

Freedom is what you make of it



by David Fellows [\[1\]](#)

1. UK Governments can no longer claim that EU rules prevent necessary changes to improve the UK economy or the life prospects of UK citizens. The UK's decisions may have some tariff consequences but there is no EU veto or imperative that would lead us to doing those things that run counter to our best interests. After the deal was done in December the PM remarked "freedom is what you make of it". Surely this will be his epitaph but will it be a celebratory one?
2. The time is rapidly approaching when we must learn of the Government's detailed plans for fulfilling the PM's promise to level up the regions. We shall then see what

effort and risks ministers and senior civil servants consider appropriate to honour the pact with those who made Brexit possible by changing allegiances at the last general election.

3. Challenges abound for all participants. Local authorities, for instance, can offer valuable insights and assistance with delivery. Naturally they will want to put their own stamp on initiatives. In doing this some may make untenable demands, vilifying Government merely for political purposes. Making a start with the most constructive partners is surely important. An advance guard must be identified capable of identifying the route to success.
4. The adequacy of key public sector organisations must be considered. For instance, how is the private sector to be effectively incentivised to participate? Can the woeful state of skill training be improved and properly presented to those who could benefit? How are start-ups and small businesses to be supported in a practical manner? How should business regulation be simplified to encourage enterprise while maintaining British values? How and to what extent could universities be tasked to make a meaningful contribution with funding skewed to reflect support for local enterprise development? How is the huge heft of public procurement to be employed? Is this the moment to create regional investment institutions to support private enterprise and if so, in what form?
5. The private sector must be invited to make a major contribution to this agenda. Brexit has not shown the sector's representative bodies in a particularly constructive light. They must demonstrate a capacity to contribute or be circumvented. One way or another the sector must be encouraged to provide ideas and resources that are appropriate and of long-term benefit to regional development.
6. No one has 'the' answer. The public sector is diverse,

resource hungry and often politically divided. The private sector is competitive, risk averse, self-interested. Representative bodies of all kinds have limited, common-denominator agendas. Consultancies tend to provide answers that they hope will lead to repeat business. This is not a task to be resolved purely by conference or working group. The answer must be derived from an unruly discourse that generates ideas from a series of interactions across all issues involving many different organisations and individuals, producing contributions that are more revealing than manicured.

7. The general public must also have an understanding and an opportunity to contribute to this agenda. The remaking of the regions and the consequent clarification of the opportunities for London and the South East are about reshaping opportunities for communities, families and individuals.
8. The task entails the rebalancing of the relationship between the wider London area and the regions. Ultimately the responsibility for a successful outcome of this immense task lies with Government. It should be approached with this clearly in mind. There must be both local and national ownership, public and private sector engagement. The national contribution is pivotal and should be recognised through branding and governance.
9. This may not seem the best time for such an adventure. The virus has caused serious economic and personal damage. Restrictions will continue for some time while huge expenditure has already been incurred. Some say that this is the time to recognise and reinforce what works, time to throw everything behind the pulling power of London and the South East. They caution against forsaking the golden goose. Of course this is a fallacy borne of anxiety when the currency is realism. London does not work nor do the regions. The one lacks liveability, the other lacks opportunity both need attention. It is time to face facts, there was never a

golden age.

10. The digital technology had been slowly revealing our needs and suggesting options. Covid-19 has caused us to build on these developments, changing our attitudes and behaviour with astonishing speed. The Covid-19 experience has also provided Government with invaluable lessons about joined up working and the need to achieve steadfast alignment between messaging, planning and execution.
11. Things will never be quite the same again. It is time to embrace change, we just need to do it properly.

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Towards A New Normal



by David Fellows [\[1\]](#)

Things are not going back to normal. Things were changing anyway and they have now been given a good push. There has also been an enormous economic and fiscal shock arising from C-19 that adds a terrible seriousness to the situation. We must now look towards a new normal not try to reinvent the past. So how should Government help shape that future?

The inevitability of change

Digital communication has changed the options quite radically but old practices die hard. Even so, working at home had gradually become widespread at least for several days a week. The move to home-office has accelerated with C-19 but the advantages of this change will remain, including cost savings for businesses and households and an improved quality of life for the family.

C-19 has now put retail banking staff at home able to access secure information to deal directly with customers. Video conferencing also offers face to face meetings with colleagues and business partners with added opportunities for fitting in the odd Pilates session on Zoom. Some firms have already banned long journeys as a normal practice going forward, saving time and expense.

When social distancing is no longer necessary the demand for office space could diminish. Inevitably the hospitality industry in city centres will contract with fewer office workers. Long distance passenger travel operators could take

quite a blow from a reduction in business travel and less commuting could hit urban transport operators. Travel infrastructure strategy will need revisiting.

Online shopping was already hitting the high street and out of town shopping malls. It is time to repurpose retail space into homes and improve the quality of local cafes and restaurants to secure potential new custom.

There will be a tendency for families to drift away from central areas, possibly far away, leaving those that remain with lower cost housing, more choice and a better life.

New attitudes

Complex international supply chains are now seen as risk-prone and dangerous to national security in times of crisis. There is a growing concern about China's role as de facto supplier of cheap garments and technology as a consequence of the state's behaviour towards its own people and its predatory intentions towards other nations. The EU seems likely to prove aggressive if the UK does not accede to demands that would equate to Brexit in name only, a position repeatedly rejected by Parliament and decisively voted against at the last general election. For the present, a greater degree of national self-sufficiency seems to offer some safeguards in a diversely problematic situation and it would help answer growing concerns about the scale of the balance of payments deficit in such uncertain times.

Apart from these considerations, people are asking why more

things cannot be produced in the UK. They can appreciate that prices may increase but they are concerned about an economy becoming too specialised in City and hospitality trades. They see a sizable population with diverse talents and inclinations but a narrowing range of employment options for the next generation. It is often said that the pandemic has made people more concerned for others, so what are our plans for improved inclusivity? In past decades when youth unemployment spiked, the answer came in the form of youth training schemes that, in practice, offered limited training and little opportunity. The tokenism of this approach was not lost on the youths in question and must not be repeated.

We are global traders. The UK is the largest net exporter of world class financial services. A reverse flow of goods must be embraced and allows for global trade efficiencies. We need this system. I suggest, however, that for social, economic and security reasons the imbalance in traded goods has gone too far. It has become an issue of serious neglect.

Opportunities for goods and services

There are potential avenues that could help ensure the diversification of employment and repatriation of some trade in goods lost overseas. For instance, manufacturing offers a range of distinctly different skill requirements from those found amongst the service industries. The sector has suffered serious decline but the UK still has many manufacturing sites throughout the country some of them operating at highly advanced levels; there are still major engineering departments in UK universities and skill training in local colleges; the green agenda leads to a whole series of new industries; computer aided design expertise offers support for improvements in the efficiency of manufacturing processes to

offset the potentially higher costs of repatriated production. Similar arguments could be made for the relevance and development of domestic agriculture.

Even in the services field there are new opportunities. Digital technology appeals to large numbers of the younger generation and start-ups abound. The deficiency here is in the availability of experiential and financial support to help them to move to the next level.

Levelling-up potential

The Government's *levelling-up* agenda for the regions is highly relevant to a shared national response to the C-19 crisis and Brexit. It could provide the serious economic resurgence in the regions that has been lacking for decades, it could offer a programme of inclusivity in deprived areas.

This could involve the relocation of Government administration, expansion of regional businesses, business relocations and the creation of new businesses. The Government has many options to facilitate this including: the use of public sector procurement; the creation of enterprise zones, free ports and regional investment institutions; deregulation; and the effective mobilisation of potentially supportive institutions including universities, colleges and multi-agency business advice services. Targeted incentives could be offered for the deployment of new technology and skill development. Government has recognised the need for transport and broadband infrastructure improvements. These must be prioritised against the options for business support.

John Mills argues, most recently in *The Road to Recovery* [\[2\]](#), that the pound sterling should be pegged at approximately 20% below its current level to encourage capital investment, subject to a more amenable banking sector, to facilitate competitive pricing for UK manufactures.

This potentially radical levelling-up agenda with all its facets could serve the current economic and social imperatives as outlined. It could provide a programme primarily directed at the regions but with numerous spill-over advantaged from its components that it would provide consequential benefits for London and surrounding areas in the South East. Indeed, the opportunity could be taken to define London's primary national role as distinct from the regions, enabling its emergence as a more liveable environment.

Messaging

The C-19 crisis has seen the Government explain itself directly to the public through nightly news conferences. Although not always fully realised, these broadcasts required Government to develop an outline plan, prioritise its actions and make staged advances. At every step it needed to maintain engage the public through briefings pitched at the right level to minimise subsequent revision.

This daunting task became harder as opponents in the media, politics and other institutions worked tirelessly to undermine the success of the project by disrupting public confidence, offering advice that could never be executed, or using hindsight to condemn decisions that were accepted as good practice when they were originally taken.

The experience of this tragedy offers numerous lessons for public messaging of the recovery programme. Consistency from all voices, confronting false perceptions offered by others and timing the release of detail with certainty of follow-through are clearly important. In terms of the platforms chosen, the Government could decide to present its proposals and report progress in a programme of video recordings and public appearances around the country. Whatever its choices it must assume that in seeking to win public confidence and support it is on its own.

Conclusion

We are not a country that looks for economic planning on a grand scale, neither do we tend to celebrate entrepreneurialism, perhaps being diffident towards its often obsessive traits. Even so, it is in all our interests to foster entrepreneurialism at this time if we are to respond effectively to our changing circumstances, especially the economic and social needs arising from them. By fostering I mean using the power of the state to work with the people, business and other institutions to achieve a rejuvenation of the commercial environment with an emphasis on the regions.

Our situation arises from the combination of things: Brexit, C-19, the commitment to tackle regional disparities, cultural changes based on new technology and the housing crisis. We are at a point of departure that should be treated as an opportunity that will not occur again this century. It is a situation that must be worked through with relentless determination over the course of several parliaments. There is no quick fix. It is time to make a sober and clearly articulated commitment to this enormous venture.

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<https://instituteforprosperity.org.uk/admin/resources/reports/2451-a-the-road-to-recovery-ppi-58-web.pdf>