

 bright blue

Centre Write

Spring 2021

The Great Levelling?

Neil O'Brien OBE MP | Kwasi Kwarteng MP | Baroness Finn | Professor Michael Kenny

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Bright Blue is the independent think tank and pressure group for liberal conservatism.

Chief Executive: Ryan Shorthouse
Chair: Sarah Sands
Board of Directors: Rachel Johnson, Alexandra Jezeph, Diane Banks, Phil Clarke & Richard Mabey

Editor: Joseph Silke
Design: Joseph Silke
Cover design: Chris Solomons
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Interview: Neil O'Brien OBE MP (p.30)



Free the ports: Mayor Ben Houchen (p.35)

Editor's letter

Editor **Joseph Silke** introduces this edition



Levelling up: remember that? Before Covid-19 took control of our lives, the Conservatives won a landslide election victory promising to both 'Get Brexit Done' and 'level up' the country. The first of these objectives has been achieved, now the Government must turn to the second. The question remains, however: what exactly does 'levelling up' mean? It's a victory for gamer jargon perhaps, but beyond an intention to more equally distribute opportunity across the United Kingdom, the Government's agenda is yet to be translated into a detailed policy programme. This is understandable; the Government has had a pandemic to contend with. As we successfully roll out the national vaccination programme, however, people are starting to allow themselves to think more carefully about what sort of country we want to live in after the ordeal has abated.

The objective of this magazine is, quite simply, to start answering what levelling up actually means and how it can be delivered in practice. It brings together contributors from across different areas of policy, from renewable energy to education. Across three sections, each with a truly excellent lineup, contributors provide their insights and make their suggestions about what this agenda should look like for the rest of this parliament and beyond. Not all of the ideas raised throughout the magazine will be compatible, but that is part of the point. The direction and priorities of levelling up are up for grabs. The pandemic has exacerbated many of the inequalities that already existed in the country. This will make delivering levelling up more difficult, but it is also why the agenda is so vital.

Opening *Centre Write* is an extended essay (p.6) by **Professor Michael Kenny** and **Owen Garling** from the Cambridge's

Bennett Institute who provide a superb introduction to the edition by placing the current Government's mission in historical context. This government will hope to succeed where others have failed.

The recently promoted Business Secretary, **Kwasi Kwarteng MP** (p.9), argues that the UK can level up while also providing global climate leadership. Vice-Chair of the Northern Powerhouse, **Lord O'Neill** (p.10), then considers whether this powerhouse model could be applied elsewhere. Chief Executive of the Russell Group, **Dr Tim Bradshaw** (p.11), highlights the massive role our elite universities play in our economic dynamism and technological success, including in battling the pandemic. **Melanie Onn** (p.13) from RenewablesUK sets out the progress the renewable energy sector has made and the potential still to come. The Social Market Foundation's **Aveek Bhattacharya** (p.14) examines the issue that has dogged the UK economy for decades: how to improve productivity. **Matthew Oakley** (p.15) from WPI Economics challenges the Chancellor to start showing what levelling up looks like on Budget Day.

Finally in this section, this edition's exchange (p.17) debates whether levelling up can give Boris Johnson a lasting legacy. Two leading figures behind-the-scenes of recent premierships go head-to-head. **Philip Collins**, the former Chief Speechwriter for Tony Blair, is sceptical, while **Will Tanner**, the former Deputy Head of Policy for Theresa May, argues that the current Prime Minister can pull it off.

The second section is on reforming the state. **Baroness Finn** (p.21), the newly appointed Deputy Chief of Staff at Number 10, explains the role that civil service reform must play in the levelling up agenda. She is

followed by the Institute

for Government's **Alex Thomas** (p.22), who argues that more of government should be moved out of London. **Helen Barnard** (p.23) from the Joseph Rowntree Foundation then makes the case for a stronger social security system to tackle rising destitution. **Andrew Carter** (p.24) of the Centre for Cities calls on the Government to double down on devolution, rewriting how local government is run in England. **John Cope** (p.26) urges the Government to make closing the disadvantage gap in schools a priority. Finally, our Associate Fellow **Andrew O'Brien** (p.27) presents three pillars for public services reform.

Our interview is with the Chair of the Conservative Party Policy Board, **Neil O'Brien OBE MP** (p.30). We discuss how we should look to East Asia for how to deliver levelling up and why he decided to take on the lockdown-sceptics.

The final chapter focuses on renewing communities, both urban and rural. Tees Valley Mayor, **Ben Houchen** (p.35), opens with a pitch in support of Freeports to turbocharge investment and growth. 'Red Wall' MPs, **Dehenna Davison MP** (p.37) of Bishop Auckland and **Paul Howell MP** (p.38) of Sedgefield, emphasise bringing opportunities back to local areas and rebuilding social infrastructure. **Alicia Kearns MP** (p.39) underscores the value of infrastructure for towns and villages. Finally, the Leader of Stoke City Council, **Cllr Abi Brown** (p.41), argues for an end to unfair competition between councils. 

Joseph Silke is the Communications Officer at Bright Blue

Director's note

Turning around left-behind areas needs patience and motivation, argues **Ryan Shorthouse**



The Government is desperate to get past the pandemic and focus on 'levelling up' – a convoluted term for improving life for more deprived people and areas in the UK.

Boris has been advised by those close to him to stop using it. But, whatever it is called, he obviously should not abandon the mission.

In truth, though, this is not a new agenda. David Cameron talked about improving life chances. Theresa May wanted to tackle burning injustices. Boris is simply rebadging the social reform agenda One Nation Conservatives have urged to be central since Thatcher, to convince voters they are more than just a party of economic prudence, but of really caring about and helping those just about managing, or even not at all.

The vagueness of these slogans allows all sorts of people to stick their hobby horses to them; so it is with levelling up. The list of what it means is long: improving transport connectivity between different regions, rebuilding social capital in so-called left-behind towns, encouraging investment and economic activity in old industrial and coastal communities, as well as boosting the incomes of the poorest.

All laudable aims. In essence, what Governments of all stripes should be doing, indeed one of the core purposes of government: providing resources, regulation, and services for those who struggle to access and benefit from goods provided by markets.

There is a bit of a twist on the theme though. This Conservative Government wants to particularly thank and transform the lives of those Brexit-voting folk in Red Wall seats in Northern England and Wales who gave them a stonking majority just

over a year ago.

We were told by Theresa May, in her first Conservative Party Conference speech as PM, that these people voted to leave the EU in 2016 because of something broader: "A sense – deep, profound and let's face it often justified – that many people have today that the world works well for a privileged few, but not for them".

“ The vagueness of these slogans allows all sorts of people to stick their hobby horses to them; so it is with levelling up.

There's been lots of quite dramatic interpretation of that narrow referendum result – as with the election of Trump. It represented some populist surge, apparently. Biden's victory, the archetypal establishment centrist, seems to have given that short shrift. The safer explanation for Brexit – albeit more boring – is that more people in this country simply thought, on balance, that we were better off out than in the EU, a Euroscepticism that has been simmering for some decades.

Then, fatigue with the Brexit shenanigans led even those scarred from deindustrialisation decades earlier to vote Tory to 'Get Brexit Done'. It would be stretching it, to say the least, to argue these voters thought Boris could truly transform their circumstances. But, to keep them on side, he ought to well try.


The Levelling Up Fund, announced at the Spending Review late last year, is a start. But it follows countless initiatives since the 1960s to regenerate deprived areas. Clearly, insufficient progress is not through want of trying. Now it's back to the future:

the Single Regeneration Budget, launched by the Conservative Government in the early 1990s, provides the model for the Levelling Up Fund, inviting local organisations to partner up to bid for grants.

The evidence suggests that area-based regeneration initiatives can be effective, but only marginally and if supported over a long timeframe. Really, it's the level of both public and private sector expenditure that really determine the destiny of these places, especially employment levels. So strong incentives are needed to convince businesses to locate and invest there.

Keeping and attracting motivated people matters, deep down, the most. Often referred to as highly-skilled, their educational credentials are often a product of drive and discipline above anything else. What they do is create, build, lead enterprises, commercial and social, that can make such a difference. Thriving companies attract talented people, but also vice-versa, as economists have found.

Left-behind areas are leaky, with the zestful looking for – often encouraged – to move further afield, understandably. Policymakers ought to think about what can pull them back – the tax advantages, the preferential access to grants and finance, the cultural amenities, the quick connections to big cities, the cheaper property in a world of increased remote working, even the reputational rewards.

If this Government wants to level up, it needs the upwardly mobile to turn around. 

Ryan Shorthouse is the founder and Chief Executive of Bright Blue

Letters to the Editor

Submit your letters to joseph@brightblue.org.uk

Victoria Atkins' piece ('Stopping the rise in domestic abuse', Autumn 2020) highlights the impact Covid-19 and lockdowns have had on domestic abuse victims. This article explains the vast number of different ways people suffer domestic abuse. It was shocking to learn that one victim described the abuse she received as being worse than "having a hot iron smashed onto her face" as well as understanding the effects it has on children who may be witnessing domestic abuse within the household. Although the lockdowns have led to victims being confined with their abusers at home and not being able to visit sanctuaries such as the workplace due to the restrictions, it has also helped raise the necessary awareness to tackle the issue further. It was comforting to learn that an additional £2.6 million has been invested by the Government to charities and helplines in order to protect victims as well as knowing it has provided around 1,500 bed spaces to victims who need them throughout the tense and scary lockdown period.

Taylor Parnell | Bright Blue member

Anne Longfield's article ('No child left behind', Autumn 2020) offers a strong case for the need to prioritise ending child poverty and the numerous disadvantages it creates. As Longfield explains, child poverty has grown throughout the years, and has produced a great strain on families. As highlighted within her article, there remains a disparity between pupils who experience child poverty and those who don't in regards to gaining educational achievements. Longfield rightfully highlights the need for the Government to provide a long-term solution and introduce a more encompassing system to deal with such a growing problem; something must be done to ensure that children aren't hindered by poverty within their lives, and that they are better protected against such disadvantages. It is staggering to read that child poverty continues to grow within one of the wealthiest counties in the world.

Anisa Niazy | Bright Blue member



Ana Tavares

Susan Hall's article ('Crime is killing our capital', Autumn 2020) advocates for the deployment of more police officers to cut crime. While police officers do act as a deterrent of crime, as Hall rightly claims, she overstates the role they play in mitigating crime. Put simply, a stronger police presence will not mitigate poverty, family conditions or drug addictions – all which are established motivators of crime, particularly in relation to the type of crime she specifically mentions. Crime can be reduced more effectively by mitigating the underlying motivators for committal than by increasing police presence.

Nina Hodžic | Bright Blue member



ESSAY

Levelling up: lessons from history

Professor Michael Kenny and Owen Garling put the Government's mission to level up in historical context



National Media Museum

A commitment to achieve a substantial degree of levelling up in the current parliament was one of the Conservative Party's keynote manifesto pledges at the 2019 general election. Many within the parliamentary party – including those MPs who make up the newly-formed Northern Research Group – see this as a vital promise which, in combination with the party's stance on Brexit, helped it win a number of 'Red Wall' seats from the Labour Party.

Despite this, 'levelling up' has yet to be converted from an appealing slogan into a coherent and manageable policy programme. This is partly due to the impact of the Covid-19 pandemic, which landed just as priorities and goals were being developed by the new government in the early weeks of 2020. It is also, we suggest, for more deeply rooted historical reasons.

Levelling up should be seen as the latest incarnation of a longstanding, and mostly unfulfilled, aspiration – one that has been pursued with varying degrees of

commitment by successive UK Governments as far back as the 1960s – to tackle the significant divergences in the economic fortunes and prospects of the country's regions and nations. Given the plethora of policies and initiatives that have been pursued in relation to this goal in the last few decades, and the lack of success of most of these, it should come as no surprise that the current version of this idea is proving so hard to define and deliver.

Indeed, a richer sense of the precursors to today's ideas, and the various kinds of intervention and reform that regional policymaking has encompassed, should be a requisite part of the thinking required to develop a viable approach to level up successfully now.

One of the most striking – and salutary – lessons to be gleaned from a review of the many previous initiatives that have been attempted in this area is the realisation that there is considerable continuity over the last century in terms of which areas of the country suffer the highest level of relative

deprivation, although now that devolution has been introduced for Northern Ireland, Scotland and Wales, the territorial focus has shrunk to England. If, for instance, we compare the map of those areas supported by the Special Areas Act passed in 1934 by the National Government led by Ramsay MacDonald with those places that are now depicted as 'left behind', there are significant similarities in the standing of former centres of industrial strength such as Tyneside, Cumbria, and South Wales. Indeed, the inability to devise meaningful answers to the problems facing many post-industrial cities and towns is one of the most damaging, and overlooked, failures of modern British government.

However, there have been some important changes too. The current map of geographical disadvantage now also includes – as our 'Townscapes' project illustrates – a larger number of English and Welsh towns as well as those faded resorts dotted around the coastline.

Regional policymaking in Britain has

>> historically been bedevilled by two fraught questions.

First, how much direct resource should be diverted by the state to protect ailing industries in poorer regions? This has been a major concern since staple industries, like steel, and coal mining, have struggled to adapt to increasing global competition in the first half of the last century. It remains a key question in light of the economic ravages of the Covid-19 pandemic, as well as the transition towards a green, zero carbon economy, both of which generate major challenges across a number of sectors within the economy.

“ There is considerable continuity over the last century in terms of which areas of the country suffer the highest level of relative deprivation

Second, how can key decisions be taken nearer to these localities and regions themselves, in order to ensure that policy is more effectively tailored to local circumstances? This last issue has been especially difficult for governments which have, since the 1980s, been increasingly sceptical of the efficiency and capacity of

local councils.

There have been a myriad of attempts by central government to build a new structure of delegated authority, beyond the scope of local councils. The failure of the Regional Development Agencies to avert the widening gap between London and the South East and other regions in England put Labour's political opponents off this kind of model. The subsequent Coalition Government's preferred alternative was a more anaemic set of Local Enterprise Partnerships and a new suite of combined authorities run by elected mayors – entities that arose in some parts of England out of bilateral negotiations with Whitehall. The continual tinkering with the mezzanine level of government in England over the last two decades stands in stark contrast to the development of new forms of devolved government which passed significant responsibilities and capability to the non-English parts of the UK.

In England, Whitehall and Westminster are still the primary sites of decision-making for most of the issues affecting its regions' economies, and there are few signs of a commitment to working in closer partnership with other tiers of government. Where joint working has been developed, it has often been through centrally held,

policy-specific pots of money and some form of bidding or 'deal' arrangement between central government and other tiers of government. Yet the feeling that large parts of England were poorly served by the decisions and priorities of central government has been developing for some while across England, contributing to the sense of disenchantment that powered the vote for Brexit.

“ In England, Whitehall and Westminster are still the primary sites of decision-making for most of the issues affecting its regions' economies

While regional policy can claim only a small number of limited successes in England, there are still important and valuable lessons which policymakers should take from the efforts, and failings, of their predecessors.

First, for levelling up to work, a stronger sense of the geographical diversity of England's localities, and of the different spatial scales at which policy needs to work, is imperative. Earlier institutional approaches – including the macro-regions which New Labour fetishised, and the Northern Powerhouse focus advanced by George Osborne – may well be apposite for some policy functions – for instance some powers in the areas of planning, skills, and large-scale infrastructure.

But other kinds of policy intervention – in domains like social infrastructure, housing, and local business support – are much better directed and delivered at the levels of cities and towns. The abiding preference of Whitehall is to deal only with one layer of constrained authority beneath it, but the economic revitalisation of disparate places requires that key responsibilities be exercised much closer to the ground by local decision-makers.

Policies should be developed at the scale at which they will be most effective. This



>> will require a more differentiated and vertically integrated approach than what has been previously attempted.

Second, the core goals associated with levelling up need to be defined in a more generous and sophisticated fashion, and detached from a stultifying focus upon economic benefit, narrowly conceived. One of the abiding features of regional policy in the UK has been a preoccupation with investments that are most likely to provide immediate return, and a correlative neglect of the assets, skills, infrastructure, and strengths of different communities and the places they inhabit. For example, while the last several decades have seen the ongoing renaissance of the centres of northern cities such as Liverpool and Manchester, it does not seem that the associated benefits are felt by communities on the periphery of these core cities.

Indeed, there is a growing body of research and evidence which, together, suggest that a focus on these less tangible goals is – over the longer term – just as important in generating real economic benefits as well as positive social impacts. Indeed, the Green Book – the Treasury’s tool for appraising public sector projects – has recently been amended to ensure that these less tangible goals are now incorporated in the appraisal of projects.

“ The benefits of a more regionally focused policy programme are likely to happen slowly and gradually

There is also a danger that the focus on how to make left behind places catch up assumes a linear path to healthy economic development which all successful places can, and should, follow. Not everywhere can be the next Silicon Valley, and not every region will benefit from investments in high-value industries or clusters.

In fact, it is only by appraising the




different kinds of assets and resources – both physical and intangible – that communities possess, and devising policies that protect these and address other key gaps, that progress is likely to be made. Equally, people’s sense of worth and well-being relates in important ways to the quality and feel of the places where they live, and policies that promote the physical environment, keep streets clean and safe, and enable wider use of natural assets, like parks and green places, can have significant longer term impact upon the health, wellbeing, and productivity of an area.

There is, therefore, no template for tackling regional inequality, and no one-size-fits-all model for resource allocation to left-behind places that will guarantee success.

One final, key lesson can be gleaned from what has been tried previously. While the Government invariably wants to see speedy and concrete results from its investments and actions, the benefits of a more regionally focused policy programme are likely to happen slowly and gradually, and much will depend upon the quality of local leadership and the interaction between central and local decision-makers.

This makes regional policy a very tough nut to crack for any Government that is working to an electoral cycle which demands quick returns. Change for the better will take time, and will hinge upon a range of factors, a number of which lie beyond the control of Whitehall.

A readiness to recognise and internalise the challenging, and often uncertain, contexts in which interventions in different areas are being attempted should be an integral part of the mindset of those developing policy in this area. This means paying more attention to the value of local experiments and pilot schemes, and looking harder at whether initiatives in certain places can be replicated in others or not. It also means changing the focus of those working in Whitehall and Westminster so that the challenges and merits of a place-focused policy framework do not run aground on the silos and centralism of the Whitehall machine. 

Professor Michael Kenny is the Director for, and **Owen Garling** is the Knowledge Transfer Facilitator for, the Bennett Institute for Public Policy at the University of Cambridge

Green growth

Kwasi Kwarteng MP explains how the UK can level up with climate leadership



Green growth is the only way forward to build back better. The economic challenges we will face as a country following the Covid-19 pandemic will be overcome by a strategic set of actions aimed at delivering sustainable growth across the whole of the UK.

The main focus will be on developing resilience across all regions in the country to bounce back from economic shocks, investing to foster technological innovation, and creating new high value jobs, industries, and companies. Acting on climate change and making sure we deliver on the plan for net zero emissions in the UK by 2050 plays a central role for this to be achieved.

To meet this objective in reducing emissions, we must take action: following clear, stable, and well-designed policies with measurable targets over time, focusing on key sectors like transport, energy, housing, and agriculture.

“ Renewable energy made up almost half of Britain’s electricity generation in the first three months of 2020, with a surge in wind power

In terms of transport, the future is proving to be electric. One hundred percent electric vehicles with supporting charging infrastructure in shorter time frames will enhance the transition. Lower carbon options will be also explored for airplanes and ships, with further effort coming from increasing R&D corporate budgets.

Large falls in energy supply emissions have driven around half of the reduction in UK emissions since 1990. Coal power station closures have contributed to this, as has government supported development

of renewables. Renewable energy made up almost half of Britain’s electricity generation in the first three months of 2020, with a surge in wind power helping to set a new record for clean energy. This is a step in the right direction, and access to renewable energy will progress thanks to lowering prices and additional benefits.

Furthermore, decarbonising and adapting the UK’s housing sector to new standards is critical for meeting the net zero target. Policies will need to push for the delivery of high-quality, low-carbon new and retrofitted homes. These measures will include tightening building standards, introducing minimum standards for social housing, improving low-carbon heating and energy efficiency, and consumer incentives like green mortgages.

Methane is a key contributor to agricultural emissions, with livestock producing about half of all UK farm emissions. Financial incentives are placed there to support farmers to act further and improve practices, taking decisive steps for reducing emissions or sequestering carbon. A few natural solutions include increasing forest cover in the UK and restoring peatland. Another solution is regenerative agriculture, which will reduce atmospheric carbon dioxide by 22.3 billion tons globally by 2050, and result in an ultimate net saving in excess of \$2.5 trillion, with the UK accounting for nearly 11% of that.

Moreover, a more efficient environmental resource management process and waste strategy is essential in setting ambitions for a more circular economy, one we will need to become a world leader in reducing the amount of waste we create as a society. Particular emphasis should be on reducing avoidable plastic waste. This will include reforming and reconfiguring the packaging

supply chain, increasing the producer’s responsibility, introducing a higher plastic tax, extending a deposit return scheme for drink containers countrywide, and a ban on specified single use plastics. Further legislation will follow in the coming years to implement such changes and boost recycling rates. The UK is on track to meet a target of at least 50% of household waste to be recycled by the end of 2020.

“ During these unprecedented times, the UK needs to step up and show leadership and credibility at an international level

Air quality is an ongoing and growing concern on the clean growth plan. There is increasing evidence about how vulnerable groups are at disproportionately high risk of health problems stemming from poor air quality. The most dangerous pollutants include: ammonia, stemming mostly from agricultural practices; fine particulate matter, whose largest primary contributor is from burning wood and coal in domestic open fires; solid fuel stoves; and, exceedances of nitrogen dioxide emissions.


One of the major challenges on the sustainable agenda is ensuring proportionate actions across the country are taken in a timely and effective fashion on industrial processes. We need to redesign internal mechanisms and adapt our industries to new standards. Industrial sectors including cement, food and drink, iron, and steel account for approximately

>> two thirds of industrial carbon emissions. Net zero is challenging industries to reduce emissions without reducing their competitiveness. Our policymakers are aiming to create a net zero carbon industrial cluster by 2040, focusing on a few industrial mechanisms and tools, such as energy and resource efficiency, electrification, hydrogen, and carbon capture and storage.

The Government should emphasise

adaptation to a new sustainable path and new behavioral imperatives, developing forward-looking policies to enhance and protect wider society, including its people, economic ecosystem, and internal infrastructure.

This translates into replacing inefficient incentives and restructuring obsolete strategies to encourage entire industries to transition into sustainable practices. During

these unprecedented times, the UK needs to step up and show leadership and credibility at an international level to accelerate action towards the goals of the 2015 Paris Agreement and the UN Framework Convention on Climate Change. 

The Rt Hon Kwasi Kwarteng MP is the Secretary of State for Business, Energy, and Industrial Strategy

Powering up the nation

Lord O'Neill ponders if the Northern Powerhouse model could be applied elsewhere



The phrase 'Northern Powerhouse' was conceived in June 2014 by the then Chancellor George Osborne, to bring to life an idea that originated from the Cities Growth Commission that I was chairing at the time. The essence of the idea was to explore the economic concept of agglomeration and to try and create somewhere in the UK that had a scale to be similar to that of London. It originated in my mind, firstly from the apparent never ending geographic creeping towards each other of those great city rivals, Liverpool and Manchester, to which I jokingly referred to as 'Manpool'.

“ Perhaps the whole notion of what has driven global economic growth during the 40 years has been thrown up in the air

Given the similar geographic distance of the centre of each of Leeds and Sheffield, less than 40 miles, to the centre of Manchester, the idea of the Northern Powerhouse built on what I referred to as 'ManSheffLeedsPool' came to my mind. Indeed, the geographic area bounded

by these four cities would include a total population of close to eight million. If harnessed truly as a single economic market for goods and services, both in terms of producers and consumers, it could turn this part of the North of England into an economy that could be sufficiently large as to positively change the economic growth trend of the whole of the UK.

With the possible exception of the Midlands, there is no other area in the UK that can replicate this simple geographic based idea on which to build the economics of agglomeration.

That said, it doesn't stop many others trying, and mini versions, or imaginative versions, can be thought of. It still strikes me six years later that very few seem to realise this crucial fact, however: that nowhere else has anything close to the economic potential that a truly successful ManSheffLeedsPool could deliver. It is important enough to be a national priority for the UK.

Even within the North, there remains widespread misunderstanding, indeed, misuse of the concept. For many, and I understand the human and social aspects behind it, the Northern Powerhouse is interpreted as being essentially everywhere

in the North of England, whether it be Cumbria, Northumberland, or occasionally, North Wales. Of course, it is undoubtedly true that other regions of the North should participate in the broader development of the Northern Powerhouse, but to service all of their needs and to neglect the basic importance of truly creating an agglomerated powerhouse misses the core point.

I have often suggested that there are six separate but connected factors that are all independently necessary, but on their own, not sufficient to deliver success of the Northern Powerhouse. They are: devolution of powers and responsibility, improved infrastructure, especially transport, improved educational outcomes, and those of skills, more business engagement and, most subjectively, but perhaps especially importantly, more 'umph' to coin a northern phrase, with greater and more open minded ambition.

Unless success on all six of these can emerge over the course of the next generation, and it is indeed likely to be a

>> generation we have to think about, there is no chance of the Northern Powerhouse being a success.


In light of the pandemic, has anything changed? I do find myself thinking at times, perhaps the whole notion of what has driven global economic growth during the 40 years of my professional lifetime has been thrown up in the air, and big urban areas are no longer so central to life? But against this, I have also learned to never project permanence from anything that is seemingly so likely during a crisis, although it does seem to me, some nuanced differences could emerge.

Certainly, the relative importance of other forms of infrastructure than just

transport, especially technology and its availability to all, as this pandemic has shown, is even more obvious. In this sense, perhaps this should be a greater priority relative to fast trains. It also seems as though the fall out from the pandemic would suggest that education and skills, as well as perhaps 'umph', are even more important.

Turning to other areas, of course, there exists already the notion of a 'Midlands Engine' and there is the concept of a South West Gateway, but neither has the cohesiveness of the Northern Powerhouse, nor its central national importance. For example, the centerpiece of a South West Gateway would be Bristol and Cardiff, each

a city that is part of separate countries – indeed on, even legal entities – which makes the devolution policy challenge alone extremely difficult.

Of course, the principle of places, and indeed, whole regions, thinking of themselves differently than in the past should be part and parcel of any ambition for the reality of a changing society and economy, and in this regard, the Northern Powerhouse idea and momentum is something that could and should be followed by others. I certainly hope so. 

The Rt Hon Lord O'Neill of Gatley is the Chairman of Chatham House and Vice-Chair of the Northern Powerhouse Partnership

Unleashing universities

Our elite institutions are engines of growth in every region, argues **Dr Tim Bradshaw**

As we emerge from a year of crisis, now is the time for the UK to double down on our competitive advantage in education and research as a means of levelling up at home, while leading the world in home grown skills and innovation.

The 24 globally outstanding Russell Group universities are based in every region and nation of the country, delivering high-value education and graduates, groundbreaking research, and thousands of quality local jobs. This unique combination makes them a crucial component in unlocking potential across Britain.

Our national response to the pandemic has been backed by the firepower of the UK's world-leading research universities to develop new, innovative treatments to aid recovery and vaccines to combat the pandemic. Russell Group universities have been at the forefront of the fight against Covid-19. Now they stand ready to turn that firepower towards supporting a recovery

that spreads to all communities.

Investing in place-based economic growth, in fundamental research, in key strategic science-based missions, and in the talent pipeline for future high-level skills will create more jobs, help realise the levelling up ambition, and boost our knowledge economy as we work to overcome the scars left by Covid-19 and the existing inequalities exacerbated by the crisis.

Russell Group universities support over 260,000 full-time equivalent jobs – more than the entire population of cities like Aberdeen or Plymouth. More than 200,000 of these jobs, supported through direct employment and the expenditure of universities, staff and international students, were based in towns and cities outside of London.

The overall economic impact of spending by the 24 universities in 2015-16, together with the spending of their staff, their suppliers, and their international students

in the wider economy, was £27.2 billion, with £21.3 billion of this impact boosting communities outside of London.

“ Russell Group universities support over 260,000 full-time equivalent jobs – more than the entire population of cities like Aberdeen or Plymouth

As we look to the recovery, these hubs of employment are ideal launchpads for regional economic renewal: driving innovation nationally while delivering jobs, education, employment, and cultural bases in their surrounding areas. The opportunity of new trade deals also has the potential to link the international with the local – driving





>> inward investment, student mobility, and trade with new markets.

Closing the productivity gaps between London and regions such as the North East, Midlands, Wales, and Northern Ireland will be crucial to delivering an economic recovery that works for communities right across the UK and secures long term growth and wage increases.

Doing this requires a genuine levelling up: building on the best and getting all areas up to that same level, not undermining our existing strengths. The ambition must be to achieve global competitiveness in every region and nation of the UK.

The 2020 Spending Review showed how tough the decisions are for the Government, so it was telling that the Chancellor earmarked further funding for research, knowing, as we do, the pay-off for such investment. Our economic impact report shows for every £1 of publicly funded research income, Russell Group universities deliver an average return of £9 to the UK economy.

Creating a workforce to support an economic recovery and longer term success will require big increases in the number of people with the kind of high-level skills a quality university education provides. In the UK, Russell Group universities already teach

a quarter of all undergraduates and a third of all postgraduates, including four out of five doctors. The number of disadvantaged and under-represented students going to university is rising but our 2020 report, *Pathways for Potential*, sets out an ambitious plan to ensure that the only factor affecting whether or not someone goes to university is their drive and determination to do so.

There are also other routes to success beyond traditional higher education. Over half of our members offer degree apprenticeships, and, as employers, all offer apprenticeship schemes. Our members collaborate locally with further education colleges and we have long said that Britain must be ambitious for both higher education and further education.

“ Our national response to the pandemic has been backed by the firepower of the UK’s world-leading research universities

The Russell Group shares the assessment of the Prime Minister that “talent, skill and genius are distributed uniformly across the UK, but opportunity is not”. There is a moral case for levelling up but also a hard-headed economic one that makes the


most of untapped potential in people and communities.

Our universities are already key regional hubs so the existing processes, research infrastructure, and local links they support are an efficient way to level up without starting from scratch. We recommend two immediate steps that could be taken to support levelling up:

First, boost capital investment to ensure shovel-ready projects that have been paused due to the pandemic can restart as soon as it is safe to do so. As part of their efforts to protect education and jobs from the economic challenges created by Covid-19, Russell Group universities have had to put over £2 billion of projects on hold, which could potentially support around 28,000 jobs.

“ The existing processes, research infrastructure, and local links they support are an efficient way to level up without starting from scratch

Second, channel a portion of the additional R&D investment into a major scale-up of schemes with a proven track record of fostering university-business partnerships and extending local innovation capacity and training. These include the Higher Education Innovation Fund, Strength in Places Fund, Knowledge Transfer Partnerships, and the Connecting Capability Fund.

As we prepare to move beyond Covid-19 and embrace the possibilities of a post-Brexit Britain, a high-skilled, high-tech approach to levelling up can unleash our potential at home and abroad. Russell Group universities are ready to play their part in making the most of the opportunities ahead and working to ensure they are evenly spread across our country. 

Dr Tim Bradshaw is the Chief Executive of the Russell Group

Ripe for renewal

Melanie Onn sets out the role of renewables for building sustainable prosperity



Notwithstanding the disruption, heartache, and necessary political focus on crisis management caused by the pandemic, this Johnsonian Government has made levelling up a priority for its period in office, spearheaded by a desire to retain the recently gained post-industrial towns across the Midlands and the North.

“ A lot will change for all of us in the coming years: how we travel, the way we build and heat our homes, perhaps even the kinds of food we eat

The £4.8 billion Levelling Up Fund announced by the Chancellor for local improvements such as road upgrades, museums, and town centre improvements, up to £20 million per area, is at its heart a conventional regeneration fund which misunderstands what is expected of levelling up by the people in those communities.

Those people, and those places – while they will of course welcome that pot of funding – are looking for substance. They need to know that in a changing world, with technology and artificial intelligence improving business efficiencies, but increasingly impacting traditional working roles, that there is a plan to enable them to continue to work and provide for their families, and which recognises their contribution within their community.

Those communities often exist either in the shadow of historic industries which once employed people in their thousands, or in previously secure industries which are now at risk of rapid decline as public policy dictates a dramatic shift. This is especially

so in the energy sector, where public and political acceptance of the importance of climate change has resulted in a drive for clean, green, cheap energy, but also seeks the added bonus of tens of thousands of green jobs.

These jobs will not come without a clear plan to support and attract private investment at scale, including backing for a robust, timely expansion of the supply chain to boost manufacturing capacity, and a recognition that every step of the process – from research and development to exporting – needs specifically tailored governmental focus.

The renewables sector has a great story to tell. In the midst of the energy transition, moving away from fossil fuels to clean energy sources, renewables have not only been steadily increasing the amount of electricity they produce in the UK, but are also expanding their workforce. The renewables sector has proven its resilience through the Covid-19 crisis, creating 2,000 much-needed new jobs.

Those jobs are often found in the very areas which will be critical to the Conservatives' electoral strategy: the east coast across the Humber, further north around the Tees and Tyne, and off the Cumbrian coast in the North West.

The most recent figures show that there will be 27,000 jobs in offshore wind alone by 2030, and those calculations were made when the target for generating capacity was set at 30 gigawatts (GW). Fast forward just a couple of years, and the offshore wind workforce is set to grow further and faster than that, as the Government has increased its target for the industry to install 40GW of offshore wind capacity by 2030.

We have also seen a welcome boost to a wider range of renewable technologies:

onshore wind which is now firmly back on the table, as well as solar, wave and tidal, and emerging tech like floating wind and renewable hydrogen.

Excitingly, this means an expansion in roles across this spectrum of technologies – from research stages through to completing installation – and then operating and maintaining projects over their 25-30 year lifespan. We need to make sure not only that we have people ready with the right skills, but also that we are delivering the necessary infrastructure, such as port development, to meet the needs of the expected additional manufacturing and resource capacity for all renewable sources.

“ Renewables have proven that they can deliver the energy we need, drive costs down for consumers, and keep innovating


The Government's commitment to achieving net zero emissions by 2050 means that a lot will change for all of us in the coming years: how we travel, the way we build and heat our homes, perhaps even the kinds of food we eat or what our countryside looks like. This places significant expectations on the British public's ability to adapt to change. As we see the continuing expansion of offshore wind farms, with the individual turbines growing in size too, the way in which these projects connect to transmission infrastructure onshore will be streamlined to ensure minimal impacts on communities and landscapes, and we

>> will continue to work closely with nature conservation organisations to safeguard wildlife, to ensure the technology itself is as sustainable as possible.

In fact, we're urging the Government to put more funding into its own advisory bodies like Natural England, so that they have sufficient resources to step up their important work as we quadruple our

offshore wind capacity by the end of this decade.

If the Government wants to get the best bang for its buck, renewables have proven that they can deliver the energy we need, drive costs down for consumers, and keep innovating to push to the next frontier of clean, sustainable energy provision for our nation. Supporting the renewables sector

to meet the increased electricity needs for the country as we move to EVs will help tick two big items on the Government's 'to do' list – achieve net zero by 2050 and achieve significant jobs growth in areas which the Conservatives are determined to level up. 

Melanie Onn is the Deputy Chief Executive of RenewableUK

Island of idlers?

Aveek Bhattacharya makes the case for better management to improve productivity

In 2019, the Royal Statistical Society declared its 'statistic of the decade' to be 0.3%: the average annual increase in UK productivity since the 2008 financial crisis.

That dubious honour provides an indication of the seriousness of the productivity crisis: 0.3% a year represents the worst decade for productivity since the early 1800s. By comparison, if the pre-crisis trend of 2% growth had continued, overall productivity would be a fifth higher than it is today. As a result of that shortfall, the average worker is estimated to be over £5,000 worse off in terms of their wages.

Productivity growth is not just fundamental to our prosperity – it is little exaggeration to say it is the basis of our civilisation. Productivity measures how much the average worker can produce in an hour. Increasing productivity represents the process by which one person can come to do the work of ten on a farm or in a factory, freeing the other nine to work in a wider range of jobs and sectors, and driving up the wages they can all command.

That image should make clear that productivity is fundamentally driven by technological change. It is possible that a burst of innovation could be on the horizon to jolt us from our current malaise – techno-optimists anticipate we are on

the cusp of a 'fourth industrial revolution', exploiting widespread internet connection and advances in fields such as artificial intelligence, computing, energy capture and storage, robotics, and nanotechnology. On the other hand, pessimists fear that "ideas are getting harder to find" and that the dramatic productivity improvements of the twentieth century may not be repeatable.

“ To a rather frightening extent, technological progress falls like manna from heaven, beyond the control of policymakers

There are things that governments can do to nudge along innovation: fund research and development and encourage private firms to do the same, invest in education, and reform the incentives in intellectual property law. However, these can only be expected to have a marginal impact: to a rather frightening extent, technological progress falls like manna from heaven, beyond the control of policymakers.

Telling a country to improve its productivity by increasing innovation is therefore rather like telling a person to solve their financial troubles by earning more. It is

basically correct, but hard to put into practice and reliant on factors beyond their control. Helping them to improve their planning and budgeting is not as transformative, but it is likely to be more useful.

Similarly, the task for businesses and policymakers is as much about how to make the most of the technology and ideas that we currently have, as it is about generating new ones. To a significant extent, that involves stimulating investment in infrastructure like housing, transport, and the internet, which allow people to work more effectively, connecting a wider range of jobs with a wider range of people.

It also requires upskilling the UK's workforce. Improvements across the education system, from early years to university, can contribute to this task, but there is a particular need for focus on adult education and training, which have been deeply neglected in recent years.

The aspect of a productivity agenda I would like to draw attention to here, though, is improving the quality of management. In 2017, the Office for National Statistics carried out the




>> Management and Expectations Survey, in which 25,000 businesses were asked whether they used a range of techniques, including tracking performance and having procedures for employees that fail to meet expectations, setting clear targets, and offering pathways for personal development and promotion.

They found that organisations with more 'structured' management practices were considerably more productive. Accounting for factors like firm size, age, industry and employee education level, moving a business from the bottom quarter of firms for management to just the

average is associated with a 19% increase in productivity.

While some aspects of good management are tied to personality or context, there is evidence that certain general principles and effective behaviours can be taught. However, managers may not appreciate the benefits of such training – an international study found that the typical manager rates their own skills as seven out of ten, well above average. In this context, the Government should continue to support initiatives like 'Be the Business', which provides firms with mentorship and helps them benchmark their performance against

peers. It should set an example and review management skills and training within the public sector. It should also promote management education as part of a broader investment in lifelong learning.

When it comes to productivity, there is a lot that we cannot control. Expecting to 'fix' the problem is to set ourselves up for disappointment, but through focused attention on the things within our grasp, like improving management, the Government can help us all work a bit smarter. 

Aveek Bhattacharya is the Chief Economist at the Social Market Foundation

What does levelling up look like?

Matthew Oakley challenges the Chancellor to finally set out some detail on Budget day

As we continue to struggle to contain the impacts of Covid-19, the economic costs of protecting lives through the continuation of local, regional, and national lockdowns are becoming more and more apparent. With that in mind, eyes are set on what the Chancellor's economic response will be in his March Budget. Short term support through the furlough scheme, amongst others, remains essential. However, perhaps most importantly, the March Budget provides the Chancellor with a platform to set out a positive vision for the country's economic future once the vaccine rollout has been completed.

With the Covid-19 pandemic laying bare and stretching the inequalities that exist in the UK, the levelling up agenda must be front and centre of this. As I've outlined elsewhere, making this a success will require clarity over what the Government's objectives are, how progress towards these can be measured, and how it intends to ensure that the objectives are met.

On the first of these, work by the Covid

Recovery Commission has shown that, rather than being the preserve of regions in the North of England, the levelling up agenda should focus on boosting living standards and reducing inequality within neighbourhoods and communities right across the UK. In particular, levelling up must work just as well for deprived neighbourhoods in London as it does for regions in the North of England.

“ **Levelling up must work just as well for deprived neighbourhoods in London as it does for regions in the North of England** ”

Of course, this still leaves the question of what 'working well' means. One thing that is clear is that it must go beyond considering broad measures of economic activity. To see why, we just need to note that GVA (output) per head in Kensington and Chelsea is amongst the highest in the country, but

close to one in four people in the borough remain workless. Inequality and poor outcomes are everywhere, even in areas with strong overall economic performance.

So, instead of just looking at broad economics, measures need to include factors such as poverty and deprivation and the 'Lived Experience Indicators' developed by the Social Metrics Commission. An even broader assessment could look to develop metrics based on the 'Opportunity for All' indicators that the Government previously measured. If measured at a local authority, or even neighbourhood, level, these would provide much of what we need: describing economic outcomes as well as the personal, family and community factors that are related to and drive economic success, for instance looking at health, education, housing, and opportunity.

An agenda that focuses on levelling up



>> areas based on these metrics would go a long way to providing policymakers the information they need to develop policy to improve outcomes and boost wellbeing.

The final question, then, is what will that policy agenda look like? With the range of issues in play, there is not a single answer, and a comprehensive strategy right across Whitehall departments will be needed. To start, there are three initial areas where significant work is needed.

Firstly: give disabled people the financial support they need. Half of all people in poverty live in a family that includes a disabled person, so for many of these households, work is not a viable option, because of the severity of their condition or other caring responsibilities. However, the financial support we provide leaves them in a position struggling to make ends meet. That cannot be right. The whole premise of the system of benefits for disabled people needs rethinking.

Secondly: invest in community infrastructure

as well as national infrastructure. To date, most of the discussion on the levelling up agenda has focussed on the need to rebalance investment in things like transport and connectivity towards the North of England. The debate needs to go beyond this, to recognise the importance of, and invest in, the places, spaces, and services that communities need to build and maintain resilience. In this respect, the Community Wealth Fund advocated by Local Trust and the work of Power to Change are obvious starting points.

Thirdly: support resilience through the tax system. Here, ISAs provide yearly tax advantages worth over £3 billion, but more than 40% of total savings in ISAs are held by those earning more than £30,000 a year; meaning that these significant tax advantages are heavily weighted towards those already most able and most likely to save.


As I've previously suggested, reducing ISA allowances from their current level of £20,000 – an amount way beyond the means of the very vast majority of UK families – could free up funds to focus savings incentives on those who need

it most.

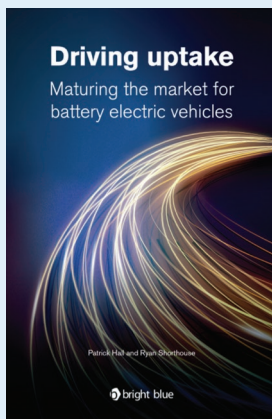
Of course, these are not the only areas where policy needs to focus. A strong case could also be made for changes of other taxes, like council tax, which falls most heavily on those least able to pay, and stamp duty, which contributes to a UK housing market that fails many low-income families.

“ Half of all people in poverty live in a family that includes a disabled person, so for many of these households, work is not a viable option

Together, these ideas can form a starting point that could make a significant contribution. Alongside a clear articulation of the measures against which levelling up is going to be measured, they could form the beginnings of a more positive and hopeful economic and social agenda post Covid-19.

The March Budget provides the Chancellor with the perfect opportunity to lift our spirits and give us this positive vision. 

Matthew Oakley is the Director of WPI Economics



Latest report

Driving uptake: maturing the market for battery electric vehicles

Patrick Hall and Ryan Shorthouse

As the UK's biggest emitting sector, decarbonising transport is critical to achieving net zero emissions by 2050. Over half of all emissions emanating from the transport sector come from passenger vehicles. As such, the uptake of battery electric vehicles, which produce zero emissions, is essential to curbing emissions from the transport sector.

This report examines the key barriers to battery electric vehicle uptake among households and businesses and explores policies adopted both in the UK and abroad to catalyse the battery electric vehicle market. It concludes by recommending new policies to mature the market for battery electric vehicles in the UK.



Number 10

Dear Will,

I assume we both share the hope that the Government succeeds in its stated objective of levelling up the nation. I have my doubts about whether it is possible, but I shall be delighted to be proved wrong. Indeed, I welcome the Conservative Party's belated conversion to the principle of equality of outcome.

Let's start by working out what we mean. How will we know when the nation has been successfully levelled up? I suggest that the nation will have been levelled up when average income, life expectancy, the rate of unemployment, school attainment, and the rate of entrance to university are getting narrower rather than wider. Taken at face value, 'levelling up' suggests they will eventually be the same. We need a time period, and I suggest by the next election, assuming that takes place in 2024. We also need a unit of measurement. What about taking the parliamentary constituencies represented by the Cabinet and setting them against 20 seats in the Midlands and the North of England that turned Tory in 2019? If you prefer different measures, that's fine, but the Government is rather suspiciously vague on this at the moment.

“ We are expected to believe that, after most of a career in journalism and politics without ever once – as far as I can see – offering a single intriguing idea about how to level up anything, Boris Johnson will all of a sudden be full of transformative ideas.

I think I know why they are vague. It's because they haven't got the first idea what to do about it. People who know nothing about this always give a tip-off. They always describe towns as “parts of the country forgotten by successive Governments”. I quote Boris Johnson. If only it were as simple as paying attention to towns that have been hitherto neglected.

The truth is, sadly, much more troubling. Between 1999 and 2007, £4 billion of public money went into deprived areas under the rubric of neighbourhood renewal. It did have some effect. Nurseries and health centres were opened, the standard of housing was improved, crime and vandalism fell more rapidly in these areas than elsewhere. School attainment improved and so did job prospects. Clearly, however, the

problem didn't go away. Though if it was a failure, it was a failure of active policy, not of neglect. I have no idea what different policies will be followed now that will succeed heartily, where the Blair governments only succeeded partially.

To do anything serious is going to require both policy imagination the Government does not have, and the expenditure of an absolute fortune that it does not have either. We are expected to believe that, after most of a career in journalism and politics without ever once – as far as I can see – offering a single intriguing idea about how to level up anything, Boris Johnson will all of a sudden be full of transformative ideas. David Cameron once set out ambitious plans. Theresa May did the same. Now Boris Johnson is going to make Humberside sing like London. If he does half as much as the Blair governments managed, I will applaud from the refurbished rooftops. I hope you know what he ought to do to make his dreams come true, because I am sure as I can be that he doesn't.

Yours,
Phil

Dear Phil,

I am delighted that you are as committed to the ends of levelling up as I am, if less convinced of the means. You are right: it is a gargantuan challenge. Our lopsided economy is the product of several decades of economic history, and centrifugal forces outside ministers' control, not least the present pandemic. Nobody seriously expects rebalancing the economy to be straightforward, but that does not mean it is futile.

What are we seeking to achieve and by when? Your preferred measure of the Cabinet-Red Wall divide appears at best arbitrary, and at worst difficult to measure. Several of the metrics you cite are not regularly produced at constituency level, for example. A more robust set of metrics, as we have recommended at Onward, would track earnings, employment, and unemployment rates in the bottom fifth and bottom half of local authorities, to see whether those areas are converging or diverging from the national average over time. This would more accurately reflect the core mission of levelling up – to boost economic opportunity in places where it is lacking – and allow analysis for smaller geographic areas that are often obscured in larger regional analysis.

However, the real challenge is not how we measure success, but how we can achieve real change. Our track record is hardly encouraging, as you suggest. Since 1997, income before tax and benefits has risen two thirds faster in London than elsewhere in the UK, increasing from 30% higher than the national average to 70% higher. The capital had a similar sized economy as the North of England as recently as 2004, but now it is a quarter bigger. Today the UK is among the most spatially unbalanced economies in the developed world: only Romania and Poland have larger productivity gaps between the most and least productive smaller regions in the OECD.

“ The capital had a similar sized economy as the North of England as recently as 2004, but now it is a quarter bigger. Today the UK is among the most spatially unbalanced economies in the developed world: only Romania and Poland have larger productivity gaps between the most and least productive smaller regions in the OECD.

Yet delving deeper into history gives me hope. When the wall came down in 1989, Germany had a regional inequality gap almost three times greater than the UK's current regional divide. Through active government policies – including sustained investment from the national development bank, KfW – and market incentives, interregional inequality has plummeted and now stands lower than that of the UK. The gap in disposable incomes between East and West Germany has fallen by over 50% since 1991.

The North of England is a far cry from East Germany, of course, but it is far from clear that widening regional disparities are an inevitable feature of modern globalised economies. Closer to home, the experiences of Sunderland's automobile industry since 1984 and Hull's turbine manufacturing industry since 2010 have proven that skilled, well-paid jobs and high-value employers can be attracted to poorer places if the conditions are right.

The Government is already embracing some ingredients for success. Ministers have announced a national development bank (modelled on KfW), have begun reorienting R&D, housing, and transport spending away from overheating regions – like London – to lagging places, and are planning to use net zero investment as a lever for regional renewal. These plans will need to be accelerated and enlarged, but they are far from nothing. The good news is that, for the first time in decades, it is in the Conservative Party's interest to deliver. The Prime Minister's majority depends on it.

Yours,
Will

Dear Will,

We agree on a lot. We both think the aim is laudable and that it is worth the effort.

We agree there needs to be a measure and, though I am not stuck on any particular method, I would like to include measures such as school attainment and university entrance which capture the extent to which economic opportunity is being translated into individual capability. There is nothing to stop us collecting the data in whatever geographical unit we choose. We also need to agree on a time period. The next election is the most obvious landmark on the horizon.

I was, however, left more concerned than reassured by your response. A serious change will require policy imagination, lots of money, and abundant political will. I don't think the Prime Minister can rely on any of those. I simply don't believe that the Chancellor of the Exchequer is comfortable with lots of the spending required. I think he is a fiscal conservative. There is bound to be tension ahead. I think the overrated Mr Sunak is a flaw in your plan.

“ I simply don't believe that the Chancellor of the Exchequer is comfortable with lots of the spending required. I think he is a fiscal conservative. There is bound to be tension ahead. I think the overrated Mr Sunak is a flaw in your plan.

I note you quickly changed the terminology from “levelling up” to “rebalancing the economy”. I think we should use the first term. The second is one of the conditions of a more equal society, but it is not the ambition itself. If Manchester regained the prosperity of 1846 but it all went to the mill-owners, the economy, in some grand aggregate sense, would have been “rebalanced”, but there would have been no levelling up.

Your last sentence shows you realise this. The Conservative majority may depend on people realising their circumstances have been improved. Brexit, the only thing that holds the Tory coalition together, will do nothing for them at all. There need to be improvements in their life chances and I still struggle to see how this Cabinet, the poorest in my lifetime, will achieve something that better Governments tried and largely failed to achieve.

I am not reassured at all by the fact that your best example is East Germany, for the obvious reason that the degree of economic depression behind the Wall is several orders of magnitude greater than the relative decline of Liverpool. In the end, durable prosperity will come not from well-intentioned government action, but private sector investment. The reasons investment has been low outside London and the South East, such as skill levels, will take a generation to fix. I salute the attempt. I hope it works and I look forward to being part of the Starmer government that experiences the results when they come in.

Yours,
Phil

Dear Phil,

You are right. Despite our differing political traditions, we are closer together than we are apart. That in itself is instructive: the shaking of the political kaleidoscope at the last election has realigned Britain's politics such that levelling up is cross-party fare. We should celebrate this common ground. There would be nothing better for raising economic opportunity than an arms race on the issue between the main parties.

It is in the detail that we differ. I am less enamoured than you, for example, in using university entrance as a metric, given longitudinal data has shown that up to one in five graduates would have been better off not going to university at all. Hardly the best way to level up opportunity. While I agree we should expect progress by the next election, we should also recognise that overturning decades of economic forces will take time. Levelling up is a process, not an event.

Much of your pessimism appears to rest on your hesitation about those leading the charge. It is neither my wish nor my job to be a cheerleader for the Prime Minister or the Chancellor. But the evidence so far is that Mr Sunak is more willing than modern Conservative predecessors to invest capital on behalf of the Exchequer. Excluding coronavirus spending, the Spending Review announced £100 billion of capital for every year of the forecast period. That is five times the level of capital investment George Osborne sanctioned for the 2015 Conservative manifesto.

It is telling that you seem to consider taxpayer spending the only route to the kind of changes we both want to see. Tax reform is quicker to implement, can be targeted at poorer households or certain types of business, and should appeal to pro-market conservatives. Reducing Band A council tax rates by a ninth, for example, would deliver a £147 annual saving to 54% of households in the North East, but save only 4% of households in London £125 a year. Raising investment allowances would be similarly regionally progressive, as it would benefit capital intensive manufacturing firms more prevalent outside the South East.

“

It is telling that you seem to consider taxpayer spending the only route to the kind of changes we both want to see. Tax reform is quicker to implement, can be targeted at poorer households or certain types of business, and should appeal to pro-market conservatives.

Such policies would rebalance the economy while levelling up individuals and households in the way you prescribe and, because more regionally balanced economies grow faster, the UK as a whole would recover from the pandemic more quickly. The UK's regional disparities are inseparable from the inequalities that hold back opportunity. As the IMF noted in 2018, boosting labour productivity in underperforming regions is precisely how the UK can drive “faster and more inclusive growth”. It is both levelling up and rebalancing, rather than either, or.

If you do not like Germany as a comparator, consider France, Italy, Sweden, Denmark or Spain. All have smaller regional gini coefficients than the UK. I agree that a large focus of policy should be to encourage and make room for private investment, but the last thirty years of UK policy demonstrate that there is a limit to how much the private sector will invest in poorer places alone. This is especially true when growth-enhancing spending by taxpayers – whether on housing, R&D, transport or cultural programmes – is heavily concentrated in one part of the country. Markets rely on signals, after all.

We know this is possible because the UK has levelled up before. During the first half of the twentieth century, regional productivity differences shrank, stabilising at their lowest level in the 1950s and 1960s, before growing again from the 1970s. This economic convergence coincides with what Robert Putnam terms ‘the upswing’ in social capital, before the decline of community witnessed in recent decades. Let's work together to achieve a similar feat in this century.

Yours,
Will

Shaking up the mandarins

Reforming the civil service is vital for spreading opportunity, argues **Baroness Finn**



Levelling up is usually used to describe the strategy of funnelling investment to deprived areas, but the essence of levelling up is to make opportunity more equal. Talent is spread equally across the country, but opportunity is not.

In the Brexit referendum of 2016, overlooked families and undervalued communities expressed their discontent with a political system they regarded as aloof, arrogant, remote, and centralised. A key part that the civil service can play in drawing together a renewed sense of common purpose is making sure that it draws on all the talents of every part of the UK, and ensuring that decision makers are acquainted with the challenges faced by those outside the metropolitan bubble.

“ Levelling up means not only geographical diversity, but respect for and inclusion of different voices and life experiences

When it comes to questions of welfare policy, being intimately involved with the decisions made by citizens in Mansfield or Merthyr Tydfil can only bring an additional level of granularity and effectiveness to policy formulation. Experiments in other countries in dispersing civil service jobs show the danger of simply distributing posts across the country in a way that may satisfy individual political constituencies, but does not lead to coherence and efficiency. What the Government should do is make a strategic choice about relocating critical parts of the state and its infrastructure to significant parts of the UK, but also ensuring that in those areas there is a critical mass or a concentration of jobs

– not just to ensure career opportunities for those who are operating in those new locations – but also bringing to those new locations a sense of identity, purpose, and civic pride. This will in turn improve education in these areas; Michael Heseltine identified educational failure as lying at the heart of the problem in deprived communities.

The Treasury is in the lead on this, with the new northern economic decision-making campus. Various sites are being canvassed, but the compelling logic of levelling up would say that Teeside is the obvious location. Taking advantage of the transport links provided by Tees Valley and Teesside International Airport, and also acknowledging Darlington's proximity to both the universities of Durham and Newcastle, it could be an attractive exemplar of change. Another example would be the relocation of the Ministry of Housing, Communities and Local Government to Wolverhampton, the department principally responsible for decentralisation. Rather than opting for the easy choice of Birmingham, Wolverhampton – on the West Coast Main Line and also a city with an up-and-coming university – would provide a compelling opportunity.

However, it is not enough simply to relocate jobs. Those leading the civil service also need to think harder about cognitive diversity. Levelling up means not only geographical diversity, but respect for and inclusion of different voices and life experiences.

This means breaking up the current career ladder, welcoming people into the service not just for secondments but for periods of two years or more, so that the civil service can gain from people whose expertise is in, for example, renewable

energy. The civil service apprentice programme should also be accelerated. The success of the Boardroom Apprentice programme in Northern Ireland demonstrates the enormous benefits of enabling people from different backgrounds, ages, and abilities to contribute to, and bring a greater range of, experience and perspective to public sector and third sector boards.

“ The Government must be allowed to take on genuine risk and invest at earlier stages when the risk cannot be fully quantified


There also has to be a recognition that you cannot simply mandate economic growth from the centre if there is no foundation on which to build. State interventions must work with the grain of economic activity that already exists, and ensure the enabling environment acts as an accelerator. This is particularly the case with digital and physical infrastructure which is needed to help tackle climate change and boost transport connectivity. We need to address the lack of capability in the civil service to deliver successful projects across the UK and create the right enabling environment.

The Treasury is changing the Green Book, the set of rules used to determine the value of government schemes. This is a welcome development as the rules have traditionally favoured investment in London and the South East. Equally importantly, the civil service lacks the right approach when it

>> comes to investment and the allocation of project resources. The Government must be allowed to take on genuine risk and invest at earlier stages when the risk cannot be fully quantified and would therefore be out of bounds for early-stage venture capital. There could be a high failure rate, but our universities are spread nationwide

and provide ample opportunity for the state to invest and commercialise the IP.

There are enormous challenges if the levelling up agenda is to be a success and there is a proper transfer of power to the regions. The civil service needs to become more open to new ideas and decision making, more commercially aware, and

less risk averse. If the Government gets this right, it will be able to deliver opportunities for the whole country. 

The Rt Hon Baroness Finn is the Downing Street Deputy Chief of Staff and a Non-Executive Board Member at the Cabinet Office

Moving on up

Alex Thomas considers the case for relocating more of government out of London

Decisions about where ministers and civil servants should be located generate a surprising amount of commentary. The site of government departments of course matters to the staff working in them, but it might otherwise be considered a subject of niche interest. Moreover, in a pandemic, where most civil servants are anyway working remotely, physical location seems even less relevant.

“Working in different parts of the country does genuinely bring new perspectives and a different emphasis and approach to policy problems

Nevertheless, ministers have committed to moving 22,000 civil servants out of London, arguing that relocations will bring fresh perspectives and amplify voices lost in a London-centric bubble. Cue enthusiastic speculation in particular about where parts of the Treasury might end up. The occupants of 1 Horse Guards Road and 11 Downing Street moving to a disused building in Teesside International Airport is a tantalising prospect.

The discussion highlights just how concentrated some parts of the government are on a few postcodes in Westminster

and Whitehall. While only 20% of the UK's 450,000 civil servants are based in London, that reflects the large number of operational staff working in offices outside the capital in the Department for Work and Pensions, HM Revenue and Customs, the Ministry of Defence, and the Ministry of Justice. In fact, 64% of policymakers and 68% of senior civil servants work in London. Recruitment in recent years has also been disproportionately to the capital.

So there is a case to be made to move civil servants, but the Government should do so carefully. To make relocation programmes for civil servants work well, our recent Institute for Government report sets out tests for their plans. The first is that the labour market in a receiving location needs to meet the needs of the department. There is little point moving an organisation to a new area where the raw talent and expertise is lacking.

Next, senior civil servants need to take the relocation seriously. A critical mass of roles must move, including high-ranking officials committed to the new location for the long term. The move must be sustainable, and ministers too must show willingness by regularly travelling to the new site and championing the use of video conferencing instead of summoning their officials to London. Finally, moves need

to be carefully coordinated to create hubs and maximise benefits across departments.

Ministers also need to be clear that relocation is not a substitute for devolution. These decisions are simply about the distribution of central government officials to different parts of the country. Office moves can rejuvenate or damage organisations, but they are nothing to do with who actually makes decisions. The Government would be wrong to use civil service relocation as a way to duck a debate about genuine dispersal of power.

“The civil service will never be able to compete with the private sector on London pay, and so needs to offer talented recruits an alternative


If the Government does successfully move civil servants out of London, does it really matter? The core civil service is a small part of the economy, and the evidence suggests that government relocations bring only a marginal benefit to receiving areas. Each move is different, of course, but



>> benefits tend to be localised and displace jobs from within the same region, rather than create genuinely new roles. Upfront costs, including the loss of experienced staff, can be high.

The evidence also suggests that moves work best when civil servants cluster in a relatively small number of regional hubs. These will tend to be in or close to cities, and may not bring in genuine new perspectives. If, as Michael Gove claims, the Government wants more officials who understand the 52% of citizens who voted for Brexit, they are no more likely to be found in central Manchester or Birmingham than in London.

The uncertainty of the promised benefits does not mean that civil service moves away from the South East should be abandoned. There are two important reasons why the disruption will be worthwhile. The first is that living and working in different parts of the country does genuinely bring new perspectives and a different emphasis and approach to policy problems. Ministers, who deal with their constituency post bags and surgeries, can be more exposed to the lives of the population and more sensitive to the failings of core services than the civil servants advising them. A structural change to encourage civil servants to develop new geographical perspectives is a good thing.

Secondly, the civil service needs to embrace moves out of London to help sustain its own future. Housing and other living costs are too expensive in the capital for younger government officials to build a sustainable career. The civil service will never be able to compete with the private sector on London pay, and so needs to offer talented recruits an alternative, better lifestyle in a different environment. That is the strongest argument for taking relocation seriously. 

Alex Thomas is a Programme Director at the Institute for Government and was previously a senior civil servant

Strengthening the net

Social security is vital for levelling up, stresses **Helen Barnard**

Is levelling up a Christmas tree or a bullet train? Will we look back at it as a flabby concept onto which politicians, wonks, and campaigners competed to hang their favourite policy bauble or as a driving force, taking the country towards transformed prospects in those places which will be hardest fought at the next election?

Levelling up was set to be the defining concept of the new Johnson Government, but has been drowned out by the demands of dealing with Covid-19. As the health crisis recedes, the speed and shape of our economic recovery will become the defining issue facing government. We must revive levelling up and take bold action to redesign our economy.

Levelling up marries two pressing economic and social issues. The first is the poor productivity that has dogged our economy, creating a historically weak recovery since the 2008 recession. The second is the rising tide of poverty, driven by increases among workers and children.

There are unproductive firms and people trapped in hardship in every part of the UK, but these problems do have a specific geography.

“ Social security has not been prominent in debates about levelling up, but woe betide a government that forgets its crucial role

Levelling up must mean transforming both productivity and prospects in those parts of the UK with weak local economies. Low-income voters gave Boris Johnson's Conservatives a decisive victory in 2019. That was, in part, because he convinced them that economically 'left behind' places would see a greater share of national resources, more and better jobs, opportunities for their children, and renewed local infrastructure.

Social security has not been prominent

in debates about levelling up, but woe betide a government that forgets its crucial role for those people and places who will pass judgement on whether the levelling up promise has been delivered. New research into the most extreme poverty in the UK, destitution, found the proportion of people experiencing it rose by 54% between 2017 and 2019 – to 2.4 million people, including over half a million children.

Strikingly, the greatest rises were in the North of England. The North East now has the highest rates of destitution, with areas like Middlesbrough and Newcastle badly affected. In the North West, Manchester, Liverpool, and Blackpool all have high rates of destitution. The Government's levelling up agenda cannot succeed without action to stem the rising tide of extreme hardship in the North, and social security has a crucial



>> part to play in that.

Social security is an underpinning public service, like our NHS, which many of us rely on over the course of our lives. Partly it compensates for market failures: the lack of truly affordable homes, low paid and insecure jobs, job design that shuts disabled workers, parents and carers out of better paid work.

Successful levelling up should reduce the pressure on the social security system as these failures are corrected, but social security is also a mutual support system for times in our lives when work, or full-time work, isn't feasible. It is an anchor that keeps us steady through tough times, until we find our feet again: when families break down, illness strikes or the work dries up. It is a base that enables people to take risks.

Boosting pay often requires us to change jobs or set up a new business. Taking that leap is risky. A new bus route might prove unreliable, leading to job loss; a new


childcare arrangement to allow longer work hours might break down; the long road to make a new business profitable might turn into a dead end. To truly level up means turning weak local economies into thriving engines of prosperity. A strong social security system is a crucial ingredient in creating that vibrant economy.

“ The North East now has the highest rates of destitution, with areas like Middlesbrough and Newcastle badly affected

We must therefore redesign social security as we redesign our economy. It must provide reliable protection from destitution, which means working with those who are experienced in the current system to fix design flaws, such as the five week wait for the first Universal

Credit payment, and unaffordable debt deductions.

Wider action to boost job security and pay should accompany reforms to ensure social security support smooths fluctuations in earnings rather than exacerbating them. Work incentives should focus on those groups most sensitive to them, particularly single parents and second earners. Services to help people to get and keep good quality jobs need to be integrated at the level of local labour markets. Skills, employment support, childcare, and transport all combine to either open up opportunities or close them down.

Levelling up requires a coherent local strategy across all these areas, underpinned by an effective, compassionate social security system, rooted in the expertise of those who rely on it. 

Helen Barnard is the Director of the Joseph Rowntree Foundation

Doubling down on devolution

Andrew Carter emphasises the need to accelerate devolution to level up

In December 2019, the Prime Minister, a former Mayor of London, promised to level up the 'left-behind' cities and towns of the UK. Yet, just over a year on, it looks as though this promise is in danger falling by the wayside, as the Government grapples with the ongoing health and economic effects of Covid-19.

This is sadly ironic, as many of the places hit hardest economically by the pandemic are also the places that need levelling up the most. Birmingham, Hull, and Blackpool, for example, have seen some of the largest increases in unemployment since the beginning of the initial lockdown.

While the measures that the Government has taken will help save many jobs and

businesses, it is increasingly clear that it does not have the capacity, the knowledge, or the networks to develop the tailored responses that places will need to rebuild their economies from the damage that Covid-19 has done.

If levelling up is to succeed where previous attempts have failed, then the government will need to improve policy development and delivery at both the national and local level.

At the national level, this will require sustained and significant central government investment to help places across the country achieve their potential. It won't be cheap. At the local level, it will require local government to be

reformed and empowered so it can effectively get on with the task.

While there have been great strides made in terms of the devolution of powers to local areas in recent years, with the creation of nine metro mayors in addition to the Mayor of London, covering around 40% of England's population, three main challenges remain.

The first is that these metro mayors have limited powers compared to international counterparts, and even compared to the Mayor of London. The second is that many



>> parts of the UK have not yet benefited from devolution. The third is that in many places the powers that local authorities do have to improve the local economy are split across different institutions.

Take Nottingham's built-up area, the largest but by no means the only city to face these issues. It's home to more than 670,000 people, but it doesn't have a mayoral combined authority – it has nine separate councils, all with responsibilities that affect how the city works. The seven district councils are in charge of new housing and commercial developments, whilst the two counties provide the infrastructure and transport services for these developments. This doesn't include the Local Enterprise Partnership.

This fragmented arrangement makes strategic decision making about Nottingham's future much more difficult than it should be, which has real negative effects. Recent analysis by the OECD suggests that places with more fragmented, less autonomous, and poorer quality local government are less prosperous than places that don't suffer from these problems.

We can't keep tinkering around the edges. The time for significant reform and devolution has arrived. The next phase of the devolution agenda therefore needs to be about building more robust local institutions as well as being about the

passing down of powers and resources.

So, what does a programme of reform and devolution that addresses the under-empowered, under-funded, and under-bounded problems of the current system look like? I would suggest it needs, at least, five elements.

First, England's existing 349 councils should be reduced to 69 new, larger unitary authorities and combined authorities that incorporate as much as possible the local economic areas in which people live and work. This would make joined-up strategic decision making far easier, and would help build the institutional capacity of local government to better use their existing economic powers, and the extra powers that should be devolved in the future.

Second, the leader and cabinet model for local government should be scrapped, and the new authorities should be headed by a directly-elected mayor with clear accountability to deliver.


Third, the responsibility for designing and delivering key areas of the levelling up agenda such as housing, infrastructure, transport, innovation, and adult education should be moved out of Whitehall and put in the hands of the new mayors and their authorities.

As a result, the fourth strand of the programme would enable the relevant government departments – Business,

Transport, Education – to be shrunk to reflect their smaller roles. The Ministry for Housing, Communities and Local Government meanwhile should be transformed into an England Office similar to the Scotland, Wales, and Northern Ireland Offices and be given responsibility for managing the UK Government's interactions with England's local authorities.

“ England's existing 349 councils should be reduced to 69 new, larger unitary authorities and combined authorities

Finally, it would be disingenuous to reform local government and give it extra powers and responsibilities, without also providing it with the funding and financing flexibility it needs to make good on these extra responsibilities. Devolving control over how local business rates, council tax, and charges are raised and spent, and giving greater discretion to councils on how they manage their budgets, would give them the flexibility and incentives they need to drive forward improvements in their areas – and would be a welcome relief after a decade of local government austerity.

The tensions that have surfaced between local and national leaders during the pandemic have significantly reduced the Government's appetite to push forward with the devolution agenda. It would be a regrettable and short-sighted mistake if the Government decides that English devolution just isn't worth the hassle and shelves the whole idea. As the head of an 80-seat majority government, the Prime Minister has the power to address this situation. Devolution should not be a casualty of Covid-19 – it must instead be central to our recovery from it and to delivering on the big promise to level up. 

Andrew Carter is the Chief Executive of the Centre for Cities



Ditching disadvantage

John Cope challenges the Government to tackle education attainment disparities



Conservatism is an immensely broad church, but one thing it is united on is a fundamental belief in fairness of opportunity. There is also agreement that a knowledge-rich education, grounded in skills and practical understanding, is the greatest driver of opportunity. Education is therefore at the core of the party's values: supporting individual initiative, empowerment, progress with an appreciation of the past, and an economy fizzing with talent and innovation. Education is conservatism in action.

“ 16 year-olds entitled to free school meals are, on average, 18 months of learning behind their friends and peers not on free school meals

There has been significant progress in education since 2010 – academies, free schools, apprenticeships, higher standards, and greater discipline, to name a few – but the claim of being the natural party of education can never be taken for granted. A

decade into government, the Conservative Party's ideas on education need a jolt of energy to keep them fresh. As we emerge from the pandemic, giving substance to what levelling up means in education is an opportunity to do just that.

As the 2019 Conservative manifesto states, “talent is evenly spread, but opportunity is not”. The reality behind this is 16 year-olds entitled to free school meals are, on average, 18 months of learning behind their friends and peers not on free school meals through no fault of their own, but because of their circumstances. This is known as the ‘disadvantage gap’. To be clear, this was the situation before the pandemic. We should be braced for a brutal widening.

While the disadvantage gap has been very gradually closing until recently, we cannot escape the reality that we have an education system where a gap of this scale has become normalised. At the current rate of the gap closing, we are centuries away from opportunity being levelled up. This gap feeds through into people not being able to go to university or start a degree apprenticeship. It also translates

into lost scientists, entrepreneurs, innovators, and leaders of the future who don't get the grades they need because of their start in life, not their talent.

The Government's own research from 2017 shows that if the rest of the country levelled up to London – where the disadvantage is smallest, but still large – around 125,000 pupils would achieve five or more GCSEs or equivalent at A*-C, including English and maths. As a result, their lifetime earnings would on average rise by roughly £110,000, boosting our economy by approximately £20 billion. This illustrates the scale of lost opportunity.

“ It translates into lost scientists, entrepreneurs, innovators, and leaders of the future who don't get the grades they need

If the party is to say to the country, and the ‘Red Wall’ in particular, that opportunity has been levelled up, the disadvantage gap must have closed by the time of the next election. The party should be open about this – and every education policy or spending decision should be guided by the objective to close the gap.

There should also be a public sense of impatience in every ministerial speech at the injustice the gap represents. Any instinct to slip into defending the past should be resisted – the party should unashamedly say tackling the gap drives policy making. Speaking about the disadvantage gap isn't a sign of weakness,

>> but a sign of honesty and substance.

Some call for grand change and ripping up the system. I disagree – we largely know what works, and the areas that need improvement.

For example, evidence that the gap opens up well before children even go to school is clear, making the case for funding high quality childcare, early literacy, and numeracy in the early years up to age four obvious.

The Pupil Premium already focusses funding onto the most disadvantaged schools, and was delivered under a Conservative-led government. We now need to look closely at how well that money is being spent, using the evidence provided by the Education Endowment Foundation. This needs to be combined with better teacher professional development – after all, without teachers a school's just a


building.

We should acknowledge, and better fund, the reality that schools and colleges have become so much more than places of learning. As a school and college governor, I've seen first-hand how, more than ever, educators have become community anchors: supporting fractured families, mental health first aid, food poverty, or 'wrap around' care.

Excellent initiatives like the free online Oak National Academy that is helping students catch up after lost learning in the pandemic should become permanent and focus on closing the gap. This will require addressing Ofcom's estimate that 1.8 million children have no laptop or other device to use at home – a digital gap cannot be allowed to compound the disadvantage gap.

The Government's Skills White Paper

must deliver the necessary ten-year plan that breaks down the artificial barriers between HE, FE, and apprenticeships, so young people can choose the high-quality option that is best for them. This should include reversing the more than 50% collapse in part-time learners since 2010, and following through on the ambitious 'lifetime skills guarantee' so more adults can access training.

These are just some of the ingredients needed – there are many others. Most importantly though, it's time for the Government to say loudly: there is an enormous disadvantage gap, it's not acceptable in a fair society, and this Government will be the one that finally tackles it head on. 

John Cope is a Conservative Party member and leading education thinker

More than just money

Andrew O'Brien presents three pillars for levelling up public services

The Blair and Brown years saw huge investments in public services, but left behind communities did not see significant transformation.

The Prime Minister would do well to draw on the legacy of one of his predecessors, David Cameron, particularly in the early years. A bold programme of public service reform was proposed by the Conservatives between 2010 and 2015. Unfortunately, much of this programme was undermined because of the pressure to deliver spending cuts. With investment now flowing back into the public sector, the Government has a chance to properly deliver public services and avoid the mistakes of the noughties.

So, what would an ambitious centre-right public service reform programme

actually look like?

The first pillar must be a reform to the way that the public sector spends our money. When we pay our taxes, we don't earmark them for particular services. Yet once taxes are collected, this money is immediately fragmented into thousands of smaller budgets for different parts of the public sector. Operationally some fragmentation is unavoidable, but the varying strategies, priorities, and budgeting of different agencies can lead to poor decision making.

The frustrating thing is that behaviour is perfectly rational for each individual agency, as I outlined in a previous paper *Whither value?*, published in 2015 for Charity Finance Group. This is why reform is essential. The solution is pooling resources into local

place-based budgets to achieve clear outcomes.

Ernst and Young's evaluation of community budgets in 2013 found that savings through such a joined-up community budget could reach £20 billion, and a House of Commons inquiry found community budgets had the potential to improve local growth. Reviving pooled community budgets with a clear set of local priorities is essential for levelling up. The Government should also introduce a new 'public value' duty, as recommended by Danny Kruger in his *Levelling up communities* report last year. This would ensure that all public sector bodies have to have regard



>> to maximising impact for the local populations they are providing services to when making spending decisions, not just their own agency priorities.

The second pillar is to reform the way we deliver services. If public services are the bedrock of national productivity, the expertise and energy of public sector workers are core ingredients. We need structures which empower staff to make the right decisions, to change underperforming services, and to improve outcomes as we saw through academy schools. Again, there is a tried and tested solution which was pioneered by Lord Maude through the Mutuals Taskforce. Public service mutuals are self-organising, staff-led social enterprises which put professionals in charge of decision making with clear goals around social impact and financial efficiency.

“ We need structures which empower staff to make the right decisions, to change underperforming services, and to improve outcomes ”

Mutuals have been successful across every part of the public sector including health, social care, children's services, and culture. Research commissioned by




DCMS in 2019 found that productivity in mutuals had increased by 3.7% per year since 2012, compared to just 0.3% in the rest of the public sector. Mutuals were also receiving higher ratings on average from Ofsted and the Care Quality Commission. The Government should revive the mutuals programme and create a stronger 'Right to Provide' legal pathway so that staff in any part of the public sector can come together to create a new public service mutual where there is a good business case.

The final pillar is using the employment footprint of government more effectively. The public sector employs millions of people, but we need to target that employment where it is most needed. We face the prospect of significant youth unemployment, yet young people are only half as likely to work in the public

sector as those over the age of 55. New figures on the Civil Service Fast Stream have shown that most candidates come from private schools and one in five came from just three universities: Oxford, Cambridge and Durham. More can be done to get public sector bodies to hire workers from left-behind communities. Changing the demographics of the public sector will require courage, and would likely see challenges from the unions, but the multiplier effect of better utilising the public sector workforce would be significant.

Better structures, better delivery, and better hiring is critical to achieving levelling up. The good news is that the opportunities to level up significantly and quickly are all around. One of the biggest mistakes of the past decade was to abolish the 'Delivery Unit' successfully developed by Sir Michael Barber.

Boris should quickly create his own 'Levelling Up Unit' to push this agenda, with a clear set of reforms to be implemented across the public sector, and rigorously monitor its progress. A central point is required to unblock the system and push through change. Large financial commitments will look good on election leaflets, but it is reform driving better outcomes which will ultimately determine electoral success. 

Andrew O'Brien is an Associate Fellow of Bright Blue and the Director of External Affairs at Social Enterprise UK

New Deputy Director

We are thrilled to announce that Nikita Malik has been appointed as the new Deputy Director of Bright Blue. Commenting on her appointment, Nikita Malik said:

"I am delighted to join Bright Blue as it continues its mission to defend and improve liberal society. This is an exciting time to be involved in the innovative thinking that Bright Blue is known for."



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Building Homes and Lives

A professional headshot of Neil O'Brien, a middle-aged man with short brown hair, smiling slightly. He is wearing a dark navy blue suit jacket over a light blue dress shirt and a dark green tie. The background is a plain, light grey.

THE INTERVIEW

Neil O'Brien OBE MP

Joseph Silke speaks with the Chair of the Conservative Party Policy Board and COVID-19 myth-buster about delivering the levelling up agenda and taking on the lockdown-sceptics

You are well-known for your policy work. Who are the people who have most influenced your political philosophy?

On regional growth, I've been influenced by Enrico Moretti and his work on local economic development. More generally, I'm interested in the South Korean economist Ha-Joon Chang who has charted, better than most other people, how various East Asian countries have used industrial policy to achieve incredible modernisation and growth. The economics of how science, technology, industrial policy, and finance come together, and the economics of geography, are the two biggest things to happen in economics over the past couple of decades. This hasn't really been reflected in our national economic debate, and certainly not in the papers. If somebody were to write a comment piece on industrial policy, you can guarantee there would be a mention of British Leyland, but you wouldn't see much mention of Hyundai or Samsung that have come into being as a result of government economic policies on the other side of the world. Taiwan went from having no semiconductor industry to becoming the world leader, all since the 1980s. There has also been a lack of curiosity about what's been going on in China in more recent years, with their transformation into a science and innovation giant.

Do you think the political economy of the Conservative Party has been shifting away from a more Thatcherite, free market approach to a more interventionist, communitarian approach?

It's such a funny thing to talk about being a Thatcherite in 2021, given that Thatcherism was a policy response to the problems of Britain in the 1970s – literally before I was born. You can admire the achievements of that period, such as how they got inflation and the trade unions under control and removed bits of the state that didn't belong there, but think that you've got to conduct economic policy on the basis of the problems facing Britain today.

“

It's such a funny thing to talk about being a Thatcherite in 2021 given that Thatcherism was a policy response to the problems of Britain in the 1970s ... you've got to conduct economic policy on the basis of the problems facing Britain today

Turning to the problems of today, then: the Conservatives won the 2019 general election promising to 'level up' the 'left-behind' areas of the country. It is a lofty ambition, but there hasn't been a lot of detail so far. In practice, what does levelling up mean to you?

There is very active work going on in the Government about how to drive this, but over the initial period of office, Brexit and then Covid-19 have dominated the agenda. As we get into recovery and the pandemic abates, we will hear a

lot more about levelling up. The core element of it is an economic one, trying to do something to improve levels of growth in poorer areas of the country and get incomes and employment up. You can also include making sure that children have the opportunity to get good GCSEs, so they can go on to do something that will set them up for life after they leave school. As part of a wider programme, you can look at improving the quality of public services and community life. The core part of it is the economic one, however, as the other things flow from that. Social life is stronger when the economy is stronger.

“ I don't believe there has been a transformation of public attitudes in any '1945' sense ... [The pandemic] has underlined – and this won't come as a surprise – the importance of a robust industrial and technology policy

Governments of all stripes have tried to help left-behind areas and people. What can we do differently and more successfully this time?

I challenge the premise a bit. Sometimes there's a view in SW1 that we have tried everything, and nothing has worked. Compared to what has been done with regional policy in other countries like Germany, it's not on the same scale. It isn't the case that we have tried everything for decades; more can definitely be done. I mentioned Moretti and there are others like Philip McCann who have done great work on this. We need to grow high-skill, capital-intensive jobs, particularly in areas that export. You get people to make those investments by using tax policy and spending, particularly R&D spending. Our R&D budget has been very low in the UK, and we need to change that. Then after that you need to think about infrastructure, like transport and connectivity, that all support growth. In the UK, too quickly we move to a conversation about levelling up and transport spending. Really that is something that follows on from the initial economic development. In areas that have poor growth and demand, generally transport isn't the main problem. Ireland has been very skillful with an aggressive inward investment strategy and we can learn a lot from that.

Keir Starmer claims the public wants a new '1945 moment' with a greater role for the state, while others claim that the public just wants to go back to 'normal'. Do you think the past year has been a good advertisement for a greater role for the state, or has it exposed the limits of what the state can do?

It's been both! There have been great demonstrations of the power of the private sector, with relatively newly founded companies like BioNTech generating and producing new vaccines on a huge scale. On the other hand, we have seen state institutions delivering the rollout of the vaccines. There have also been questions about state agencies and regulators, particularly whether or not they were on top of things at the start of the pandemic, but people will seize on what they want to seize on. Fundamentally, I don't believe there has been a transformation of public attitudes in any '1945' sense. For me, it has underlined – and this won't come as a surprise – the importance of a robust industrial and technology policy. First we had a rush for PPE, then for ventilators, then for testing equipment, and now a global vaccine production race. It has shown the limits of depending on international supply chains as well as the incredible power of technology. Some of the types of vaccines that we have been developing could have been made in the 1990s, or indeed the 1960s, but some of the more sophisticated mRNA ones certainly could not. Science and technology has been absolutely central.

During the pandemic, you have gained a new prominence as a sort of 'witchfinder-general'. What inspired you to start publicly debunking the arguments of lockdown-sceptics?

I was annoyed that some people were spreading a lot of claims that were clearly untrue. There were claims that it's all just a lot of false positives and that there's a 'casedemic'. There have been people arguing against every restriction needed to bring the virus under control, from big things like the national lockdowns to smaller things like social distancing. It feels like there is a group of people who have just opposed every single measure, and at the same time have seized on any bullshit argument that has crossed their path saying: "Ooh! Having had the cold will give you immunity from Covid," or "We're already at herd immunity and all these cases aren't really happening because they are all false positives." They have been obviously incorrect, even at the time these claims have been made. A variety of other people and I felt there needed to be resources for people who were seeing this stuff, and wondered if it were correct or not, and thought it important to put the effort into explaining the facts behind the different arguments and to provide the context in which these arguments are being made. We have wanted to combat information that is simply misleading because it has been frustrating to see the sheer volume of it circulated by people who should know better.

Does it frustrate you when so many lockdown-sceptics claim to be speaking for the people, when lockdown is so overwhelmingly popular, and have you been surprised by how popular lockdown has been?

Perhaps the British are less freedom-loving than some Conservatives like to believe?

Covid-sceptics have pushed all this misinformation for a year and they haven't changed the opinions of the public. All they have done is destroyed their own credibility. People are quite pragmatic and can see that there has been a real-world problem, know people have had the virus, and are sensible about these things. It doesn't mean they aren't freedom-loving and desperate to get back to normal, as they certainly are. They haven't bought the arguments of the sceptics because they have seen things not pan out as they predicted it would. There were claims that there would be no second wave, yet the public could see on the news that hospitals were filling up to the brim. It's been a strange year but, as you say, the public continues to support what the Government is doing.

What has the atmosphere been like within the parliamentary party? Have you had any frank exchanges of views with more lockdown-sceptic colleagues?

I have had a lot of very positive exchanges with colleagues who have really liked what we have been doing. Generally it has been pretty good. There are some people who take a different view. There were 12 Conservative MPs who voted against the third national lockdown, but the great majority understood why it was necessary. At the same time, though, all of us are desperate for it to end as soon as it safely can. Personally, I think that the roadmap the Prime Minister has set out gets the balance about right. The polls suggest the public thinks the same thing. The media might like to focus on division, but the truth is that the overwhelming majority of colleagues support the measures that have been taken.

Until the start of this year, there was a general sense that the UK was doing relatively badly compared to other countries. While Covid-19 is not a competition, do you think the successful rollout of the vaccines and planned easing of restrictions could change that narrative?

The vaccine programme has clearly been a huge success for the UK. The Government took a pounding for not taking part in the EU procurement scheme, and there was a media view that the Vaccines Taskforce was just spending a load of money on PR. Then it turned out that they had done a fantastic job, and have secured us more vaccines than any other large country. Now we are the fastest at vaccinating in Europe. The combination of that and getting the exit from the pandemic right, as I think we are doing, now has the Conservatives pulling ahead of Labour in the polls again, even in

the eleventh year of being in power. It's incredibly striking and helps explain why Keir Starmer keeps doing these endless relaunches that don't get anywhere.

The Barnard Castle affair was clearly a low point for Number 10 last year. Since then, the so-called 'Vote Leave faction' has largely departed Downing Street. Do you think the new team will put government operations on a sounder footing?

It does now seem to be quite an orderly place and it is clear who is doing what. It feels like a well-functioning machine to me. I don't have a great insight into these things other than that journalists love to talk about who is 'up' and who is 'down' and we all find it very interesting, but we should take it with a pinch of salt. When I worked in the Treasury and in Number 10, I would read reports about what was apparently going on inside the building and even meetings I had been in and say: "Hmm, that's not what happened!" Everyone is doing their job in a sense, with journalists desperate to find out what's going on inside when it's extremely difficult to do that, so they rely on all kinds of bits and pieces of intel. When they put it together, sometimes it works and sometimes it doesn't.

“

When I worked in the Treasury and in Number 10, I would read reports about what was apparently going on inside the building and even meetings I had been in and say: "Hmm, that's not what happened!"

When all restrictions are hopefully lifted in June, what are you most looking forward to doing again?

Well! A key thing will be getting my kids to see their grandparents properly. Hopefully my parents will come to stay with us. I would also love to get away somewhere. I keep seeing Scotland and various Scottish islands on television which makes me yearn to go on holiday. The most practical thing is the grandparents, though, and that will be a big moment.

Finally, a reshuffle in July looks probable. If you are invited to have a role in the Government, would you accept?

People want to do all sorts of jobs, but I must say that I'm very content doing what I'm doing at the moment. I'm really enjoying doing all of the policy work! 🇬🇧

Decarbonising rural Britain

Getting it right for the two million rural homes going first



The Government will shortly publish plans to decarbonise home heating – vital to reach net zero emissions by 2050, and demonstrate to the world the actions it is taking domestically in the lead up to COP26 in Glasgow later this year.

Government has chosen a ‘rural first’ approach to home heat decarbonisation, with many rural households obliged to make changes to their property’s heating and energy efficiency this decade. While rural homes situated off the gas grid represent just 8 per cent of all UK homes, we question the Government’s notion they are low hanging fruit, or a ‘no regrets’ option, justifying early intervention.

The age of many rural homes in Britain means the transition to low carbon heating will be more disruptive and expensive than in urban areas. Good levels of energy efficiency – necessary for some low carbon heating solutions, such as heat pumps – are absent in many rural homes. Only 3% of off grid homes in England have an Energy Performance Certificate of band C or higher.

Such homes are often referred to as ‘hard-to-treat’ because they are expensive and disruptive for householders to retrofit the energy efficiency measure necessary for heat pumps to work effectively. A typical cost – including retrofit and a heat pump – could reach over £30,000 for many such homes according to an independent analysis by Ecuity Consulting. For some it will be considerably more. This compares to a national average across all homes of £9,000, according to the Committee on Climate Change.

At Calor we have been providing energy to rural homes and businesses off the gas grid for over 85 years, supplying many hard-

to-treat homes; they are varied and diverse, and not ‘no regrets’. To help these homes decarbonise affordably, we started supplying renewable BioLPG (a direct, drop-in replacement for conventional LPG) in 2018. Our commitment is to supply 100% renewable energy products by 2040 – we are already at 7%. Independent analysis suggests BioLPG, either in standalone boilers, or in combination with a hybrid heat pump, will be the most affordable way to decarbonise 44% of rural homes currently heated by heating oil.

A ‘rural first’ approach will lead to a slower pace of decarbonisation than a national one. Many homes, both on and off the gas grid, could already use low carbon heating systems without disruptive renovations to their property using heat pumps and bioenergy solutions like BioLPG. So why restrict early activity to off grid, which will slow and increase the cost of deployment? We should put the right technology in the right home right now, regardless of where that home is.

The Government’s forthcoming Heat and Buildings Strategy needs to treat rural off gas grid households fairly. Many hard to treat homes will need significant financial and technical assistance to help them on this transition. Rural energy efficiency levels must be brought urgently up to scratch, and the number of supported technologies expanded to include BioLPG.

Our recent YouGov survey of rural off-grid householders found 77% believe government prioritise urban concerns over rural ones in energy and climate policy. To get it right for the people living in the two million rural homes off the gas grid, we need all low-carbon options available; for many BioLPG is not only the most affordable, but also the fairest way to do it.



Free the ports

Mayor Ben Houchen pitches Freeports to turbocharge investment and growth



The magnitude of the economic fallout from the pandemic is unprecedented in modern times: the UK economy shrunk by 25% during the depth of the crisis in April 2020. Places like those I represent as Mayor feel these shocks the most. Across Teesside, Darlington, and Hartlepool we have seen the number of people out of work increase by 12,000 since the start of the pandemic. Behind every number and statistic is a person, a family, and a community.

History shows us that unless proactive action is quickly taken when economic shocks strike, their impacts are felt far longer and far deeper in places like Teesside than in other parts of the country. In November, the Government fired the starting gun on the competition for Freeport status, with bids due in February and Freeport operations anticipated to start later this year.

These Freeports are designed to be international centres for trade and investment, powering regeneration, job creation, and entrepreneurship. It's a policy package which has the potential to be game-changing for areas like Teesside. Freeports are not only fundamental to succeeding in the Government's levelling up agenda, but can play a huge role in our

economic bounce back from the pandemic.

For me, Freeports are not just about liberalising trade and making it easier for companies to export. They're first and foremost about creating good quality jobs and putting more money in people's pockets. Over the past three years I have done all I can to bring this kind of job-creating Freeport to Teesside, because I know how truly transformational it could be for my region.

“ Unless proactive action is quickly taken when economic shocks strike, their impacts are felt far longer and far deeper in places like Teesside

In the year after his 2015 election to the House of Commons, a little-known backbench MP called Rishi Sunak wrote a report titled *The Free Ports Opportunity: How Brexit could boost trade, manufacturing, and the North*. Few outside of the Westminster bubble paid attention, but this has proved a crucial step in UK Freeports becoming a reality. Pointing out that approximately 3,500 Free Trade Zones worldwide employed 66 million people across a

total of 135 countries, but that there were no Free Trade Zones on the UK mainland today, he started a conversation about a significant element which was missing from the UK's plans for jobs and economic growth.

Rishi's appointment as a minister in Theresa May's Government meant that the Freeport torch had to pass on, and realising what a well-focused Freeport policy could do for my area, I knew I had to take the lead in driving forward the case for Freeports and making them a successful reality. Many thought it couldn't be done. They said the Government of the time was against the idea – in this, they were right – and they said that no administration would make such a seismic change in UK customs and trade policy. However, I believed that it was an idea whose time had come and, for the good of Teesside and the nation, it needed to be heard. As long as you keep fighting the political battles that matter most, there is always a chance that a window of opportunity will open.

When Boris Johnson arrived in 10 Downing Street we got a Prime Minister who, amongst other strengths, was a strong supporter of free trade and of Freeports – he gave them a mention in his first speech after taking office. The new Prime Minister recognised the advantages such free trade zones could bring to areas such as Teesside, and with Rishi promoted to Chief Secretary to the Treasury in the new Cabinet, there was an unabashed supporter of Freeports at the heart of the most powerful and consequential department in Whitehall.

What many people don't realise is that the UK Freeport policy now coming to





Ben Houchen

>> life was made on Teesside, for Teesside. In June 2019 I published a report, built upon the broader work done by Rishi, which set out exactly how new low-tax zones could work in the UK. It showed that a Freeport in Teesside could create 32,000 new, good-quality, well-paid jobs, and how it could boost the economy by £2 billion over 25 years. That's thousands of proper manufacturing jobs – the skilled roles people want – as well as billions of pounds of extra economic activity.

“ These aren't the continental bonded warehouse zones which the EU like to dress up as Freeports; they are fully-fledged Free Trade Zones

There are two key aspects to the soon to start Freeport model. Firstly, a large area of land is designated as a Customs Zone outside the UK customs border, creating a range of opportunities for manufacturing which would otherwise take place outside the UK, if at all, to take place within the UK without tariffs on raw materials and other barriers to business making UK manufacture uncompetitive. This Zone can

be supplemented by Secondary Customs Zones, strategically linked to the Primary Freeport Customs Zone, but not necessarily physically bordering it. Secondly, smaller but still substantial areas within this Customs Zone are designated as special Tax Zones. Targeted to catalyse the maximum impact, massive new investments are made possible in these areas through a raft of direct tax reliefs on stamp duty land tax, business rates, and national insurance contributions, as well as critical capital allowances.

The main planks of the Freeports policy are backed up by a well-considered range of supporting policies to speed up the journey through planning hurdles, support the construction of essential infrastructure, and ensure UK border security. These policies are crafted so that we can be very confident of seeing some huge projects getting going within the next few years.


These aren't the continental bonded warehouse zones which the EU like to dress up as Freeports; they are fully-fledged Free Trade Zones that will restore the energy and urgency of trade and industry in 'left-behind' areas and help turn economic opportunity on paper to real bricks-and-mortar transformation of hundreds of acres

of brownfield land to make new thriving livelihoods.

The ambition of the UK Freeport policy is like nothing we have seen in a generation. The potential of Freeports to enable the levelling up of the nation's industrial heartlands is clear. Contrary to the warnings of nay-sayers, this has all been brought into law without any legislation that compromises or degrades employment or environmental protections.

“ This has all been brought into law without any legislation that compromises or degrades employment or environmental protections

Creating these low tax zones, where importing and exporting is made easy, won't just mean new jobs. It will create a great platform for innovative technologies to deliver an economically viable route to net zero, creating UK jobs in the energy sector, such as in supporting offshore electricity generation, rather than sending our manufacturing jobs abroad, and allowing new and exciting technologies to be pursued using carbon capture utilisation and the power of hydrogen. It will also underline two fundamentally important messages: firstly, that levelling up is more than just a slogan, and that the Government really is committed to the North in the long-term; and, secondly, that voters who backed the Government in 2019 really were voting for a better life.

Our nation faces many and complex challenges ahead. However, as Number 10 and the Treasury work to rebuild an economy battered by a pandemic, it's clear Freeports can put rocket boosters under levelling up and unleash the pent-up potential of places like Teesside like nothing else before. 

Ben Houchen is the Mayor of the Tees Valley

Bringing opportunities home

Nobody should be forced to leave their hometowns, contends **Dehenna Davison MP**



The past year has been tough. Nobody can deny that. The Covid-19 pandemic has taken a toll on us all; affecting society's health – both physically and mentally – and hitting our economy hard.

We mustn't underestimate the economic hit Covid has delivered, a hit which has shone a light on many of the economic and social divisions that already existed in our society. With the Chancellor saying in November that our economic emergency has only just begun, we must now look at how we can ensure we use the recovery in the most effective way to level up our country.

Levelling up is at the heart of what I came into politics to do. When I talk about levelling up, I'm talking about ensuring that whether you're born in Bishop Auckland or Beaconsfield, Birkenhead or Bath, you have access to the same opportunities.

“ People want to live in areas that are attractive, where there are fun and engaging things to do ... with a buzz of both day and night life

Right now, we see young people being pushed out of towns to cities like Newcastle, or down south to London, to chase those very opportunities. The Centre for Cities report, *The Great British Brain Drain*, has shown housing and transport infrastructure are the main barriers to young graduates returning to, or staying in, their hometowns.

Whilst the report focuses on graduates, it's important to highlight the role inward local investment plays in creating those high-skilled job opportunities for non-graduates, such as through apprenticeships.

We need to do more to prove to young people that there are other ways to get a high-skilled job than just moving away for university. With the Government's recent announcement on the Green Industrial Revolution, creating 250,000 jobs, we have a real opportunity to create those high-skilled, high-paying jobs in areas like County Durham.

We don't have to look far to see what investment can do in helping to level up. Just look across to Tees Valley to see the great work Ben Houchen is doing as Mayor. With the South Tees Development Corporation, Tees Valley has been able to secure inward investment and redevelopment, ensuring a strong base for local job creation.

If you're a young person in 2020, we know it's tough to get on the housing ladder. Average house prices are more than four times higher now than in the 1990s, but the same has certainly not been the case for average earnings. We need to ensure that young people do not feel frozen out of the housing market. Schemes such as Help To Buy have been lifelines for many, but in many cases, the supply of good quality, affordable housing is also an issue. The Government's proposed planning reforms will have a great impact on house building, helping to ensure a generation of young people are able to access the same opportunities of home ownership that their parents had.

However, what is also highlighted in research on why people tend to move towards more urban areas is that it's not just for a job, but for the overall living experience. People want to live in areas that are attractive, where there are fun and engaging things to do. For example, in Bishop Auckland, I often receive complaints

about the fact that the town doesn't have a cinema. But I have a plan. People want vibrant town centres, with a buzz of both day and night life, and good places to socialise. In this sense, investment in public realm works and cultural and leisure assets is crucial. The Building Better, Building Beautiful Commission has stressed the idea of building well-connected communities in towns, where homes are blended with shops and civic buildings to create a real sense of place and community.

“ Why shouldn't we aim to attract those in highly paid roles working for Manchester or London firms who are predominantly home-working?

The Government is providing the tools for this, with £3.6 billion being invested through the Towns Fund alone. Bishop Auckland is benefiting from this scheme, adding to the cultural investment from The Auckland Project, together hoping to radically reshape the town centre to make it a more attractive place to live and work.


Strong public transport networks are also crucial. It's all very well creating high-skilled jobs, but if people in certain areas can't physically get to them, then the full benefit of levelling up efforts will always be limited. We are lucky to be living in a fast-moving technological age, so we need to be exploring options, like on-demand bus services, to provide transport routes in the most efficient and convenient way for consumers.

>> However, with Covid-19 accelerating workplaces' adaptations towards working from home, this creates huge opportunities for areas that those working for firms based in major cities may not have ordinarily considered living in. Towns like Bishop Auckland could begin to market ourselves as 'digital commuter towns'. Why shouldn't we aim to attract those in highly paid roles working for Manchester or London firms

who are predominantly home-working? Why shouldn't we aim to have more money being put into our local economy?

Yes, Covid-19 has presented many challenges, but it has also presented opportunities. As we focus on a recovery that aids levelling up, we need to look at ensuring that young people have multiple reasons to want to stay in their hometowns. That they're able to aim for local, high-paid

jobs, or opportunities from further afield that the digital age makes possible.

That they're able to settle down in the streets they grew up in, and they enjoy spending their free time where they live. This is how we will truly deliver on the mission to level up. 

Dehenna Davison MP is the Member of Parliament for Bishop Auckland

Things can only get better

Rebuilding social infrastructure must be at the heart of levelling up, asserts **Paul Howell MP**



As one of the Conservative MPs successful in breaking through Labour's 'Red Wall' in the 2019 general election, I am under no illusions as to the nature of the task before us in reconnecting 'left-behind' neighbourhoods. The promise to level up was one of the reasons that voters in Sedgefield put their trust in me at the ballot box – and as a Government it's essential that the levelling up agenda is focused on meeting the needs and improving outcomes for the 2.4 million residents of England's 225 left-behind neighbourhoods.

These are the communities on the periphery: the social housing estates on the edges of the towns and cities of the Northern Powerhouse and Midlands Engine, and the coastal or former colliery communities, often at the end of the line – or on no line at all. Not only are these areas economically and socially deprived, but they also suffer from a combination of poor connectivity, both digital and physical, a lack of community assets, and low levels of community engagement in the form of groups, organisations, and networks that bring people together.

Due to this deficit in social infrastructure, these left-behind neighbourhoods

experience significantly worse outcomes across education, health, and employment than other equally deprived places, and England as a whole, as well as facing economic hardship as a result of the pandemic. That's why it's essential that in levelling up we adopt a 'least first' approach, targeting investment and attention at those areas that have the highest levels of community needs.

“ **These left behind neighbourhoods experience significantly worse outcomes across education, health, and employment**

We must also go about things the right way, getting the policy, priorities, and process right. We need to recognise that the work involved reconnecting and rebuilding the social fabric of those communities that have been overlooked by governments for decades is a long-term commitment. Recalling previous regeneration programmes that failed to sufficiently involve communities in decision-making, it's also essential to support and resource communities themselves to take the lead

in the decisions that affect their local areas.

Neighbourhood-level investment needs to go hand-in-hand with supporting and resourcing communities to build the confidence and capacity required for transformational and enduring change.

This is where the importance of social infrastructure, and social capital, comes in. When reconnecting left-behind neighbourhoods, attention usually first focuses on physical infrastructure: building new railways, roads, and roundabouts. This of course plays a major role, and from my own experience in working to reopen the Stillington Spur to passengers in the North East, reversing the Beeching cuts will be vital in ensuring that communities cut off from opportunities can be reconnected. The publication of the National Infrastructure Strategy therefore represents a very welcome and significant change in investment policy.

However, reconnection is about much more than investment in economic infrastructure. Alongside boosting physical and digital connectivity, of equal

>> importance is targeted investment in the local social infrastructure that is so essential to underpinning modern healthy and prosperous communities and economies: the spaces and places in the community where people can meet and interact, from community centres and pubs, to libraries, leisure facilities, and parks, as well as support for the local groups and organisations that have played such a vital role in the response to the pandemic.

“Alongside boosting physical and digital connectivity, of equal importance is targeted investment in the local social infrastructure


As Co-Chair of the cross-party All-Party Parliamentary Group (APPG) for left-behind neighbourhoods, I've been working with colleagues from across Parliament to help tackle the social infrastructure deficit faced

by left-behind neighbourhoods. As we have discovered through our research and APPG evidence sessions, as well as suffering worse outcomes across a range of metrics, this deficit can have deleterious effects on other aspects of life in the community, such as through lower levels of social capital, the 'glue' that binds our communities together.

Recent Survation polling published in our APPG's *Communities of trust* report found that there were much lower levels of volunteering and membership of local community and social action groups in left-behind neighbourhoods. As a result, left-behind neighbourhoods have had less community capacity to respond collectively to the challenges they face and less success in accessing external support and resources. This issue was identified in *Communities at risk*, the APPG's research into the early impact of Covid-19, which found that left-behind neighbourhoods had lower levels of mutual aid activity than other equally deprived areas, and received significantly

less external charitable Covid-related funding support, around a third of the amount of the national average for both.

That's why the APPG has been making the case for urgently needed investment in the social infrastructure of left-behind neighbourhoods. Over 40 parliamentary members recently wrote to the Prime Minister calling for the Government to commit £2 billion of funds from the next wave of dormant assets to create a new Community Wealth Fund targeted specifically at left-behind neighbourhoods.

If levelling up is to mean anything, it must mean that left-behind neighbourhoods have the capacity and access to the funding, knowledge, support, and resources needed to reconnect with the skills, opportunities, services, people, and places that the rest of us often simply take for granted. 

Paul Howell MP is Co-Chair of the APPG for left-behind neighbourhoods

Road to prosperity

Alicia Kearns MP underscores the importance of infrastructure for towns and villages

We all know that the United Kingdom is a competitive international economy. This fact sometimes risks being taken for granted. London is the world's financial capital, our professional services industry is globally first class, and our labour market, Covid-19 notwithstanding, is one of the most flexible in the OECD.

However, the Covid-19 pandemic has also thrown into stark relief the ways in which our economic structures can be improved, and one area where we can make a real and immediate impact as we recover is infrastructure investment.

The World Economic Forum (WEF)

reported in 2018 that the UK came 26th in the world for the quality of its roads, 22nd for the efficiency of its train services, 40th in terms of mobile subscriptions, and 51st in terms of transmission and distribution losses in the electricity supply. Our road connectivity index came only 29th.

A recent Policy Exchange report noted that, according to the IMF, our capital stock as a percentage of GDP is lower than the US or France, and comparable to Germany, which has famously low government investment in infrastructure.

Conversely, the WEF also found that we were the eighth most competitive economy in the world.

The disparity between our infrastructure rankings and our competitiveness makes one thing clear: the UK is competitive, but we are hindered, not helped, by the quality of our public infrastructure.

That's why, with interest rates at record lows, and with plenty of spare capacity, the British state has the means to make strategic investments in infrastructure now, to generate a long-term increase in output, reduce disparities between the regions, and power local economies from Caithness to



>> Cornwall. The Prime Minister has been clear that this is his foremost priority, and it is very much welcome, especially in the East Midlands where historically we have been overlooked.

Infrastructure needs to be strategic because the benefits are long-term and have a dynamic impact on the economy. That is why I am very pleased that the Government has already adopted changes to the Green Book, raised initially in a Centre for Policy Studies report in June, that will shift focus from the use of a benefit cost ratio (BCR) to considerable weight being placed on an actual strategic case. This could have a real impact on projects in left-behind parts of the UK.

“ With interest rates at record lows, and with plenty of spare capacity, the British state has the means to make strategic investments in infrastructure

Take the part of the A1 that serves my constituency of Rutland and Melton. The East Midlands already has one of the lowest per capita spending on capital in the country, to the tune of £169 per head lower than average, according to a recent Policy Exchange report. For years, local authorities and Local Enterprise Partnerships have raised concerns about

significant congestion, and a very high rate of accidents, on the stretch of the A1 between Blyth and Peterborough. There is a lane closure more than once a week, and full closure once every two weeks. The BCR is 0.47 (or 47p for every £1 invested) which is normally too low. However, this is also because the very congestion on the A1 has made local authorities hesitant to plan for any development on or near the road, out of serious concerns for usability.

The strategic case to upgrade the A1 is robust: it will reduce congestion and hours lost, allow the high percentage of HGVs on the stretch of road better access, and allow local authorities across the East Midlands to more strategically use available land. This is a key road for the UK, especially post-Brexit, but until now the BCR made this impossible.

These are precisely the kind of long-term projects that we need to commit to now to generate growth in our regions. Changes in the Green Book are a brilliant first step, but they need to be coupled with immediate investment to power the recovery.


I welcome the Government's £100 billion in capital spending, and I agree with Sajid Javid's *After the Virus* report that the 3% average investment ceiling should be relaxed. Policy Exchange has recently noted that 5G broadband and green investment are two major areas for further investment, because they can bring immediate impacts, and support rural communities.

I fully embrace the Government's commitment to green investment, but I know some constituents are worried that, while the shift will happen, it will leave rural areas behind.

“ We can expand the 5G voucher scheme, working directly with local authorities, to boost productivities in our towns and villages

That's why the Government needs to expand the Rapid Charging Fund to ensure all hard-to-reach rural areas are supported. At the same time, we can expand the 5G voucher scheme, working directly with local authorities, to boost productivities in our towns and villages. The 2019 Conservative manifesto commits to ensure every person is within 30 miles of a charge point, and gigabit-capable broadband in the home is a game changer for rural areas. Let's make sure we hit them!

There are more ways we can boost our recovery by levelling up across the UK, and indeed it's a sign that much more work needs to be done for the UK to reach its potential in every region. We are on the right track and the Government is listening fully to those who have too often been forgotten in investment decisions. By powering up through shovel-ready projects now, and making long-term, strategic investments in our regions – like the East Midlands – we can build a more prosperous Britain for all, and seize prosperity out of the jaws of the pandemic.

The Prime Minister has a bold and empowering vision of a country where we have levelled up and built back cleaner and better after the pandemic. He has my full support in this commitment which will transform our country and set the agenda for generations to come. 

Alicia Kearns MP is the Member of Parliament for Rutland and Melton



Bob McCaffrey

Competitive councils

Councils must be empowered not forced into unfair competition, urges **Cllr Abi Brown**



It's probably not a surprise to learn that most politicians have a competitive streak. Elections are a competition, with the ultimate winners forming a Government, or an administration to run the local authority. That though, certainly in local government, is when the real competition starts. Who doesn't love a competition?

In the last five years, I've taken part in contests to be UK City of Culture, to host a Channel 4 Creative Hub, and to have an Enterprise Zone. Even things that don't look like a competition to the general public inevitably are behind the scenes. There are limited resources and lots of councils keen to benefit. Why shouldn't government support be allocated through a system where the most ambitious and best presented get the prizes?

The current system has smacked a bit to me as one that benefits the best connected councils, often those closest to London. They can just pop in to Parliament to meet ministers and discuss their ideas, further perpetuating close connections. The gap between the 'can dos' and the 'can't dos' duly grows. I'm often reminded that whatever I think of the rights and wrongs of government funding, my role as leader of the council is to do the very best for my residents. So we bid – even when often we have far less resource than those we compete against.

It's hardly surprising – the majority of properties in Stoke-on-Trent are in council tax band A to C, which means when we increase council tax by 1%, the majority of residents are contributing less than 1%. As central government funding decreases, the amount we can raise through council tax is restricted too. Whilst we've been successful at growing the number of businesses here, and therefore the proportion raised through

business rates, we're still at a massive disadvantage. So when the call comes in for a 'transport competition', we have one person in our transport policy team to undertake that work – and that's alongside all the other things he has to do. Or, we can get consultants, which cost money too.

So levelling up sounds ideal – I'm all ears. Except what I hear already is that it's going to be a competition. As arguably a poster girl for post-industrial Conservative council leadership, I've overseen a ten year plan that took us from two Conservative councillors and no MPs, to a Conservative-led council and three MPs. Along the way, we've delivered jobs faster than any other city in the UK, produced one of the most successful Enterprise Zones in the country, and transformed perceptions of our city. I'll happily compete for any prize that I like the look of, but why can I not just be respected for my strong leadership and ability to deliver? After all, as Conservatives we believe that the ballot box is the best tool to demonstrate our dissatisfaction with failing incumbent politicians.


“No one expects government to hand over cash without any conditionality, however the current competition mindset fails to empower

Rather than making local authorities scramble for specific competitions, we could be allocated sums with broader parameters upon which to deliver. No politician understands the need to ensure value for money better than a local councillor, whether it's a ward budget or the entire revenue budget, residents are always keen to give you their opinion. It's local

authorities who deliver infrastructure projects, ensure houses are built, maintain those facilities that make our towns and cities great places to live – including museums, libraries and leisure centres – and support the most vulnerable in our society, children and adults.

We already have a good grip on what our area needs, and over the last 12 months, we've excelled in proving that when the centre fails, local can deliver. We know who our partners are, we know where funding is most needed to level up. No one expects government to hand over cash without any conditionality, however the current competition mindset fails to empower and instead curtails the ability to deliver on what is needed. As a city, we've redressed the need for a local narrative, squared the circle on how six towns can be one city, and balanced the books on service delivery versus investment in the future.

As a local leader, I remain our city's single accountable individual – I'll enter the next election to be judged on my delivery to date and ambition for the future. I carry the fortunes of my colleagues – local and parliamentary – something that is often forgotten.

To truly level up, the Government needs to recognise that the playing field is far from level, and a competition approach may not reach the areas that need help the most, not least if the centre continues to dictate what it thinks local areas need, rather than empowering local councils to deliver. 

Cllr Abi Brown is the Leader of Stoke-on-Trent City Council

Our seven new visions

We defend and improve liberal society.

Our relaunch continues in earnest with the announcement of our seven new visions for an even better Britain:

1 Bountiful economy
enriching, inventive, green, fair

2 Clean environment
abundant, sustainable, beautiful

3 Connected communities
welcoming, trusting, vibrant, evocative

4 Empowering government
nurturing, innovative, exemplary

5 Good lives
self-authored, sociable, enjoyable, enlightening

6 Just institutions
inclusive, transparent, forgiving, meritocratic

7 Rewarding work
enhancing, purposeful, secure, inspiring

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The upswing

Robert D. Putnam and Shaylyn R. Garrett hope for a new communitarianism

Ryan Shorthouse
Chief Executive, Bright Blue

In recent years, there has been a trend for books, full of graphs, telling us that the world is continuously getting better - from the likes of Steven Pinker and the late Hans Rosling. They take on fashionable gloominess, which they argue is driven by disproportionately negative news, trying to convince that tragic events - pandemics, conflicts, Donald Trump - are merely and increasingly the exception rather than the rule in the grand sweep of history.

Well, Robert D. Putnam, author of the bestselling book *Bowling Alone*, has a different story to tell. In his latest polemic, he plays the optimists' games, a chart almost on every other page, to demonstrate that in America at least, since the late 1960s, things have been going backwards when it comes to the economy, politics and culture.

The first two thirds of the twentieth century, the Progressive Era, saw both rising prosperity and comity. A new Gilded Age of inequality and self-centeredness, echoing the late nineteenth century, has defined more recent decades. America has experienced an I-we-I shift in the past 125 years.

Communitarian thinkers have for some time criticised the New Left and New Right for promulgating social and economic liberalism respectively in the latter part of the twentieth century, supposedly cultivating unedifying individualism despite the material advancements. But much of it has been rather theoretical. This book is highly quantitative and thorough. Although such rigour can come at the expense of readability.

The economic data is not new but, taken together, is rather selective. The decline of

bipartisanship, recorded in the chapter on political trends, is supported by existing evidence on ticket-splitting, presidential approval ratings and inter-party attitudes among voters, as well as voting patterns in Congress, with the authors largely blaming the Republican Party steadily becoming more extreme on key issues.

“ They admit that a balance needs to be achieved between communitarian equality and individualistic freedom, rather than a victory for one

We think of the world wars as great levellers, boosting solidarity, but Putnam and Garrett are keen to stress the progress that emerged much earlier, from the turn of the twentieth century - most notably through the cross-party Progressive Movement, championed by liberal Republicans such as Teddy Roosevelt, which led to a string of social legislation, including women's suffrage, federal income tax and child labour regulation.

We soon return to what Putnam is famous for: civic America. He has already documented its decline in recent decades. In this book, he and his co-author go back even earlier to unearth the flourishing of associations in the infancy of the Progressive Era. The Red Cross, the Rotary Club, the Boy Scouts and the League of Women Voters: “It was hard to name a major civic institution in American life at the close of the twentieth century that was not invented in those few decades at the opening.”

It is on cultural matters where genuinely original research is offered. They use Ngram evidence, scanning a large number and range of books that have been digitised by

Google, to identify the relative frequency of words in particular periods, on the basis books are a good reflection of cultural attitudes. Using different common terms - agreement, compromise, unity, responsibility and, in contrast, subversion, deviance, conformity, identity - they find the salience of the former group in literature much higher before the 1960s and the latter group much higher thereafter. Even the relative use of ‘We’ and ‘I’ in books changed to match the more communitarian and individualist periods the authors have carved out: “The frequency of the word ‘I’ in all American books actually doubled between 1965 and 2008.”

Putnam and Garrett anticipate the criticisms. They admit that a balance needs to be achieved between communitarian equality and individualistic freedom, rather than a victory for one or the other. “The solution to hyper-individualism is never hyper-communitarianism, not a repudiation of equally important American values such as liberty and self-determination”. At the height of ‘We’, in the 1950s, there was a suffocating conformity, with women and black people largely excluded.

Two chapters are devoted to convincing us that the 1960s was, despite the legislative victories of the civil rights movement and second wave feminism, not such a decisive turning point in the march for gender and racial equality. There is interesting data to show a gradual liberalising of white racial attitudes and improved economic and educational outcomes for black people in the Progressive Era, despite Jim Crow in the South. In recent times, the authors illustrate,




>> America has taken its foot off the gas, with little or no improvement in racial equality across many outcomes.

The authors tie themselves in knots on gender. They obsess over the slowing of more egalitarian attitudes on the role of men and women among recent generations, suggesting “foot off the gas” again. But, right at the start of this chapter, they have already argued otherwise: “There has been little appreciate slowing down of progress in recent decades, unlike the phenomenon that we saw over and over again in the case of race.”

Putnam is refreshingly cautious and self-critical when explaining these overall

trends. The evidence does not support the conservative cliché that state welfare crowds about civic activity. And from the architect of the ‘hunkering down’ thesis, which suggested ethnic diversity reduces social capital, there is a surprising admission: “Far from immigration preventing a rise on social and cultural solidarity, the opposite seems likely: the greater the solidarity of a society, the more open it becomes to immigration and diversity.”

The authors end with an inspiring call for collective action to reverse America’s political, social and economic decay, pointing to glimmers of hope, such as campaigning on climate. This is revealing,

for protest and policy on the environment has been substantial for some decades now. What could be more indicative of care for others than a passion to protect the environment? It shows, I think, that the authors have been somewhat selective in their storytelling of America’s swing between individual and community. 

The upswing: how America came together a century ago and how we can do it again;

Robert D. Putnam and Shaylyn R. Garrett;
Swift Press;
448 pages.
Published 5 November 2020.

How we stop causing climate change

Sir Dieter Helm sets out what we can do to avert climate catastrophe

Andrew Leming
Researcher, Bright Blue

In his most recent book - *Net zero: how we stop climate change* - Sir Dieter Helm sets out a clear-eyed and sobering critique of the obstacles to resolving climate change. He also offers some credible and actionable insights to policymakers on addressing carbon emission, as well as to individuals on aligning carbon consumption with net zero efforts.

The book is divided into three parts which shift in focus between the macro and micro dimensions of key climate questions, including global climate governance, measures for sectors such as transport and industry, and consumer habits.

The author starts off with an assessment of current approaches to international climate. Part I argues that the world has wasted three decades trying to fix a broken regime of climate governance. “The global UN-led process has failed”, according to Sir

Dieter. The approaches embodied in the Kyoto Protocols of 1997, and its successor the Paris Agreement of 2015, “have not made any real difference” and are mere “fig leaves for business as usual”.

However, this is an unfairly harsh assessment. No doubt, the Committee on Climate Change (CCC) and others have shown that emissions have continued rising over the past three decades. But so too has the share of renewables in the global power sector, reaching 28% of global electricity generation in Q1 of 2020, up from 16% in 2016, according to International Energy Agency (IEA) figures. One might argue that low-carbon technologies have only now begun to catch up to climate ambitions, and that this has resulted from the paradigm shift which global UN agreements such as Kyoto and Paris set into motion.

Nonetheless, the UN approach suffers from two “fatal flaws”, according to Sir Dieter. He first critiques the fundamental assumption of the UN process - namely, that

if you bring onboard the major polluters of the world - the U.S., China, Brazil - and get them to commit to limiting their fossil fuel emissions, then the problem of climate change can be resolved. Sir Dieter sees this as essentially creating a “carbon cartel”, one that is perpetually undermined by a “basic incentive problem”.

That problem is that “each party has an incentive to encourage the others to restrict output (in this case, carbon) and benefit from the collective gains from a better outcome for all (less global warming).”

But in reality, “each party faces the costs of doing this,” which means the strategy fails at delivering sufficient levels of emissions reductions. There is “no effective top-down enforcement mechanism” to force nations to account for the consequences of their emissions.



>> Here again, the role of renewable energy markets is overlooked. Essentially, cheaper energy generation from renewable power sources lowers the cost of action on emissions reductions. Data from the International Renewable Energy Agency (IRENA) shows that the cost of key renewables continue to fall, reinforced by the rise of other low-carbon technologies, such as biomass and hydropower.

Indeed, the decline in the price of renewables between 2010 and 2019 stood at 82% for solar photovoltaics (PV), 47% for concentrating solar power (CSP), and 40% and 29% for onshore and offshore wind respectively. These make the geopolitical costs of kicking the fossil fuel habit potentially less painful to bear, and may yet represent the seeds for more broad-based international transitions away from high-emitting approaches.

More central to Sir Dieter's general argument is the second flaw, however. Another problem with the UN-led approach, according to the author, is the focus of the climate agreements - as well as the UK's net zero drive - on addressing carbon production rather than carbon consumption. Consumption, he writes, citing data from the CCC, actually accounts for 70% more carbon emissions than that released by production systems.

This is perhaps the most powerful

and persuasive element of his argument. Research has confirmed that social patterns of consumption are indeed responsible for a considerable increase in global carbon emissions. His assertion that it is an "uncomfortable truth" that "the root cause of climate change" is "our unsustainable carbon lifestyles" is a legitimate fact which should be taken on board in climate policy discussions - however inconvenient and controversial this may be.

“ Reducing emissions from consumption will require higher consumer prices, including on food, and much less international travel


Sir Dieter proposes three principles to guide policy action and address climate change: firstly, the polluter should pay for emissions; secondly, the state should provide public goods such as net zero research and infrastructure, and, thirdly that we should seek to create net environmental gain to balance emissions and reductions.

In particular, the idea that the polluter should pay for his/her own carbon emissions is the most important principle for Sir Dieter's general argument. This applies to countries and individuals. At the societal level, applying the polluter pays

principle will require a range of policy measures, including investment in net zero infrastructure, carbon import taxes and extensive carbon offsetting.

To understand our own individual contributions to climate change, he recommends that individuals keep a "carbon diary" to track emissions from the products we consume.

However, he acknowledges that reducing emissions from consumption will require higher consumer prices, including on food, and much less international travel. Moving beyond the Covid-19 pandemic, it is difficult to imagine these sort of fundamental changes being accepted as inevitable for a meaningful transition to net zero: the political will to introduce such measures is lacking and repressed demand and consumption has already taken a heavy economic toll.

So, while Sir Dieter is correct to say that on climate change, "we can do much better", it appears that, as always, the key issue comes down to cost - in both economic and personal terms. 

Net zero: how we stop causing climate change;

Sir Dieter Helm;

William Collins;

304 pages.

Published 3 September 2020.

Penguin's Pelican series

How do works by **Ferdinand Zweig**, **Mike Savage**, and **Michael Young** compare?

Diane Banks

Non-Executive Director, Bright Blue

Penguin Books's brilliant Pelican series was first established in 1937, but its focus on issues in British society really came into its own after the Second

World War, when we were rebuilding and imagining new ways of being. Titles include *Discrimination and popular culture*, *The managerial revolution*, *Religion and the rise of capitalism*, *The English village*, *Film*, *The case for conservatism*, *Socialism in evolution*, *The world's wealth* and *The red brick university*.

They provide a fascinating window on a transformative period of our nation's history, and an excellent barometer for measuring how



>> far we have come. I buy them whenever I see them – and so around eight years ago, I was intrigued to learn that Penguin were to relaunch the series.

One of my favourites of the originals is Polish sociologist Ferdinand Zweig's *The British worker*. Notably, Zweig's not being British gives it an objectivity which would have been difficult to attain otherwise. His key premise is that, in comparison with other nations, the British class system was akin to a caste system which its own members decreed couldn't be altered. The evil actor in this system is the "ambitious man" (and by definition all of the middle class) who is reviled by his fellow members of the working class for upsetting the natural order of things; or in other words, seeking to better oneself was seen as a betrayal of the tribe. Hence characteristically British phrases such as "Don't think you're any better than you are"; "ideas above your station" and "getting above yourself" – notions expressed amongst the working class themselves. And notions which would be incomprehensible to an American.

I was therefore interested to see Mike Savage's *Social class in the 21st century* included in the new release of the series. Here would be the perfect opportunity to see how things have changed, and also compare with the predictions of Michael Young's *The rise of the meritocracy 1870-2033*, a satire on the dangers of grammar school children and other beneficiaries of a meritocracy forming a new kind of elite.

Savage's book is a distillation of the

Great British Class Survey (GBCS) developed by the University of Manchester, the LSE and the University of York and promoted by the BBC. It's clear that Zweig's "ambitious man" has triumphed, but the dangers of Michael Young's meritocracy have come to pass, through individuals accumulating a combination of economic, cultural and social capital. It's as much about who you know, and demonstrating "knowingness" culturally, as it is about making or inheriting money: "It is hard work being one of the 'ordinary' elite." Like Michael Young (and Thomas Picketty after him), Savage deems this accumulation as much of a problem as the landed aristocracy sitting on their wealth in previous times.

“ It's as much about who you know, and demonstrating "knowingness" culturally, as it is about making or inheriting money

Tellingly, a stumbling block for the researchers was that only members of the 'elite' class were interested in filling out the survey ("the exclusive London Barbican estate was the epicentre of the GBCS"), which in itself speaks volumes about how the 'establishment' is now characterised by scientific curiosity – and a desire to prove to oneself how far one has come. This is a far cry from the aristocratic, intellectually incurious 'upper classes' identified by Zweig. Furthermore, these 'elite' respondents were characterised by a desire to play down

their privilege and play up any humble origins. A hangover from the "ambitious man" complex leading to a peculiarly British concept of inverted snobbery?

At the bottom of the rung are the 'precariat', who can be best described as those members of Zweig's working class who were not "ambitious men" and now find themselves at the mercy of global markets and the gig economy, with irregular or unstable work. Savage comments that "the precariat know they are looked down on and ridiculed, which is why they say they would rather stay among 'their own'". Again, at the other end of the spectrum, this embodies a very different attitude to the proud working class of Zweig's interviewees.

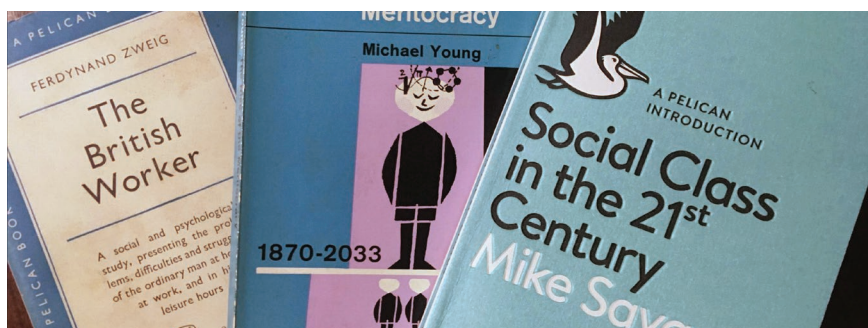
In the last few weeks we've heard much about Euan Blair's start-up Multiverse, which matches employers with apprentices, discouraging young people from the path of education, education, education, and perhaps facilitating social mobility in a new form. I'm also intrigued by Selina Todd's *Snakes and ladders: The great British social mobility myth* which is published this past month.

It seems that there may be a third chapter in the Great British Class Story to be written. Michael Young's satire projects to 2033 – will he stay on track? [b](#)

Social class in the 21st Century,
Mike Savage;
Pelican;
480 pages.
Published 5 November 2015.

The British worker,
Ferdinand Zweig;
Pelican;
243 pages.
Published 1952.

The rise of the meritocracy 1870-2033,
Michael Young;
Pelican;
198 pages.
Published 1961.



TV: It's a sin

Russell T Davies further cements himself as one of the greatest writers of our time



Joseph Silke

Communications Officer, Bright Blue

Throughout the Covid-19 crisis, exhaustive comparisons have been made with the last 'major' global pandemic: the Spanish Flu a century ago. There are alluring parallels, but there is a far more recent pandemic which had hitherto been overlooked. *It's a sin* has brought the HIV/AIDS crisis back to the forefront of the public consciousness.

Russell T Davies' new series finally tackles the issue head on after years of avoiding doing so. When *Queer as folk* was released in 1999, he recalls how criticism from the gay community was as fierce as that from the reactionary press because AIDS was not included in the programme.

"In some cases ... parents would discover that their son is gay, has AIDS, and is dying all in the same moment, in a hospital room"

Davies defended his decision by arguing that he didn't want gay life to be defined by a disease. He has since confessed that he has also struggled to devise what he wants to say about the trauma inflicted on such a close-knit and marginalised community. Finally, after returning to writing with *Years & Years* (2019), Davies has created *It's a sin*.

The mini-series primarily tells the story of three young gay men: Ritchie (Olly Alexander), Roscoe (Omari Douglas), and Colin (Callum Scott Howells). It depicts their 20s living in London during the initial years of the AIDS pandemic, set from 1981 to 1991. They live together in a flat with their friends Jill (Lydia West) and Ash (Nathaniel

Curtis).

Fictional Jill is inspired by Davies' own real-life Jill. Davies has spoken of how his friend Jill Nader provided much of the inspiration for the series. During the height of the crisis, she would visit dying men in hospital and volunteer for information campaigns. In some cases, he has relayed, parents would discover that their son is gay, has AIDS, and is dying all in the same moment, in a hospital room.

These moments are recreated on screen when Ritchie's mother and father (Keeley Hawes and Shaun Dooley respectively) make such a discovery. It's a particularly poignant performance from Hawes, whose grief and fury is palpable in equal measure. Performances across the board are superb and Ritchie is a notably nuanced figure.

It is a series filled with tragedy and injustice. The AIDS crisis was not addressed with the same vigour and resources as Covid-19 because it was happening to people who were stigmatised, who existed outside the parameters of what was considered to be acceptable society; because it killed gay people. The horror of the disease isn't ignored either, nor the reality that for many in the community at that time their youth involved regular funerals for people their own age.

Yet Davies is still clear that he doesn't want the lives of those who were lost to the pandemic to be defined by the disease. *It's a sin* is also filled with fun, and all the fun that we cannot have under lockdown restrictions. The series is packed with 80s bangers that will make you yearn for the return of nights out.

With only five episodes, Davies does a remarkable job of telling a story that feels sufficiently developed, but a longer run could have given more attention to Jill and


Ash.

Jill feels under-defined in her own right despite significant screen time, more a sidekick for the boys. This is acknowledged in the show itself, but there remains a sense of lost potential. Ash, on the other hand, doesn't get enough screen time and feels like the forgotten one.

"Testing is critical in the battle against the virus and this increase in awareness for a new generation is a fine legacy"

Moreover, while the series ends on a positive reflection on the loved ones to AIDS, there is no reference to the incredible progress that has been made since the time depicted. HIV is now completely manageable with antiretrovirals, leading to a normal life expectancy, and we even have an effective prophylactic in PrEP which prevents the contraction of HIV entirely.

It's a sin is now playing a role in this effort too. Since its release, there has been a huge surge in HIV testing. A record number of tests were ordered as part of National HIV Testing Week at the beginning of February. Just like with Covid, testing is critical in the battle against the virus and this increase in awareness for a new generation is a fine legacy for any television programme.

HIV/AIDS is a disease that could largely come and go within 50 years, at least in the UK. What was once a death sentence could become history. For those who have been so profoundly affected by it, that's a surreal albeit a desperately welcome prospect. 



Decarbonising Rural Britain

There are 2 million rural, off-gas grid homes, where over 4.5 million people live. These homes are set to be the first to transition to low carbon heating this decade. Many rural homes are 'hard to treat': old, poorly insulated, with only 3% at EPC C or higher. It could cost over £30,000* to install a heat pump with associated energy efficiency upgrades for many rural homes, compared to a national average of £9,000 across all homes.** BioLPG is an available, renewable, low carbon gas, avoiding these high upfront costs.

Sources: *Ecuity Consulting **Committee on Climate Change



Rural Communities Need Affordable Choices

The government's Heat and Building Strategy should:

- Support the transition of 'hard to treat' homes via BioLPG, both in stand-alone boilers and hybrid heat pumps
- Create a level playing field by providing policy support for BioLPG, like other green gases
- Radically bring rural energy efficiency levels up to scratch