After COVID-19: Is Liverpool Still Beyond or Back On The Brink?

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June 2020
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Antony Gormley’s ‘Another Place’...in another time

(Credit: Conor Samuel on Unsplash)
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Acknowledgements

This paper was written during COVID-19 lockdown and has been more of a solitary process than I would normally choose. However, several colleagues have read it and offered constructive advice, which has made it better than it would have been. For this, I am enormously grateful to the following: at the Heseltine Institute – Professor Mark Boyle, Sue Jarvis, Andrew McClelland, Helen Williams; at Liverpool City Council – Tony Reeves, Chief Executive, Claire McColgan, Director of Culture, Martin Thompson, Head of Policy and Martin Farran, Director Adult Services and Health; John Flamson, Heseltine Institute Fellow; Ged Fitzgerald, former Chief Executive, Liverpool City Council; Colin Sinclair, Chief Executive, Sciontec Liverpool and Knowledge Quarter Liverpool; Mark Basnett, Managing Director, Liverpool City Region Growth Company; Peter Bounds, former Chief Executive, Liverpool City Council; Steve Warburton, Chief Executive, Liverpool University Hospitals NHS Foundation Trust; Helen Legg, Director, Tate Liverpool; Aileen Jones, Assistant Director, Liverpool City Region Combined Authority; Neil Sturmey, Partner, Grant Thornton UK LLP; Michael Eakin, Chief Executive, Royal Liverpool Philharmonic. However, I remain responsible for the judgements and facts in this paper. Any errors of omission or commission are mine alone.
What is this Paper? An Epilogue and a Prologue

Liverpool has faced – and weathered – many economic, social and political crises during the past 40 years, moving beyond riots, revolt and rebellion to renaissance. But the COVID-19 pandemic is bigger than any of the recent crises it has faced and has raised questions about the sustainability of the city’s recent achievements and its capacity to cope with such challenges in the future. This paper looks at the Liverpool COVID-19 story so far. Its point of departure is my book *Liverpool Beyond the Brink: The Remaking of a Post-Imperial City* (Parkinson 2019). A sequel to the original *Liverpool on the Brink* (Parkinson 1985), which described the city’s virtual collapse, the new book told the story of Liverpool’s continuing, if incomplete, renaissance during the last 20 years. It said what had happened, how and why and what the future might hold for the city. It was a positive but realistic celebration of the city’s achievements which painted an essentially optimistic portrait of Liverpool’s future.

It argued that the city had gone from being a bad news story on the newspapers’ front pages for all the wrong reasons to a good news story in the public eye for the right reasons. Given where the city was in the 1980s – and despite some big, continuing economic and social challenges – it was extraordinary how far it had come and how much it had changed. The city, its leaders and people were more confident, optimistic, ambitious and positive. During the last decade in particular the Liverpool story had been one of genuine progress from difficult beginnings – of increased ambition and achievements. It had generated more successful civic and political leadership (Parkinson 2016a). It had begun to find new economic niches. It had found a new economic self-confidence.

A series of major investments, projects and events had improved its self-image and its external image. There had been major infrastructure projects across the city region. World leading companies had made major investments in it. It had made better use of its indigenous assets with significant growth in some key economic sectors. Liverpool city centre, a key driver of investment and jobs for the whole city region, had been regenerated. The city had a transformed waterfront, a booming port, a massive visitor economy, a hugely improved business district, a far better retail offer, a rapidly developing Knowledge Quarter, continuing investment in and expansion of advanced manufacturing and life sciences. There had been significant investment in new hospitals. The Universities were growing and were more engaged in city regional affairs. The benefits of substantial European Commission investment and the hugely successful European Capital of Culture year in 2008 were still being felt.

Liverpool was taking its place as one of the UK’s increasingly self-confident, city regions with a big potential contribution to make to the Northern and national economy. People were voting with their feet and after a dramatic decline, Liverpool city’s population was growing again – up 50,000 in this century, faster than the nation in recent years and predicted to be half a million by 2020. It was also becoming younger and more ethnically diverse – a real break with the recent past. The mood music was far better than at any time since the 1960s and Beatlemania. Political relations between the different parts of the city region had improved, particularly during the past decade and after the creation of the Liverpool City Region Combined Authority (LCRCA) and an elected city regional Metro Mayor. Trust was building. Collaborative working was improving. Relationships were more robust and
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stronger. The different parts of the city of Liverpool itself had been gradually put together again physically. The post-imperial city was being remade. However, the scale and nature of the COVID-19 crisis led many people – not only in the media – to ask me whether it had affected my analysis and changed my optimistic view of the city’s progress and prospects. They wanted to know whether Liverpool had been put back on the brink by COVID-19. This paper, which was commissioned by the Heseltine Institute, provides some initial answers. It reflects and echoes many of the themes in the Institute’s COVID-19 Policy Briefs series.

Beyond the Brink fell in two parts. The first was a detailed description of the key events of the previous 35 years. The second was a set of reflections upon the meaning of those events – for the people of Liverpool and national Government. This paper adopts the same format. The first part contains some observations on what has happened. It is based upon a series of podcasts and interviews I did for the Baltic Triangle Podcast, Liverpool City Council Mersey Waves, Downtown in Business, Liverpool City Region Growth Platform, Radio Merseyside, the Liverpool Echo and Financial Times. They raised many of the key questions that were worrying a lot people in the first months of the crisis:

- Is Liverpool back on the brink of disaster as it was 35 years ago?
- What major hurdles does the city face immediately and in the longer term?
- How well has the city’s leaders responded to the crisis?
- Will Government listen to our city’s leaders?
- What impact will the crisis have upon the Government’s devolution agenda?
- What has been the impact upon key drivers of the economy: the visitor and hospitality sectors, the universities and students, the football clubs, the health and life sciences?
- Will we be able to sustain our global ambitions in future?
- Have there been any benefits from the crisis?
- When will Liverpool’s recovery begin?
- What might the future look like – and when should we start preparing for it?

The second part reflects upon their meaning in particular for the future, focussing on three questions:

- What are the characteristics of this crisis?
- What key policy messages have emerged so far?
- Who should do what next?

Since both Brink books were essentially about the city of Liverpool and often its city centre, most of the discussion in this paper is about these. But just as John Donne tells us ‘No man is an island’, no city is either. Liverpool is an inter-connected set of diverse places, people and economies which bring many different things to a fascinating party. So, we must recognise it has variable geography with overlapping connections as well as permeable boundaries stretching from Liverpool city centre to the bigger city itself, and then on to the Liverpool City Region (LCR), the north west including Manchester and further to a greater North. The connections between all these spatial levels are more important than the boundaries between them. In particular, the increasingly important role, responsibilities and resources of the LCRCA will make greater connections inevitable in future.
So, while much of the focus of this paper is the city of Liverpool it should be seen in the context of the wider LCR. This also reflects the reality that each of the other 5 local authorities in the city region (Sefton, Knowsley, St Helens, Wirral and Halton) are also developing individual recovery plans – but set in the context of a wider city regional narrative and recovery plan. These plans should complement not contradict each other. As the detailed evidence in my report The State of Liverpool City Region: Making the Most of Devolution (2016) demonstrated, the different parts of the city region need and feed each other. They are connected economically and need to collaborate politically – hanging together rather than separately! The connections will become more important in future as Liverpool continues its transition from a former Imperial city to an outward-facing, economically and politically connected global city. So, to the wisdom of John Donne we should add the advice of E.M. Forster and ‘Only connect’.

This paper has been written in the middle of the COVID-19 crisis. It is the equivalent of notes from a war zone, intended to provide some context and meaning for the early part of the crisis. Writing about Liverpool at this time is difficult. But I have tried to avoid both the Scylla of naive optimism and the Charybdis of sullen pessimism. I recognise the obligation of the intellectual in difficult times is to be honest. It has been a terrible time and many already have lost their lives and livelihoods – and more may do so. But I believe there is also a civic obligation – to offer hope. The challenge ahead may be large, the road uncertain, the risks many. But I believe the way the city, its leaders and people have responded so far to COVID-19 shows they have the assets, experience, resilience, commitment and ingenuity to triumph over adversity. Nevertheless, it is crucial that when the current lockdown and the first phase of the crisis is over, there is a full review of the Liverpool experience. In this way, the city and the Government can learn the lessons about who did what; what worked well and less well; what are the implications for the city’s priorities and policies; who should do what better or differently in future. Because the future will be different – and in ways which we cannot yet predict. In that sense, this paper is an epilogue to a book that has been written as well as a prologue to something that has yet to be written.

Observations on the Liverpool COVID-19 Story So Far

This section of the paper consists of lightly edited versions of my responses to the interview questions raised above.

Has this crisis put Liverpool back on the brink of collapse as in 1985?

The city will be different in future – but it will certainly not collapse. I say this on the evidence in Beyond the Brink that the city had had a very good economic boom and a pretty decent bust. Thirty-five years ago, Liverpool was on its knees, but it no longer is. But nor is it out of the woods. The city was having a fantastic, continuing renaissance before the pandemic. But it has been a cataclysmic shock for the global economy, the national economy and to our own city’s economy. So, there’s no point underestimating its impact or denying that COVID-19 has been a big hit for the city. It happened at an extraordinary rate. Three months ago, some of us were going to Anfield to watch Liverpool (LFC) play Atletico Madrid, aware there was an issue in other countries, but not realising what would happen to this city. Most important it is a public health crisis and tragedy. Many people have paid a
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very heavy price already with their lives and illness. Many families are suffering. But it’s also an economic challenge which has already and will continue to hit many businesses, places and people.

Nevertheless, we should remain confident about Liverpool’s future. History shows us its people do have a way of finding their path. The place, people and communities have come a long way in the last 35 years. Its economy is more diverse and more resilient now than then. In fact, Liverpool is arguably better placed to face this challenge than many other places precisely because of the economic, social and political knocks it has taken and the crises it has come through in recent years. They have created an enormous degree of resilience within the city which it has already been able to draw upon in this crisis. The public, private, voluntary and community sectors across the city have worked very well together to firefight the immediate crisis. So, while we must not underestimate the scale of the challenge the city now faces, equally we must not underestimate all the achievements the city has made nor some opportunities it could bring. Liverpool has a lot to build on, especially if it continues to pursue the right policies and priorities locally – as well as get the right response from Government. However, Beyond the Brink also stressed that despite its progress, the risks to poorer parts of the city and the threat of fiscal problems meant that the city would need good leadership and continuing commitment from both local and national government. COVID-19 has reinforced that need.

Social distancing in Liverpool city centre (Credit: David Rawcliffe/ Alamy Stock Photo)
What major hurdles do we face now and in the longer term? – productivity, place and people

*Beyond the Brink* was confident about Liverpool’s future but realistic. It stressed that the city’s renaissance was a work in progress and three big kinds of challenges lay ahead – of productivity, place and people. This crisis has stress-tested the system and made those challenges even greater – if sometimes different. On productivity the big challenge was that despite real progress, its economy was too small, it had too few firms and it did not have enough entrepreneurs or skilled employees. But, despite these weaknesses, several sectors of the economy had done very well including three that were particularly crucial to the city centre renaissance in the boom years. The first was the many faces of the visitor economy. The second was retail. The third was city centre residential and office development. However, the COVID-19 crisis has hit all three very badly, since they are primarily the face-to-face parts of the city’s economy. So, the crisis has underlined some existing concerns about the city’s productivity levels and the vulnerability of some of its ‘softer’ economic sectors. However, it is not all bad news. The book also said opportunities in medicine, in health, in bio, in personalised medicine, in advanced materials and manufacturing, in creative and digital would grow. The global health pandemic means that the investment that has been made across the whole city region recently in these sectors and the skills, capacity and potential it now has, makes these ‘harder’ sectors of its economy even more likely to succeed in future.

On people, the book showed that during the boom in Liverpool, some had done well but others had done much less well. At the end of the boom in 2009 there was still a big economic and social gap within the city. Austerity subsequently worsened that gap, so after 2009 Liverpool had become even more divided. COVID-19 could worsen that. It is clear that the virus can affect anyone, anywhere. Nevertheless, it is increasingly clear that across the country this is more of a poor persons’ crisis than a rich persons’ crisis. The people who are most at risk during the lockdown – those who still have to go to work and do low paid jobs putting themselves at risk of contracting the virus, who are already or at risk of becoming unemployed, who don’t have resources and savings – will come out of this more badly than those in better paid jobs. The Resolution Foundation and others have demonstrated how poorer as well as Black, Asian, and Minority Ethnic (BAME) people have already paid a greater economic price (Resolution Foundation 2020; Rose et al. 2020). Office for National Statistics (ONS) data has shown similar impact upon the health of poorer places (ONS 2020a). Across the nation, people living in poorer places are twice as likely to die from COVID-19 as those living in richer places (Whitehead et al. 2020). This pattern could become a major hurdle for the city, potentially increasing its social and economic gaps. The third challenge *Beyond the Brink* identified was to place. In particular there was a risk that we would damage the Liverpool city centre with too much or the wrong kind of development. In fact, COVID-19 has changed that and created different risks for the city centre. Now the risk is of under-investment. There is an obvious direct threat to retail. Liverpool One has been a fantastic success story for over a decade. But it – and more likely the parts around it in the centre – could be badly hit with businesses declining or closing. Reduced investment in city centre residential and office development could equally hurt. The decline of the visitor economy will compound these problems.
Liverpool ONE – super shopping (Credit: Jorge Percival on Unsplash)
How well have the city’s leaders responded to the crisis?

The leaders have performed well. There’s been a consensus about the city’s approach across the political parties. The immediate nature of the crisis meant that local authorities had the responsibilities and structures in place to do the delivery on the ground on health, social care, housing, food poverty. Liverpool City Council’s elected Mayor, Chief Executive and senior team provided clear leadership to the city’s people, businesses, organisations and their own employees. They reorganised and repurposed their business organisation quickly. They operated more flexibly and rapidly. The responded very fast to work around some flaws in the Government’s grant arrangements to distribute £70m of them quickly to the private sector. They got homeless people off the street into hotels. They got vouchers to school children who normally received free school dinners. They got a food bank and distribution system for PPE rapidly organised at the Convention Centre. They lobbied Government for greater flexibility and discretion with national COVID-19 programmes. They also lobbied for more money to compensate them for the direct costs of the crisis as well their loss of income from leisure centres, car parking charges, business rates. That battle with Government is yet to be won. Liverpool City Council also set up Project Greyhound, a Task Force advised by Metrodynamics designed to prepare a clear Recovery Plan for the local authority area with a set of financial asks of, and economic offers to, Government.

Equally, the LCRCA repurposed much of its work. It changed the priorities of £15m, half of its annual Strategic Investment Fund, to help firms, community and voluntary groups to meet COVID-19 challenges. The city regional Metro Mayor set up a City Region Economic Recovery Panel from business, Government, local authority leaders and the Local Enterprise Partnership (LEP) to develop an overall plan to help build back the city region better (Hickson 2020). In addition, the Metro Mayor lobbied hard for the 6 city region’s local authorities’ fiscal case with Government. And across the whole city region, a combination of the local authorities, Chambers of Commerce and the Growth Platform helped local firms to access government grants and commercial advice. The University of Liverpool repurposed much of its research to focus on the causes and consequences of COVID-19; provided staff, students and equipment to the front line and helped orchestrate a coherent city regional wide institutional response to the health crisis. The voluntary sector stepped up to the plate with Liverpool Council for Voluntary Service orchestrating partners to provide services to the most vulnerable. And many private firms including both football clubs were directly involved in different kinds of community service.

Many organisations have shown great flexibility and ingenuity in responding to the crisis. Their ability to respond with such speed, creativity and commitment should give cause for hope in future. There are three points to be made about their behaviour. First it is very good news that the city regional leaders have already moved from a response to a recovery programme and are facing up to the future challenges. Second, it’s really important that Liverpool City Council, the 5 other local authorities and the Combined Authority collaborate effectively and work together. LCR has an integrated economy and the Combined Authority has much responsibility for economic development, planning, transport and skills. It will become more important as we move from the immediate firefighting phase of the crisis to the economic recovery phase. Third, Liverpool City Council already has really severe financial problems. The costs of the COVID-19 crisis has worsened them. It can’t resolve this
crisis on its own. This makes it even more important that it continues to bring everybody into the tent to work collectively on the city’s future policies and priorities. The Liverpool City plan, which it was already developing with city partners, will become more important in the next stage.

Will the Government listen to the city’s leaders?

I hope so! But it is obvious the Government has simply been overtaken by events. Historically when Conservative Governments come out of economic crises, they impose austerity. That happened after the financial crisis in 2008-9. Then the banks came out of the crisis pretty well and poor people and places less well. I am not sure that Government will be able to take that line this time. In this crisis, Government has set the agenda. It has put a lot of money in. But delivery on the ground has depended on the ability, capacity, and commitment of all the local players – businesses, local authorities, communities, the voluntary sector and volunteers. I hope Government has learned there is a cost to this command and control way of handling the crisis. You can’t run a big economy like this from the centre. You certainly cannot handle a major health crisis from the centre. COVID-19 has underlined the argument about the importance of local government because this crisis is being fought locally. But Government only very reluctantly and belatedly got this message and involved more players, more partners and more places. In particular it was very late to involve local authorities in managing the crisis even when they had the extensive expertise needed for an effective tracing and testing strategy which the Government lacks and has so far failed to develop (Harris 2020; Sabbagh et al. 2020).

Will the crisis encourage more devolution?

Again I hope so! It is part of the wider argument that to have a successful country and a successful economy you need to have successful, powerful cities (Parkinson 2012; Parkinson 2013). So, I hope it will push devolution up the agenda. We were on the road to devolution after 2012, but it got arrested around 2016 as the cast of characters in Government changed and its architects and supporters – David Cameron, George Osborne, Michael Heseltine and Jim O’Neill – lost their grip on power. Some places now have more powers and resources as well as more expansive boundaries than others. It’s a bit of a mess. This crisis will lead people to ask what cities will need in future to become more resilient in the face of global challenges – whether it’s pandemics, the climate emergency or increased global economic competition. That would suggest a shift of power from national to local level. Of course, the country’s bill for COVID-19 will be massive so it is not clear how much money will be made available for local government. But in some ways, the real issue is less the sums of money they get but the freedoms and flexibilities that local authorities need from Government to use that money in the most locally sensitive way. This crisis has underlined the need for a new social contract between Government and the cities. Also, the last General Election showed that the Conservative Party was trying to develop a different relationship with the North. So, questions about regional inequality, levelling up, creating resilient economies and places will not go away. COVID-19 has underlined that the country remains massively over-centralised. The case for more devolution is surely likely to get stronger (Arnold and Jarvis 2020).
What will the impact be on the universities and students in the city?

The impact could be substantial. The universities and their students are a crucial part of the city’s burgeoning knowledge economy and Knowledge Quarter Liverpool. The 4 universities in the city spend many hundreds of millions pounds a year, employ thousands of people, support hundreds of local firms and attract and educate 55,000 students, over 10% of the population. Student expenditure and labour help drive the city centre economy in particular. Many stay and help create firms and a skilled labour force. But the pandemic has posed a huge challenge to universities nationally – and in this city as well. The universities have closed much of their physical campuses while remaining open online to students. How and when and on what basis the campuses will reopen is still being worked out. Health concerns, changes in the nature of the student experience and high levels of potential unemployment may raise questions in the minds of potential students about the long-term economic value of university education. Again, the outcome remains to be seen. Whatever the precise scale, our city’s universities face large potential financial risks from the loss of international and domestic students’ fees, research income, charitable support and commercial income. This potential loss of income would have a large knock-on effect upon their expenditure in the city. Also, if student numbers fell, that would have a significant impact on the city’s housing and hospitality sectors. And the potential loss of research income and staff could present challenges to the development of KQ Liverpool.
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What will be the impact upon the visitor economy, tourism, leisure and culture?

It has been and will be very significant. The visitor economy has been one of the great success stories of LCR during the past 15 years. It employs 10% of the workforce, attracts 60 million visitors and contributes £4.9 billion GVA to the LCR economy. Visitor spending increased by over 50% between 2009-16. The sector contributes 11% of all businesses. In the city of Liverpool itself, the visitor sectors are the major part of the economy now. Over 7,000 firms are involved in the successful thriving visitor economy and constitute 40% of its businesses and almost 50% of the city’s rateable value. But it has taken a very big hit and has effectively been closed since the lockdown. A survey of its major cultural organisations, for example, showed they expect their income to fall from £32m to £21m; half would have no reserves left and a quarter of their staff were at risk of redundancy. Big hitters like the music industry, which generates £100m annually, the Cruise industry, which generates £24m annually, and the film and TV industry, which contributes £20m annually, have already taken big losses and are at future risk. There are big questions to be asked about the sector when the lockdown is lifted. A lot of the infrastructure could be at risk. For example, the airport used to have 50 flights a day – it now flies 2 to the Isle of Man! There is no clarity about when and how domestic and international travel will return nor what public attitudes to flying will be.

The future mix of hotels, restaurants, bars, shops, personal services is difficult to predict – but it will have changed. The city centre in the past decade has become incredibly vibrant but its success depended upon attracting crowds to its hotels, shops, festivals, bars and restaurants, theatres, cinemas, concert halls and museums. But after lockdown ends, social distancing will be required for a long time and will create significant physical management challenges for many city centre facilities. It is feared that audiences in galleries and museums could fall to 30% or less of normal capacity and theatres and music venues may fall to 20% or less. Financial challenges, pressures on funding, changing audience dynamics and expectations, the fragmentation of the marketplace by digital platforms and maintaining a robust pipeline of talent were challenges for the cultural and creative sector before COVID-19. It has increased them. Many businesses may be bailed out by Government grants, loans and the furloughing of staff. But there’s a risk that both during the lockdown and even after it is opened up the city will lose existing firms and staff. Unemployment is likely to be greatest amongst young people. Given the city’s history of social problems arising from sustained youth unemployment in the 1980s that is a major concern. It will need significant, concerted and creative policy attention and action to avoid similar problems in future. The current discontents generated in many cities by the Black Lives Matter movement underlines how febrile the mood is in the country and the importance of this issue.

What will be the impact on football in the city?

The position once again is uncertain in the short and medium term. It would obviously be good for this city in particular if the current Premier League season could be ended with agreement about who won it. Even if the season is finished behind closed doors as has been decided, the clubs and the city’s hotels, restaurants, bars and shops will still lose considerable income from fans being absent from the two football grounds. It is equally clear that next season will not start on the usual basis of crowds between 36-54,000 spectators attending
games in either stadium. That will probably not happen again until 2021. As a result, both clubs and the city’s facilities will receive much less income next season than they have in recent years. All this is crucial to the city since the football clubs are huge economic drivers. LFC has a turnover of £533m a year. Everton’s is currently smaller at £189m, but it has a £500m investment programme planned for the Bramley Moore Dock stadium on the city centre waterfront. LFC has already postponed the redevelopment of the Anfield Road Stand for 12 months. The Bramley Moore development may also be slowed down. Partly for the city’s football heritage, but primarily because of the scale of the clubs’ economic impact on Liverpool’s domestic and international tourism, profile, investment and confidence, it is crucial that safe solutions are found to get crowds back into the stadia.

Can we sustain our global aspirations given COVID-19’s impact upon the global economy?

I hope we will remain an outward looking, internationalist city. But this crisis has changed many people’s views about the value of many aspects of globalisation. It could change behaviour as well. For example, after the SARS and MERS crises many businesses shortened their supply chains, so they were not so exposed to global risks. This may happen again. ‘Going local’ may become more attractive. I do think that local supply chains and local economic activities could become more important. There is some evidence that the businesses in the city that have been trying to do good ethical business and have good local suppliers have been well supported during the crisis (FT Alphaville 2020). But some answers to sourcing and procurement issues lie in the future of trade post-Brexit. As yet there is no clear roadmap for businesses who wish to be part of a more local sourcing or scaled down globalisation. The city region needs to become more resilient in future because this will be a
drawn-out pandemic. And it won’t be the last one. Globalisation, the industrialisation of agriculture, our intrusion into nature and climate change will make future pandemics inevitable. So, the question of what we make, create, buy and sell globally or locally will become more important. Unfortunately, there is already a growing mood of competition between places and countries, of increasing protectionism and nationalism. But we should resist this. We will inevitably need to collaborate more in future, especially on health crises because they are international in nature and require international solutions.

This internationalism speaks to the history of the city but also to the character and values of its people and should be a source of strength and inspiration in future in an increasingly parochial world. Liverpool may not be better than, but it is different to, other cities. It is not an English but a Celtic city. As the iconic banner on the Kop at Anfield proclaims ‘We’re not English, we’re Scousers.’ But this is a culture not just an attitude. And it comes with the maritime territory. The city’s wide river and seaport; its history of immigrants and emigrants; its cultural blend of poets, philosophers, storytellers, flâneurs, comedians and musicians; its combination of global aspiration and intense local chauvinism – all make it different. It is a cosmopolitan, expansive place. Its people are simultaneously big hearted, open minded, generous, literate, if occasionally argumentative and querulous. In Liverpool you never quite know where the story is going which is why people always want to come and see it. It makes the place unique, attractive and ultimately investable. In an inward-looking world, the city must offer a home for everyone and remain a magnet for talent. It fits the city’s imperial past as well as its international future as a great city trading in goods, services, ideas, culture and people. Liverpool is and should remain, as the leitmotif of our redefining Capital of Culture put it, ‘The World in One City’.

*Capital of Culture’s ‘La Machine’ captivates the Scousers* *(Credit: Culture Liverpool)*

**Can we take any positives from this crisis for the future?**

This has been a terrible crisis and many people have lost their lives. Their families will be grieving. Many health and care workers will be suffering post-traumatic stress having witnessed many deaths. We will have to understand and cope with that first. Also, many people will have lost their livelihoods – or fear they yet might. But there is one obvious positive. I once wrote that economic crises come and go, buildings come and go but the Liverpool people go on for ever. I think the Scouse spirit will endure. Liverpool has been very
good at collective solidarity in the past. It is being so in this current crisis with incredible support for many community initiatives. Liverpool is not a small town but a big place, with big people which led the world 100 years ago. It is very good at coping with adversity. It has great community resilience. It has many great community leaders. The Scousers have really rallied to the cause in this crisis. That is a huge positive that we can draw and build upon in the aftermath.

**Will the city come back and how long will it take?**

It can and will. During the past 35 years the city has changed its spots politically, economically, institutionally and physically. Many of the fundamentals are in place and remain strong. Many of the things we had before the crisis will be there after it. They will be changed of course. But our universities, hospitals, port and airport, bio-medical, advanced manufacturing, professional, creative and digital companies will be there. It will be challenging but I think we should remain a confident, ambitious place. We certainly should not be retreating nor lowering the bar. We should also remain an international, outward looking, collaborative city. There’s a lot to build upon, despite the terrible time it has been for many people. But we must also be realistic. This is not a conventional recession but feels more like the 1918 Spanish Flu, 9/11 and the 2008 financial crisis rolled into one. Until there is an effective vaccine and people have the confidence to travel and move around again there will be uncertainty and anxiety. Some commentators believe the health crisis will begin to settle down by the autumn. But that is uncertain and there might even be a second spike of COVID-19. It could be 12 months before there is a vaccine, if ever. And there would probably be a further 12 months after that before we return to pre-pandemic economic levels, if we do. So, we should prepare for a long haul of at least two years, sadly with potential economic, social and health casualties along the way.

**What Does the Crisis Mean for Liverpool and Government?**

When this crisis has subsided, the city region will need to take stock of what has happened and what it means for the future. That may be some time away. But it is possible at this point to provide some early reflections on the COVID-19 crisis. These include some key characteristics of the crisis, principles for dealing with it and future messages for Liverpool.

**New wine or new bottles?**

Is this crisis brand new, suggesting that once it is over that the world will be changed forever? Or is it simply reflecting already existing conditions, suggesting that the future may be more like the past than we currently believe? Is its new wine or old wine in new bottles? In fact, it’s both. The particular nature of this virus, its scale, speed of spread, lethal impact and especially its requirement of continuing social distancing, is new and extremely disconcerting. It is unlike anything we have seen since Spanish Flu in 1918. It will affect the city’s economy and its people in future in ways we could never have imagined 3 months ago. This is clearly new wine. But some of the problems of the crisis are familiar ones because COVID-19 has stress-tested our systems and revealed many existing fault-lines. They are more like old wine in new bottles.
Some are existing economic trends like online shopping, homeworking, increased digitalisation. But they also include the challenges of inequality and poverty; the disjunctions and tensions between a national public health system and a privatised, fragmented social care ‘system’; weak, dysfunctional relationships between national and local government; the lack of national governmental capacity; the loss of local government fiscal and organisational capacity as the result of a decade of austerity. In principle there might be both demand and an opportunity to tackle these existing problems when we emerge from the current phase of the crisis. But there might not! Since we did not address them in the past, we should not assume we will do so necessarily in the future. They will need to be put at the top of the political agenda – locally and nationally.

A global and national as well as a local crisis

It is obvious that this is a global and national crisis not only a local crisis. Some of the crises we faced in the past were at least partly self-made. This has been externally imposed. So, Liverpool is not alone. This first means there are other places it can work with, compare with and learn how to do things differently in future. It can also contribute to a wider national system of policy responses and changes. But second it also means the scale of the economic, social and fiscal problems involved and the limits upon local resources will make it a national as much as a local challenge in future. And it will require a clear national policy response from Government. However, every place will be looking for support and there will be limited Government money. Liverpool must develop a powerful case to Government about the support it will need but also the contribution it will make to the nation’s economy if it is to get anywhere the scale of national resources that it will need. And despite the threat of Brexit hanging over it, Liverpool must seize the advantage of this being a global crisis to develop and deepen its links with its international trading partners and cities across Europe and beyond.

An existential crisis

Because of the huge uncertainty about the pandemic – its origins, impact, solution, and future timetable – this is also an existential crisis. The city will not be out of the woods for a long time and having to deal with a dynamic and fast-moving crisis can be both physically and emotionally draining. Everybody and every family will have suffered the fears and privations associated with the pandemic, the lockdown and worries about their own indeed the country and the world’s future. It may reinforce peoples’ underlying fears and financial concerns in a world that has not yet emerged from a decade of austerity and still faces a global environmental emergency. Individual reactions like those of large organisations have probably ranged from the optimistic, to the realistic, to the pessimistic into the apocalyptic. We can look at this in two ways. We can believe that people will become fearful and reluctant to return to previous patterns of behaviour. On the other hand, we can believe that individuals can face terrible adversity, survive and flourish once again. If we think it is the latter, there is a moral for cities. They too can come through. Liverpool, its people and institutions have already shown resilience during this and previous crises so I believe we should take the second view. But we will need to be creative, innovative, adaptive and collaborative to succeed.
**A national economic crisis**

The impact of the crisis on the UK economy has been enormous, as many organisations and commentators including Elliott, whose analysis I draw on heavily here, have made clear (Elliott 2020; OECD 2020; ONS 2020b). Under lockdown the UK economy has virtually closed. Factories have been mothballed. Shops, bars, restaurants and hotels have closed. Schools and universities have been emptied. Estate agents have stopped selling houses. Eight million jobs have been furloughed – over a quarter of all employees. Car sales are down by 99% from a year ago – at 1946 levels. The Bank of England expects unemployment to rise to 9% and the economy to contract by 14% this year – a figure last reached more than 300 years ago. The impact has been felt in all parts of the country. In the past recessions tended to be concentrated in one sector of the economy – manufacturing in the 1980s, housing in the 1990s and finance in the noughties. But this has affected every sector at once, which explains why the slump is the most severe in recent history. If a full lockdown is cut after June, the Bank predicts national output could fall by 33% between the first and second quarters of the year. Even a relaxation would bring a drop of 25%. By comparison, the drop in the year of the financial crisis of 2008–9 – the most serious recession since the Second World War – was nearer 6%.

The continuing risk of infection means the lockdown will be lifted gradually so possibly too late for many businesses who are running out of cash and liable to go bust in the coming months. At the same time the furloughing scheme is costing £14bn a month, worrying many in Government. So even though it will continue until October, when the percentage of wages paid by Government is cut this could encourage firms to make employees redundant and mean those remaining furloughed will have less money to live on. And even after lockdown has ended, demand might be reduced because of consumers’ uncertainty or even fear. And of course, Brexit lurks in the wings with all of its economic uncertainty for the country – and especially for trading cities like Liverpool. The overall shape of the global, national or local economic recovery is still unknown. But few economists now believe there will be a V-shaped recovery. Some fear it will be a W-shaped recovery with a second viral spike and associated economic problems. The best that can probably be expected is an L-shaped recovery with a gradual upward turn.

**A local economic crisis**

So the national economic picture is worrying. But the Liverpool economy has some particular structural features which mean its problems could be bigger than some other places. Despite its improvement the city region has not performed as well as some other areas in recent years. The LCR Combined Authority predicts that during the crisis the city region’s real GVA will fall because of decreased outputs, profits and wages; the employment rate and economic activity rate will fall because of job losses from business closures; business density will fall as business failures increase and business starts to stagnate; jobs density will fall as those businesses close or rationalise to manage the economic impact. LCR is dependent on some very vulnerable sectors including retail, food and beverage and transport and has a disproportionate number of workers in at-risk sectors including retail, sports activities and personal services. It has more people working in lower wage sectors who are least likely to be able to work from home. So, if they are not furloughed, they must risk working or becoming unemployed. In April 2020, of 720k workers in LCR, 128k were working for less
than the national living wage, 256k were in the sectors most affected by COVID-19, 77k were self-employed and likely to struggle with income, and 620k were unable to work from home.

A Growth Platform survey in March of almost 500 LCR firms showed 95% said their businesses had already been affected by COVID-19, over 70% had lost sales, and 60% had cash flow difficulties. Only 22% were confident they would survive the next 12 months. A survey of over 1,000 self-employed people painted an equally sober picture – 92% had already lost income with 100% in the hospitality and tourism sector. 90% expected to lose up to £10k monthly. ONS data analysed by the Centre for Cities confirmed such concerns since Liverpool experienced during the early part of the lockdown the biggest increase in unemployment of all the Core Cities, the 10 largest cities in the UK outside London (Magrini 2020). In addition, because of its relatively poor health, Liverpool has a higher than average number of people who suffer from the conditions that can make COVID-19 so risky – Chronic Obstructive Pulmonary Disease, Coronary Heart Disease, Kidney Disease, Asthma (LCRCA 2020). There is a spatial dimension to this as well. Beyond the Brink showed that the part of the city of Liverpool which benefitted most from the boom since 2000 was the city centre. But its economy depends heavily upon those sectors of the economy which will be hit hardest by the crisis. This means that a key driver of the city’s economy is under threat. So, it is crucial that efforts to support the city centre are put at the heart of the city’s Economic Recovery and Renewal Plan.

A governmental crisis

This has also been and remains a governmental crisis. There will almost certainly be a public inquiry into the Government’s management of the crisis in due course. But it clear that it has imposed huge pressures upon the capacity of national and local government. It has also tested relationships between the two of them. These have been increasingly strained during the past decade as local government has had to absorb many of the costs of nationally imposed austerity. National and local government have lost many staff during the past decade who could have been part of the effort to deal with the crisis. The task of planning Brexit obviously diminished the capacity of national Government to deal with other issues. Indeed, it probably diverted attention away from the pandemic when fears about it were initially raised. The UK is also in the middle of an unfinished devolution process with shifting patterns of roles, responsibilities and resources in different places. That agenda has stalled in recent years as the original supporters of the policy have lost office. Nevertheless, across many of the biggest cities there are elected city regional mayors and Combined Authorities with a range of powers – if not necessarily huge resources – over economic development. But the pattern is very uneven across the UK with still considerable complexity and ambiguity in relations between national and local government. And despite the devolution experiment, UK government remains highly centralised (Parkinson 2013; Parkinson 2016b). This has aggravated the problem of getting a coherent response to the crisis across the nation. It has underlined the point that the country needs a new contract between the national and local state which recognises the value of local government – and supports it financially. It must surely encourage policy makers to return to the devolution agenda that had stalled before the crisis began.
A local fiscal crisis

The challenge of responding to COVID-19 coherently is worsened by the fact that local government has been under intense fiscal pressures since the financial crisis of 2008 and has borne the brunt of public sector cuts (Butler and Syal 2020; Williams 2020). As Beyond the Brink demonstrated, the cuts have been worse for Liverpool City Council than for any other local authority. It has lost £464m in government support during the past decade. Government austerity policy combined with reductions in central government grants, the City Council’s dependence on a weak domestic rate base, growing reliance on a limited business rate and substantial cuts in the national welfare system created huge fiscal challenges for the City Council’s leadership. It has virtually no reserves left and is in danger of living beyond its means. Its Chief Finance Officer has raised the risk of the city going into bankruptcy (Thorp 2020). Government policies have encouraged a capital rich but revenue poor, divided city with private development for better off places and people and squeezed public services for poorer places and people. To make it worse the City Council has so far spent £74m dealing with the COVID-19 crisis, but despite its original promises to pay the full amount, Government has only offered to pay £44m, leaving the Liverpool City Council with a shortfall of £30m specifically on COVID-19 to add to its underlying fiscal problems. To make it worse, Liverpool City Council is not alone in this COVID-19 shortfall. The picture is replicated in all the other local authorities in the city region, which means the impact of the crisis will be felt right across the whole area and will take longer to resolve.

A complex timetable

The timetable of this economic crisis is complex. There at least three phases which present different challenges. The first phase is the current lockdown, which has been immediately very challenging. This has essentially consisted of firefighting the health and social effects and has had tragic consequences. The next phase will be after the lockdown is ended but before an effective vaccine is widely available. This could last up to a year or even longer. It will be the most uncertain, complex and difficult period for the whole city region and its people to manage. We don’t know how people’s attitudes, values and behaviour will be affected by what has happened and how well they will adjust to being free from lockdown. We don’t know if people will want to socialise, consume or travel in the same way as they did in the past. We don’t know how social distancing can be best managed at work and at play. This will present particular problems to the Liverpool city centre economy with its essentially face-to-face activities. But it will also impact more widely across the city region since much of its success has come from the many large spectacles, events and festivals it has mounted in recent years as well as its many sporting events like the Grand National, the Premier League, Champions League and major golf championships.

Many firms in the visitor economy currently do not know whether or when customers will return, from where, in what numbers. There are different kinds of visitors – local, regional, national and international as well as leisure and business visitors. Local people will probably return first to shop and enjoy the Liverpool city centre entertainment as soon as they think it is safe. National and particularly international visitors will be less anxious to return quickly. The city region has always recognised that it needed more international visitors and higher-value business tourists. That market will be much more difficult in future – and certainly slow to get going again. The conference industry will be particularly badly hit. Some in the sector
assume that it will take some years for visitor numbers to return to the levels before the crisis. The impact upon the airport, cruise industry, hotels, conference facilities, football clubs as well as restaurants, bars and galleries will be drawn out. So even when the health crisis settles down, when Government ends lockdown and when businesses, local authorities and transport authorities develop creative solutions to social distancing, we do not know how the process will unfurl. This crisis will be a marathon not a sprint. The city region needs to prepare for that complex middle phase and plan for a drawn-out recovery. It will need teamwork to protect as much as it can the incredibly strong, diverse asset it has created in the visitor economy in the past decade and work hard to drive up demand for it in future.

**Are there any benefits from this crisis to preserve?**

This crisis has exacted a terrible health and economic price. There is no point dressing it up. But there have been some imposed changes in working and lifestyle which have brought some environmental, social, community and political benefits which are worth preserving. There has been reduced use of cars for commuting which has had a direct impact upon air quality, which would have some longer-term health benefits. There could be an opportunity to reduce car usage in future in particular around the city centre which was becoming increasingly congested before the crisis. But given health concerns about using public transport, this will require creative solutions by and increased investment in public transport if it is to take up the slack. It may need three buses or trains to carry the same number of people at a social distance, so there are large practical and financial challenges. But if working hours were shifted and peak travel times were changed, this could make a contribution. And cycling and walking to work could contribute more (Nurse and Dunning 2020). There is a second related advantage. Many people, especially those who are digitally connected, have been able to world from home during the crisis. Despite the domestic and
psychological pressures that can create, many organisations are exploring whether employees will want to work on a different basis in future to achieve a better work life balance with reduced or more flexible hours. For those who can do this and can afford it, this could be socially valuable and help reduce commuting, congestion and pollution problems.

A third benefit has been the increases in the contribution of the social economy sector, community resilience, volunteering, neighbourhood activities and general kindness which should be preserved and built upon in the new normal. A fourth potential benefit is that Liverpool City Council has had to reorganise the way it works and has become a more flexible, responsive organisation during the crisis. There is an opportunity for it to behave differently in future with a different relationship between the council, its partners and communities. Arguably also the crisis has encouraged greater collaboration between the major public, private and community partners which would help the city region flourish more in future. Finally, the crisis has underlined how parts of the LCR economy have become increasingly important globally and shown which assets will make the city region perform better in future. The health, green and the digital economy are obvious contenders.

**Planning for the recovery now**

Nobody really knows how and when this crisis will end. But we do know the city will face big challenges for many months at best. The immediate task is to deal with the health crisis, the lockdown and the impact upon communities. Many organisations, individuals and communities have come together to make extraordinary efforts to do this. But COVID-19 is not an old-fashioned recession. It will unwind in very different ways, at very different times and the world will be changed, parts of it permanently. Some things will come back, some things won’t. We are no longer at the start of this crisis but halfway down the tunnel and we can see light at the end of it. It’s going to be a more difficult economic world in future. Places will be even more in competition than they were before this. So, the city region should now ask itself what this means for its future in 1, 5, or 10-years’ time. We must try to predict what policies and activities we should hang on to, what we might need to let go and what we need to prioritise. We need to ask ourselves, what do we already do that is sustainable and desirable? What kind of infrastructure will we need in the future? What potential growth sectors do we have which we can exploit further? What will be the scale of the opportunity in the global health sector? How important will digital become? Will green become more important as climate change is taken more seriously? How can the foundational economy and the social value approach be best developed and contribute? (North 2020). Every other city in this country is going through similar kinds of challenges and trying to prepare the best for its people. So, it’s good that a series of conversations are taking place between the city region’s councils, Combined Authority, LEP, firms, voluntary sector and anchor institutions. Liverpool must focus on its place in the wider national and international scene so that when it comes through this dark tunnel it is as well prepared as it can be. Now is not too soon. Soon it will be too late.

**We have done this before – with Europe and Liverpool Vision**

We already have two models to follow. In the mid-1990s at one of the city’s most difficult times, the European Commission helped to change Liverpool and the then Merseyside Region by offering a huge 1.4bn euro slug of public money if it could answer the following
question: what will you be for economically in future? That economic challenge hugely changed the city’s mind-set, forcing it to be more expansive and more ambitious – if also more realistic. Its leaders found answers to that deceptively simple question and changed their approach to the economy. Europe encouraged partners to look critically at the assets, opportunities and challenges of the whole city region. It encouraged partners to work at a city region level long before UK politicians discovered the idea. It encouraged greater collaboration between the local authorities, universities and local businesses and a greater focus on graduate employment and retention. It encouraged local firms to engage more with local community groups on employment and gave socially excluded people a stake in the city region’s future.

The sheer scale of Objective 1 funding caused a step change in the city’s self-confidence and gave its leaders the stability of funding over a long time period to plan for change. Huge progress was made in a relatively short space of time. Liverpool moved from a post-industrial economic recovery to a stronger and more diverse economy embracing knowledge, science and innovation, culture and tourism. Its physical transformation of landmark public spaces, strategic investment areas and key transport hubs had positioned it as a place where people wanted to live, work and play. European investment in the physical and cultural assets of the area raised its image and profile with both visitors and potential investors. It internationalised the city once again. It made Liverpool in its own and others’ eyes a modern European city and laid the foundations for the full development of that status in the next decade.

The renaissance of Liverpool city centre in the 2000s led by Liverpool Vision, the city’s Urban Regeneration Company, provides another model. It produced a big plan – the Strategic Regeneration Framework – which became the Holy Grail for the next ten years. It set out a series of ambitious long-term strategic goals to raise the aspiration of a city which for too long had aimed too low and thought too small. The big picture was to establish a 21st century economy, broken down into almost 400 specific actions, major and minor. The details were less important than the reach of the plan and the fact that it was signed up to by key partners in Liverpool. Crucially, the plan painted a picture of how these big ideas would be translated into action on the ground in the different quarters of the city. They were designed to: transform the Pier Head into a world class urban environment, city centre gateway and visitor destination; create a world-class business district; link the historic core; make Lime Street Station a quality gateway to the city; dramatically improve its retail offer; make the King’s Dock into a world-class leisure facility; make the Hope Street Quarter a key cultural resource for the city. As a result, the city had a fabulous decade. For very different and tragic reasons, as with the European Commission in 1994 and Liverpool Vision in 2000, we are at a turning point. Even though we do not have those massive European resources or the prosperity of the pre 2008 crash, the questions of what we do when we come out of this, what we focus upon, what we invest in, which sectors, communities and people do we support, are absolutely crucial.

**Liverpool’s three post COVID-19 challenges: productivity, place and people – again!**

There is currently huge uncertainty. Nobody knows when and how this global pandemic will end or when life can return to any kind of ‘normality’ – new or old. Nobody knows what the
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final state of the global economy, the national economy and public finances will be, except that it will be bad. Projections of global recession and unemployment rates of 25% are not uncommon. In the UK, during the first full month of the lockdown in April the economy shrank by an unprecedented, massive 20% (ONS 2020b). OECD now predicts we will take the biggest hit of all the world’s advanced industrialised nations (OECD 2020). In the face of uncertainty, it is best to stick to the principles developed in a more certain world. Projects which are good in the good times are probably even better in the bad times. Liverpool should play to its existing strengths rather than abandon them – its world leading specialisms in infection research, personalised health systems, paediatrics, materials chemistry, sensor technology, sports science and high-performance computing and music, creative and the performing arts. Of course, many of these are medium- and longer-term projects. The city must also look in the short-term for projects that will prevent workers losing their jobs – or soak up those that have become unemployed, especially from the visitor economy.

Before the COVID-19 crisis I argued in Beyond the Brink that the city needed to go beyond the economic model it had developed during its period of renaissance in the first decade of this century and to invest more in the ‘harder’ as much as the ‘softer’ sectors of its economy. The COVID-19 crisis has underlined both the need for and the opportunity of doing so. The city went through a very successful period of physical urban regeneration which after the economic, institutional and physical problems of the 1970s and ’80s was necessary. But it will not be sufficient in the future. Beyond the Brink argued the city would need to develop different priorities, skills and capacity if it was to sustain its renaissance and compete more effectively nationally and internationally. Future growth should be in its known strengths and potential in more advanced markets and products. It needed to invest more coherently in those sectors and ecosystems. It also needed to develop its digital capacity. It was a huge potential market, but despite some known strengths, it had remained relatively small and immature in the city. It should exploit the economic potential of its low carbon agenda and plans for tidal energy. The city should continue to capitalise upon its regenerated assets and infrastructure and its retail, leisure and visitor economy. But it should develop and invest in its high-value-added, knowledge-based assets in future. This crisis has dramatically increased the significance of that analysis.

Knowledge Quarter Liverpool – a key to productivity

The Liverpool city centre boom of the 1990s and 2000s relied heavily on residential, retail, leisure and tourism. That created jobs and led to growth. Both were welcome. But they were not enough. And COVID-19 has demonstrated that they are vulnerable. The next wave of economic development in Liverpool has to be of a higher quality and higher added value. The people and assets of Knowledge Quarter Liverpool, a Mayoral Development Zone, which stands at the heart of a wider city region science and innovation eco-system stretching from Unilever in the Wirral to Hartree Computing Centre at Daresbury in Halton, will be crucial to that. KQ Liverpool is a powerful partnership between Liverpool City Council, the universities, the hospitals and cultural institutions. It has already had an impact upon market perceptions of Liverpool and attracted significant investment from national and international organisations. It could become a leading global innovation district with science, technology, education, medicine and culture combined in a single eco-system. Its development potential has been strengthened by the creation of Sciontec, a joint partnership with quality investors.
Legal and General and Bruntwood, which will be able to operate across the whole city region. This should lead to higher quality global property development and investment in future.

*Science meets religion in Knowledge Quarter Liverpool (Credit: Knowledge Quarter Liverpool)*

**Getting Government backing**

Investing in this sector should be attractive to the Government for several reasons. After the crisis there will be a groundswell of opinion to give the greatest support to those who paid the price and did the dirty work in this war – the NHS, the care sector, the key workers, the low paid. The social equity and welfare agenda will be powerful and KQ Liverpool can make a large contribution to it. Given the state of the national economy and its likely finances, there will also be a Government focus on competitive economic and innovative sectors. KQ Liverpool, with Paddington Village, Liverpool Science Park, the expansion of the MTC and the HILL, combined with other nearby assets such as the Pharma cluster in Speke, SciTech Daresbury, Materials Chemistry at MIF in KQ Liverpool and also at Port Sunlight, could be very attractive to Government. These projects have huge economic potential. They absolutely play to the national health agenda. They fit the social equity agenda too, contributing to the goal of global sustainability. Importantly, KQ Liverpool has commitment, momentum, capacity and delivery potential at a time when Government will want to demonstrate progress on the ground after COVID-19.

Of course, higher education will not be immune to the crisis in this city as nationally. As we have seen, it could be hit by the potential loss of international and domestic student fees, research income, charitable support and commercial activities. But every other sector will be hit as well. And the universities are already planning for a different world. The largest institution, the University of Liverpool, for example, has taken the financial decisions to
minimise any potential deficit in income this current financial year. Its estimate of a potential deficit for 2020-21 ranges from £66m to £170m. That would be a significant hit. Nevertheless, especially at the bottom of the estimate the university will clearly still be a crucial long-term asset given its current turnover of £577m. And the university has restated its commitment to support the economy of LCR and the knowledge economy in future (Coe 2020). So even if there are potential significant short-term losses and disruption in the medium to longer term, higher education and universities will surely come back. That can be said much more confidently than about tourism, retail, and conventional approaches to regeneration. They may return but in different ways, at different rates and will take time. By contrast the knowledge-based, high value-added industries, while challenged, still look much secure and with more potential to deliver.

Place quality and authenticity

*Beyond the Brink* argued that a crucial aspect of the recent history of Liverpool was the remaking of the city centre from a tired, rundown place at the end of the 1990s to the economic, physical and cultural driver of Liverpool’s renaissance. In the first decade of this century a Liberal Democrat council successfully combined the New Labour Government’s commitment to cities and public expenditure, with revived private sector interest in city centre investment and large amounts of European money to make dramatic physical, economic and cultural changes which dragged Liverpool into the mainstream of national and European cities. It was a hugely successful period for Liverpool city centre economically, politically, culturally, physically and psychologically – spearheaded by Liverpool Vision and symbolised by its extraordinarily successful European Capital of Culture in 2008 (Parkinson 2008). The city’s leaders treated place quality as a crucial economic intervention – not a luxury item – which was critical to attracting and retaining talent, clients and investors. By the end of the decade the quality of the developments in shops, apartments, office space, hotels, and leisure and conference facilities in the area had raised Liverpool’s national and international offer and visibility. For the first time in many years good modern architecture had been added to a city which had had a lot of experience of regenerating Georgian and Victorian architecture, but rather less of producing new buildings which matched its historic inheritance.

The developments physically expanded and reshaped the city centre in a remarkably short time. They brought the city centre downtown to the waterfront. In the process they revitalised the existing tourist and leisure facilities at the Albert Dock (Parkinson and Lord 2017). And this created demand for higher quality services and facilities in the whole area. So, the economic value and potential of the whole area was lifted. The speed as well as the scale and quality of the changes that took place surprised many – especially those accustomed to the way things happened in old Liverpool (Parkinson 2010). The city centre renaissance came from building particular areas of the city – the waterfront, the city centre, south Liverpool and more recently Knowledge Quarter Liverpool and the creative and digital Baltic Triangle. Physical renewal in and of itself is not enough. But at times when the challenge of fixing Liverpool seemed overwhelming to many involved, tackling finite parts which had some economic potential was one way of achieving progress and developing momentum. The big development projects now beginning like Paddington Village and Upper Central in KQ Liverpool, Pall Mall in the commercial district and the International Garden
Festival site on the waterfront, could make a similar contribution in the next decade to Liverpool’s city centre economy.

Culture in the dock (Credit: University of Liverpool image bank)

The city centre – managing, marketing and mobilising investment

The crisis has been a major blow for the city centre, one of the jewels in Liverpool’s crown. Nevertheless, it remains a key driver of the city’s economy and not all of its economic activities are dependent upon the visitor economy. It is crucial that we recognise the contribution it has and could make in future to the city’s success and protect and invest in it. But it will be different and working out in what ways it will be so will be important. Beyond the Brink argued that Liverpool should be planning the city centre not only for existing economic activities but for those that would emerge in the next decade. COVID-19 has made this even more important. For example, it is not impossible that the experience of lockdown for some young professionals in London may make them and their firms consider whether they want to live and work outside London in future. Given the historically unbalanced and economically, financially, culturally and politically centralised nature of our country such an anti-London trend may not be that likely. But it would be very welcome and we should at least explore it. There are equally interesting questions to be raised about the future of office work and professional services and the impact of digitalisation on them after COVID-19. We may need different kinds of office space in future or more laboratory space.

Of course, we don’t know at this point whether these long-term changes will happen. But we do already know for certain we will need to adopt a series of physical measures to cope with social distancing in the city centre. Liverpool City Council is already doing or considering
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many of them. They include: widening pavements to achieve social distancing; pedestrianising and making some restaurant streets; creating more city centre cycle routes; putting more activity on the streets rather than inside buildings; allowing more tables on the street for restaurants; giving financial support to micro-businesses to exploit such opportunities; policing, managing and animating the centre more intelligently; adopting more sensitive environmental and transport policies. In the longer-term we will need a global campaign to market the city centre as a safe, attractive environment locally, nationally and internationally supported by its businesses, football clubs, cultural institutions and conference organisations. And we will need to find and mobilise more quality investment in the centre.

One of the fabulous aspects of Liverpool is the way its wide river, high skies but compact scale so effortlessly morph with its Georgian and Victorian architecture, its history, language, culture and people into an almost indefinable essence – ‘Liverpoolness’. The achievements of the early 2000s heightened that sense of a city comfortable in its own skin and place. But Beyond the Brink argued that too much of the wrong kind of development in Liverpool city centre could put that at risk. This crisis may have provided the perfect opportunity for the city to stop, think and reclaim what is good and authentic about the city centre so it will always attract visitors, investors, students and the curious to such an interesting place. Slow tourism – with fewer higher quality visitors and activities – has become more attractive to Venice, Amsterdam and Barcelona. Liverpool should put itself in such good company and ask – what kind of city centre do we now need and want for whom? I sub-titled Beyond the Brink the Remaking of a Post Imperial City. This could be the remaking of a post-COVID-19 city centre. Liverpool made huge changes in the city centre in a remarkably short time. This is perhaps another historic opportunity to reimagine Liverpool city centre and remake something magnificent. There could yet be a silver lining to this dark tale.

Investing in people – inclusive growth

It is crucial that policies are put in place to support those who did not share in the benefits of the boom, were hit by austerity and were hit again in the COVID-19 crisis. Beyond the Brink underlined Liverpool had had, and was having, an extraordinary renaissance. But renaissance is not only about places, it is about people – and all the people. And there remain significant problems. The Government’s Index of Multiple Deprivation (IMD) in 2019 showed Liverpool is the third most deprived local authority in England and 45% of the city’s neighbourhoods are among the 10% most deprived in England. In 2017, over 32,000 were in poverty and in 2 wards the rate was over 50%. 1,200 children were in local authority care – higher than similar cities. Life expectancy was 6 years below the England average. It lagged behind the nation in both school readiness and educational attainment. 23% of its resident workers earned below the real living wage rate. 13% of its residents were not working. The most challenging area of the city was north Liverpool. It has always been the poorest part of the city and remains so with higher levels of unemployment and crime and lower levels of health, education and housing than the rest of the city. Its condition did not change significantly during the boom years. Austerity has reinforced its problems. Between 2007-15, the north of the city remained pretty much where it was in terms of deprivation, even though the numbers of the most deprived fell a little. However, the south got better, improving its status in the national
picture by almost 25%. In other words, the gap between the poorer and richer parts of Liverpool is not only big – it is growing.

**A public health crisis – particularly for poorer and BAME communities**

These issues of poverty and inequality have been underlined by the impact of COVID-19. At its heart this is a public health crisis. But we also know that a higher health price has been paid by poorer and BAME communities nationally. Poorer people suffer more from the impact of COVID-19 because they have worse health, worse access to services, work in lower paid often key worker jobs, and as a result have been more exposed to the virus than better off people in middle class, white collar jobs who have better access to digital technology and can work more effectively from home. Liverpool was hit harder than other places because it is poorer with worse health. For example, the ONS has shown that Liverpool has had the highest per capita death rate of the UK’s 10 Core Cities (ONS 2020a). But this should not be a surprise because the IMD in 2019 showed the Liverpool was the second most deprived local authority overall in the country in health. The full data is not yet available, but we might expect that the poorest parts of the city will have the highest death rate, reflecting the 12-year mortality gap in the city between its least and most healthy wards. The coronavirus was a health tragedy waiting to happen in Liverpool.

After we emerge from lockdown it is important that the sacrifices made by many people are not forgotten as the Thursday night clapping ends. The city must ensure that the gap between the poorer and better off places is closed and that the health provision in the poorer parts of the city match those in the better off parts. The wages and conditions of the people who did the dirty work in the caring, health and distribution sectors must be increased to reflect their social value that has been so clearly underlined – not their current market value. There will also need to be a new relationship between the National Health Service (NHS) and the social care sector, a disjunction that has been cruelly underlined by COVID-19 (Booth 2020; Akpan 2020). There should be a shift from an ill-health and demand driven approach to a well-being service with the NHS and social care sector operating far better together. There should be an increase in the recognition of the importance and value of adult social care. If the opportunity to reduce residential care and increase supported living is taken, the pay of care workers employed or paid for by Liverpool City Council should at least match working in the supermarket at Aldi – not be £2 less! More widely the case for Universal Basic Income that is increasingly being made must be seriously examined (Thompson 2020). The values of community, kindness and respect, which marked much of the behaviour of people during the lockdown, should be mobilised to help the city get the right policies for all people in the city in future. The equity agenda was important in the past. It will be crucial in future. It will not be simple, straightforward or quick, but it is needed. And the lessons of the past 35 years are that the city, its leaders and people can achieve great things when they set their minds to it. They need to do so again on this great issue.

**So what for Government?**

One of the most obvious points about the city’s fall and renaissance over 35 years is that it coincided with changes in the level of Government attention, support and resources for cities generally. *Liverpool on the Brink* showed how the withdrawal of public money in the late 1970s and 1980s precipitated the political and fiscal crisis which damaged the city’s
reputation, self-image, self-confidence and economic performance for two decades and arguably contributed to the social discontents and riots of that era. By contrast, *Beyond the Brink* showed that many of the projects which kick-started Liverpool’s recovery were created and financed by national Government as well as by the European Commission. They took the initial risk out of development and encouraged subsequent private sector investment. The city had one of its most successful periods when the Liberal Democrat City Council exploited the New Labour Government’s commitment after 1997 to intervening and funding regeneration initiatives. But Liverpool’s challenges have grown again under austerity since 2010 as Government has retreated from its commitment to cities.

More generally, despite its devolution initiatives and plans to develop national and local industrial strategies, Government has withdrawn from a coherent urban policy. It should return to one. The Liverpool story has demonstrated that public expenditure when regarded as investment does create national and local benefits. It can create ambition, hope and confidence for key partners. Liverpool is a good example of the decisive role the public sector can play in incentivising, rewarding or de-risking market sector involvement, especially in places where the private sector is weak or risk averse. It can play a crucial part in creating markets and making cities investable. The evidence about urban success in Europe only underlines this point (Parkinson 2012). The scale of the COVID-19 crisis has reinforced the case and need for Government investment in our cities. It is crucial that a serious conversation now takes place between the city leaders and the Government about what can be done by whom to sustain Liverpool’s recent achievements and help it make a real contribution to national recovery after COVID-19.

*Quo vadis Liverpool?*

This paper started by asking the question whether *Beyond the Brink* had been too positive and if Liverpool’s recent progress had been arrested by COVID-19 and it had slipped back on to the brink as in the 1980s. That book argued that Liverpool had fallen from an imperial city and that it was still coming to terms with its post-Imperial status. The city became a shadow of its former self, economically, politically, socially, culturally and demographically. Economically, it lost its role and self-confidence. Physically, it imploded and disintegrated as it lost almost half its population. Politically, it became introverted and resentful. The book showed that the fall was real and serious and that the place, its leaders and its people developed self-doubt. But it also showed that they had emerged from those shadows and had found a new self-belief. It was being remade – economically as well as physically. It was growing in self-confidence. It was raising its aspirations and its horizons. Liverpool was well beyond the brink.

By a curious accident of fate sadly I finished both *Brink* books with a metaphor about tragedy. I ended the original 1985 *Brink* by saying the saga was a Greek tragedy. The city’s fate was determined as the play opened. The actors merely made sure it met it. But I ended *Beyond the Brink* by saying that it was no longer true. The actors in the current Liverpool play were actively writing a new ending. And it was not a tragedy. In fact, sadly COVID-19 has been a tragedy for many people. That must not be denied and the pain will need to be assuaged. This has been and remains a crisis for the city. But it is not a catastrophe. The city, its people and its leaders have fought back from many crises in the past. They are fighting
back from this. However, we will soon enter the phase after the lockdown is ended but before an effective vaccine is widely available, which could last up to a year or even longer. This will be the most uncertain, complex and difficult period for the city and its people to manage. We must be prepared for this. However, many organisations have shown great flexibility and ingenuity in meeting the crisis. Their ability to respond with such speed, creativity and commitment should give cause for hope in future. In Beyond the Brink I wrote that a great leader once said there was nothing to fear but fear itself and that Liverpool’s recent history demonstrated it had no need to fear for its future. My belief and fervent hope, supported by much evidence, is that this is still true today. Liverpool still remains beyond the brink. It is now for all its leaders, with Government support and crucially that of all parts of the city’s community, to deal with its new challenges so that it remains true in future. And I know they are up for that!

**What might a recovery plan look like?**

**Some principles of a plan**

This paper is not a plan for the recovery of Liverpool. That is for others to write. It is a more modest attempt to make meaning of the crisis. But it has nevertheless identified some crucial principles which could inform such a plan. Many of them I had already spelt out in Beyond the Brink before the COVID-19 crisis. I argued then that the city should develop a culture of confidence, ambition and aspiration. It should move beyond physical regeneration to economic competitiveness. It should share the benefits and spread the wealth of the remade city more widely. It should involve all the city’s leaders not just elected politicians. It should work for both the city of Liverpool and the wider Liverpool City Region. The city should internationalise its thinking and exploit the global Liverpool brand more. All those principles would be important to a recovery plan.

**Some elements of a plan**

This paper has also identified out some potential elements of a plan. It would need a strategic, ambitious narrative but one which is authentic and based on Liverpool’s past experience and current realities. It should build on the city’s known strengths, address its known weaknesses and seize any new opportunities which emerged during the COVID-19 lockdown. And it should do this across three big themes – productivity, place and people. It must be right for the city of Liverpool but align with wider LCR ambitions and recovery plan. It should have public, private and community partners involved and onside. It should work for Government and help it to deliver national recovery as well as its levelling-up agenda. To do this the plan should address the social equity as well the economic competitiveness and innovative policy agendas, since extensive deprivation is one of the reasons the pandemic has hit the city so hard. It would be a mix of capital and social programmes. It should be well-evidenced, well-costed and deliverable.

**Building on strengths**

A plan would build on knowledge-based industries in KQ Liverpool, particularly in health, which paradoxically is a real constraint upon the local Liverpool economy, but a real strength of its global higher education institutions. It would help protect and preserve the visitor
economy which has driven Liverpool’s recovery in the past decade, and which is now at serious risk. In particular it would help preserve the cultural sector’s film, music, theatre and museum facilities, which have been a crucial part of that visitor economy attracting businesses, residents, students as well as visitors. The cultural sector is as much investment as consumption. It would address the challenges faced in the city centre, a jewel in Liverpool’s crown in the past decade, which is significantly threatened by the continuing need for social distancing, and it should reimagine the role and nature of the city centre.

Dealing with weaknesses

Because Liverpool does not have as many businesses as it needs it should do all it can to save existing good businesses, including the self-employed. Too many people and places missed out on the achievements of the city in the boom and have paid a heavy price during the crisis. So, it must address inequality and poverty within the city, including the extensive disadvantages experienced by the BAME community who have also been particularly vulnerable to COVID-19. Crucially, it must confront directly and urgently the potential damage and risks of social discontent created by substantial numbers of young people becoming unemployed. This would require a mix of skills, training, apprenticeships and community programmes to provide immediate short-term work for the unemployed and longer-term skills for more secure jobs for when the crisis subsides. A major programme to retrofit a lot of the city’s worst housing stock would be an obvious contender to protect both people and places.

Seizing opportunities

Liverpool must preserve as many of the benefits of the COVID-19 lockdown. It must protect the environmental gains made by the reduced use of private transport. It must do as much as possible to help good ethical firms. It should explore and encourage going local in our economy. It should do more with the social economy and foundational economy. It should exploit digitalisation to address the challenges of social distancing. It should exploit further the sustainable, green, low carbon, renewable energy agenda. It should capitalise upon the incredible community mobilisation and volunteering the crisis has called forth.

We are remaking the city

It must be right for the future. Beyond the Brink told Liverpool it must no longer be a willing victim for developers but must raise the quality of its development. COVID-19 makes this more important. The city must hold its nerve, develop mature relationships with higher quality developers and funders and use its land strategically for key projects, not do development at any cost. And leadership will matter. Just as they have in the crisis, the city’s leaders should be good partners but bold and decisive. If Government responds to that as it should, Liverpool will be a progressive, global city helping the country’s recovery and renewal. There should now be a serious conversation between the city’s leaders and Government to make that happen.
Make No Little Plans!

The scale of the emergency response to the crisis has demonstrated the extent of change that can be achieved in a short time on even intractable issues with an active state response, political commitment and community mobilisation. It is crucial after the health, economic, social and psychological costs the crisis has imposed that such a spirit inspires any recovery plan. We are not going back to an old normal. It will be as much about reimagining and renewal as recovery. Any plan must be up to the scale of that challenge. I called my book about the extraordinary renaissance of Liverpool city centre in the 2000s Make No Little Plans, adopting the words of the architect of Chicago, Daniel Burnham. He wrote: ‘they have no magic to stir men’s blood and probably themselves will not be realised.’ I agree with him. We didn’t make little plans in the face of prosperity. We shouldn’t now in the face of adversity. Let us at this critical moment be that shining national and international light this city has always tried to be. Let us make big plans.

‘We Love this City’ in the Baltic Triangle (Credit: Andrew McClelland)
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This paper is complemented by a policy briefing also written by Professor Michael Parkinson which can be accessed here - www.liverpool.ac.uk/heseltine-institute/covid-19policybriefs/