

We are a United Kingdom
only in name

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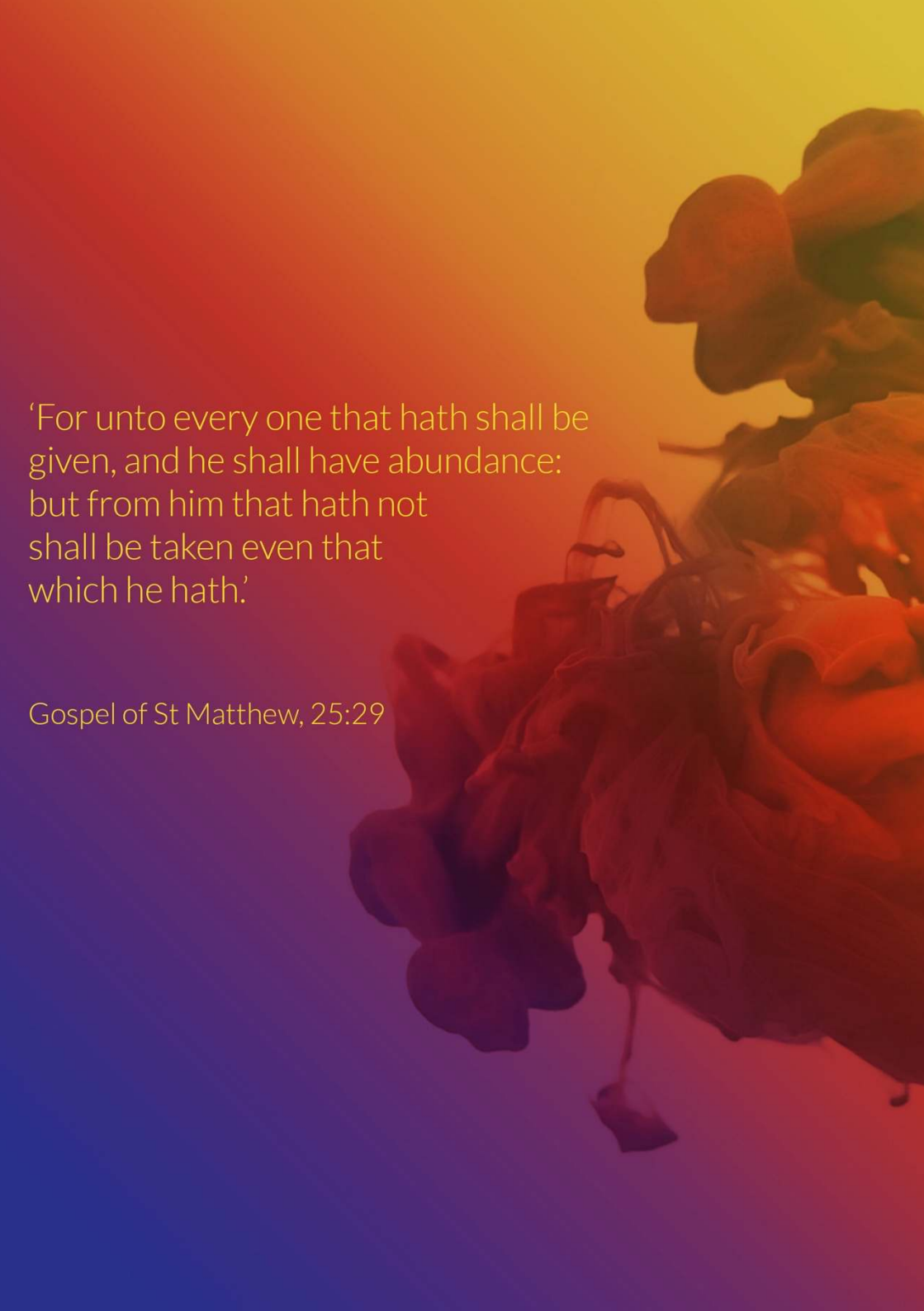
Dr Paul Goldsmith

Foreword by
George Freeman MP

RADIX

THINK
TANK
FOR THE
RADICAL
CENTRE

THE QUADRUPLE HELIX
TACKLING THE ISSUES
OF THE LEFT BEHIND



‘For unto every one that hath shall be
given, and he shall have abundance:
but from him that hath not
shall be taken even that
which he hath.’

Gospel of St Matthew, 25:29

THE QUADRUPLE HELIX

TACKLING THE ISSUES OF THE LEFT BEHIND

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ABOUT RADIX

Radix is a cross-party think tank for the radical centre. We welcome people from all parties and none.

We challenge established notions and work to re-imagine our societies.

We focus our efforts on policy initiatives that can drive towards system change rather than putting sticking plasters on the existing system.

Our goals are to revitalize our liberal democracies, re-define capitalism, and address the issues of globalisation and multi-lateral relations.

We want all citizens to live securely, with dignity, be active participants in society, and be free to pursue their own interpretation of the good life.

ABOUT THE AUTHOR

Dr Paul Goldsmith, Senior Fellow at Radix, is a consultant physician with a triple 1st from Cambridge and a clinical scholarship from Oxford. His PhD assessed and showed that the simplicity of developmental biology could be used to understand complex human disease. He then went on to co-found and help build both biotech and digital health companies. His current company, Closed Loop Medicine, is taking an integrated systems approach to clinical therapy. He also has extensive NHS systems and strategic experience, including Clinical Networks, Vanguard and Clinical Senate roles. The challenges of how to address mental health and wellbeing, particularly in the most deprived communities, led to cross-cutting thinking in areas such as infrastructure, tax, education and the

environment. He has contributed to various policy strategy work, most notably recently on medical negligence reform and NHS pay structures. His particular interest is trying to understand the problems of modern life, both medical and societal, from an evolutionary context.

ACKNOWLEDGEMENTS

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FOREWORD

Every political party promises to revitalize those areas of the country that have been left behind by de-industrialisation and the rapidly changing nature of our economies. Though there have been a few notable exceptions, many of these promises fail to deliver concrete results.

When people in such 'left-behind' areas start to feel that they may be forever condemned to their lot, the conditions are ripe for the rise of populists who offer quasi-magical solutions – only to disappoint once again, but at ever greater political and economic cost.

This paper from Radix offers a refreshing and valuable addition to what seems to have become an intractable debate that so often ends in the same old cul-de-sac. Rather than encouraging us to take on yet more of the grandly titled projects so seductive to politicians but that so often fail, it gets to the core of how the functions of government and the rules that have come to guide public investment do a disservice to left-behind areas.

So many proposed initiatives are dead at birth because they inevitably involve large expenditures that are, realistically, difficult to afford. The recommendations in this paper, on the other hand, call for better use of existing resources, the elimination of bias in investment decisions that constantly disadvantage the already disadvantaged, and a plea for central government to provide a mechanism that allows effective cross-departmental coordination.

Crucially, it focuses on developing local leadership that can mobilise and leverage resources that already exist in the locality, something I have been championing as Chair of the Public Sector Leadership Taskforce.

The suggested mobilisation of the local population to be active participants in revitalization, and the potential of educational establishments to act as catalysts for regeneration both offer a welcome break from the centralised thinking that tries to impose bureaucratised top-down initiatives micro-managed from a distant Whitehall with results that are often disappointing at best.

The paper offers one more important insight. When a single political party of whichever colour becomes embedded for decades in any particular region, complacency risks setting in. Absent meaningful competition, the political drive for

progress can wither away. Effective competition is just as important in politics as it is in business. No population should forget that it has the power to hold its local leadership to account.

George Freeman MP

SUMMARY

The UK has the most regionally imbalanced economy in Europe.

Wealth and opportunity are concentrated. Left behind areas have remained just that for so long that they are losing hope.

Layer that onto increasing political division and we are a United Kingdom only in name. Soon we may not even be that.

The Prime Minister's 'burning injustices' speech offered hope to many. Complex, interrelated, multifactorial drivers of regional inequality had been fomenting for decades before finding expression in Brexit and the rise of populism.

The inability to subsequently articulate strategies to address the Grand Challenges is now leading to a crisis.

We need to understand the issues are of both People and Place. There has been decades-long selective intra-UK migration of those who can to more prosperous regions.

This has condemned left behind areas to an endless downward spiral and the prosperous areas to additional into-

UK migration and overcrowding. Investment then follows geography, welfare follows people and the trap is set.

UK Treasury investment metrics ensure that ever more funding flows to already prosperous areas and left-behind areas are starved of investment because they cannot compete in narrowly defined cost-benefit analyses.

What we need are cross-cutting approaches, with coordination at both central government and local level. The latter needs appropriate skills, structures and culture in the right place.

We also need a rebalancing of the broader demographic to address issues of overcrowding, enterprise, productivity, renewal and social opportunity.

Crucially, local citizens are embraced as partners and added as co-producers to the Triple Helix regeneration grouping of education, business and government, to form the Quadruple Helix.

This paper proposes organisational

solutions and a policy framework to re-energise and reunite the country.

This includes:

- establishing a cross cutting central government unit to support regional bodies address left behind areas
- a UK Treasury that abandons the fundamental unfairness of its methods for evaluating investment priorities
- universities are encouraged to act as the anchor and facilitator where competent regional bodies are not emerging with devolution
- failure is rapidly identified and turnaround teams acting locally are put in place
- a focus on public sector leadership development
- public sector employees are encouraged and incentivised to work across sectors with a focus on outcomes rather than mere activity
- institutional funding becomes dependent on demonstration of external cooperation
- metrics on social renewal are a key consideration for infrastructure and other non-welfare funding.

AN ECONOMY FOR ALL?

“re-balancing the economy across sectors and geographical areas and spreading wealth and prosperity around the country”

“to opening our minds to new ways of thinking in government and business” with business playing a role “not just in the economic life of our nation but in our society too”.

Theresa May

Broad swathes of the population drew hope and inspiration from the Prime Minister's 2016 insights into key UK challenges relating to territorial cohesion and addressing the 'left-behind'.

A failure to see translation of this into policy and the lack of tangible progress in part explain the current political fractures, the loss of faith in government's ability to do anything at all and the much talked about breakdown of the social contract in liberal democracies.

Complex, interrelated, multifactorial drivers had been fomenting for decades before finding expression in Brexit and the rise of populist parties.

Conversely, responding to the Prime Minister's challenges requires far-sighted and long-term changes coordinated across, and interwoven between, multiple policy domains and players.

“There is a crisis in politics being able to solve problems. Is politics able to do anything at all?”

*Ulf Kristersson
Leader, Sweden Moderate Party*

Policy initiatives to improve the lives of the left behind should reflect core Government philosophy. Yet a clear government philosophy is currently sorely lacking.

Possible evidence-based principles to embed across policy areas might include:

- A feeling of being part of, and contributing to, the group; of 'mutuality'.
- The biological importance of 'doing'; working towards realistic and achievable goals; values as the key compass, goals as subsidiary to values.
- The importance of harnessing people to meet their own personal goals as opposed to top-down initiatives being 'done to' citizens who are relegated to a passive role.

Yet, such principles are rarely part of top-down policy initiatives. Instead, we see a succession of unrealistic goals, fuelled by comparison to others and by general societal expectations. Goals that are never met and end up simply fueling the discontent.

In England, this is a particular problem in the North East – a left-behind area that has long stopped believing in the ability of grand initiatives like The Northern Powerhouse to move beyond slogans

and actually achieve something that improves people's lives.

LEFT BEHIND AREAS HAVE LONG STOPPED BELIEVING IN THE ABILITY OF GRAND INITIATIVES TO MOVE BEYOND SLOGANS AND ACTUALLY IMPROVE PEOPLE'S LIVES

TREASURY RULES PERPETUATE DISPARITIES

The Lisbon Treaty identified poor innovation in lagging European areas as a key reason for ever-increasing regional disparities. This led to the Treaty objectives of Smart, Sustainable and Inclusive Growth.

Successive UK governments on both the left and right have failed to address this adequately. Instead they have defaulted to the unwritten Westminster rule of 'investment follows geography, welfare follows people'.

This Westminster rule is almost guaranteed to ensure that the left-behind will always be left-behind.

Treasury analysis will always find that the biggest return on any investment, at least in the short to medium term, will come from those areas that are already prosperous.

**WESTMINSTER INVESTMENT
RULES ARE GUARANTEED TO
ENSURE THAT LEFT-BEHIND
AREAS WILL ALWAYS REMAIN
LEFT BEHIND**

In the UK that means largely the South East. Such investment will then, it is hoped, generate the tax receipts to send welfare cheques to the left-behind areas.

This approach only ever has one outcome: already wealthy areas will continue to become wealthier while the left-behind are endlessly condemned to being wards of the state. In this context, the dogged application of the Westminster rule can be seen as a key driver of recent election results as well as the Brexit referendum outcome.

A combination of birthplace and social capital traps many in areas of decline. A lucky few into Oxbridge,

never to return, is not a marker of success.

The positive and negative feedback loops lead to increasing imbalance. Recent examples of perpetuating loops include the proposed 'brain belt' road link and Varsity rail line between Oxford and Cambridge. This is logical, but will further suck talent, finance and companies into the Golden Triangle – for example Astra Zeneca's £600m new headquarters in Cambridge and closure of its NW site.

Current new transport spend is £4,155 per head of population in London, vs £844 for Yorkshire and Humber and £855 for the NE¹.

Newcastle remains with a single carriageway road to its closest major city, Edinburgh. London, on the other hand, has had HS1, Crossrail, the East London developments, The Crick Institute, etc and now £56bn+ on HS2.

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**WE ARE A UNITED KINGDOM
ONLY IN NAME**

UK CENTRALISATION FUELS INEQUALITY

The EU Commission allowed member states to adopt either a national or a regional strategy to the Lisbon objectives. The UK chose a national one, with no territorial dimension to address the lagging regions. The Treasury's focus has been directed to leading-edge science and technology, with a focus on national GDP and jobs.

However, on its own, this ensures that investment remains directed at those areas that already have a strong base in science and technology and established relationships to surrounding entrepreneurial activity and related industries. There are limited, if any, ways in which any of these initiatives can trickle-down to the weaker regions. Features of the disconnected, underperforming region include poor access to finance (and importantly the people associated with finance), weak education and skills, a culture of passivity and the lack of a supportive governance environment. But more than anything, they have difficulty attracting and retaining the human capital with the right skills to

crystallise and drive things forward (see figure on next page).

Similar conclusions have recently been excellently detailed by the Industrial Strategy Commission³ chaired by Dame Kate Barker, who, inter alia, highlights the following:

- The UK is by far the most geographically unequal EU economy with pronounced differences in economic outcomes between and within regions and cities. Many de-industrialised areas, often on the fringes of city-regions, present apparently intractable combinations of social, educational and economic problems.
- Seventy per cent of regions in the UK are poorer than the EU average.
- The UK economy suffers from a highly uneven skills distribution amongst the population, and a mismatch between skills supply and employment demand. A relatively high proportion of the population has low or no qualifications.
- The UK government pursues the

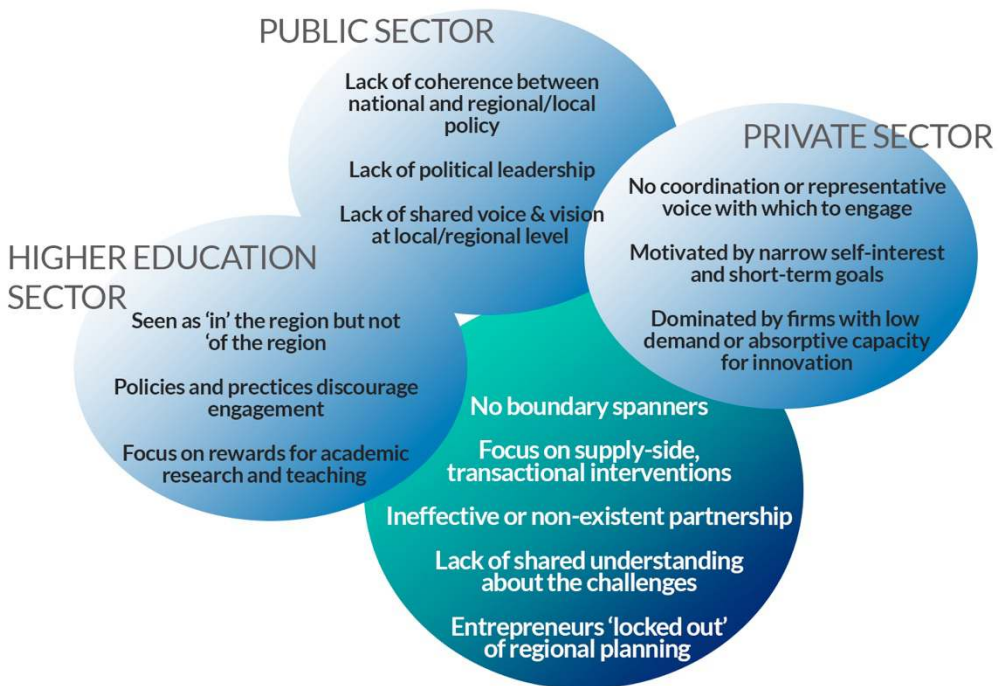
'Matthew effect'² perpetuating a winner takes all dynamic.

- Industrial policies have been developed and implemented within departmental silos without cross-government co-ordination. The Treasury, in particular, has not consistently committed to strategic supply-side economy

policy.

- The assessment of potential public sector investments is based on standard cost- benefit analysis methodologies which tend to undervalue potential non-linear benefits from investments that will accrue over time. Such assessments also tend to reward

THE DISCONNECTED REGION



Source: J Goddard. Towards a place based science and innovation strategy for England: a role for universities? A paper for the BEIS Advisory Group on Smart Specialisation and Innovation Audits.

the incumbents and places that are already successful and reinforce existing patterns of agglomeration.

This condemns left-behind regions to endlessly weak economic and entrepreneurial activity that sees its counterpart in low 'activation' with regards to health and wellbeing. This all manifests itself in ever higher NHS and welfare spending in left-behind areas. Most importantly, the lack of feeling of contribution, of 'doing' and of 'mutuality' erodes a person's sense of worth and fulfilment, answering, in part, the mismatch between absolute

**'HUMAN' FACTORS THAT ARE
CRUCIAL TO MAKING
PROGRESS RARELY MAKE IT
INTO TECHNOCRATIC POLICY
APPROACHES OR COST-
BENEFIT ANALYSES**

levels of purchasing power and life dissatisfaction.

Yet, such human factors that are crucial to making progress, and creating the feeling of progress, rarely make it into technocratic policy approaches or cost-benefit analyses.

BREAKING DOWN THE SILOS - THE QUADRUPLE HELIX

The key to turning this around is a combinatorial approach, encompassing multiple societal factors, underpinned by cross cutting vision, steer and oversight.

The UK has faced major challenges before. With Brexit negotiations consuming much personnel resource, bodies with cross-cutting reach such as the No.10 Policy Unit and the Cabinet Office, or new institutions as suggested in the recent Industrial Strategy Commission report³, are pivotal to providing the links, the vision and the lubrication to making things happen, to converting the rhetoric into delivery.

However, as well as horizontal connections to bridge the silos of Whitehall government departments, there need to be similar mechanisms to facilitate bold and ambitious boundary-spanning action at local level, with strong vertical links between central and local. Barriers to this include people, structure and culture.

ENABLING CHANGE

To affect such a step change requires new cross-cutting coordinating bodies. The Industrial Strategy Commission suggests the central body sits within the Treasury, although as mentioned earlier, this could also sit in the Cabinet Office or Number 10 Policy Unit.

**BREAKING DOWN
DEPARTMENTAL AND
ORGANISATIONAL SILOS IS
THE KEY ELEMENT NEEDED TO
AFFECT CHANGE**

Yet simply focusing on Whitehall coordination, much though it is needed, can simply perpetuate the UK centralized, top-down approach and therefore have limited impact. Maybe the greater challenge is how to make things happen at the locality.

Currently, the UK has a whole series of national policies that are either

geographically blind or operate through the Matthew effect. If we are to overcome this, we also need a bottom-up approach which is place-based; one that stimulates local linked-up thinking and integration.

The challenge now is that decades-long regional disparities and the constant brain drain to the South East have created a country that is highly skewed. This one-way intra-UK migration results in positive and negative feedback loops in the winning and losing areas: winning areas become ever more attractive and suck in ever more talent, while losing areas keep losing talent and spiraling downwards.

**DECADES OF INTRA-UK
MIGRATION TO MORE
PROSPEROUS REGIONS
CONDEMN LEFT BEHIND
AREAS TO AN ENDLESS
DOWNWARDS SPIRAL**

It is, of course, not feasible to relocate the entirety of the left-behind to prosperous areas. Yet contemporary policy squeamishly runs from the alternative solution -

reversing the brain drain - for fear of being criticized for gentrification.

All this leaves capacity issues in the left behind areas as to what and who is going to do the linking and building locally.

THE ROLE OF UNIVERSITIES

*“Universities are islands of
Remain in deserts of Leave...an
alarm bell about the paucity of
proper university-town
engagement”*

*Matthew Taylor
Director, RSA*

Although the country is now very skewed, the university sector is less so and may act as the nucleus for regeneration. The power of universities to act as centres of regeneration has been well documented – from towns like Bournemouth in the UK to Pikeville, Kentucky⁴.

However, in order to achieve regeneration, universities need to be connected and integrated to local area initiatives.

Contrast, for example, Durham University, a world-class university, uncoupled from the surrounding city, with Oxford and its rich connectivity to surrounding prosperity.

Sir Andrew Witty's 2013 report on 'Encouraging a British Invention Revolution'⁵, also pointed to the constraints in using universities as centres of regeneration.

Yet, it is unlikely to happen if funding remains channeled via the research councils, unless KPIs were to include socio-economic impact and social regeneration. This might encourage, for example, the University of East Anglia to think about Great Yarmouth, Cambridge about Norfolk.

The 'Place' in the Person, Project, Place funding criteria would be about externalities, rather than campus postcode. Universities then have the same expectations to serve society that the Prime Minister has suggested to the private sector.

Another major problem faced by universities in the left-behind regions is that their graduates leave. Indeed, the challenges of rebalancing the UK are going to be compounded by the recent Higher Education and

Research Act and associated policy. Linking funding to graduate salaries will promote flow to high-paying areas.

Nevertheless, lagging areas such as Liverpool, Sheffield and South Wales do have universities which can function both as local think tanks and, importantly, also as **doing** organisations.

LEADING PLACES AND THE QUADRUPLE HELIX

The overwhelming need is to develop a cadre of people who take Place-based leadership.

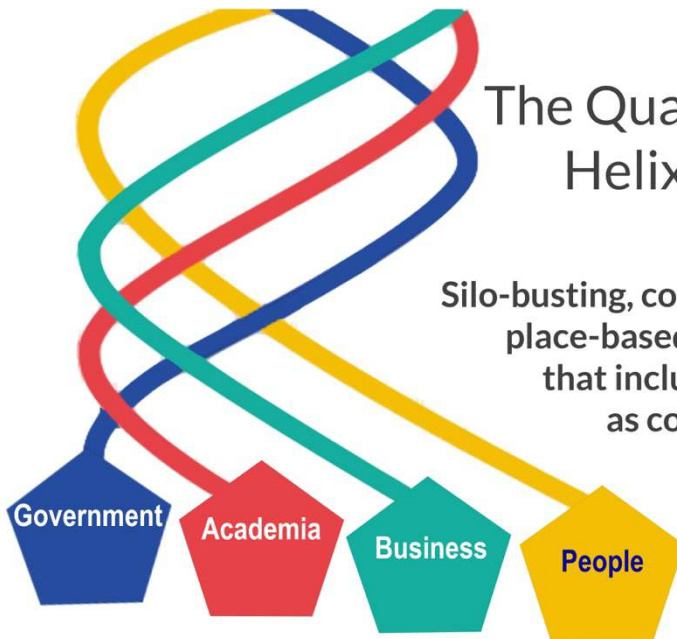
Such leads need to be capable of working across silos and at multiple levels - local, central government and industry. This echoes the Leading Places and Government Chief Scientist's Foresight City Futures initiatives. This approach has been advanced in the Quadruple Helix model, where crucially citizens as partners and co-producers are added to the Triple Helix regeneration grouping of education, business and government.

The Quadruple Helix emphasizes shared values, silo busting and collaborative working to drive innovation and change for widespread benefit. It emphasizes the need to involve citizens directly in doing rather than as being passive recipients of policy initiatives pushed from above and with which they feel neither ownership nor commitment.

Government should leverage these as shovel-ready test bed sites for responding to the challenges laid out by the Prime Minister.

The Leading Places initiative was developed as a way of pooling intellectual, managerial, political and community leadership with a coherent vision, backed up by actions, to shape the long-term future for their area.

In the 1980s, a Civic Leadership programme was set up and evolved into a national and international programme. A key strength was that it brought people together from outside their usual groups and put in



The Quadruple Helix Model

Silo-busting, collaborative, place-based initiatives that include citizens as co-producers

facilitators to cross boundaries. However, it was dependent on organisational Human Resource leads releasing leaders for this work.

In 2008, building on this earlier work, a Higher Education Funding Council for England (Hefce) project scoped a higher and civic leadership development programme. The proposed programme 'Leading Cities and Places' was 'co-designed' to build leadership capacity and relationships, addressing place-based challenges through partnership working. But the programme was never launched because it coincided with the financial constraints of the 2010 coalition government.

Six years on, the recipe remains even more pertinent:

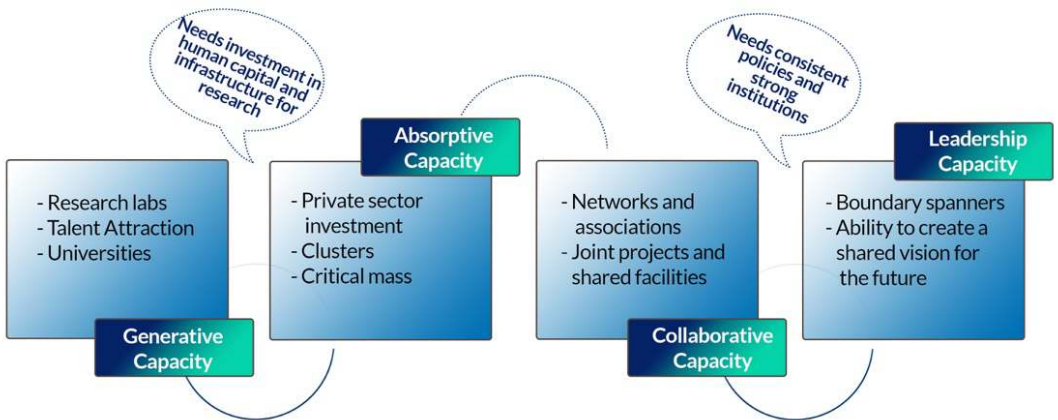
- Fostering a network of skilled leaders who can bridge silos with a united vision in responding to social, skills, developmental and economic challenges
- Civic partnerships knitted together through relationships and not impeded by organisation transactional agreements
- The creation of cultures where developing the region and leading outside of an organisation is as important as leading within it
- A strategic exchange to learn from civic successes overseas such as Boston and Malmo and sharing with other regions within the UK
- Leading and managing an ongoing conversation with local society to foster a sense of belonging, cooperation and stake building
- Pivoting anchor institutions, such as universities, to be of the city and not just in the city
- A think-tank for the area

THE LEADERSHIP OF PLACE

The Grand Societal Challenges are Place Based. Operational silos are a key issue. We need capacity building to work across silos.

Such a journey has already begun with, for example, the Newcastle City Futures 2065 work, which has received national and international recognition. But it requires firepower

CAPACITY BUILDING IN REGIONAL INNOVATION SYSTEMS



Source: J. Goddard. Towards a place-based science and innovation strategy for England: a role for universities? A paper for the BEIS Advisory Group on Smart Specialisation and Innovation Audits.

and facilitation to enact, accelerate and expand. It also requires integration and coordination with new approaches to health, social care, welfare, education and environment.

Notable local Pathfinders related to this, have included: the Northumberland Accountable Care Organisation, Vanguard; the Great North Care Record; a Sunderland Schools Kitemark scheme integrating with a birth to adulthood life skills curriculum, embedding physical and mental wellness and citizenship, supported by health professionals working upstream in prevention and

early intervention; an Action Learning University / Local Authority pilot resulting in new fast food planning regulations and partners setting up their own community “fast food” outlet.

Yet many of these good initiatives fail to gain traction and be scaled because of a legacy of fragmented, confrontational and insular leadership, lacking in the skills and vision to effect change.

And ingrained local voting patterns that lead to political jobs for life.

Addressing this falls into what the EU would classify as a Grand Challenge, incorporating a 'departure from neutrality' in policy and program priorities, long-term, complex and to some extent open-ended missions requiring institutional transformation and multiple complex objectives.

The Industrial Strategy Commission produced a brilliant report last year with commendable

recommendations³.

But it needs the emergence of place-based leaders to be facilitated and supported, and for local structures to change. This is complex. It requires exploratory pilots and pathfinding, such as leveraging the City Futures work which is garnering international attention, but that still lacks coordination, support and funding for scale up.

RECOMMENDATIONS

KEY NEEDS

1. A cross-cutting central government unit is established and tasked with providing resources and support to the regional bodies across all government departments in a drive to address the 'burning injustices' of the left behind areas.
2. Encourage and fund cross cutting emerging regional bodies (such as are occurring with devolution), fostering a connected hub-and-spoke model.
3. Where suitable regional bodies do not exist, universities are encouraged to act as the anchor and facilitator.
4. Receipt of significant amounts of public funding is dependent on having leaders graduating from the Programme, or otherwise demonstrating competency.
5. Funding for existing institutions (education, health, local authority) is dependent on positive external cooperation to encourage linked-up thinking and activities.
6. Areas lacking properly functioning host convening institutions (e.g. where devolution is not happening, needs support, or is failing), to have new boundary spanning institutions.


SUBSEQUENT STEPS

1. A Leading Cities and Places Programme is enacted to produce the next generation of civic leaders and upskill the current generation.
2. Public sector HR moves beyond a compliance function to supporting culture change and leadership development.
3. Public sector employee working patterns and incentivisation should encourage cross sector working and long-term outcomes aligned with broader societal needs and the ability to work intelligently across organisations.
4. Receipt of significant amounts of public funding is dependent on having leaders graduating from the Programme, or otherwise demonstrating competency.
5. Funding for existing institutions (education, health, local authority) is dependent on positive external cooperation to encourage linked-up thinking and activities.
6. Areas lacking properly functioning host convening institutions (e.g. where devolution is not happening, needs support, or is failing), to have new boundary spanning institutions.

7. The Quadruple Helix model, as proposed in the Leading Places and Government Chief Scientist's Foresight City Futures initiative, is piloted in a failing area of 'Goldilocks' size – not too big and not too small, such as the North East.
8. Intra-UK migration and rebalancing the talent mix across the country should be recognised as a key policy need.
9. Metrics on social renewal are made a key consideration for infrastructure and non-welfare funding

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'If the misery of the poor be caused
not by the laws of nature but by
our institutions, great is our sin.'

Charles Darwin
Voyage of the Beagle



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