

Responding to COVID-19 in the Liverpool City Region

Principles for Uncertain Times: Building an
Effective Post-COVID Economy in Liverpool City
Region

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Map of Liverpool City Region Combined Authority (LCRCA) boundary (in red) and constituent local authorities



Data sources: Westminster parliamentary constituencies (December 2018 - ONS), local authority districts (December 2018 - ONS), and combined authorities (December 2018 - ONS)

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Key takeaways

1. The COVID-19 pandemic is shining a spotlight on the systemic weaknesses of our economy, and challenging us to rethink how our economy could, and should, work.
2. To inform our response, we can learn from the medical and scientific approach to combatting the pandemic: we *test* to better understand the challenges we face; we *trial* to design and evaluate the innovative solutions that are now required; and we *immunise*, by ensuring our immediate response supports and complements the creation of a more effective economy for the long term.
3. In order to *test*, we must find new ways to engage meaningfully and democratically with individuals, communities, and businesses, so that we can collectively understand the particular economic challenges we now face in Liverpool City Region (LCR).
4. In order to *trial*, we must be prepared to rethink how our City Region's economy functions so that we do not return to a system that too often produced inequality, environmental degradation, and poor health outcomes. This means supporting courageousness in local businesses, community organisations and universities; to take risks, and break with old paradigms.
5. Finally, in order to *immunise*, we must be clear on which principles, aims, and ambitions should inform our efforts to overcome the immediate economic challenges and build a better future: an effective economy that is competitive, sustainable, and inclusive.

1. Introduction

It has become almost cliché to remark upon the truly unprecedented nature of the challenges we currently face. The global scale of the COVID-19 health crisis would have been unimaginable to many of us just months ago, whilst the speed with which the pandemic has impacted our lives and livelihoods has been staggering. We are truly in uncharted territory, and the future is uncertain.

There is a tragic gap in our scientific understanding. Through rapidly developing knowledge of COVID-19, its virology, and epidemiology, we know that this virus poses a serious challenge to health. But we do not yet fully understand how it can be reliably treated or eradicated. The same is true of our

economy. We know we face a significant economic challenge as a result of the pandemic, but we cannot be certain how deep this will be, how long it will last, or how this challenge can most successfully be overcome. The UK Government has taken vital steps to mitigate both the spread of the virus and its immediate economic impacts, but we cannot yet know just how successful these efforts will be, or what the long-term implications are.

This lack of certainty and lack of precedent can be disorientating in a public policy setting. There is a risk that this breeds either inaction as we wait for more clarity, or kneejerk reactions under the pressure to “do something, anything”. Both impulses will be insufficient given the scale, scope, and speed of the present

Figure 1. COVID-19 in the Liverpool City Region (LCR) in numbers



crisis; and both will fail to lay the necessary groundwork for lasting recovery and prosperity. A considered, strategic, and impactful response is required.

The pandemic is shining a spotlight on the systemic weaknesses of our economy and society, bringing into stark relief the deeply-rooted, deeply-damaging challenges that have long been unsustainable. (See Figure 1 for insights on LCR.) Coronavirus is a wildfire, able to spread rapidly through a forest dried out by a decade of precarity, austerity and inequality. The insecurity of work, incomes, and housing has left people unable to absorb the shock of a sudden period of illness or unemployment, let alone an economic shutdown.

Communities, and the public services they rely on, have been made less resilient after years of deep budget cuts. And it is becoming evident that young people, those on low-incomes, women, and BAME communities are disproportionately exposed to the impacts of the pandemic (see, e.g., Adams-Prassl et al. 2020; Joyce and Xu 2020; Woodcock 2020).

But in the midst of crisis, we are also able to catch glimpses of a better future. This

can be seen in the speed with which organisations, communities, and businesses have engaged in adaptation and innovation, responding to the crisis with new ways of working and new ways of thinking. It can be seen in our rediscovery of vital local assets and amenities, including parks and green spaces, which are helping to make lockdown more bearable for some. And it can be seen in the re-forging of community – from the small acts of neighbourliness, to the weekly ritual of applauding those key workers, often poorly and precariously paid, for the vital services they are providing. The pandemic is challenging all of us to rethink how our economy could, and *should*, work.

So, what can we do in LCR to respond to these uncertain times? How can we begin to address the social and economic challenges posed by coronavirus (see Figure 2), and lay the foundations for a better future once the immediate health emergency passes? Here we can learn from the medical and scientific approach to combatting the pandemic: we *test* to better understand the challenges we face; we *trial* to design and evaluate the innovative solutions that are now required;

Figure 2. How the Liverpool City Region Combined Authority (LCRCA) is responding immediately to COVID-19

- Launched LCR Cares crowdfunding campaign – which has already raised over £1m – to support community and voluntary organisations helping the City Region’s communities cope with the impact of coronavirus.
- Redirecting £15m from existing LCRCA projects to support businesses and the community and voluntary sector through the coronavirus crisis.
- £400k of funding is being made available to provide immediate support to the City Region’s vital music, film and TV industries.
- Accelerated funding to provide socially trading organisations with advice on business continuity and sustainability planning.
- Announced 100% funding allocation for all adult education budget providers in LCR to provide certainty during coronavirus.
- Free travel for NHS staff on LCR buses and Merseyrail, and Mersey Tunnel tolls suspended.
- Liaising regularly with stakeholders, local and combined authorities, businesses, and government.
- Developing post-COVID recovery plan.

and we *immunise*, by ensuring our immediate response supports and complements the creation of a more effective economy for the long term.

2. Test

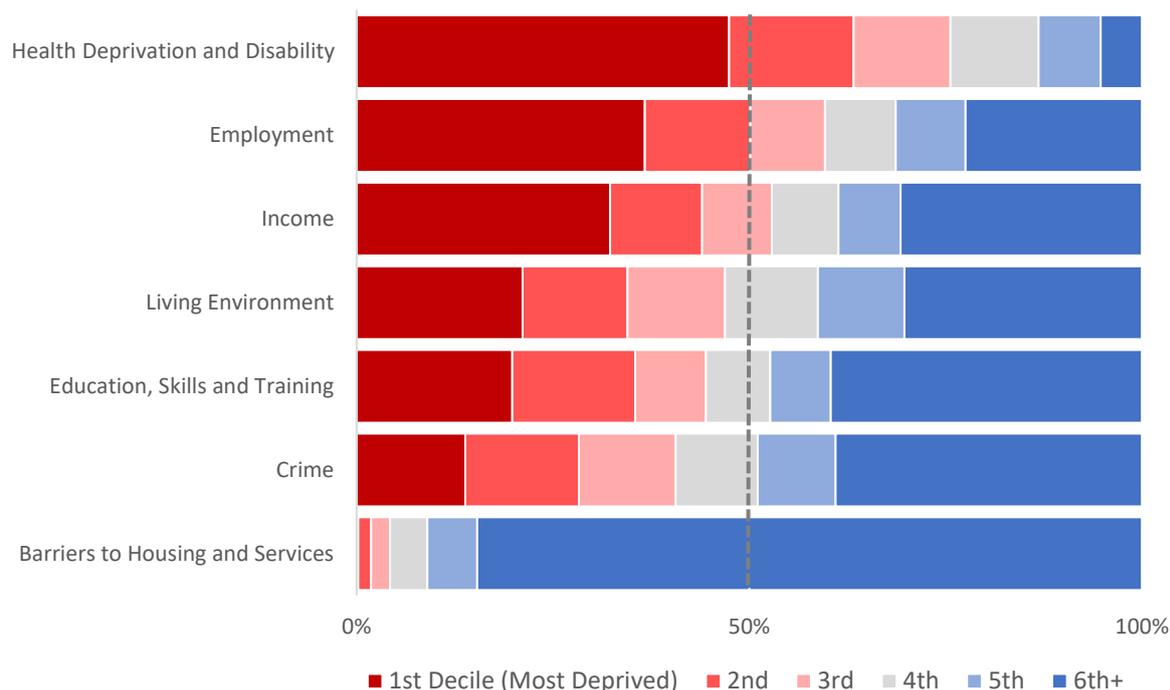
The World Health Organization Director General, Dr Tedros Adhanom Ghebreyesus, has given a simple message to countries on how to deal with the coronavirus outbreak: “test, test, test... you cannot fight a fire blindfolded” (WHO 2020). Just as scientists must test cases of COVID-19 to better understand the health crisis and how to fight it, we must find ways to understand its economic shocks, and the specific challenges we face in LCR, in as close to real-time as possible.

Nobody can reliably predict the future, and we all have imperfect knowledge of how this rapidly-evolving crisis is unfolding. We should acknowledge this, and, with humility, work collaboratively to understand the crisis together. Amidst uncertainty, we may be able to better

discern which path we are on by mapping the changing terrain around us. This will require rapid interpretation of new economic data. But it will also require meaningful, democratic engagement with businesses, communities, and households, to understand the specific challenges they are facing and the specific forms of support they may require.

Already the Liverpool City Region Combined Authority (LCRCA) and Growth Platform have been working at pace to regularly engage and facilitate conversations with: business leaders, local authorities, trade unions, the third sector, universities and colleges, national government, and others. This is helping us to better understand the specific contours of the immediate economic challenge facing our City Region, but it is crucial that we keep listening. And it is crucial, too, that we continue to engage with partners regionally, nationally, and internationally to better understand emerging trends, shared challenges, and the role that City Region institutions can play in recovery.

Figure 3. Deprivation across LCR ranked by decile



(Source: LCRCA 2019; Ministry of Housing, Communities and Local Government Index of Multiple Deprivation 2019)

3. Trial

Just as scientists recognise that this novel virus will require rapid innovation in medical technology and drug development, we must be prepared to rethink how our City Region’s economy functions and reimagine the future in order to overcome the challenges we face. Economic recovery cannot be predicated on a return to the old economy that, for all its notable successes, continued to produce inequality, environmental degradation, and poor health outcomes across the City Region (see Figure 3). Nor can we go back to old, inefficient ways of working together. Things can and must be better, and the experience of the pandemic should become a catalyst for lasting transformation.

We can prepare the ground for this transformation by trialling new ideas and engaging in bold thinking, embracing the spirit of social innovation for which LCR

has long be renowned (see, e.g., Thompson 2019), and learning from national and international best practice. Already we are seeing greater collaboration across organisations and networks, a groundswell of innovative action in businesses and communities, and a realisation that no ideas should be off the table. This momentum must be sustained and developed further.

Again, this will require meaningful engagement with communities to discern which kinds of initiatives, interventions, and institutions will be most effective for promoting a lasting recovery. And it means supporting bravery in local businesses, community organisations and universities; to take risks, and break with old paradigms. The Heseltine Institute’s policy briefing series can help by identifying the innovations that will enable our economy and society to adapt to the immediate crisis, and recover effectively in the months and years to come. LCR is

known for the ingenuity of its people; this innovation and inventiveness will now be needed more than ever.

4. Immunise

All of this needs to be guided by our principles, ambitions, and metrics for success. Even amidst the fog of uncertainty, we can keep sight of the ultimate destination we are aiming for. Just as scientists understand that the principle of immunisation and the aim of developing a reliable vaccine will guide their efforts to ultimately overcome the health challenge, we must be clear on the principles and aims that should inform our efforts to overcome the social and economic challenges associated with COVID-19. What is the model of a good economy that our recovery efforts should collectively support and facilitate? How do we strengthen our economy for the long-term, ensuring it can be more effective and more resilient in the face of future risk?

These principles are already well understood in LCR thanks to the development of our *Local Industrial Strategy*. We know that an effective economy is one that actively dismantles the long-standing and deep-rooted challenges that have prevented our City Region from reaching its full potential. It is one that creates new opportunities and wealth that all people and communities can benefit from. It is one that protects our natural environment. And it is one that promotes health and wellbeing. An effective, resilient economy is one that is competitive, sustainable, and inclusive.

We must ensure that our immediate plans for economic recovery post-pandemic inherently support, complement, and embed the long-term transformation of the LCR economy. This means ensuring individuals, communities, and businesses have the confidence, freedom, and security to invest, innovate and grow. This

means maintaining and rebuilding community wealth to enable people and places to thrive. And this means ensuring that the health and wellbeing of people and the environment are at the forefront of all we do.

As the lockdown eases, and the pressure to open up the economy grows, the incentive to return to 'business as usual' and sustain the worst of our pre-pandemic ways of living, working, and getting around, may be great. We should therefore work now to embed the transformative ways of thinking and acting stimulated by the experience of pandemic. The cultivation of stronger and more effective networks across the City Region may be particularly crucial here – bringing together communities, trade unions, businesses, charities, academics, and the public sector, to share ideas and collectively bring about meaningful change. A deep and lasting transformation of our economy can only be achieved if we all work together.

This will undoubtedly be a time of great heartbreak and hardship. But it can also be a time when we establish the foundations of a better economy for our City Region, and sow the seeds of a brighter future. Our challenge now is to make that future a reality.

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