia’s Bogota, it says, are already pioneering this approach with a focus on promoting gender equality and the well-being of children.

The programme’s Cities and Pandemics report found that “patterns of inequality” created by poor access to services, poverty and overcrowding,

were key factors affecting the impact of Covid-19 on cities. An estimated 120 million people globally are now at risk of falling into poverty, according to Eduardo Moreno, head of knowledge and innovation at UN-Habitat.

The authors examined evidence from 1,700 cities on what a sustainable recovery from the global pandemic would look like. The report emphasised that city leaders must involve residents in the planning and development process to create neighbourhoods that meet different needs.

The report added that cities should be financed to develop local economies that reduce the risks from climate change and other natural disasters.

Recruitment drive set to increase NRG influence

Jonny Ball

The Northern Research Group (NRG) of Conservative MPs representing constituencies in northern England, north Wales and the Scottish borders, has started the process of hiring full-time political advisers and researchers. Jake Berry, the group’s chair, was once the minister for the Northern Powerhouse and was considered to be a close friend and ally of Boris Johnson. In February last year he was ousted as minister following a dramatic cabinet reshuffle.

The NRG is the latest in a line of Conservative parliamentary “research groups” modelling themselves on the pro-Brexit European Research Group (ERG), which used its numbers in parliament to ensure soft withdrawal deals were rejected. The CRG similarly works to toughen government policy on China, and it is thought that the NRG, which contains many representatives of former “Red Wall” seats, will pressure Johnson to deliver on his promises to the party’s new northern voters.



Sleeper train start-up eyes future London link

Rohan Banerjee

European Sleeper, a Dutch transport start-up specialising in overnight trains, is set to open a new line connecting major cities on the continent, including Amsterdam, Brussels and Prague, from 2022. Citing the need for more environmentally friendly and affordable public transport, the company has announced plans for an initial tri-weekly service, with a view to eventually scaling it up to a daily connection. One-way tickets on European Sleeper trains will be priced from €60.

European Sleeper’s co-founder, Elmer Van Buuren, told the *Observer* earlier this month that the company is open to expanding its market to include London, noting the “huge potential” attached to the Channel Tunnel, which links England and France. But Van Buuren clarified that any such move is still some way off. “Of course, introducing new services through the tunnel is something really ambitious that we are not, at the moment, ready for,” he said. “But London and the UK is just that much further away from the rest of the Continent that it would actually be very sensible to have a sleeper service.”

Structural inequalities can only be solved by true devolution, says Steve Reed, shadow secretary of state for local government

For a more equal country, give away power



The success of the NHS Covid vaccine roll-out should not blind us to the failures that meant Britain suffered the worst recession of any major economy and the highest death toll in Europe. Local government did an extraordinary job in getting communities through the Covid-19 pandemic. Communities themselves stepped up like never before, with a four-fold increase in volunteering and mutual aid groups springing up across the country.

It was the Conservative government that let them all down. Rishi Sunak broke his promise to fully compensate councils for the cost of Covid, leaving them instead facing a £2.5bn funding gap that's already led to cuts and job losses that are hampering the country's economic recovery and have left the future of our high streets in question.

The pandemic exposed two major problems affecting the UK: the chasm of inequality and the failings of an over-centralised state.

Covid disproportionately affected BAME communities, poorer

neighbourhoods, and the lowest-paid workers because they were already disadvantaged by inequality. Households living in overcrowded homes were more at risk of infections spreading, and some low-paid or casual workers were afraid to get tested in case they were asked to self-isolate and couldn't afford the loss of pay. Structural inequality led directly to the UK's shockingly high death toll.

The government's centralised decision-making led to failures in PPE distribution, testing, contact tracing, shielding, and self-isolation payments. Decision makers in Whitehall simply didn't have the understanding of local communities they needed and refused to work with public health and other professionals on the front line. Over-centralised power meant ministers frittered away billions of pounds in crony contracts to Conservative Party donors that did little to tackle the pandemic. The vaccine roll-out worked because the NHS already had in place a more appropriate balance that allowed effective collaboration



Volunteers from Haringey Borough Council distribute Covid-19 test kits.

between decision makers at the centre and on the front line.

The UK is one of the most unequal countries in Europe, and the pandemic gave us a stark lesson in just how damaging that has become. We can't rebalance the deep inequalities between regions and communities by directing change from the centre that got it wrong in the first place. We need to open up power if we want to build a fairer country.

Keir Starmer has announced a commission on the UK's future to be led by the former prime minister Gordon Brown. It will engage the whole country in a debate about how we devolve power from Whitehall into the nations, regions, cities, towns and other parts of the country. But this can't just be about shifting power from one set of politicians to another. Town halls that refuse to engage with their local communities can feel just as out of touch as Whitehall, while the best-performing councils actively involve local residents and service users in the decisions that affect them.

Devolution won't deliver what we need without a strong focus on empowerment that gives people a voice and the power to use it in their community – a voice over the public services they use, and a voice in the workplace as we democratise the economy to make it work for everyone.

Trying to control everything from Whitehall failed during the pandemic, and it's also why so many parts of the country have been held back economically over recent decades. Different parts of the country lack the power they need to bring in investment, rebuild infrastructure, or upskill their workforce. Labour must offer a radical reshaping of the state to make our country fairer.

The Conservatives are pulling the country apart – that's obvious from the visible inequalities of health, wealth, education and opportunity that now divide us. It's shocking that the UK, the sixth-wealthiest country in the world, includes some of the very poorest regions in Europe. It's shocking that,

in the middle of a global health pandemic, the Conservatives are cutting back social care for older people in many parts of the country by making funding dependent on council tax, which raises less money in poorer areas.

Even new funding schemes like the Levelling Up Fund put back only a fraction of the investment the Conservatives took away in the first place, and ministers have skewed funding towards richer areas like Richmondshire in North Yorkshire while poorer communities like Barnsley and Salford are deprioritised.

The inequalities that hold the country back arose because of the inequality of power that underlies them. That lack of power prevented people from protecting themselves, their families, their communities and their regions. Countries that become unequal become weaker because they fail to tap into everyone's potential and have to pay the costs of inequality in dealing with higher levels of crime, family breakdown and ill health. Making Britain more equal isn't just a moral imperative, it's the way to make the country more successful.

The devolution debate cannot be about which politicians get to exercise power. It must be a debate about the nature of our democracy and challenge our politicians to trust the people. Politicians will only rebuild the shattered trust in politics by opening up power so everyone can play a bigger part in the decisions that shape their lives. Democracy is under threat from right-wing populist nationalism in many advanced countries because our top-down model of democracy failed to ensure people across the country benefitted from automation, and globalisation, and failed to protect them from the consequences of the global financial crisis.

We can't simply offer people a return to a failed status quo. Our democracy and the institutions that sustain it must evolve so power is more open and participative. At the next general election, Labour must win power to give power away because that is how we can build a more equal country. ●

Ahead of local elections next month, *Spotlight* polled councillors across the country on coronavirus, party politics, and “levelling up”. By **Jonny Ball**

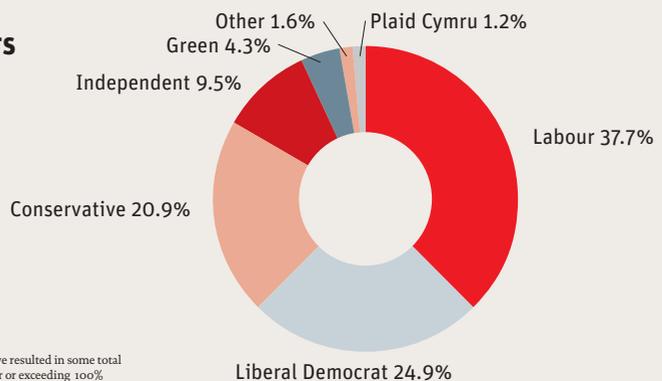
Pandemic response to post-Covid recovery: The view from local government

In his New Year’s message of December 2019, Boris Johnson called on the British public to “bid farewell to the division, the rancour, the uncertainty” that had “held this country back for too long.” Just two weeks earlier, the Prime Minister had won the Conservative Party its largest parliamentary majority since 1987 on the back of a promise to “Get Brexit Done”. At midnight, the UK would leave the European Union. Johnson predicted a “fantastic year”, where “the people’s government” would “deliver the people’s priorities”, “levelling up” the country.

A little over 14 months later, and in the run-up to May’s local elections, we have surveyed local councillors from across the UK on the government’s record so far, and received 422 responses. While Covid-19 would have disrupted the best-laid plans of any government, the verdict of local council representatives on Westminster’s pandemic response reflects the country’s beleaguered state.

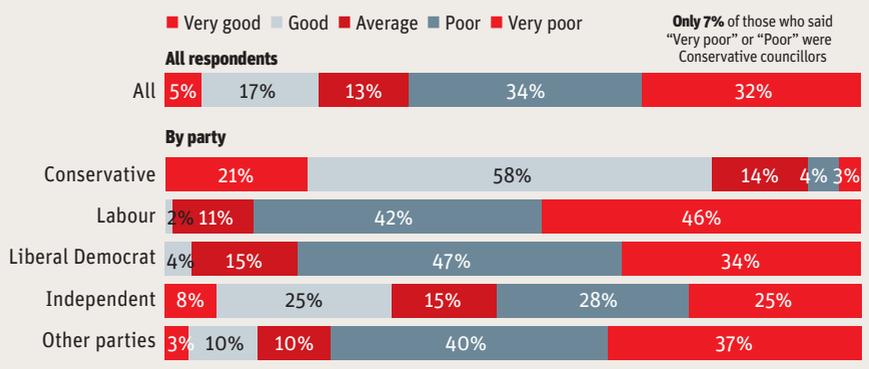
The UK has endured its worst recession in 300 years, and has one

OUR 422 RESPONDENTS BY PARTY*



* Rounding anomalies have resulted in some total values being slightly under or exceeding 100%

HOW WOULD YOU RATE THE GOVERNMENT’S HANDLING OF THE PANDEMIC?
% of councillors giving each answer



COVID-19: HOW WOULD YOU RATE THE GOVERNMENT'S PANDEMIC RESPONSE IN EACH OF THE FOLLOWING AREAS?



77% of those polled said the government had been "poor" or "very poor" at timing lockdowns. That included 24% of Conservative councillors.



48% said the Treasury's fiscal response had been "good" or "very good", which included 23% of Labour councillors. Some 31% said the response had been "average".



55% said communication from government to the general public had been "poor" or "very poor", including 10% of Conservatives.



44% said government had been "poor" or "very poor" at expanding NHS capacity. Some 32% said they had been "good" or "very good".



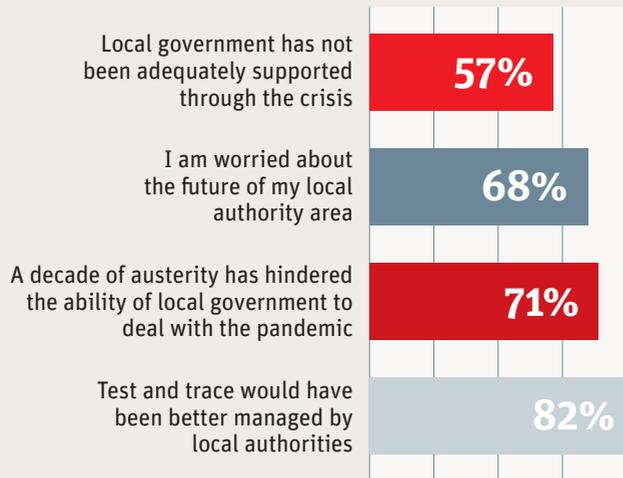
64% said the government had been "poor" or "very poor" at the mass testing roll-out, including 20% of Conservative respondents.



86% said the vaccination programme had been "good" or "very good", including three-quarters of Labour councillors.

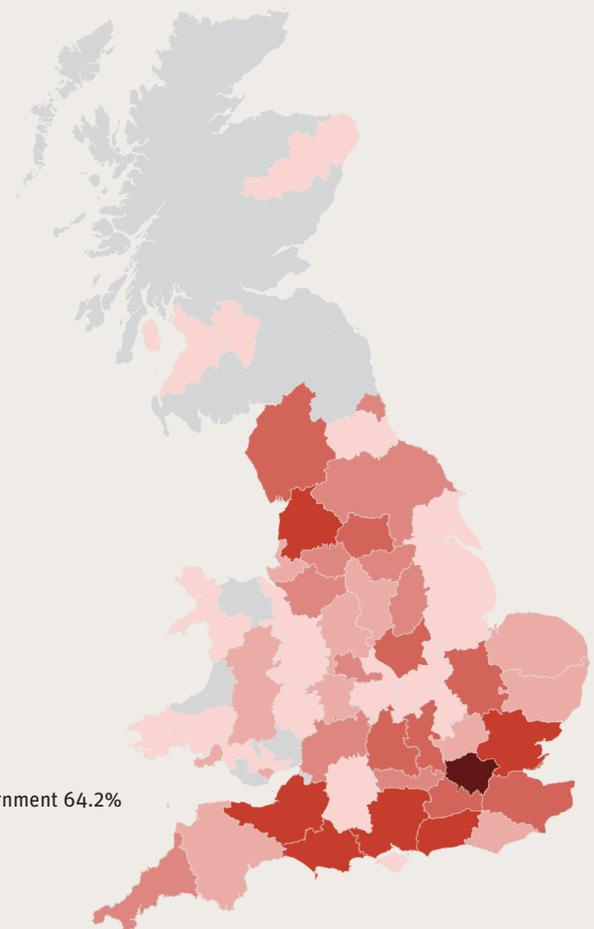
LOCAL GOVERNMENT

Percentage of councillors who agreed with the statements:



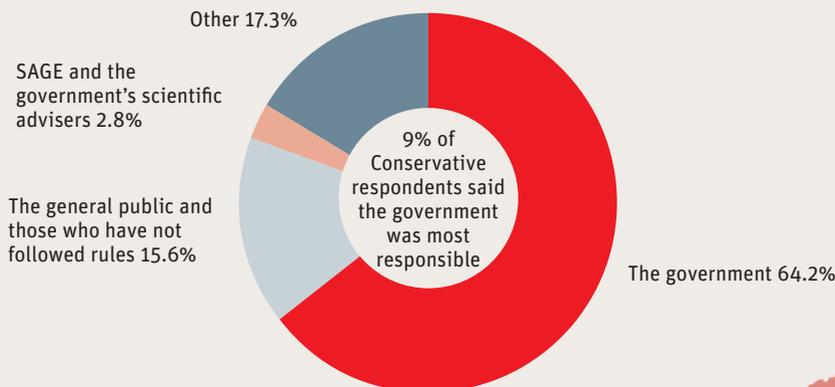
RESPONDENTS BY COUNTY

Number of councillors responding to our survey by county



RESPONSIBILITY

Who is most responsible for the UK's number of Covid-19 deaths?



of world’s worst death tolls from the pandemic. As restrictions from our third national lockdown are eased, an initial economic bounce is expected, but a year of forced business closures, nosediving consumer demand and stagnant cash flows will likely leave permanent scars on the economic landscape. Despite the success of the Treasury’s furlough scheme, the Office for Budget Responsibility predicts that 2.2 million workers could be left unemployed by the end of 2021. And Covid-19 has not acted as a great leveller. Instead, it has highlighted and exacerbated existing inequalities.

The coronavirus has put paid to many

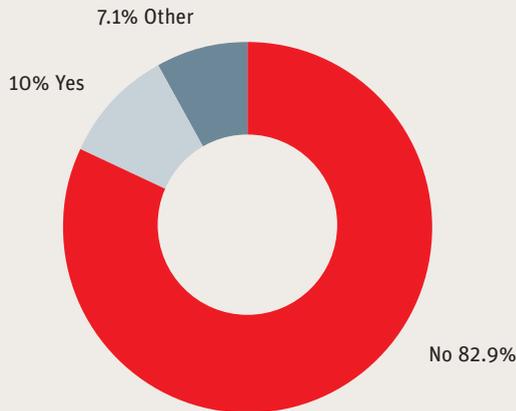
of the optimistic predictions for the beginning of a “roaring twenties” – 68 per cent of our respondents said they were worried about the future of their areas; 69 per cent said Brexit would make their areas worse, and two-thirds rated the government’s handling of the pandemic poor or very poor.

A clear party divide was evident, as Conservative councillors appeared far more likely to give their government the benefit of the doubt. While 18 per cent of Tory councillors said austerity had hindered their ability to deal with the crisis, only 8 per cent said they had not received adequate Covid support. In contrast, a whopping 92 per cent

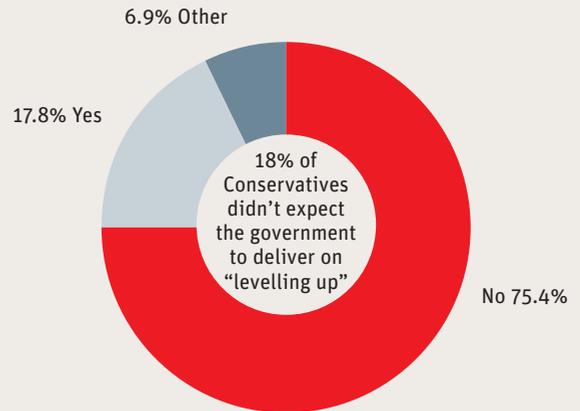
of Labour and 86 per cent of Lib Dem respondents said the same. But party loyalties didn’t prevent 38 per cent of Conservatives expressing pessimism about the future of their local authorities, or 35 per cent saying they were concerned over the links between ministers and companies awarded public contracts.

In many areas, Number 10’s response has accentuated perennial questions about the UK’s over-centralised governance model and its shaky constitutional arrangements. The top-down approach of SW1 has led to an inflexible, one-size-fits-all strategy in everything from test and trace

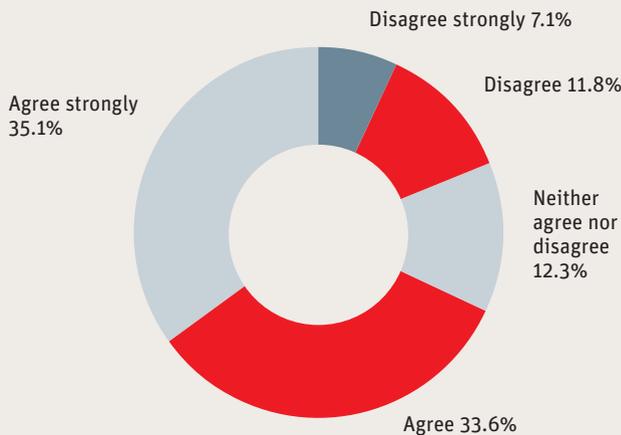
HAS THE GOVERNMENT’S “LEVEL-UP” STRATEGY HAD ANY TANGIBLE BENEFIT IN YOUR AREA?



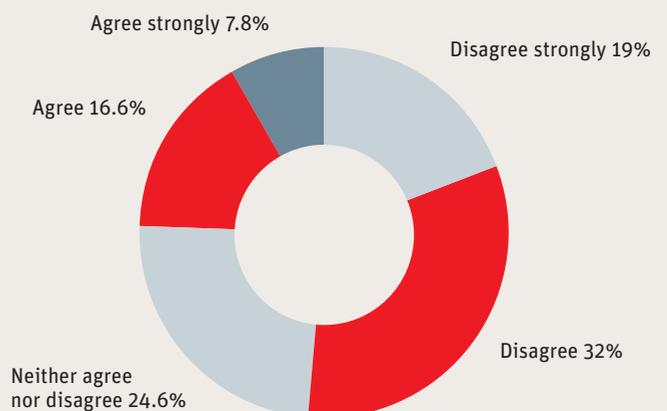
DO YOU EXPECT THE GOVERNMENT TO DELIVER ON ITS PROMISE TO “LEVEL UP” BEFORE THE NEXT ELECTION?



“LEVELLING UP” IS JUST A SLOGAN



THE DEBT ACCRUED BY THE GOVERNMENT DURING THE PANDEMIC MEANS “LEVELLING UP” IS NOW UNAFFORDABLE



(82 per cent said it would have been better managed by local authorities) to mass testing (64 per cent said the testing programme had been poor or very poor). Despite the almost identical death toll between England and Scotland, Holyrood is perceived as a steady hand set against a chaotic Whitehall – judged by their pandemic responses, Nicola Sturgeon was the highest-rated politician among councillors, but Johnson came last.

Johnson’s new voter coalition has eaten away at Labour’s “Red Wall”, and promises of an end to austerity and “levelling up” are oft-repeated. But despite Rishi Sunak’s high-

spending fiscal response (which won the approval of a quarter of our Labour respondents), 83 per cent of councillors said the levelling-up strategy had added no tangible benefit to their areas, and 75 per cent said they didn’t expect it to before the next election.

Given the bleak picture painted by responses to our poll, one might expect the opposition to be surging as a government-in-waiting. But only just over a third of Labour councillors said they thought their party would form the next government, and only 6 per cent of councillors overall said they expected a Labour majority.

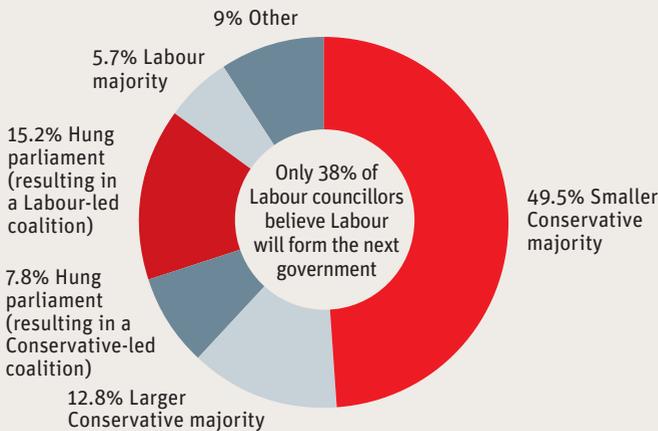
Labour is downplaying its prospects

for May’s elections, citing the vaccine roll-out and the easing of lockdown as reasons for another “Boris bounce”. Though nobody is under any illusions about whether we’ve had a “fantastic year”, one crucial statistic might explain the pessimism in Labour’s ranks. While our poll showed almost 90 per cent of its councillors held the government responsible for the coronavirus death rate, a YouGov survey published during last December’s surge in cases indicated that voters were far more likely to pin blame for that surge elsewhere: on the public. ●

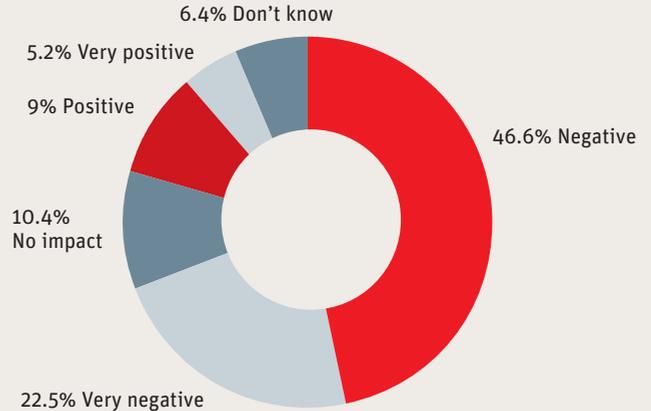
Additional data collection by Ben Stevens.

POLITICS, ELECTIONS AND BREXIT

WHAT DO YOU THINK THE OUTCOME OF THE NEXT ELECTION WILL BE?



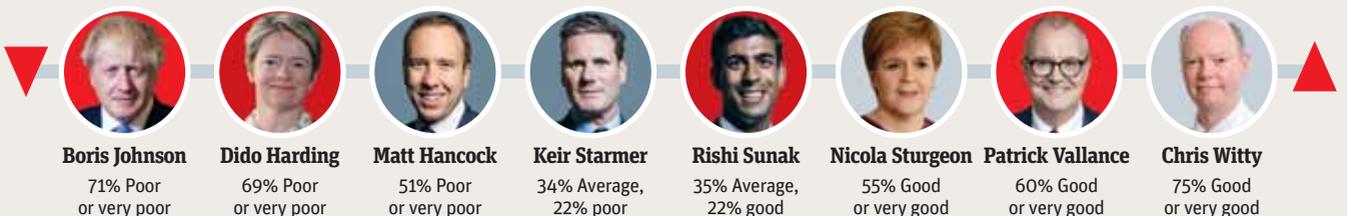
WILL BREXIT HAVE A POSITIVE OR NEGATIVE EFFECT ON YOUR LOCAL AUTHORITY AREA?



PEOPLE AND THE PANDEMIC

“86% said that Dominic Cumming’s trip to Barnard Castle undermined trust in the government”

HOW WOULD YOU RATE THE PERFORMANCE OF THE FOLLOWING PUBLIC FIGURES THROUGH THE PANDEMIC?



21 places of the future

Robert H. Brown, VP, Center for the Future of Work at Cognizant, on where the jobs of tomorrow will be found

As leaders everywhere look to modernise their post-pandemic businesses, we're increasingly seeing questions from entrepreneurs, investors, business leaders and policymakers about where in the world the future of work is happening.

As the world looks to get beyond the coronavirus pandemic, places that are hotbeds of innovation and new ideas, that are affordable and enjoyable to work and live in, will be places that attract the digitally advanced jobs of tomorrow. Why? Because jobs of the future happen in places of the future.

So, just where is the history of tomorrow being written today? And just as important, what are the characteristics of these unlikely places in the developed and developing world that make them a hotbed of innovation and new ideas? In our report *21 Places of the Future*, we outline where we think many of these new jobs will emerge from.

Places defining the future

Given the surreal time compression of the coronavirus – weeks where decades happened, and where the future of work became the “now of work” – we developed a methodology that isolated the DNA of what characterises a place of the future, resulting in 21 places that are fuelling where we think the jobs of tomorrow lie, and perhaps, most importantly, the lessons they offer other places readying for the Fourth Industrial Revolution.

Some of these places are in the western hemisphere, some in the East, and some are in the southern hemisphere, but many are in the north,



reflecting long-standing and inherent advantages. A few – like “Remotopia,” “Nova Hanseatica,” “Virtual Space” and “Outer Space” – are in no hemisphere at all but are best described as “omnisphere” places: genuinely places of the future.

The places we feature often anchor themselves on one key technology or concept. For example:

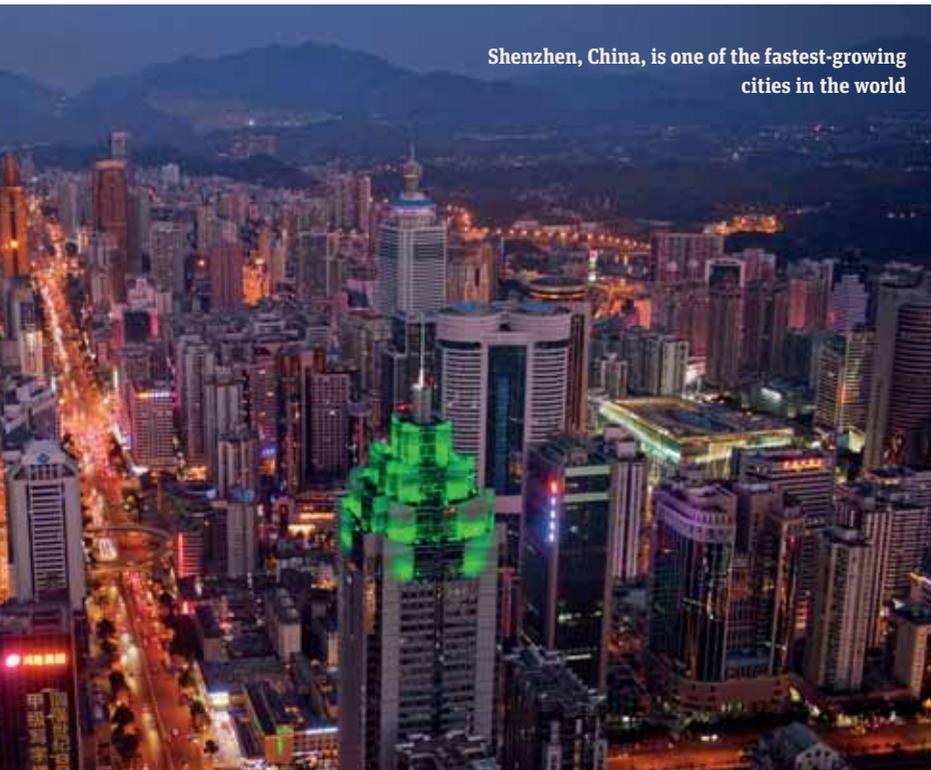
- **Cyber security.** Tel Aviv in Israel has become a well-established and hugely successful location for cyber innovation and keeping data safe.

- **Digital twins.** Wellington, New Zealand’s early investment in creating a cloud-based, IoT-infused digital replica of its physical self hastened its rebuild following a major 2016 earthquake, setting the stage for jobs of the future like “cyber city analysts” and “VR [virtual reality] journey builders”.

- **Fintech.** In Kenya, Nairobi’s digitally engineered fintech advances have re-invented it as a highly adaptable financial services metropolis stemming from locally

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Shenzhen, China, is one of the fastest-growing cities in the world

born technological innovations such as M-Shwari and M-Pesa.

- **E-sports.** Dundee in Scotland has successfully fused the tech-heavy worlds of gaming and design, all epitomised by its gleaming new waterfront design museum.
- **Sustainability.** Kochi, India's airport, is powered entirely by solar energy. (It's also the home of one of the world's largest 3D printing "FabLabs".)
- **Diversity and inclusion.** Atlanta, Georgia, is one of the western hemisphere's burgeoning innovation economies, attracting some of the most diverse talent in the US with a rich mix of tech savvy, culture and inclusiveness.
- **Digital engineering.** Shenzhen, China, showcases world-class lessons in the power of rapid prototyping at its Huaqiangbei electronics market, which features digital engineering at hyperscale. It's a rich example of making science fiction dreams become real-life science fact.
- **Virtual workplaces.** Remotopia's huge, cloud-based infrastructure

investments reveals the poison of legacy kludges, of technical debt-riddled patchworks of systems. It showcases the power of supporting millions of telecommuting employees with modern systems that scale elastically (with Virtual Space hot on its heels).

The elevator pitch to elevate your place

So, in the end, what is it that makes a place a place of the future? The answer: a fundamental belief, widely distributed among the brokers of local power, in the promise of tomorrow, not a longing for the glories of yesteryear. Specifically, belief in:

- **The centrality of technology.** We're no more than 20 per cent into the Fourth Industrial Revolution; ride this wave, attracting and developing the jobs of the future, and a virtuous circle of employment growth, wage growth and tax revenue growth will propel your place forward. Miss it, though, and your city could likely end up like the California gold-mining ghost town of Bodie – a curio that tourists will visit in

50 years' time and ask: "What on Earth happened here?"

- **Openness – to ideas, to people, to culture, to experimentation, to failure, to the future.** A place that is open to the future has no guarantee it will thrive, but a place that is closed is guaranteed to ossify and die. Occasionally, that demise can be glorious (a la Venice); most times, though, it is more mundane and far less picturesque.
- **A balance between the vested interests of the "incumbent" and the "disruptor".** In too many places that we surveyed for this report it was all too apparent that the haves were pulling up their drawbridges to protect themselves from the have-nots. Price inflation for real estate, education, healthcare and entertainment is a manifestation of a culture that undervalues tomorrow. Great places now, perhaps, but not places of the future.

- **Education.** Every person, company, institution and society that has risen through history has achieved this status through one basic step: education.

Put simply, the brightest people at the greatest scale win. Most of the places in our report reflect this truth. Many of the places that didn't make our list fell down because education wasn't prioritised.

We also think a place of the future could be in the neighbourhood where you currently live, right where you were brought up. The future of work could be right under your feet – literally in front of your nose, as George Orwell might put it. All of us potentially have the power to make our places fit for the future. With the means of production, anyone can do any work, anywhere.

History has shown that places that get the atomic elements just right will inherit the future (and have the cool kids, like moths to a flame, wanting to be there, where the action is, and create the future of work). This is the route to making where you live great again (or great for the first time). In *21 Places of the Future*, we hope we've offered some ideas – perhaps controversial or at least unconventional – on how to go about doing that.

Urban areas face the challenge of growing gaps between the health of the rich and poor. By [Samir Jeraj](#)

Healthy cities, healthy economies

One hundred years ago, in what was then Essex, London County Council built the largest housing estate in Europe. The Becontree estate, built on 3,000 acres of former market gardens and country lanes, was to provide council-owned “cottages” for workers, complete with a garden of their own. The initiative was part of an effort to build new, healthier communities for working-class families who were moving out of an overcrowded and unhealthy London. Many of its residents had returned from the trenches of the First World War. The project, which took 14 years to complete, would grow to 26,000 houses, providing homes for 100,000 people.

At the time, the estate was a solution to the class inequalities of London. A century later and British cities are still deeply unequal. The Covid-19 pandemic hit poorer parts of towns and cities much harder, with areas such as Barnsley,

Wolverhampton and Newham recording higher rates of deaths, according to the charity The Health Foundation. Covid aside, there are disparities in life expectancy across the UK. In London, a woman in the borough of Barking and Dagenham will live to an average age of 82, and a man to 78. Not many miles away in Westminster, a woman will, on average, live to 87 and a man to 85. Even within those localities there are huge gaps between different neighbourhoods.

Covid hit the less well off much harder

Barking and Dagenham's Becontree estate in 1950



In 2011, life expectancy in Westbourne in Westminster was 75, while in wealthier Knightsbridge and Belgravia it was 89. In Glasgow, male life expectancy in 2011 was just under 74 years, the lowest of any UK city.

In 2014, the World Health Organisation estimated that these health inequalities cost European countries just over 9 per cent of their gross domestic product, highlighting the role that investing in the prevention of disease through urban development can make to the broader economy. Some cities are trying to grow their way out of health inequalities, marrying economic development with efforts to improve the quality of housing, jobs, public space and transport.

There are “particular risks and opportunities for public health when you’re looking at urban environments”, says Chris Naylor from The King’s Fund think tank. “When cities go wrong, they



can be really bad for public health,” he adds, but the concentration of people, resources, jobs and industries in a small area generates opportunities to create a healthier place. In London, for example, there is an abundance of large and small businesses, philanthropic institutions, and significant public and voluntary sectors. When harnessed these can have a significant impact on health.

This can happen at a more individual level through economic growth and improving the quality of employment, which is linked to better physical and mental health. It can also happen at a larger scale through the planning system and by “social innovation”, Naylor says. He gives the example of New York, where “innovation labs” help public agencies and the voluntary sector to develop new solutions to poverty and other social determinants of health.

Local governments can use their

planning powers to channel development and cultivate neighbourhoods that support walking and cycling, access to green spaces, and healthy and affordable food. “Probably the most important thing to do from a health perspective is to do things that encourage small increases in physical activity among those who are currently least active,” says Naylor. These interventions can be hyper-local, down to the street level, and can start to chip away at the inequalities

Interventions can chip away at inequalities

that exist within cities and towns. The risk is that local governments choose easy options that encourage the “wealthiest and healthiest” to be more active. While this delivers results, it also widens the gap between rich and the poor.

NHS England’s 2015 Healthy New Towns programme sought to tackle this problem in ten new neighbourhoods being built across England, ranging in size from just under 1,000 homes to over 13,000. “The idea was the NHS funded some work there on how we can, by getting the health sector involved from the start in planning these places, create places where it’s easier to live a healthy life”, says Naylor.

“What we didn’t want to do was create this wonderful enclave in this new development,” says councillor Maureen Worby, the cabinet member for health and social care integration in Barking and Dagenham and chair of

the local Health and Wellbeing Board. The London borough is the site of the Becontree estate. It is also the location of the new 10,000-home Barking Riverside development, which is testing how to incorporate health inequality reduction into new builds.

Barking and Dagenham was one of the Healthy New Town sites chosen by the NHS. Unlike most of the other projects in the scheme, Barking Riverside was a “brownfield site” that had historically been mostly industrial. The aim was to see how health inequalities could be reduced, in part through green space, access to the river, health services, and decent housing introduced to the new development.

Their project “was about how do you design in the concepts of a Healthy New Town and how do you make that relate to an existing population”, Worby says.

This meant ensuring the benefits went beyond the immediate area and into the surrounding communities. A locality board, made up of representatives from the council, the developer, residents and the local NHS, is ensuring the development meets that goal. One of their big projects is creating a “well-being hub” that will bring together health and council services such as employment and money advice, and leisure facilities. When people go into the hub, they might be there for a GP appointment but could be referred for help with money, or to exercise classes in the same building.

“It is a different model and I’m really lucky that our health partners here want to try out something a bit different,” says Worby.

She is now working to incorporate the Healthy New Towns principles into the planning and development policies for the whole of Barking and Dagenham. For example, developers are encouraged through the planning policy to provide food-growing spaces such as community orchards and allotments. It is something she believes builds on the legacy of the Becontree estate and the desire to build



A mobile Covid-19 vaccine clinic in New York

healthier places.

“You’ve got to view good health as an asset to society,” says Jo Bibby, director of health at The Health Foundation. “Our interest is in improving population health and reducing inequalities,” she says. The Health Foundation has been working on the links between health and the economy, including how to robustly quantify the value of “good health”. For example, poorer people tend to have poorer health, which has an impact on their ability to work and get good employment, which has a knock-on effect on health, which in turn costs money in terms of healthcare.

“We think if you could quantify that, it would make it easier to make the case for investment in preventative action that helps people stay in good health in the first place,” says Bibby. At the moment, poor health is seen as an “inevitability” for some groups of people that has to be managed by the healthcare system.

The foundation looked around the world for examples of places that were using economic development to drive improvements in health and reduce inequalities. One example that stood

Poor health is seen as an “inevitability”

out was Auckland in New Zealand, which has developed a “place-based model” for social and economic development in the south of the city, where there are greater health needs and a larger proportion of people from Polynesian and Maori communities. Called the Southern Initiative programme, it works with community groups, and creates interventions that improve health, well-being and employment.

The foundation came to the conclusion that an “inclusive economy” was one of the best ways to do this. In Burlington, in the US, for instance, the city picked up a 25-year economic development strategy from 1984 that emphasised self-sufficiency, a strong voluntary sector, protection of the environment, and participation of marginalised groups. For The Health Foundation, an “inclusive economy” means investing in infrastructure such as housing and digital communications, interventions to support lifelong learning and reskilling to adapt to employment, as well as targeted programmes to support people into the labour market. It announced a funding round at the end of 2020 to develop this approach in the UK.

“We don’t yet treat health as if it’s part of our infrastructure,” says Bibby. “One of the things that needs to happen is having that right...incentives in place.”

As cities continue to develop, they will face choices over what to invest in if they want to reduce health inequalities. They can use their planning powers and street-level changes to direct some of that change and channel investment from developers, and they can put money into services that help tackle the wider determinants of health in an area, such as the well-being hub in Barking Riverside. But inequalities are stubborn. New places can be built to better standards, but the challenge is what to do in those places where inequality seems to be locked into the geography. ●



A fund unworthy of its name

Prioritising wealthier areas dooms the Levelling Up Fund to fail, says Jonny Ball

At the beginning of March this year, as part of his Budget speech, Chancellor Rishi Sunak announced the Levelling Up Fund and invited applications from local authorities across the UK. The £4.8bn initiative was the latest in a line of government programmes to promote regional development and counter the economic supremacy of London and the south-east.

The fund, making good on the government's 2019 election promises, would "support town centre and high-street regeneration, local transport projects, and cultural and heritage assets".

This wouldn't be a "levelling down", a race to the bottom; instead, it would bring investment in infrastructure and jobs across the country.

It was a laudable aim, no doubt, and one that made inroads into the opposition's traditional comfort territory. The proposal solidified the image of a new Conservative Party basing policy on pro-Brexit patriotism and showing common cause with the "left behind".

But once the government's priority list for the most likely and eligible recipients of the fund's cash was published, the laudable aims of countering geographic inequalities were muddled

by accusations of "pork barrel politics". Sunak's leafy constituency of Richmond in West Yorkshire was designated in the first-priority category, as was the affluent market town of Newark, the seat of Housing Secretary Robert Jenrick. Research by the *Financial Times* showed that, despite being in the lower half of national deprivation rankings, 11 English areas represented by Conservative MPs were listed as "priority 1" for levelling-up funding.

The formula for achieving this classification remained opaque for a full three weeks, until it was released at the end of March. In this time, some speculated that civil servants would be desperately struggling to retrofit a ranking methodology, until it was revealed that the fund would be allocated partly on the basis of metrics such as "average journey times to employment centres". This system privileges more dispersed rural areas, while the accepted, widely used standard for measuring social need – the government's own Index of Multiple Deprivation (IMD), based on income, employment, education, health and crime rates – was abandoned.

Under this measure, some of the most deprived areas in the country were only listed as having second-priority status for levelling up. Barnsley, ranked 38th most deprived out of 317 local authorities, and Tower Hamlets, ranked 27th, were both placed in the second category. By comparison, Sunak's Richmondshire is listed as the 251st in the IMD and Jenrick's Newark and Sherwood 148th.

The debacle of the Levelling Up Fund is indicative of a wider feature of the government: a tendency to paper over the cracks of serious social problems with inadequate, centrally controlled funds to be fought for by cash-starved councils in competition with each other. Whether the iniquitous rankings of this particular fund are deliberate, or the result of an unhappy coincidence, any scheme that aims to address regional imbalances while prioritising Richmond over Barnsley is doomed to fail. ●

Government must put the hardest hit first

Séamus O’Neill, chief executive of the Northern Health Science Alliance, makes the case for a northern renaissance and a targeted approach to post-Covid support

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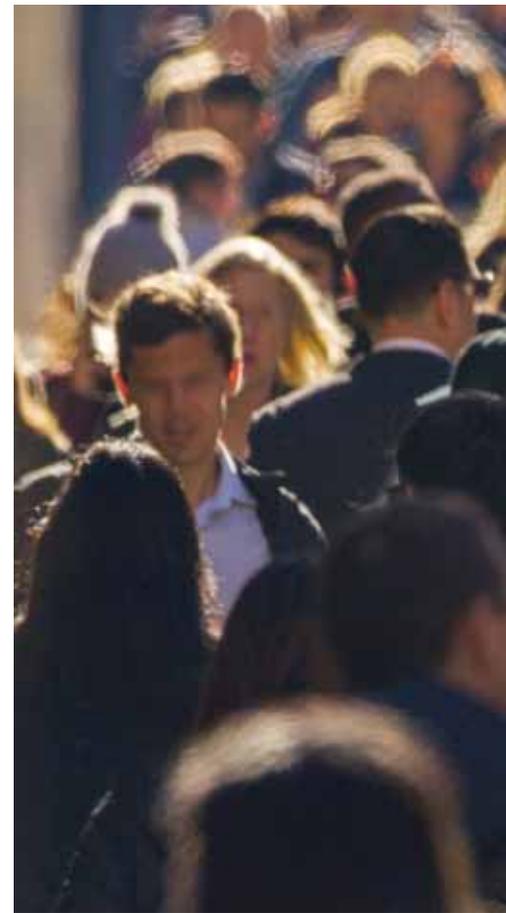
This pandemic has been an unequal one. It has hit the UK hard and it has impacted communities unevenly. We must now face up to the reality of the economic, health and societal challenges that will arise in the recovery.

As a society we must put the hardest hit first. Deprived communities have been disproportionately impacted economically and in terms of their health, and they risk falling further behind without targeted action and investment from government. There is a very real danger to the cohesion and fabric of society as we know it if we do not get this right.

Improving health for wealth

The Northern Health Science Alliance’s *Covid-19 and the Northern Powerhouse* report found that an extra 57.7 people per 100,000 died in the north of England than the rest of England during the first wave of the pandemic.

The link between Covid impact and economic output is clear: the effect of



the extra deaths described above has an economic impact costing £6.86bn in lost productivity, with further economic and societal damage done by the disproportionate increase in unemployment rates.

We also know from our *Health for Wealth* report that improving health in the north to the level of that experienced in the rest of the country would lead to substantial economic gains to the tune of an extra £13.2bn in UK gross value added (GVA). However, we are yet to see any meaningful

“Levelling up” rhetoric has to become a reality



progress to address the health gap between the north and the south.

Even before the pandemic there was an undeniable economic case for levelling up. Without immediate action, the pandemic's effect will be to further increase health inequalities, and we will see towns and cities across the north continue to fall behind the UK averages on health, wealth and opportunity, as ill health, child poverty and mental health issues are exacerbated.

After years of rhetoric from government about levelling up, the need has never been greater for this promise to become a reality.

Invest in regional excellence

Every region, city and town has its own challenges but also has its identity, pride, insights and assets. Supporting local institutions to mobilise these and invest in ways to realise their potential for future economic growth will benefit the regions, and the UK as a whole.

In the north, health innovation has been identified as a prime capability. The region has world-leading health research and life sciences assets that are essential to the communities they serve. With the right level of investment in areas of acknowledged excellence for the north, such as data, artificial intelligence (AI), advanced therapeutics, diagnostics, medtech, and mental health innovation, there is a huge opportunity to bring significant economic benefits through job creation, and to improve health and well-being. This is the win-win we have offered government in our Connected Health North proposal, but it relies on targeted investment and a willingness to acknowledge that those who have been left behind should now be prioritised.

People first

Over the past 12 months we have seen a perfect storm. The pandemic struck communities hardest where the economic resilience was low due to austerity and prolonged disadvantage.

This impact will be further exacerbated by Brexit and the combination will be most keenly felt in the north. Many communities across the country will continue to feel the impact of these policies more than most and will continue to conclude that they are being excluded or forgotten.

Regions that have been hit harder by the pandemic should receive greater support to enable health and economic inequalities to be tackled at a regional level. Left-behind communities within regions, such as coastal or rural areas, must also be prioritised with support to ensure they feel included in the recovery.

There is undoubtedly a long road ahead and we will be fighting on many fronts, but the government must seize the opportunity to level up the health and wealth of the north. A place-based approach that recognises the important role that towns, cities and regions can play in sustaining the recovery will be crucial in the country's post-Covid economic success.

Mind the gap

Why rapid transit systems in British cities lag behind Europe. By Sebastian Shehadi

Great Britain, pioneer of the Industrial Revolution, is the birthplace of the modern metro system: from the London Underground – a “vapour bath of hurried and discontented humanity”, as the artist and writer William Morris once put it, that first carried passengers in 1863 – to the Liverpool Overhead Railway that ran between 1893 to 1956.

This head start has been lost, however. Over the past 50 years, the UK’s investment in mass transit – a fast-paced system of trains or trams – has fallen far behind western Europe.

While in the 1960s and 1970s cities like Marseilles, Rotterdam and Frankfurt were building complex metros en masse, Great Britain was not. Following decades of failed plans, Leeds now has the ignominious reputation of being the largest city in Europe without any form of light rail or underground, a “scandal” that Prime Minister Boris Johnson pledged to “rectify” in his 2019 electoral campaign.

A comparison of metro maps puts the UK’s connectivity gap on full display. Mass transit systems in Manchester, Birmingham and Liverpool are less extensive than those in Marseilles, Rotterdam and Frankfurt (and most

other cities of similar size in those countries). In particular, metro links in the centre of these cities are more limited in the UK, something that has more to do with historic underdevelopment than geography.

In the 1990s and 2000s, New Labour made a big push to revive the city centres of, in particular, Liverpool and Manchester. However, since the 2008 global financial crisis and the beginning of the austerity era in 2010, many regeneration plans have been put on hold, including metro upgrades. It is hoped that Johnson’s much vaunted “levelling-up” agenda – aimed at reducing economic disparities in the UK – will lead to improvements.

While Manchester’s metro is the best of the aforementioned UK cities – thanks to significant investment in the 1980s – even it pales in comparison to its European peers, which also boast vast bus networks and metro links beyond their better-equipped city centres. Little wonder that the West Yorkshire Combined Authority is looking to Nice’s battery-powered trams for inspiration.

Not all locations in the UK actually need metro upgrades. “Only cities with strong and growing centres [and] high public transport usage – but slow

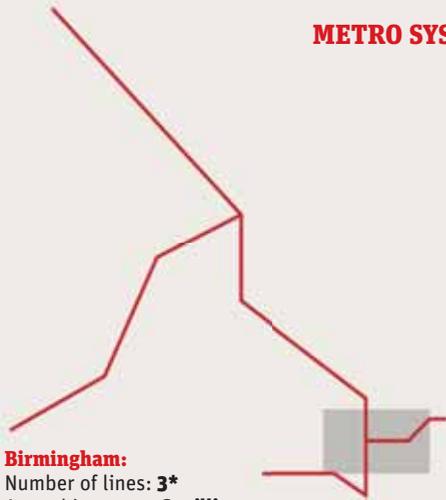
journey times – need new investment in major transport infrastructure... namely London, Manchester, Birmingham and Leeds,” says a 2020 report from the Centre for Cities think tank.

Birmingham, Liverpool and (especially) Manchester are home to the UK railway stations with the most delays. London does feature on this list. Pre-Covid, train riders in the north of England were spending an additional 165 million hours on trains per year, compared to people in the south-east – about 40 minutes more per person every day – according to research from Manchester Metropolitan University. This was largely due to the fact that many trains in the north remain unelectrified and run on diesel.

Patchy mass transit systems in Manchester, Birmingham, Leeds and Liverpool are living testimony to the UK’s regional inequality, one of the worst in the developed world. Covid-19 and Brexit have only made matters worse. To date, the government has focused on megaprojects like HS2, connecting the UK’s regions to London. But without inner-city connectivity, many city economies will stagnate. ● *Sebastian Shehadi is a senior editor at Investment Monitor.*

METRO SYSTEMS IN EUROPEAN CITIES: A COMPARISON

**Grey tints represent city centres*

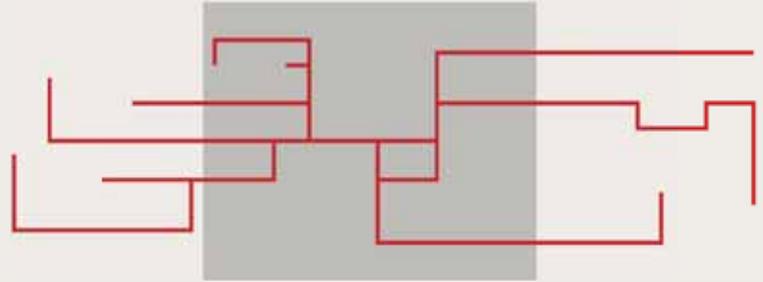


Birmingham:

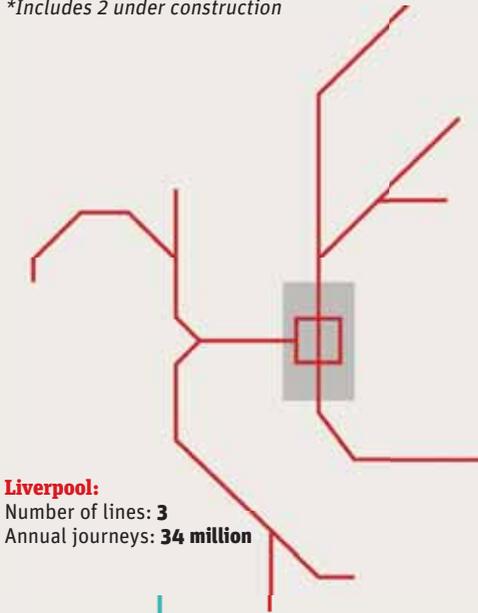
Number of lines: **3***

Annual journeys: **8 million**

**Includes 2 under construction*



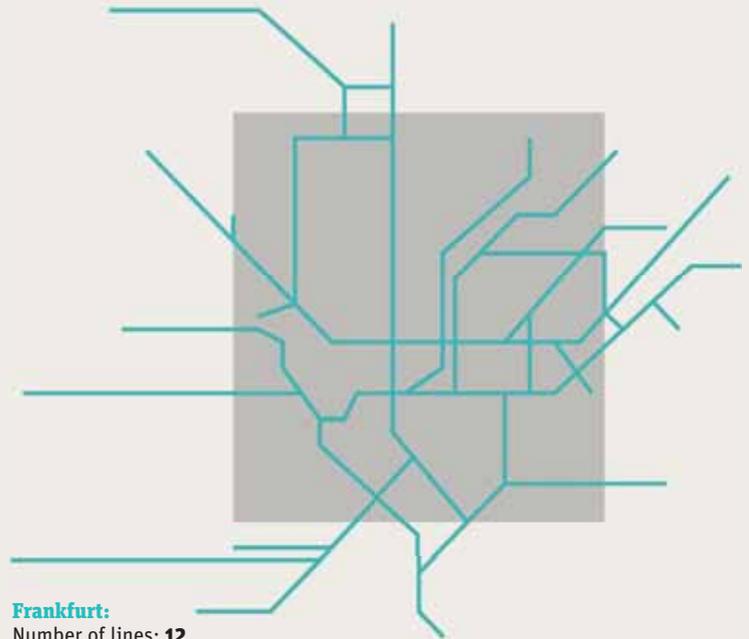
Manchester: Number of lines: **8**. Annual journeys: **44 million**



Liverpool:

Number of lines: **3**

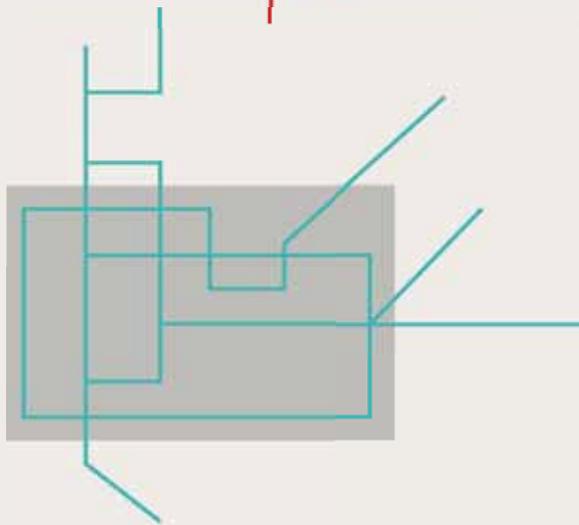
Annual journeys: **34 million**



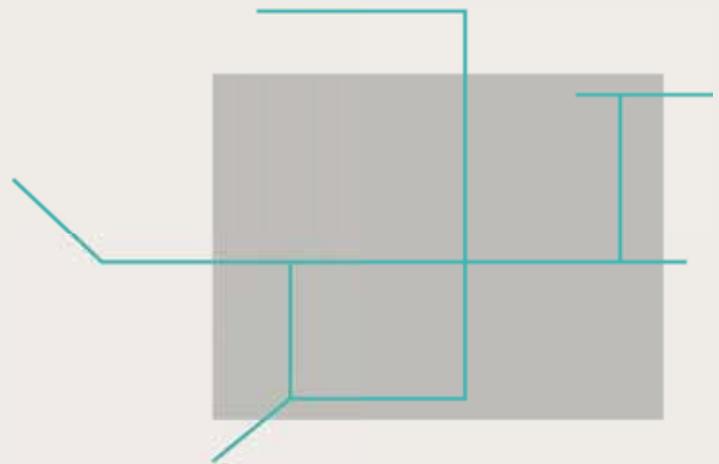
Frankfurt:

Number of lines: **12**

Annual journeys: **132 million**



Marseille: Number of lines: **5**. Annual journeys: **77 million**



Rotterdam: Number of lines: **5**. Annual journeys: **99 million**

SOURCES: EUROSTAT; STATISTA; INTELLIGENT TRANSPORT; BIRMINGHAM TRANSPORT PLAN 2020; RTM.FR; VGF; MRDH.

New homes alone won't solve the housing crisis

The government's appetite for construction will not be enough to fix this problem in our cities post-pandemic, say University of Liverpool academics **Alex Lord** and **Richard Dunning**

Build, build, build

The Covid-19 pandemic has forced us all to question our relationship with our homes and private spaces. For many, the long hours spent indoors have reinforced the value of all those places that are not home: parks, trains and schools. As the pandemic hopefully comes under control while we progress through 2021, we will begin to hear more about the government's programme for economic recovery post-Covid. The Prime Minister's commitment to "build, build, build" in August 2020 when launching the *Planning for the Future* white paper should probably be taken literally, and construction will almost certainly play a significant role within the government's economic plans.

Early evidence of this emphasis can be seen in the £4bn Levelling Up Fund, scheduled to run from 2021 to 2024, to support the "infrastructure of everyday life" in England, and the £7bn commitment for the National Home Building Fund to support self-builds, SME housebuilder loans, and brownfield regeneration, which will be spatially and sectorally distributed

over four years. These two funds are in addition to an extra £2bn per annum for the Affordable Homes Programme, something the government claims is the largest cash investment in affordable housing for a decade. In combination, these announcements represent a commitment of around £5bn per annum to "build, build, build" the affordable housing, infrastructure and physical regeneration that England needs. Although this is a significant sum it is still below the pre-pandemic annual contributions made by private development delivered through the planning system. So, where does the money come from to pay for all those parks, trains and school premises that have been delivered over the past 30 years that we value so highly?

A reliance on developer contributions

While central government has previously funded some of these public goods directly, since the 1990s there has been an increasing reliance on using new private developments to fund affordable housing and infrastructure needs. England has a system of nationalised development rights, so when private developments are proposed, a local authority is able to set conditions for the granting of planning permission. This could involve a developer building a new road junction or a school extension to reflect the fact that a growth in households creates extra demand on public goods of this type. These "developer contributions" are paid through the planning system through two specific policy instruments: "Section 106" agreements, which are negotiated between the local planning authority and the developer on a case-by-case basis, and the Community Infrastructure Levy, a proportionate charge on development (usually £X per m² of development) that all local authorities have the right to employ (although it has only been adopted by around half).

Understanding the value of developer contributions can be aided through data. Our research at the University of

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Liverpool has shown that in 2018/19, developer contributions were worth £7bn in England, up from £6bn in 2016/17. This was used to fund £294m of transport infrastructure, £439m for education (mostly school premises) and £157m for open spaces and the environment. Developer contributions also provided £4.7bn in the shape of affordable housing contributions, resulting in the partial funding of around 44,000 new affordable dwellings. These headline figures would suggest a significant and lucrative approach that is growing and securing some of the infrastructure the country needs. But it is an approach not without problems.

Creating uneven outcomes

The main issue with the current system is that it generates developer contributions very unevenly. In 2018/19, 28 per cent of all contributions were raised (and spent) in London, with an additional 25 per cent raised in the south-east region surrounding the

capital. Yet compared to this cumulative 53 per cent, or £3.6bn, only 3 per cent (£189m) was raised and invested in the north-east. The system goes with the grain of the market and, therefore, reinforces those market tendencies. High values in growing markets result in demand for new real estate that correspondingly translates into planning applications and developer contributions that fund infrastructure and public goods, which, in turn, stimulates the market further. In low-demand areas the opposite is true. If these cycles persist over a sufficiently long period, the cumulative year-on-year effects could be significant.

Build back better

Last summer's *Planning for the Future* white paper set out an intention to legislate for root-and-branch reform of the English planning system; an interesting viewpoint given the size and scale of existing contributions being made annually through the planning system when compared

to new government funding.

Among the measures proposed was the replacement of the system by which developer contributions are determined in favour of a nationally set Infrastructure Levy that would collect a proportion of the development value in every building site. Given that private development has resulted in funding that exceeds the government's recent announcements, it is vital that the changes to planning do not hinder the collection of developer contributions.

If this proposal is implemented, it raises two key questions:

- At what rate should the Infrastructure Levy should be set? This is equivalent to asking the following: what fraction of the uplift in land values resulting from planning consent should the government seek to recover? If the rate is nationally prescribed it is likely to continue to raise more in the high-value markets of London and the south-east than anywhere else.

- How will cash contributions raised through the levy readily result in the public goods that have been typically provided by the development industry when physically developing a site? Developers are well equipped to build an access road and a doctors' surgery alongside the housing development for which they have received consent. There are conceivably a great many more barriers for a local authority to overcome to realise this same end, even if they have received a sum nominally for this purpose. It will be important to avoid the prospect of completed housing developments that then wait years for the necessary attendant infrastructure to be delivered.

To answer these questions, more research will be required by both central and local government so they can better understand how the levelling-up agenda can work effectively alongside planning reform, so that we can all benefit from the desire to "build back better".

To learn more, visit: www.liverpool.ac.uk/geography-and-planning/research/planning-research-institute

Why local power is key to national recovery



It is time to move away from a centralised model of governance, says **Andrew Lewer**, chair of the All-Party Parliamentary Group on Devolution



The platitude that English devolution has become accepted across the political spectrum as a positive ambition is hard to dispute, but it often feels like such statements from the centre are made on autopilot. The reality of progress towards devolution has too often lagged behind the rhetoric. Now the devolution agenda is at a moment of uncertainty, possibly stagnation. And yet the response to the Covid-19 pandemic has shown that local government can be trusted to deliver. The challenges of the recovery demand decision-making be devolved to local leaders. The forthcoming white paper on devolution and recovery is a rare opportunity to turn

off the autopilot and demonstrate real central government commitment.

The All-Party Parliamentary Group (APPG) on Devolution has conducted a major inquiry into how central government can work more effectively to devolve powers to local areas so that every community can exercise more power over the issues that affect them. The APPG found that across a whole range of challenges, putting power and resources in the hands of democratically elected local leaders delivers better outcomes and gives communities a greater opportunity to shape the future of their local areas.

The pandemic has demonstrated the value of local leaders and the role of councils in delivering for their communities. Local government's response to Covid-19 has been more flexible, effective and responsive than aspects of the central government response, in part because the widest range of social and economic factors are often only visible to leaders rooted in the local community. These success stories come from genuine co-production and partnership between



the centre and localities. Local leaders have demonstrated that big national challenges need place-based responses.

The debate about devolution has been dominated by central government for too long. Westminster and Whitehall have set the pace and limited the scope of transferring powers, resources and decision-making to local authorities. In some parts of England, the creation of metro mayors has started to deliver real benefits, but too much of the country has been put in the devolution slow lane. Whatever your view is about leaving the European Union, it can only be seen as a lost opportunity if policies and funding that were previously labelled “Brussels” and “Strasbourg” are simply re-labelled as “Westminster” and “Whitehall”.

The UK has one of the most regionally unequal economies in the world. We should look to learn lessons from our international partners, many of whom are governed successfully with a more decentralised model. Local authorities must have the powers to support the recovery according to the needs of their own area. The system of local

government taxation, already under strain, is arguably no longer sustainable, and local authorities need greater power to set revenues locally. However, many involved in the APPG report took the view that fiscal devolution should not only mean the devolution of taxation, with concerns that many council areas would lose out from a wholesale move from central grants to local revenue-raising.

It was therefore felt that ongoing redistribution through the grant system and direct central government spending would remain essential. Or at least, the radicalism that would be needed to make this no longer the case was just too large a step to take yet in this far from fully mature stage of progress to devolution. Just as important is the ability for local authorities to plan for the long term and set multi-year place-based budgets, instead of relying on short-term “penny packet” funding streams from Whitehall.

Effective devolution has been held back by both constitution and culture. The UK is one of the most centralised of any advanced democracy. Virtually all British governments claim to be in

favour of devolution and localism, but the actual appetite for “allowing” power and decision-making to reside at a local level is much more variable. Despite its long history, English local government is not always treated with due respect in Westminster or Whitehall. Individual government departments have too great an ability to limit the genuine devolution of powers and resources and can operate as silos with inflexible national priorities that are not culturally or organisationally equipped to support local leadership.

Centralised structures have ossified into a centralist culture. A “one size fits all” approach is seen as the default for any policy priority. As a result, too much effort is usually spent by local government in trying to defragment disparate top-down policy interventions to meet the opportunities and challenges of local areas. The bidding culture is reflective of this. Councils and local business leaders have to place a bid into Whitehall to persuade a team of people – with little to no knowledge of the place in question – that they understand their own area. Councils, of course, put in bids when such pots are announced and, of course, they and local MPs celebrate when they are “awarded” to them, but that does not mean that local councils raising funds and deciding where to spend them and then being judged upon that in local elections is not the better way. It is.

The government’s deal-based approach linked to the creation of metro mayors played a clear role in kick-starting the process of English devolution, but it has run its useful course. Given the scale of the economic and social challenges ahead, the need to make swift progress and to recognise that metro mayors are unlikely to be appropriate for every community, the government needs to widen its approach and consider new models. The APPG’s report calls for an English devolution taskforce, co-chaired by a cabinet minister and a council leader to work together and define a new baseline of powers to be made available to every local council. Working together we can improve public services and rebuild the economy. ●

Policy experts on sustainable urban growth in the wake of the Covid-19 pandemic

The future of cities



Barbara Pons-Giner
Urban planning
advisor at the City
Council of Barcelona
The role of green spaces

In Barcelona, we are working to make our city an economically vibrant environment again, but also a healthy and sustainable one. We know that, in order to attract investment and talent to our city, the quality of life and air is vital. Thus, in parallel with the deployment of the new nodes of economic activity, we are developing more sustainable mobility and a public space where life (pedestrians, greenery, biodiversity etc.) is at the centre, and where clean air is breathed. How? With the superblock model, which basically means to remove space from private vehicles in favour of people, greenery, recreation and local commercial activity.

Barcelona is a dense, compact city, and some areas have very few green spaces. The only way to reduce the air pollution and the heat island effect is to transform car-oriented streets into green axes, for bikers and pedestrians only, with permeable pavements and more trees and low vegetation. The goal is that, in the grid of the Eixample neighbourhood,

one in three streets is a green axis, and that residents have a green street or a square at a maximum of 200m from their homes.



H el ene Chartier
Reinventing cities project
manager at C40 Cities
**The prospect of a
“15-minute city”**

The key aim for cities is to support a thriving local life so people can access everything they need within a short walk or bike ride from their home. It’s a decentralised way of organising the city to create inclusive, safe and sustainable communities. In the 15-minute city of the future, residents can shop for all their fresh groceries, access goods and services, and quality healthcare within their local area, as well as affordable, accessible housing. Parking spaces for private vehicles have been reclaimed to widen pavements, create cycle lanes, and develop new uses such as terraces and pocket parks where people can meet.

By reducing long commutes and unnecessary travel, the 15-minute city enables a local lifestyle while also improving air quality. However, the 15-minute city is also about connectedness – promoting

good public transport and digital infrastructure to promote accessible urban life and flexible, thriving neighbourhoods. The pandemic has highlighted the importance of our immediate local area. That’s why cities around the world – from Paris to Bogot a, Seattle to Melbourne – are driving forward the principles of the 15-minute city, to ensure a green and just recovery from Covid-19, protect the environment, and vastly improve the quality of life for residents.



Maria Kottari
Research associate,
climate cluster at
the European
University Institute
Net zero ambitions

As we contemplate the post-pandemic recovery transition period, a dilemma arises for cities as to how to manage to deliver their climate pledges while setting key infrastructures and services in motion once again. Many European cities have declared climate neutrality pathways in line with the EU and Paris Agreement targets on that front. The transformation of the transport sector prevails as the most common area of intervention at the city level because of its high carbon footprint and significance for socio-economic activities.

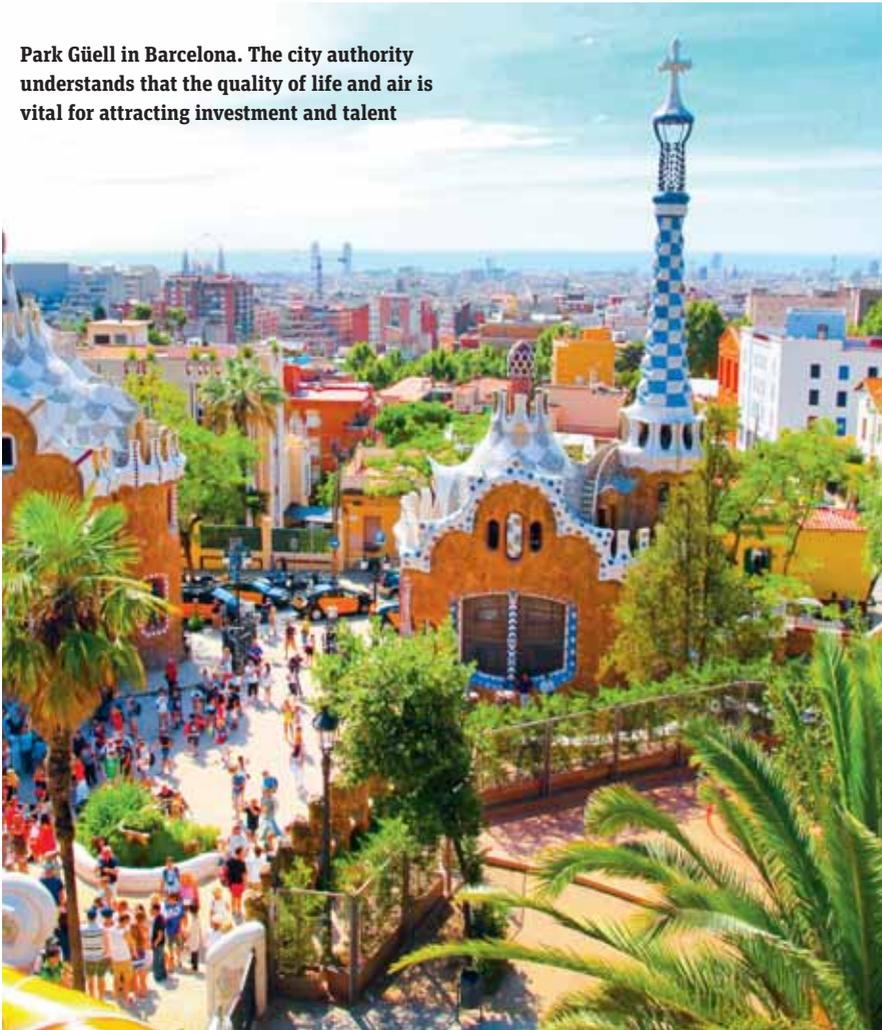
The great potential the sector holds in the adoption of green and sustainable technologies (e.g. through electrification) while engaging citizens in solutions design and behavioural change (e.g. to mobility-as-a-service and away from the traditional “vehicle ownership” logic) seems in many cases susceptible to the priority of leading the post-pandemic economic recovery.



Philip James
Director, Urban
Observatory at
Newcastle University
A data-driven metropolis

Big data provides an opportunity to develop data-driven, evidence-based decisions and to capture the intended

Park Güell in Barcelona. The city authority understands that the quality of life and air is vital for attracting investment and talent



Commuters and consumers are changing

VLADITTO/SHUTTERSTOCK

and unintended consequences of intervention and change. This is critical when resources are spread thin and we want to ensure that change is, and continues to be, a positive force and furthers the larger societal goals in an equitable way.

There are many technical challenges in curating and understanding this data that arise from complexity and scale transitions. The bigger challenges are to ensure that we don't just measure the easy stuff (like cars), but focus on the human scale and nudge our cities into spaces for people. This has to be balanced against understandable concerns about privacy and access to data and systems through the right

governance, transparency, and a shared, open data agenda. As cities are an enormous game of trade-offs, the real value in big data is that it provides evidence for decision makers to make hard choices. It is easy for loud voices to declare that all change is bad, but now we can measure impacts, negative and positive, and support a real understanding of the cost and benefit of pre and post-intervention. “Your bus journey will be longer” now becomes “Your bus journey will be 20 seconds longer”, but that busy street is cleaner and safer. Quantities make a real difference.



Matthew Niblett
Director at the Independent Transport Commission
How mass transit evolves

There is still huge uncertainty regarding the long-term behavioural impacts of the Covid-19 pandemic, but the evidence so far is that the crisis has accelerated a number of pre-existing trends, including moves towards flexible working, increased online retail, and a stronger interest in active travel. All these will impact transport planning in our cities and present fresh challenges and opportunities.

The Independent Transport Commission believes travellers are likely to be less tolerant of overcrowding and poor hygiene on public transport in the future, and operators will need to be innovative to attract customers back onto trains and buses. Flexible working is likely to have a significant impact upon rail travel – the mode with the highest proportion of commuters and business travellers – and this trend could help to “spread the peak” as well as make better use of capacity, but only if commuters do not all choose to work from home at the same times or days of the week.

Bus services are likely to remain an important mobility resource for key workers and those on low incomes, so urban planners will need to be careful that proposals for “slow streets” and more cycle lanes after the pandemic do not impede such services. ●

The UK's recovery requires more resourcing for innovation.

By Sebastian Shehadi

Why R&D spend can rebalance the economy

Blood clots, vaccine nationalism and a bitter stand-off with the EU. After much work, these were probably not the headlines the Oxford-AstraZeneca team had hoped for. Still, its vaccine remains a national trophy, and something the government has been able to cling to. The UK's management of the pandemic may have been poor, but the Covid jab handed Boris Johnson a high-profile coup.

And in fact, according to analysis by Universities Allied for Essential Medicines UK, as much as 97 per cent of funding for the decades of research that contributed to the vaccine was public. But this belies an overall lack of research and development (R&D) funding in the UK. Britain has a dearth of innovation, something to which the country's low total expenditure on R&D – just 1.7 per cent of GDP – contributes. This is well below Germany (3.1 per cent), the US (2.8) and France (2.2).

There is a structural problem. If the

UK distributed R&D funds to the whole country as it does to the wider south-east of England, it would spend £4bn more, according to a report last year from Nesta, an innovation foundation. This imbalance results in a missed opportunity to use public spending to “level up” areas with weaker economies, the report states.

The issue is decades old. Great Britain's highest-productivity sectors tend to be ones that involve innovation, such as tech and advanced manufacturing. “But this country has for 40 years not really supported those industries. [It has] no consistent industrial policy,” Juergen Maier, former CEO of Siemens UK, told an event at the University of Manchester in 2020. “Instead, we've relied on the services industry, many parts of which have lower-paid jobs and productivity.”

Support for innovation has clustered around the university cities of London, Oxford and Cambridge, otherwise



known as the “Golden Triangle”. But even distribution of funds is not the answer, either. “Economic policy based on perceived fairness won't actually improve people's lives,” says Paul Swinney, director of policy and research at the Centre for Cities, a think tank. “We need to spend more in places where it will have an impact. [Most] locations in the UK don't have the right skilled workers, companies and ecosystem to absorb R&D funding.”

Economics of scale are vital. The more funding one puts in one place, the higher the returns tend to be, hence the

Decisions on funding should be local



The UK's vaccine success happened despite the country's overall lack of R&D funding

historic focus on the Golden Triangle, says Riccardo Crescenzi, a professor of economic geography at the London School of Economics.

It seems, however, that the UK's next largest cities, after London, have missed out. They are far less competitive in economic terms than their European and US counterparts, research from the Centre for Cities has found. According to conservative estimates this costs the UK economy close to £50bn every year.

"The UK has never properly thought about using R&D money as a tool for promoting economic development," says Thomas Forth, head of data at Open Data Institute (ODI) Leeds, a non-profit firm. "Whereas in Germany, it's been an explicit goal in stimulating growth."

The Nesta report highlighted the extent to which the UK's regions (outside the south-east and east of England) lag behind their competitors in western Europe in terms of public funding. According to Forth, these

discrepancies may have deterred major private investment, such as Tesla's Gigafactory for electric cars and batteries that created around 10,000 jobs near Berlin.

"The West Midlands was in the running for that. Berlin's region has no long history of car building. But over the last 30 years it received loads of government funds, while public money to the Midlands was largely stagnant."

Part of the problem is a lack of understanding of the drivers of innovation. "It's tricky. Should we prioritise the innovation of something being invented or new technologies being absorbed? Should it focus more on universities or businesses?" asks Swinney.

Currently, the UK's public R&D funding – issued by the UK Research and Innovation body – puts "academic excellence" as a priority.

"Their definition is focused on historic excellence, centred in the Golden

Triangle, and less so on emerging or potential excellence in academia and business," says Jen Rae, head of UK innovation policy at Nesta. "This is to the detriment of up-and-coming talent in Manchester, Leeds, Birmingham (and the like), where there are highly innovative businesses that aren't being backed up with the level of public investment they deserve."

Manchester's graphene industry is one well-known example. Critics argue that the government took too long to support the universities and businesses developing the lightweight, stronger-than-steel material, in large part due to their location.

"The vast majority of the boards and institutions assigning money are based in the south-east and meet in central London. This makes them more disconnected from the networks, talent and science in the rest of the country," says Forth.

"On top of this, regional governments in the UK don't have control over funds, so they lack the power to gamble on future growth or throw money at, for example, the West Midlands' electric car industry," he adds.

The argument for devolution is clear: funding decisions need to be local. In a boon for this, the government has said it plans to shift 22,000 civil servants out of London by 2030.

Another boost for the regions is the £800m recently confirmed for a new research body funding ambitious proposals in emerging fields, a pet project of Boris Johnson's former advisor Dominic Cummings. In last year's budget the government said it would more than double spending on R&D by 2024, a good step towards the UK reaching its target of boosting the proportion of R&D spending from 1.7 to 2.4 per cent by 2027. However, this year's budget has been less encouraging, giving little detail on new R&D spend. The jury is out, but ensuring the right resource for innovation will clearly be vital in rebalancing the UK's unequal economy. ●
Sebastian Shehadi is a senior editor at Investment Monitor.

Leaving the EU will only deepen imbalances in the UK economy, say **Philip McCann** of the University of Sheffield and **Raquel Ortega-Argilés** of the University of Birmingham

How Brexit will impact the levelling-up agenda



The fortunes of the UK's regions have been a central topic of political debate and policy discussion since the December 2019 elections. And with its so-called "levelling-up" agenda, the government has sparked reflection on issues that this country has largely ignored for decades.

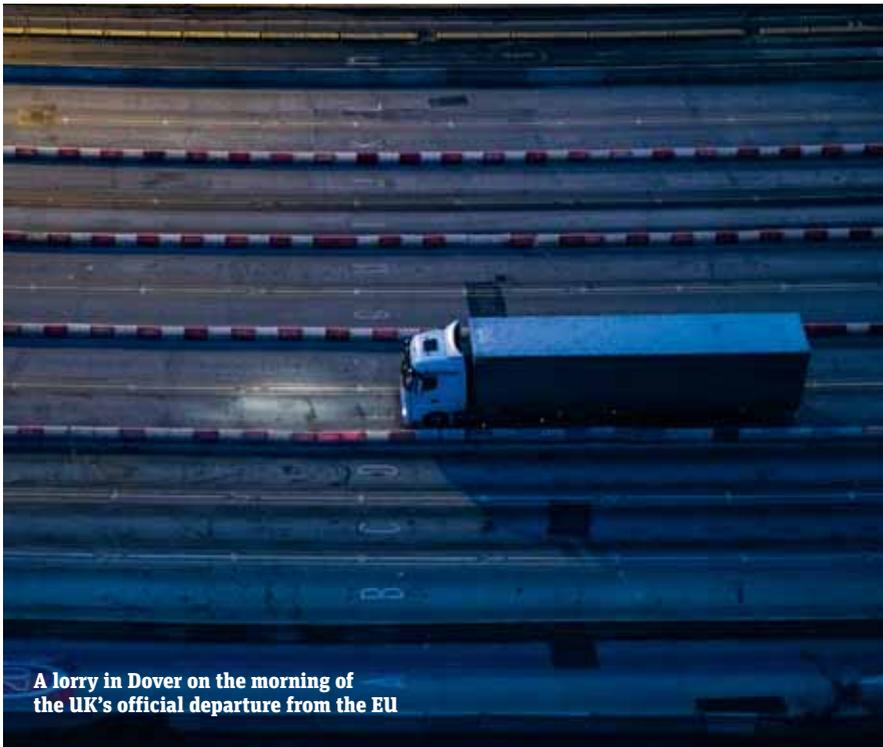
The background to these debates is twofold. First, in recent years, the emerging evidence has shown that the UK is one of the most regionally unbalanced and unequal nations in the OECD, if not the most. Among the UK's peer group of countries there are no major economies that are more unbalanced, and all major countries that are richer than the UK are also more regionally equal. These inequalities are not unique to the UK, but the scale of them is largely unprecedented.

Second, this growing awareness has cut through in politics, largely in the aftermath of the 2016 European Union referendum. The plight of so-called "left-behind places" has created a "geography of discontent", which challenges the political status quo and the institutional set-up of many countries. The UK is no exception. The political ramifications associated with Brexit and the fall of the "red wall" of parliamentary seats has put

regional issues centre stage.

"Levelling up" might sound good, but there are real challenges to making it a reality. Half of the UK population today live in places that are no more prosperous than the poorer parts of the former East Germany or the US states of Mississippi and West Virginia, whose quality of and access to healthcare is equivalent to eastern Europe. The UK has large geographical variations in income, wealth, social mobility, educational attainment and life expectancy. These inequalities started to emerge in the 1980s and accelerated from the 1990s onwards.

Prior to the 2008 global financial crisis, all UK regions displayed steady productivity growth, but since then, productivity – the best measure of overall prosperity – has flatlined. In particular, the economies of whole swathes of the Midlands and the north of England, along with Wales and Northern Ireland, have stalled for around a dozen years. At the same time, the London economy and much of the south of England, along with Scotland, largely recovered quickly from the shocks of 2008, and have steadily continued to prosper. This is not to say that all parts of the south have blossomed, with some southern coastal towns struggling to



regional problem. Yet our existing over-centralised governance provides few levers for boosting productivity.

Brexit and the Covid-19 pandemic add to the difficulties. A large body of evidence already suggests that leaving the EU will make regional inequalities greater than they already were. The main reason for this is that the economically weaker regions of the UK are more dependent on EU markets than the more prosperous ones. As such, they will need to restructure their economies to a greater extent than wealthier parts of the UK in order to cope with Brexit.

There is a certain irony to this, given the fact that the sense of being “left behind” was a feature of the geography of the Brexit vote and a catalyst of the levelling-up narrative. These challenges are magnified by the public debt. The deficit arising from the pandemic response means that the long-term possibilities for public expenditure to facilitate the government’s agenda are likely to be limited. The pandemic is also likely to engender major financial shocks, which rarely favour weaker places.

Politics is now also dominated by a cities-versus-towns narrative, but the UK’s regional inequalities are not primarily between cities and towns. Rather, they are between different parts of the country. At the same time, some view the challenges of levelling up as being primarily local in nature and requiring very localised policy responses. In reality, however, they are large-scale. While hyper-local responses may help address pockets of deprivation in prosperous regions, localised responses will do little to address nationwide regional inequalities. As the UK2070 Commission stated, for levelling up to work, it is necessary to “make no little plans”. ●

Philip McCann is professor of Urban and Regional Economics at the University of Sheffield.

Raquel Ortega-Argilés is the chair in Regional Economic Development at the University of Birmingham.

keep pace. Similarly, parts of the north, and the north-west in particular, have recently experienced local growth, but the general story still holds. The country is decoupling internally.

As the UK2070 Commission – chaired by Bob Kerslake, the former head of the civil service – has argued, these inequalities also adversely affect people in the more prosperous regions. They hit lower-income groups, which are unable to afford housing and face ongoing shortages in public service personnel.

UK regional inequalities in prosperity are enormous by international standards. And as they have arisen, they have largely been ignored by the government. This is important because the UK’s governance set-up is itself partly to blame. Among large countries, the UK has the most centralised, top-down governance system in the industrialised world. This limits the state’s ability to respond to and alleviate emerging inequalities.

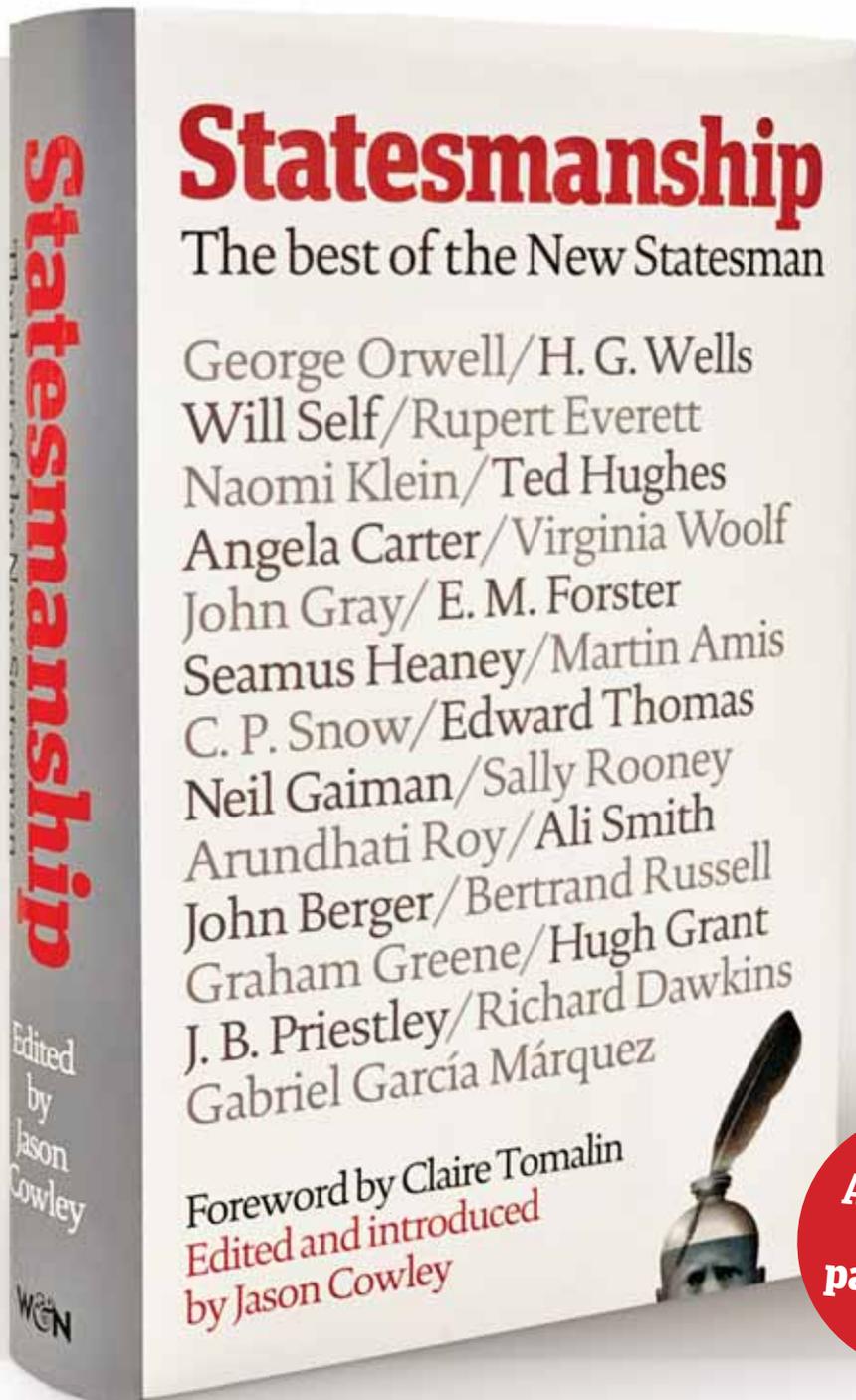
Countries with more devolved and decentralised governance systems not only grow more evenly, but they do so with no loss of national output growth relative to centralised societies. More devolved societies are also less dominated by a single city.

Germany is a case in point. Interregional transfers of some €trn aimed at building institutions, research and educational infrastructure, and regional governance capacity mean that even after the cost of German re-unification in 1990, the country is more devolved today, more regionally balanced, and more prosperous than the UK. In the UK, the combination of a highly centralised governance system alongside frequent changes in ministers and civil servants means that the centre learns little or nothing about the local. Meanwhile, the local is entirely disincentivised from engaging with the centre. Four decades of growing regional inequalities and London’s economic dominance have left the UK in a very difficult position economically. The UK productivity puzzle is, to a large extent, a

Our regional inequalities are enormous

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