

# COVID-19, Brexit and the Regions

*by David Fellows (1)*



The UK's ever expanding London-centred economy is destructive of communities in the regions and in London too. Continued progress in this direction will lead inevitably to an increasing displacement of community self-reliance by state provision for all aspects of personal wellbeing. In the December general election the UK Government challenged the prevailing London-centric economic and political orthodoxy by introducing a policy of 'levelling-up' for the regions.

In making this promise of greater opportunity for workers and businesses in the regions the Government clearly recognises the essential contribution of local government, employers, education sector, voluntary sector and many other representative bodies. It has regularly deferred to local responsibility and judgement as a driving force in this process of renewal. But the commitment to levelling-up is a huge undertaking that cannot be delivered without coherent vision, leadership and major tangible contributions from Government.

The Government must, therefore, champion: greater higher education sector engagement with industry; the use of Government procurement to promote regional economies and help develop emerging businesses; a system of enterprise zones and free ports with special incentives for business to relocate and invest; the creation of regional investment institutions (to make good the lack of commercial credit particularly for regional business ventures); the introduction of integrated government export advice centres; and a decentralised Civil Service. To-date the Government's rhetoric has concentrated largely on transport infrastructure improvement which is just one part of the whole picture.

The Prime Minister has said that the Government will apply the concept of levelling-up to delivering the country's emergence from the effects of COVID-19. Presumably this recognises the need for greater self-sufficiency relevant to the country's health service supplies, reversal to some extent of the country's more general vulnerability of attenuated supply chains and the restoration of business confidence.

COVID-19 has demonstrated the relevance of home-based digital communication to this agenda. It has been used by ministers, MPs, civil servants, and very large numbers of employees in the public and private sector. It has supplanted most international business travel. This demonstrates that the proximity to London can no longer be regarded as essential for public or private sector business. The timing of Brexit is also relevant as it has provided an expectation of change and greater self-reliance, freed from the restrictions of excessive EU regulation.

In this situation the regions can usefully provide more cost-effective corporate headquarters and ministerial offices

located alongside major manufacturing plants and administrative centres. In personal terms, families can be freed from the anxiety of huge debt repayments for expensive and cramped accommodation in inner London or slightly larger but expensive accommodation in the London commuter belt. More affordable homes become feasible in places that can readily accommodate urban development with fewer people being uprooted to work in London.

The delivery of levelling-up has become both a test of political integrity and an appropriate form of recognition for the shared commitment and sacrifice that has been evidenced across the country and must continue in various ways for an indefinite period. It is an idea whose time has come.

[1] David Fellows has worked extensively in UK local government and in the Cabinet Office as an advisor on local government reform. He is a director of PFMConnect, a public financial management consultancy:  
[david.fellows@pfmconnect.com](mailto:david.fellows@pfmconnect.com)