



## **Economic Renewal in the shadow of a pandemic – A personal perspective**

**Introduction and purpose:** ‘[Positive progressive placemaking](#)’ (PPP) was drafted at the beginning of 2020, but finally posted on May 1<sup>st</sup> during the initial UK COVID19 lockdown. It seeks to synthesise, in a way relevant to the challenges of the 2020s, a decade of Third Life Economics (3LE) work in place-based growth and development, and a career as a development economist and senior public servant.

The final handbook references COVID19. It applies 3LE post-disaster turnaround and recovery planning insights to the pandemic, its shock to and impact on places. What it does NOT do is question whether and how profoundly the pandemic shifts sub-national development agendas going forward.

Now nine months into the UK COVID19 experience, I am grateful to the IED Commission for Local Economic Renewal for giving me that opportunity. It seems at least plausible that ‘new normals’ post-pandemic will be fundamentally and enduringly different to prior orthodoxies. This thought piece suggests how this might be, and the implications for those passionate about positive progressive place making.

**Positive progressive placemaking’s hypotheses:** PPP seeks to assist local leadership teams:

- Determine evidence-informed local ambitions and frame these in plans and strategies
- Strengthen leadership and governance that is empowered (inter alia through devolution), inclusive, open to challenge, and has the cohesion and capabilities to intervene effectively
- Focus on the ‘big challenges’ facing our places and communities – demographic, triple bottom-line, digital and technological, inequalities and social justice.

It offers tried and tested tools and techniques for doing this – rooted in 3LE’s experience.

It’s hypotheses also resonate with signature pre-COVID19 analyses in the IED Commission’s literature. From the UK2070 ‘Think Big, plan big and act big’ report to the Heseltine Institute’s analysis of Liverpool’s recovery potential, to John Goddard’s Civic University and anchor institution collaboration contributions, the underlying assumption that the UKs extreme spatial variation is dysfunctional and requires place-led transformation is pervasive and persuasive.

Fundamental questions facing the Commission, though, are whether the pandemic makes place-led transformation addressing, in particular, ‘left behind places’ more or less intractable, and what types of place-making policies and strategies have merit over the short and medium terms.

**Toward a post-pandemic framework for defining and delivering place-based change effectively:** This paper seeks to answer these questions through outlining what appears to be pre-pandemic dynamics continuing to face place-based leadership teams, augmenting these with and balancing them against new emerging trends and challenges. It then considers whether and how far pre-COVID19 frameworks for policy development themselves ought to be enhanced and adapted for post-pandemic and, shortly, post-Brexit contexts.

This is presented for discussion and elaboration in the preliminary framework below:

|                            | Contexts   | Familiar contexts   | New contexts  |
|----------------------------|--|---|---|
| <b>Frameworks</b>          | <b><u>Recognising the need to assimilate familiar models and trends with new ways of thinking and working</u></b>  | <ul style="list-style-type: none"> <li>Accelerated but relatively familiar societal and technological trends</li> <li>Top down, centralised, London-dominated government</li> <li>Underpowered, assymetric place-based powers &amp; resources with large variation in performance</li> </ul>  | <ul style="list-style-type: none"> <li>High risk of depression and medium-term lack of demand</li> <li>Increased challenges to many facets of globalisation, acute UK and some agglomeration centrifugal tensions</li> <li>National enduring welfare transfers from an unashamed unaccountable pork barrel state</li> </ul>   |
| <b>Familiar frameworks</b> | <ul style="list-style-type: none"> <li>Use of evidence</li> <li>Legitimate and capable leadership &amp; governance</li> <li>Focus on major changes</li> </ul>                          | <ul style="list-style-type: none"> <li>Still a strong case for building commitment to and ownership of long-run place-based visions and values, plans and priorities</li> <li>Place's profile &amp; reputation &amp; what it wants to be known for still vital</li> <li>Building leadership team's cohesion, influence, intervention capabilities &amp; relationship management critical</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen Observatory and Intelligence capabilities – increasingly operating in real time</li> <li>Need credible investment-ready propositions and new solutions that can appeal to government</li> <li>Build partnership working and alliances to mitigate HMG unreliability</li> </ul>  |
| <b>New frameworks</b>      | <ul style="list-style-type: none"> <li>Primacy of public health and key core functions</li> <li>Long term disaster and crisis management</li> <li>Big interventionist state</li> </ul> | <ul style="list-style-type: none"> <li>Put in place 'build back better' turnaround/recovery plans for post-pandemic places &amp; communities</li> <li>Strengthened focus on foundation sectors, public health, inclusive growth, addressing social inequality</li> <li>Refresh and renew enhanced devolution propositions to seek to lessen overwhelming centralisation</li> </ul>                  | <ul style="list-style-type: none"> <li>Mainstream flexible decision-making and contingency planning</li> <li>Develop testing/piloting capabilities for game-changing ideas (eg. UBI, reskilling, spatial repurposing etc)</li> <li>Increase focus on <u>shifting</u> societal trends (eg. attracting and retaining young talent, zero carbon, nature recovery and green deals) rather than just managing them better</li> </ul> |

**Familiar contexts:** It is important not to assume the pandemic has changed absolutely everything. Many of the most profound impacts have been **the acceleration of pre-existing trends**. Digitalisation and automation, pressure on high streets, even home working were pre-existing place-based drivers of change. Their character has evolved rather than been reversed by the pandemic.

Similarly, demographic challenges of aging in most of non-metropolitan England, of housing market affordability, of skills constraints and shortages remain enduring priorities. Fundamental issues like climate change, social inequality and the rise of identity politics remain existential tests of our time and will continue to define many agendas of the 2020s.

The UK remains amongst the most centralised advanced nation states in the world, with some of the most extreme variations in spatial outcomes and performance. London as a world city and political centre of power determines many of the patterns of those variations. As recently as this month (December 2020), IPPR North's 'State of the North 2020/21' reaffirms the scale of 'levelling up challenge' and how pre-COVID orthodoxies and post-lockdown practice are as likely to reinforce as redress these in the UK Government's current implicit responses to the pandemic.

All of these 'grand challenges' were generational 'projects' confronting place-based leadership teams prior to the pandemic. Whilst the nuances in December 2020 are different to what they were in January 2020, the fundamentals have remained fairly consistent.



***New contexts:*** What then, are the big contextual features of the COVID19 experience during 2020 that should inform any refresh of place-based strategies and plans?

The framework suggests three major areas that merit new attention and inquiry.

First, and perhaps most importantly, is the impact of the lock down on economic activity and demand. With national double digit falls in GVA, doubling of unemployment, major furlough and corporate cash flow support schemes the medium-term impact on local economies will be substantial and differentiated. Many analyses look at sectoral composition as the major determinant of lock down impact, and issues like public health and green-led recoveries as the prescriptions for addressing this. But, as global and national responses unfold, places will undoubtedly require more sophisticated analyses and strategies for local areas to define and marshal their own intervention strategies to address their differentiated post-pandemic challenges.

Second, geography now matters in quite different ways and levels of aggregation to the pre-pandemic orthodoxies. The presumption of ever-increasing globalisation and interdependency has been faced with some logistic disruptions suggesting a premium on localisation and shorter supply chain relationships. As fundamentally, increasing US-China strategic rivalry is placing previous global governance instruments under extreme pressure – exacerbated in the UK by post-BREXIT uncertainties. Finally, sub-nationally, the advantages of agglomeration are now countered by the vulnerabilities of high-density urbanisation in a pandemic. The potential for smaller places with spaces and for 15-minute cities replacing long-distance commuting presents new strategic perspectives for most places – both large and small, metropolitan and non-met.

Third is the changing character of UK government. Intervening at levels not envisaged hitherto has profound fiscal and economic consequences for cities, towns and communities – both those previously highly dependent on transfers and those newly reliant on them. With large swathes of business and community likely to be in receipt of significant government support in the medium term, there may be much less flexibility for locally differentiated development strategy. Alongside this, the particular way the Johnson Government seems oblivious to the normal checks, balances and accountabilities of public funding – barely seeking to remain legal in cases from Towns Fund recipients to public procurement – makes relationship management priorities between local and national leadership teams both more acute, contested and probably fraught with ethical dilemmas.

***Familiar frameworks:*** What is evident is that much of PPP remains relevant and important to and for place-based leadership teams. Understanding your cities, towns and communities intimately; building legitimate, inclusive, effective leadership teams; making choices about vision, priorities and how to deliver them, remains the foundation of medium and long-run futures of better places.

Where PPP might re-focus these foundations is in strengthening and adapting Observatory and Intelligence functions for the rapidly changing, turbulent tasks of managing the crises in real-time. Insights from non-traditional data sources like mobility, online digital take up and usage, property market, or trade association reporting, needs to become part of the reporting and analyses of intelligence and policy development teams. And, after years as primary candidates for hollowing out, policy and analytic teams require strengthening and putting on enduring sustainable footings.



There has always been a place for investment project pipelines and 'shovel-ready' schemes in the place-based toolkit. Adapting and retrofitting these to the latest government initiative or programme will remain part of the 'day job' of the economic development practitioner. But the case for revisiting long-list pipelines with post-pandemic impact criteria and recovery thinking may reveal new priorities and justify speculative work on interventions that may have previously received lower rankings.

Similarly, the case for partnership working and deep collaboration has always been a core function of place-based leadership teams and a requirement of many government programmes. However, cities, towns and communities should have a process for challenging the 'usual suspects' of leadership teams. In the face of 'big government', regions and cities may also need to hunt in new and larger packs to avoid or at least moderate zero-sum divide and rule national patronage.

**New frameworks:** If PPP's foundations remain relatively solid, subject to incremental elaborations like those referenced above, what might be the game changers for the IED practitioner's toolbox?

First, there has to be a new appreciation and mainstreaming of the methodologies for crisis management, turnaround and recovery planning. Accepting economic shocks and destruction as one of the new normals for build 'build back better' springboards may be as appropriate a starting point for place-based transformation as the more traditional visioning and futures blueprints. At the least, the two perspectives need to be deployed concurrently and in tandem.

Related to this point, and with reference particularly to the emerging new trends, models of decision-making need to be much more flexible and contingent than hitherto. To give an obvious example, we suspect that the home working trends will endure beyond, for instance, the roll out of an effective vaccination programme. But local implications will vary widely if, for instance, the trend remains at, say 70% of the peak lock down period or it moves towards a much lower figure (say 20-30%). And the strategic consequences for issues as diverse as commuting infrastructure, housing markets, office space and coworking, digital services and many more will be contingent on the evolution of the trend and how it interacts with other changes. Scenario planning and adaptive evolution of policies and programmes, decisive delivery and change management capabilities must increase in importance.

A second set of issues to which the COVID19 response seems to have given new focus is what was previously grouped under inclusive growth. Whilst inclusive growth was rising in importance prior to the pandemic, it still tended to play secondary and complementary passenger roles to predominantly high value, technology and knowledge-rich drivers of the local growth machinery. The pandemic is the first time in the modern era that public health has had primacy over economic orthodoxies. The importance of foundation sectors, logistics and 'good jobs' for lower paid key workers should now be integral to place-based development. Issues like social mobility and equality are even more relevant in the face of the uneven impacts the crises will have long term on communities of place and interest. There is a sense in which those concerns will increasingly read-across to other crises – whether climate change, post-Brexit patterns of globalisation, energy or food security.

Local and regional commitment to address these types of agendas will require capacity and capabilities to trial and develop radical policy changes, and perhaps even to advocate and champion them with an uncertain, sceptical national government.



One can envisage welfare models of, for instance, Universal Basic Income, to fundamental spatial remodelling of town and city centres and their hinterlands, to reskilling to meet the needs of post-pandemic industries and technologies in a much more restricted international migration context.

All of this needs to be supported by radically different approaches to consent, accountability and democratic legitimacy. Perhaps too often pre-COVID19 sub-national agreements were formulated by incumbent local elites, negotiated with Ministers and public servants, with little more than post-hoc lip service to local consultation and involvement.

National government's own willingness to manage the crisis from the identity politics and populists' playbook provides major dilemmas for the devolved nations, regional and place-based leadership teams reliant on the same government's patronage and largesse. Objectively the Johnson government is explicitly ruling without consent in Scotland and Northern Ireland and with highly contested and partial assent in England and Wales. There is at least some recognition that some sub-national leadership teams including some elected mayors in England have made at least as good a fist of crisis management as the UK Government in Westminster and Whitehall.

Local leadership teams – especially in England – will need to consider what devolution offer and ask is appropriate to manage the tensions in the Union as Scotland and Northern Ireland in the first instance put enormous pressures on the Johnson government's approach to sub national places. Will local leaders in all four nations be as bold as to campaign for some sort of post-Brexit federal Britain?

Part of the solution to these challenges is surely in new forms of social mobilisation locally around the existential challenges facing places post-pandemic and post-Brexit. PPP posited non-traditional challengers participating in local leadership teams over-populated by the usual suspects. Bodies like RSA have championed deliberative citizen panels and juries. But if places genuinely wish to shift pre-pandemic trends like aging, climate change, automation, even agglomeration in the face of post-pandemic lesson-learning, future policies and strategies will need to take consent and democratic mandate, accountability, and activist local enthusiasm much more seriously.

**Is it all too difficult?** The argument that these sorts of agendas are far too ambitious and extensive at the best of times, let alone in the shadow of a global pandemic and multiple national crises, needs to be recognised and addressed. Urgent important crisis management can be all-consuming. The requirements to follow Government leads and agendas and punitive action for contesting them may be overwhelming. Capacity and resources are stretched to breaking point. Partners and communities are preoccupied with their own priorities – with limited appetite to look outwards and forwards beyond the immediate. At a very human level, after nine months of crisis, local leaders are weary and worn down by the unremitting pressures.

There are no easy answers to these realities.

The case for dedicated specific recovery and transformation political and executive leadership is almost certainly justified. A local cabinet member and chief officer charged with leading and coordinating turnaround and recovery, shorn of other competing 'day jobs', can give clarity of focus to place-based responses to the crises.



Some turnaround and recovery periods spawn dedicated reconstruction and development agencies able to be given space beyond the day-to-day pressures of place management.

Anchor institution collaboration will be crucial and needs to be tailored to contribute to these processes. There may be particular new roles for universities to deploy their knowledge aggregation and analytic capabilities to local planning and management purposes in addition to their more traditional pre-pandemic direct impact on local host communities. It would be helpful if public funding (UKRI and/or Shared Prosperity Fund) could be made available for these purposes.

**Know your crisis:** Ultimately though, one of the major lessons of the author's involvement in crisis management, turnaround and recovery planning is the '**know your crisis**' advice. COVID19 is a very significant external shock. BREXIT is almost certainly a gratuitous act of massive self-harm particularly inappropriately timed in its overlap with the pandemic.

But isn't the meta-crisis facing nations, regions, cities and towns in the UK the inability of the UK state in general and the Johnson government in particular to provide a virtuous, consistent, empowering and effective regime for places and communities to realise their full potential? And, if this is the case, sub-national leadership teams do need to take some time to consider and agree whether and how they have a role in resolving the underlying crisis determining how their places and communities navigate the shocks of COVID19, BREXIT, and future public health, climate change, and other events.

**PPP 12 months on and the Commission for Local Economic Renewal:** To return to the opening challenges set for this thought piece. The pandemic has clarified and accelerated the scale and character of many pre-existing conditions – demographic, technological, natural and their knock-on socio-economic consequences. It has reinforced emerging concerns for left-behind communities, of place and interest, and of patterns of social inequalities across them. It has surfaced the chronic inability of large exceptionalist nation states in general, and UK government's particular inability to manage global challenges well locally.

If context really is everything, then to a large degree the pandemic has reinforced UK centralisation and in a peculiarly petulant, inchoate manner. The best local strategies for local economic renewal in the short term might be argued to be 'happy slaves' of the imperial Johnson state, grateful for the incidental scraps that fall from the Westminster table. This is certainly the path of least resistance.

This paper seeks to frame the policy debates that will evolve and, at the minimum, suggest how local leadership teams can be intelligent and mindful even in a position of subservience to the new postures of UK big government. In particular, **local leaders may wish to be assuring themselves:**

1. ***There is a process for asking and determining difficult questions across major role players and local communities*** about the principles and values of recovery to which their places aspire – formulating scenarios and strategic propositions that can form the backbone of putting those principles into practice. How do we wish to address the transcendental issues like sustainable stewardship of place, addressing inequalities and injustice, building local trust in and enthusiasm for local leadership and governance?
2. ***They are building an evidence-informed consensus on what they want their cities, towns and communities to be known for, including their distinctive roles and functions in wider economic geographies.*** Major places need to be underpinning their strategic plans with

their answer to these prior questions – potentially up to global and almost certainly up to national and regional significance. This is not to reject ‘battening down the hatches’ and ‘holding on to what we’ve got’ strategies – which may be the best that can be achieved in the short term. But development must have some sort of positive rationale and ambitions even in the most problematic of contexts.

3. **Data is being turned into richer intelligence which makes local expertise and insight about their places and communities of huge value to national and other external role players** – recognising evidential gaps and non-traditional data sources as well as traditional available aggregates. Observatories and other intelligence capabilities need to be increasingly tasked with delivering real-time policy analysis and decision-taking options for decision-makers.
4. **They are mobilising financing and resources for intervening effectively** – including the all-important advocacy and technical bidding work for achieving government support
5. **Capabilities to actually deliver programmes and projects is being strengthened** – including designing new institutional and partnership arrangements for new contexts and challenges.
6. **Decision making and delivery management is flexible, adaptive, open to experimentation and challenge.** If 2020 has taught us anything, it is that we are going to be faced with rapidly changing uncertainties, events outside our control whose impacts are most likely going to be unpredictable. There will be economic shocks with social consequences locally, and probably further external global shocks – whether health, climate change, political, or potentially in other domains too. Hence the cell in the framework mainstreaming crisis turnaround and recovery planning approaches. Should future strategies be much more live, evolutionary, contingency based scenario plans than typical pre-pandemic formulas?
7. **They are refreshing the way they are thinking about ‘space’.** There is widespread recognition that city and town centres will need to be redesigned and rebooted in the face of on-line retail pressures, increased home working (commercial property among others), and impact of public health regimes on leisure and other collective roles towns traditionally played. However, ‘space’ means more than this in an age of social distancing. Housing density, access to parks and green breakout areas, how workplaces are organised will all have major consequences for post-pandemic models of successful urban living.
8. **Their focus on digital infrastructure and services is achieving the highest levels of quality and affordability available.** The flip side of #7 will be how and the extent to which places do put smart and future cities digital eco-systems into practice. From a universal premium on safe and sustainable transport, mobility, logistics and digital health systems to more nuanced local e-commerce platforms, to support for digital skills, one suspects most places will need to refresh and radically improve their digital plans and programmes.
9. **They have made detailed consideration of the most acute impacts of post-pandemic new normals on different populations** – Places need to look behind aggregates to shape policy from the increased health risks for the elderly and those with underlying conditions, to the decreased career pathways for those at risk of automation, to the increasing struggles for young people early-career labour market entry, to in-poverty household cash-flow. Related to the principles and values of addressing social injustice, there will be new at-risk communities of place and interest arising from the pandemic (together with BREXIT and future shocks) at the same time as existing inequalities may be widening.
10. **They have some sort of contingency plan for medium and long run decreases in demand from consumer and private sectors.** Big government has sustained demand with schemes like furlough and business support. These will most likely be gradually withdrawn – probably prior to full recovery of household incomes and business confidence. In high impact sectors like leisure, retail, potentially construction and exporting businesses, circular economy, local employment initiatives and even support for community activism may be crucial in enabling local demand and supply systems to remain resilient over the medium term.



Notwithstanding the ten suggestions outlined above, however, the pandemic experience has, if anything, strengthened the case for positive progressive placemaking if we are to reinvent ourselves to meet the grand global place-based challenges of the 2020s and beyond. Local economic renewal in the shadow of the pandemic will only succeed with the dismantling of a UK national apparatus which assumes its right to determine which places prosper, which are left behind, and in what manner of outcomes and performance, even when all know they are doing it in arbitrary and pork-barrel ways.

Whether the solution is a federal Britain, or its deconstruction with Scotland's independence and a United Ireland presaging radical reform of England and Wales, the biggest change to the PPP project, were it to be written now, would undoubtedly be the need for local leadership teams to be integrally involved in radical constitutional reforms of the UK. In a new global-local continuum, wherever the reference points should be for our cities and communities, in a world driven by PPP and local economic renewal, it should NOT be Westminster and Whitehall.

David Marlow, December 2020