ACHIEVING LEVELLING-UP
Appendix 2: Supplementary Findings for England

Introduction

This appendix to *Achieving Levelling Up: The Structures and Processes Needed* provides supplementary findings that are not included in the report. The data is drawn from 64 stakeholder interviews with political leaders and commentators from 8 case-study regions in the UK, conducted in June and July 2020. The material has been produced through a systematic analysis of the interview data according to key themes and regional comparisons. This supplementary document covers four themes: 'COVID19', 'intra-regional relationships', 'sustainability', and 'policy trade-offs'.

Contents

COVID19

The response to Covid19 requires rapid and significant capital investment and central government intervention. The long-term impact of Covid19 is heavily dependent on the approach taken by central government to support people and businesses.

- *"I think it requires significant capital investment and government intervention of the highest order." (West Midlands)*

- *"All that COVID has done is really amplify the desperate need for huge amounts of money into the area to level the economy up. And that is not just on a par with London or the North East, it is not in competition with Northern Powerhouse or London or anywhere else, in our own right as an area we need massive, massive investment into our area." (Black Country)*

The policy response to Covid19 has been driven by capital investment and broadly responses to deal with short-term challenges.

- *"… the challenge is that certainly the short-term response has been driven by capital heavy investment, which is great, as a short-term initiative but again not starting from scratch now but almost revisiting through a Covid19 lens is thinking more about the foundation economy." (Black Country)*

Unemployment is the current biggest challenge facing regions, shifting the focus away from productivity. Local Industrial Strategies need updating to reflect this shift.

- *"I suppose the main difference, and I think this is still a struggle for all the partners, is that back in January it was productivity, so productivity was the driver… that was the focus of the local industrial strategy… The issue now, and I think it's the problem that we're grappling with as a collective is… going to be employment, and your projects that you might back in an employment driven world is very different to the projects that you might back in a productivity driven world… most productivity investment actually reduces employment so I would say in terms of the projects that that's still an issue." (West Midlands)*

- *"… certainly, the challenges coming out of Covid19 are centred around unemployment" (Black Country)*

- *"… just before COVID our claimant count figures were just over 19,000, you know, that sort of figure in the Humber. Two months since, or three months since COVID our last set of figures had jumped that figure to 39,000" (Humber)*

- *"We have seen in the last eight weeks, a tripling of the number of people claiming work-related benefits. We are not used to unemployment in this area at all so we may be heading to unprecedented levels in this area..." (EM3)*

- *"You have got an area, which we are going to get now with COVID-19, of huge local pockets of unemployment, which will then - like in the 1980s - lead to hysteresis. I mean once people have been unemployed for a period of time they de-skill, they become unemployable."* (North East)

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Covid19 has most impacted already fragile sectors (e.g. non-food retail and hospitality, creative, automotive, and aerospace) that are sensitive to fluctuations in demand.

- *"Coming back to town centres, it's about retail as well, we need to understand when retail is going to come back, when the food and beverages jobs are going to come back and what will be the impact on jobs there. A lot of those people will have numerous jobs, maybe working in Greggs Bakery during the day and then working in one of the pubs at night."* (EM3)

- *"Retail looks like it's going to go through such a change that, even [compared to the past] five years, I think the last three months it's probably moved even faster than that. Retailers today are saying that the skills that they need are very different. I think flexibility is something that we need to think about."* (Worcestershire)

Covid19 has created long-term uncertainties, including the prospect of significant changes in government spending and the interaction of this crisis with any economic disruption resulting from the Brexit process. Future investment decisions require careful evaluation and scrutiny, to determine which firms should receive additional support.

- *"The size of the debt that COVID's brought is going to need repaying and there's going to be an opportunity cost of that."* (Worcestershire)

- *"Now, you know, we promote certain sectors. We've got two different types of sector, I've got two different categories, one is, kind of, where we've got growth potential and the other is where we've got key employment. We are looking at those now from a post-Covid post-Brexit point of view to decide where, if anywhere, we can offer help to these industries, but, you know, it's very easy to start helping businesses that are just limping and are going to die anyway"* (Worcestershire)

- *"So hopefully if we can expand manufacturing that will be a place to go, but if you combine post-Covid with post-Brexit it could be a very unsatisfactory cocktail of downside economics if you're interested in growth."* (Worcestershire)

The response to Covid19 was slowed by the reliance on central funding streams, which are often planned years in advance and are tied to discrete forms of expenditure. This prevented funds being deployed flexibly to help tackle specific problems that arose during the pandemic.

- *"The COVID crisis is a real case in point whereby some funding streams which were being worked up on the basis of what the world looked like a year or two years ago, actually hasn't enabled us to be as fleet of foot in responding to some very specific COVID challenges, because there are still strings around some of those funding streams that we have."* (Tees Valley)

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Covid19 has exacerbated existing problems of regional economies.

- *"The COVID pandemic has brought another whole layer of complexity to what was already a challenging picture." (Humber)*

- *"To a large extent, the impact of the current crisis is to accentuate things which are already true, but in some cases that is more than just accentuating it, it's actually starting to look a bit like a paradigm shift."* (EM3)

Covid19 has exacerbated underlying trends of inequality, with the most deprived communities most heavily impacted.

- *"… coronavirus has exacerbated really worrying underlying trends, so in terms of physical health, in terms of inequality by geography, gender, age, ethnic background…" (West Midlands)*

- *"… we've got some concerns around… inequalities, around those that, when they went into this, were disadvantaged, will now come out of this doubly disadvantaged." (Black Country)*

Covid19 provides an opportunity to reset the economic model for building a more inclusive and green economy. However, the focus on the immediate effects of Covid19 are diverting attention from the long-term challenges relating to inclusive and clean growth.

- *"… there are opportunities though to reset that and move to the green economy, to move to far more inclusive government policy to stimulate that and to reset…" (West Midlands)*

- *"… is it making us take our eye of the ball on some of our other long-term economic challenges?… from an inclusive growth perspective… do we lose focus on some of those really big challenges around digital inclusion and climate change because of Covid." (West Midlands)*

Covid19 has altered working habits in the form of accelerated flexible working, new adoption and the search for new markets/exports.

- *"… it's accelerated additional adoption, it's accelerated flexible working in an incredibly short timeframe..." (West Midlands)*

- *"No-one could have guessed fourteen weeks ago that I would be sat in my shorts and t-shirt doing webinars with MPs rather than in an office, but you know the reality is that we have changed the way we work and I for one am never going to get back to 20 hours in the car ever again, and I think that is probably the same for everybody in city centres." (Black Country)*

- *"Because of Covid and the changing dynamics with homeworking, we need to think (post-Covid) about what business and work life will look like… City centres post-COVID are going to have a real challenge."* (EM3)

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- *"Probably Covid's in one sense helped us because I think people will start to think: 'Actually, I can work-from-home and actually I don't have to be in the middle of London five days a week or the middle of Birmingham five days a week."* (Worcestershire)

- *"I think we're going to see a very big shift financially in office space which is being used. We've got a hell of a lot of it in my area which currently stands vacant and I can see that being a major challenge moving forward. Businesses are realising that you can work from home - so why are we paying £10 per square foot for all our office workers."* (Tees Valley)

INTRA-REGIONAL RELATIONSHIPS

In spite of challenges, it is acknowledged that collaboration takes place within regions.

- *"I think there is coordination, I think the officers work very well together."* (West Midlands)

- *"… we do work together, very effectively as the Black Country despite the political differences in the Black Country and I think it probably does work quite well."* (Black Country)

- *"I mean Worcestershire LEP, it's been, the relationship I think with the county council and the business has been good, it's worked and I think that's a big reason why it's been a relatively successful LEP"* (Worcestershire)

Covid19 may have led to a generally positive impact on collaboration between different partners within the region.

- *"I think the pandemic has brought a new way of looking at how we work because we have to work better and quicker. Like everything, so much, has moved on at pace and I think this is an area that's the same."* (North East)

An overly complex governance structure creates tensions between regional stakeholders and makes partnership working difficult. This is due to there being unclear roles and responsibilities between the different regional organisations.

- *"I think working with local authorities would be easier if there were a clearer divide between here's what the CA does, here's what a local authority does and here's how you should work together."* (West Midlands)

- *"… there tends to be duplication where actually there's plenty for everybody to do."* (Black Country)

Limited resource within regions encourages organisations and stakeholders to prioritise their own needs over the needs of the region. This is leading to resource-based competition, due in part to there being no formal fiscal arrangement between the region

and central government. Partnership working is also made difficult due to organisational constraints in relation to the resource and time required to invest in collaboration.

- *"Unfortunately, limited resource… it's when things get tough people turn inwards, they focus on solving their own problems and looking after their own organisations." (West Midlands)*

- *"We get parochial so when money comes out all we are bothered about is the road at the end of our drive that wants to get done. So that has to stop." (Black Country)*

Party politics can get in the way of partnership working. This can also be driven by distinct place-specific identities and institutional imaginaries that are influenced by the history of a region and long traditions of regional alliances and rivalries.

- *"… sometimes I think politics gets in the way… the different political colours and interests between the local authorities and the combined authority can sometimes be a hindrance to moving things forward." (West Midlands)*

- *"Lots of things are done for political reasons rather than practical reasons I think… I have no doubt there will be less discontent from the Labour politicians and more discontent from Conservative politicians in exactly the opposite direction. So, for me making the mayors political, I think was a mistake, I think as a mayor, you should work with all political parties to try and bring everybody together but being a particular colour, politically I think causes issues that don't need to be there." (Black Country)*

- *"… there's some politics of geography going on as a consequence of the politics of parties." (Humber)*

- *"It is like having the Conservative Party and the Labour Party, you know they will oppose each other ideologically because it's Gateshead and Newcastle. It is almost as bad as the rivalry between Newcastle and Sunderland Football Clubs in terms of you are one or the other, you can't be both."* (North East)

Siloes in central government departments are leading to fractions at the regional level and forces functions to separate.

- *"… you are separate because you're all regulated by a different bit [of Whitehall]… if you've got a contract with MHCLG, you're on Delta and you do things through Delta and it forces you to be separate from other people doing similar things. Whereas if you're collaborating and you're collectively creating your resource pool, it makes you work together…" (West Midlands)*

Under a city-regional governance structure, it is important not to lose the 'local feel' and to encourage all partners to feel included in processes.

- *"… you can't lose the local feel, and that is the balancing act, I think. If it feels like it has all been done somewhere over in Birmingham and people you know are stuck away in Tipton or*

in Walsall or other areas of the West Midlands, they don't feel connected to that sometimes, so it needs to make sure it is very, very local." (Black Country)

Successful partnership working is supported by mature relationships between actors and organisations, and the sharing of data and information.

- *"I think it would be good to share resource and the evidence base, I suppose it links to the data example that I gave in that we're crunching our own data to understand how the policy interventions we're making are having an impact on the ground and if not why not. So, I think that would be a really good space where we could collaborate in a much more effective way." (West Midlands)*

The distribution of power within regions is often seen as a zero-sum game with, for example, the introduction of CAs seen as a threat to the powers of LEPs and local authorities in those areas.

- *"… in the future there might well be some tensions because I think the combined authority wants more powers and obviously somebody is going to lose them and I think that's where there might be a bit of tension." (Black Country)*

The relations between regional partners are undermined by the competitive bidding system.

- *"Still the principle is competitive bidding which I think is totally wrong … This was the idea that somehow you could set one local authority against the other in a competitive market situation. It's a complete nonsense" (Humber)*

Business leaders have a strong presence on LEPs, bringing a good level of insight, but there is a lack of clarity about whether they merely inform politicians or actually perform a leadership function.

- *"… the private sector members of the board … had a chance to express a view on where would deliver the greatest returns on investment, but they see it as local authority business to get on and deliver those projects. They don't want to interfere with that" (Humber)*

The role played by smaller authorities and individual councillors was described as delivering services and managing relationships with constituents in their local areas.

- *"And with Covid-19… Borough authorities and district authorities have been the element in the local authority chain that is dealing with this on the ground... Interestingly, what we have found is where the county now has to get involved with the public, that's become quite*

interesting, because they're not really that used to being so closely involved with the public. It is usually the boroughs and districts that have that personal contact." (EM3)

There are examples of local authorities working effectively with third sector organisations, but these kinds of partnerships are rare.

- *"… we approached a third sector organisation called Humber Learning Consortium and we agreed that the local authority on this occasion would take a back seat and we would be a supporter of Humber Learning Consortium to help us achieve the grant to come locally."* *(Humber)*

The relationships described between CAs / LEPs / LAs with local education institutions varied. In some regions, there was strong agreement that local colleges worked effectively in partnership with CAs/ LEPs /LAs. By contrast, there was a similar consensus that secondary schools had a poor relationship with local authorities, a trend attributed in some regions to the shift towards the academy model in many local schools. In other regions, relationship were described as not working effectively, with local authorities blaming their lack of powers over budgets and commissioning.

- *"We work incredibly closely with the colleges, particularly and the schools, we work closely with the universities across a probably range of activities, not just the plain course provision and so forth. But we work particularly with the colleges in terms of their provision, the quality of that provision, not just the types of courses but the quality is really important to us and we've got a very close working relationship."* (North East)

- *"Yes, our relationship with our colleges is superb to be honest with you and I think Middlesbrough College in particular is absolutely superb."* (Tees Valley)

- *"We've got academies that took over the majority of our schools up and down the country and I don't think they feed in and communicate well with each other if I'm brutally honest with you. I think they're very standalone, I think they're very self-serving, I think they've got their own independent agendas, whatever that may be and I think that by putting it into academies, that communication has completely been lost."* (Tees Valley)

Local businesses need to develop strong partnerships within the FE sector, to ensure that high-skilled young people remain within the area in the longer-term.

- *"Some of the new emerging businesses and entrepreneurs trying to push through, they're not connected, and they don't understand. They haven't got a clue sometimes what the North East Chamber of Commerce is, never mind what the North East LEP is. I keep mentioning that at the board, you need to be pushing down on the support so that very small family businesses are just as likely to get financial support from us and help in loans, every bit as much as the big industries and the well-established companies in the region."* (North East)

- *"I often say to businesses if you want that, work closely with me and make sure you develop a relationship with the young people, so even if they go off to university they still want to come back because they've seen that you're interested in them and there's a good opportunity for them back where they were born and bred, but it doesn't always happen."* (Worcestershire)

SUSTAINABILITY

There was recognition that a more coherent national approach to delivering green growth is important, with central government needing to set an example on a way forward for achieving net zero. The current pathway for delivering green growth remained uncertain, with government rhetoric exceeding its current actions or planning. There are major concerns that this lack of government direction, at both the national and regional level, has and will lead to significant missed opportunities.

- *"… a low carbon economy, it's got to be across all sectors of the economy and you will only achieve that with significant intervention from the states to local and regional level" (Humber)*

- *"If the UK had taken more of an industrialist approach to offshore wind we would probably have had far greater manufacturing capacity here than what we do have. As it turned out, because the policy has been sort of a drip feed of investment propositions and the staggered release over time and not a long-term pipeline of opportunities, what's tended to happen is we've imported a lot of components" (Humber)*

- *"I think there is a national challenge in articulating what we mean with green jobs, green recoveries, carbon neutrality. And having a much clearer national strategy on this and a clearer plan locally, as to how each region inputs into that broader plan. Because, at the moment, there are parts that do well but they seem to do well as a result of a local strategy rather than having huge support from a national plan.'* (North East)

There is no clear understanding at the regional level of how sustainable growth or the 'green transition' will be achieved. The green agenda is relatively new and places are still trying to understand the full scope of what it means for their region.

- *"The question I have is can economic growth and coping with climate change be compatible. Will they be able to maintain the economic growth that we've had over the last 70 years if we have to pile in a heck of a lot of resource into energy transition" (Humber)*

- *"It's difficult and complex and it seems that nobody really knows the best route to go down… I've spent the last year and a half attending all sorts of forums, groups and lord knows what, only to really find that just about everybody is as uncertain as I am. I'm not an environmentalist, I was just given the job." (EM3)*

The battle against climate change requires a remodelling of the economy - the current economic model is creating the problem (e.g. economy built on mass consumerism). All economic analysis needs to include an environmental dimension.

- *"I think climate change is a really interesting one because that's obviously going to require a huge amount of economic remodelling because it is obviously our current economic model that is creating the climate change problem." (West Midlands)*

- *"I would say any economic analysis should always include an environmental dimension but then that environmental dimension has to be scientifically based and it has to take into account where all the inputs are coming from." (West Midlands)*

Currently, the green transition is slow and piecemeal. This is primarily linked to the bidding system that continually fails to fund transformational projects.

- *"… to genuinely lead us to a low carbon transition, you know, the work has got to be transformational and instead it is piecemeal and experimental and very slow moving" (Humber)*

Moving towards a sustainable economy requires a significant change in people's behaviour and investment in infrastructure to allow for behaviour change and moves towards greener alternatives.

- *"I think the green targets are an interesting one because that takes significant changes in peoples' behaviours… so take-up of electric cars, for instance, and what we haven't done to date is put enough investment in the infrastructure to allow behaviour change to take place…" (West Midlands)*

- *"They will think about green issues as, 'Does it stop me driving my car from where I'm starting to where I want to go? Because if it makes my life inconvenient I don't want to know.' That's the bottom line." (Worcestershire)*

There is a need to support existing businesses transition into the green economy by, for example, providing incentives for businesses to invest in green equipment and infrastructure, rather than allowing businesses to fail and replacing with new businesses.

- *"So, I think there are some really tough decisions because… you know old businesses will go, new businesses will pop up. But it's that really difficult time in the middle where, do you just let businesses close down or do you try and support them to reinvent themselves in different ways, those ones that can?... I just think we would be sensitive to some of the issues that those businesses will face." (Black Country)*

Businesses find it hard to change practices (private sector is typically risk averse). Sustainable industry requires more investment in R&D at the local level.

- *"… there is certainly not enough investment in R&D going on locally. We don't even take the R&D tax credits up with our local businesses, it's a crime." (Black Country)*

Covid19 has had a short-term positive impact on the environment (i.e. less use of cars and aviation) as well as medium- to long-term positive impacts in relation to, for example, changing work practices. However, panic in the responses of local and national government to the crisis to rebuild the economy could be locking places into a pattern of human and economic behaviour that is detrimental to creating a greener economy.

- *"… is it making us take our eye of the ball on some of our other long-term economic challenges?… from an inclusive growth perspective… do we lose focus on some of those really big challenges around digital inclusion and climate change because of Covid." (West Midlands)*

- *"… one of the beautiful things about these last twelve weeks has been just the environmental changes that all of us have faced. You know, as a human being I am not in my car all the time at the moment, my kids can cycle around the street, so they are happier. The air seems a bit cleaner, it is all lovely isn't it, you know?" (Black Country)*

In their transition to a greener economy, regions tend to concentrate on and adapt to what they already know.

- *"… in terms of low carbon mobility, we do get hung on EVs [electric vehicles] and understandably because that is the closest match for what we've already got." (West Midlands)*

- *"I think overall there's a lot of low hanging fruit still on the green growth agenda." (West Midlands)*

- *"Humber has become established as the world's largest location … for offshore windfarm creation and maintenance... The ambition is to do more as well in the future as offshore wind continues to scale up." (Humber)*

Three sectors are identified as being key in the shift towards creating a green economy – transport, industry and homes. It is suggested that a sustainable approach would require significant interventions in all three of these areas.

- *"… a third of the green challenge comes from, you know, the transport and then the other two come from homes and then from industry. So what we're trying to do is to ensure that we can address each of those and be mindful that if we just do the transport alone we won't necessarily address the other things." (Black Country)*

- *Upgrading housing to make it sustainable "will create good, well paid jobs. There's a huge opportunity to upskill people" (Humber)*

- *"… communities that are sustainable have got to be well connected via different loads of public transport just for them to be truly sustainable." (Humber)*

There is concern that decarbonisation will lead to lots of job-losses. Equally, there was enthusiasm for the high-skilled jobs that would be created by the growth and development of innovative, green industries. Improving careers advice is a vital step to ensure that younger people are aware of emerging employment opportunities.

- *"… massive high-carbon jobs, economically for high carbon. In a low-carbon transition all of those jobs are at risk." (Humber)*

- *High carbon-emitting jobs "tend to be higher skilled, higher paid jobs, so the big challenge for us over the next few years is to … retain the industries by making them cleaner rather than have to replace them." (Humber)*

- *"It's important that we also have the additional jobs that those who don't aspire to our core industries around here can do well in. That really is where the green agenda can come in massively and I would have thought that's got to be the same all over the country. Some people will see it as a cost, but really it's a huge opportunity." (EM3)*

Sustainability is rising in salience amongst the public, especially so for younger people.

- *"I think the whole developed world is becoming much more savvy to the green agenda. I think because of the rise of the internet the young people are forcing that agenda and making companies appreciate the effect that their operations are having on the planet. I don't just think you can go for growth without thinking about the green agenda because young people and residents generally are not going to allow you to do that now. There has to be an appreciation that anything you do, there is an environmental cost and there are environmental considerations to take on board."* (North East)

Local politicians rarely consider green issues, unless they are immediately electorally threatening.

- *"So in the debate about 'green or not', it will be: 'How will it affect our electoral fortunes?' They get elected on a very small number of votes, county councillors - not many people turn out for it." (Worcestershire)*

POLICY TRADE-OFFS

Some say that there is a trade-off between inclusivity and productivity. Some say that inclusivity will lead to productivity. Some say that productivity will lead to inclusivity. Productivity measures push regions to focus on higher-level skills, even if more lower-level skills are needed.

- *"I think there are trade-offs, I think locally I guess we're trying to move away from GDP as the main success criteria of our economy, so personally inclusive growth is very important, I'm not sure how we've practically implemented it, as a region, if we have mirror-up an inclusive growth mirror-up to ourselves, could we say that the investment decisions that we've made and the policy choices that we've made have genuinely been driven by inclusive growth." (Black Country)*

- *"I don't think the productivity exists at level 6 and above. I think the productivity exists at level 4 or 5, and maybe even level 3. Level 2 is good enough if you are laying bricks, level 3 would be better I guess… We don't need more managers at level 6 and above, we probably need people that understand the business and can make the connections. So, I think if there is a trade-off, I think there needs to be a little more thought about levels 3, 4, 5 as opposed to level 6." (Black Country)*

- *"… a dilemma I think we'll all face, do we still continue to focus on GDP growth against job creation and I think this is where it'll bring us challenge" (Humber)*

- *"there isn't a trade-off between productivity and inclusive growth to achieve high productivity inclusive growth is an essential component and without it you can't have higher levels of productivity" (Humber)*

- *"the UK has the lowest productivity rates in Western Europe, I think it may be one of the lowest in Europe as a whole and that is because people do not feel valued in their work" (Humber)*

There is a trade-off between central government's approach to investing in places where they get the best return and achieving 'levelling-up'.

- *"Only fund where you're going to get a return and that's a really difficult conversation in the West Midlands because before COVID, I'm not so sure now but, you know, before COVID, we would, in Solihull, for every £1 we'd give you 50p return but if you put that into Sandwell, you wouldn't necessarily, you'd probably get 10p return. That's really, really tricky because then you've got to think about equalisation, you've got to think about inequalities and what government policy, what about levelling up etc, etc so you've got to be careful." (West Midlands)*

Trade-offs are inherent in devolution deals with central government; while they can yield funding and additional powers, they come at the cost of new arrangements usually suiting the interests and preferences of central government above all.

- *"I think that the devolution is an easier way for the government to increase its centralisation. I can't really see why the Treasury would let go of very precious resources and put them in the hands of local authorities which it has never shown any particular indication that they trust." (EM3)*

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There is a trade-off between the current economic model and established ways of growing economies and achieving inclusive and green growth. For example, a trade-off is described in relation to how central government currently invests in roads, with potential productivity gains needing to be balanced with the demands of the sustainability agenda.

- *"… there doesn't have to be [trade-offs] but if people persist with the old models of valuing what economic prosperity looks like, then there are." (West Midlands)*

- *"Nothing drives an economy faster basically than building better roads." (West Midlands)*

Achieving inclusive and green growth requires long-term thinking and significant investment, commitment and sacrifice up front.

- *"I think the challenge comes when you look at time horizons, so I think in the long-term, no we absolutely can have an economy that is net zero and is world beating and has enormous levels of productivity, growth and employment. But it requires really big investment and sacrifice and difficulty up front in our consumer behaviour, in our transport network, in the capital we use in industry. It requires really, really big investments and if we don't make those and we try and deliver net zero using carbon-heavy and environmentally unfriendly modes of transport and industrial practices, it's not going to work. So, I think, long-term you can do both, but it requires investment, commitment and difficulty up front." (West Midlands)*

- *"You know, we do want road investment, but do our roads need to look the same way as they always have done? We know we are moving towards autonomous vehicles and to electric, and you know some brilliant stuff done with trucks at the moment aren't there, there can be you know whole convoys of them together if we need to put things on the road. So, I just think it needs to be a little bit braver probably now and a bit quicker than before." (Black Country)*

By upgrading existing facilities, the transition to a green economy should lead to a long-term increase in productivity, but the short-term costs prevent the private sector leading the transition.

- *"The big challenge for us over the next few years is to help [high carbon-emitting] industries transition. What we hope we can do is retain the industries by making them cleaner rather than have to replace them." (Humber)*

- *"a lot of that is about private sector investing to make changes in their processes to enable us to move to that and my only concern is that if the current issue with the economy, will this private sector still continue to want to invest within the same trajectory as we are planning" (Humber)*

While the ambition to provide substantial and sustained green growth provides the opportunity to reduce carbon output and increase the provision of high-paid jobs in

high-tech industries, it inevitably leads to the decline of traditional, high-carbon industries.

- *"… the rush for or the slow pace of green transition towards the net zero carbon economy, that has massive implications for Yorkshire and the Humber in particular, 30,000 direct jobs at risk, probably another 100,000 in the supply chain just to deal with the Paris Climate Agreement." (Humber)*

- *"There'll be less jobs but they'll still be well paid jobs and it'll be greener. The idea is to have [the steel-making facility] electric and powered by the wind turbines that are going to be off the North Sea..."* (Tees Valley)

The greater use of technology in the workplace, as automation and digitalisation aids productivity but creates a threat to jobs. This means a trade-off between inclusivity and productivity, unless the state intervenes to create safety nets and social partnerships.

- *"There's still those sort of unanswered questions of more investment in AI and automation, does that mean fewer jobs and how you then upskill the workforce for the jobs that are being created… it's not necessarily trade-offs as much as needing to make sure the pieces of the puzzle are lining up…." (West Midlands)*

- *"there is a lot of jobs there that would essentially be lost through increased productivity essentially, because obviously increased productivity normally probably means some sort of automation." (Humber)*

- *We "have to make sure that the state is prepared to intervene to provide much more safety and much more support for the people to adjust to the new circumstances." (Humber)*

There is a trade-off between a short-term focus to Covid19 responses and the long-term strategies needed to support those furthest away from the labour market.

- *"What I was going to say post COVID, whilst there is initial sort of restart money for all sorts of things… I think the longer term issues won't go away…, they are in a way exacerbating the problem I think, they will be immediately to get people who are close to the job market back at work so they start to pay taxes and can bring money home, but then we are still dealing with that lump of vulnerable people that are furthest away…" (Black Country)*

A major trade-off is recognised in terms of the government response to Covid-19. On the one hand, preventing unemployment is a vital goal, but in the longer-term, this must be balanced against a need to drive improvements in productivity. While national government has recognised and provided funding for ailing services or infrastructure, there is also a desire to minimise expenditure, given the many competing funding demands they face.

- *"And so an area in the COVID-19, it has got to be looking in my view at the medium-to-long term to the productivity issue - that to me is number one. And there are going to be*

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short-term considerations about dealing with mass unemployment which you have got to counterbalance with that… I think there is a trade-off in the short term in terms of where you put resources, because resources are finite." (North East)

- *"Clearly there have been lobbying efforts, for example, for bus services for the Metro actually, which obviously affects some of the area that you're talking around because light rail systems in general have been very badly hit by the current situation. The government has been forthcoming on financial support. They've been less forthcoming so far on aviation. I suspect that is partly … again, because of the make-up whereby there's more private sector involvement and I think the government hope that that would be sufficient almost to see those sectors through."* (North East)

- *"So I think that's a good thing but obviously in the short term and certainly here as everywhere else, one was the COVID hit, but also if people do take the opportunities to look at how technology can be used in business to improve productivity it will lead to unemployment, there will have to be retraining with that. So I think ultimately and as an educationalist and as somebody who's been involved in adult and employer education for a long time, there will be a need to do that adjustment."* (Worcestershire)

There has been a lot of focus on sustainable transport for achieving green targets, however it is recognised that green growth requires a more holistic approach.

- *"So, what we're trying to do is to ensure that we can address each of those and be mindful that if we just do the transport alone we won't necessarily address the other things." (Black Country)*