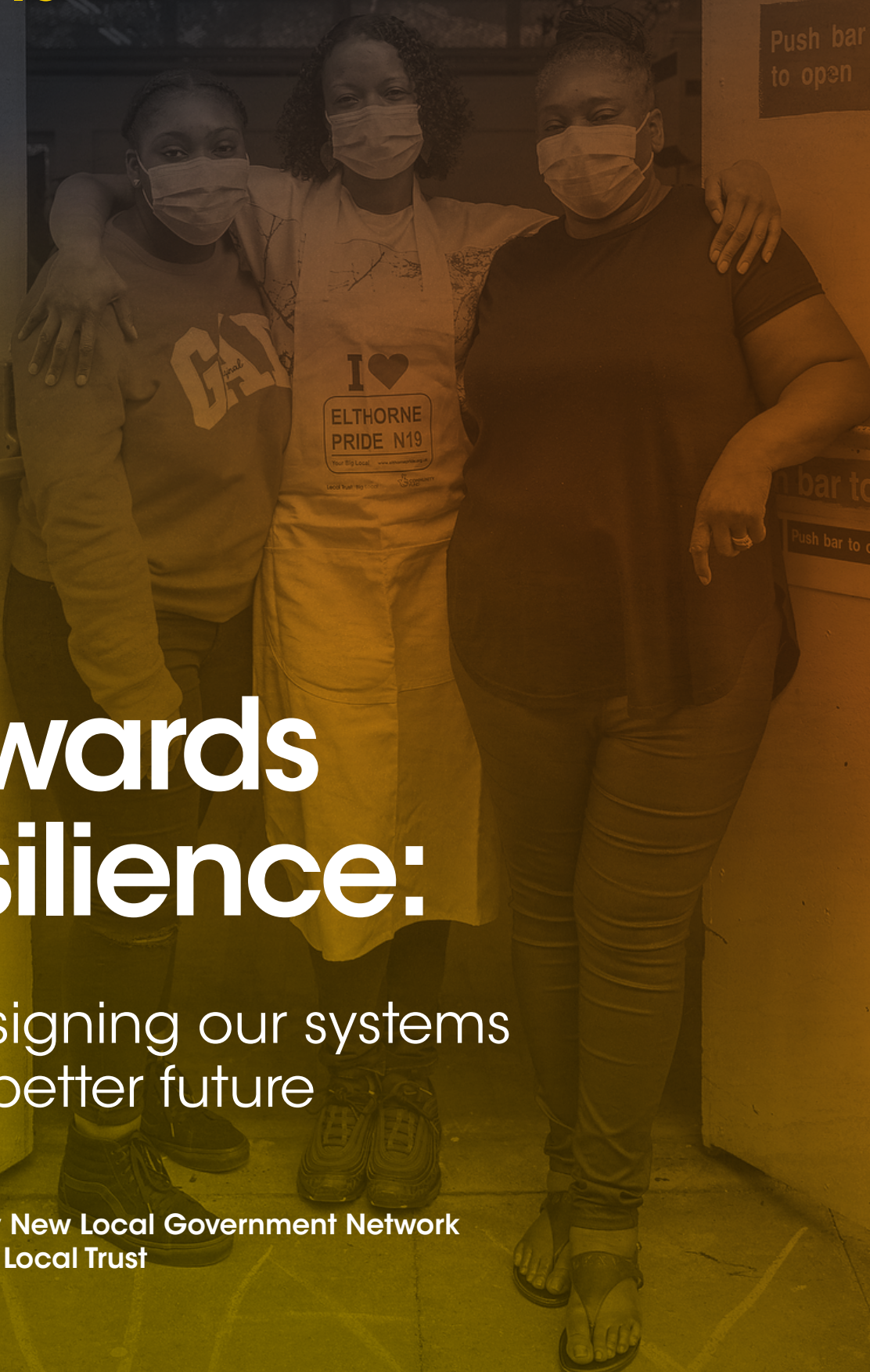# Local Trust
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Towards resilience:

Redesigning our systems for a better future

A report by New Local Government Network (NLGN) for Local Trust

Local Trust

About this report

This paper makes the case that the concept of resilience needs to be at the heart of attempts to 'build back better' after the COVID-19 pandemic. Local Trust commissioned NLGN to produce research into where any efforts to build resilience in Britain will be most effective, and to bring those insights together as a foundation for that process.

Luca Tiratelli, Policy Researcher, NLGN

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Introduction

From both a public health and an economic perspective, Britain performed poorly during the COVID-19 crisis in comparison to similar countries. When put to the test, many of our society's core systems were revealed to be incapable of withstanding extra stress and demand. This paper intends to start a conversation about how we can move towards resilience for a more prepared and better future.

The first two decades of the 21st century have, if nothing else, rebuked the 'end of history' thesis (which asserted that a final global world order of liberal democracy and capitalism had triumphed over its competitors, supposedly ending ideological struggle once and for all) popular in the 1990s.

Since the turn of the millennium, however, three major shocks to a system and way of life we take for granted have occurred. The terrorist attacks of 9/11 in 2001 showed western liberal democratic ideals to in fact be both contended and vulnerable, and introduced the fear of terror to everyday life. The global financial crash of 2008 shook the foundations of our economy and exposed major problems within our financial systems. And now COVID-19 has created a global public health emergency that is having waves of social and economic consequences across the world. Far from ending, history seems to be speeding up.

Looking back at the way we responded to the first two crises, it can be seen that we approached each on its own terms. The response to 9/11 was years of entangled wars in the Middle East, costing hundreds of thousands of lives and spreading discord deep into the global social fabric rather than making the world any safer. Britain's response to the 2008 financial crash was a decade of public sector retrenchment, and while some reforms were made to the financial sector, the stress testing that followed was limited to our banks, rather than taking the opportunity to look further at the vulnerability of our economy to other types of systemic shock.

We can't afford to be similarly ineffective in our COVID-19 pandemic response. The virus has already had huge repercussions for people's lives and livelihoods, and public finances. But whilst there appears at times to be a race to return to 'normality', there seems also to be a general recognition that returning to 'business as usual' would be inadequate.

Beyond the startling death toll, the fragilities of our economy and society that the virus has exposed raise complex questions about the extent of our national vulnerability. Even as we grapple with the immediate impact of COVID-19, there is an urgent need to get to the root cause of our exposure on so many fronts to the consequences of the virus.

To do this, we must take a step back from seeing the crisis as simply a public health emergency, or a subsequent economic crisis, and instead view this current period as a stress test that has been run concurrently on all systems in modern Britain. If we do this, one major theme emerges – a theme that, if we engage with it, can help us ensure that this time, we genuinely 'build back better', and set ourselves up to withstand future shocks.

That theme is resilience – and this paper is intended to begin and inform a wider conversation about how we can achieve it.

Why is resilience important right now?

What do we mean by 'resilience'?

At its most basic, resilience is a simple concept. It refers to the ability of a system to withstand disruption and recover within a reasonable period of time. It is a product of attributes such as flexibility, resourcefulness, responsiveness and diversity.

In the context of public policy, it tends to refer to approaches that attempt to deal with issues holistically and at their root, rather than just addressing symptoms. As such, in this paper, we use it to refer to a drive to redesign and regenerate our systems and infrastructure so that we can create a better future. It does not mean working out ways to buttress things that already exist but are failing and unsustainable.

A more detailed discussion of these ideas can be found in this recent briefing paper from Local Trust,[1] which explores how resilience relates to communities, and provides references to a wider body of relevant literature.

The ongoing COVID-19 pandemic, and the economic crisis that has followed, has thrown into sharp relief the need for more thinking about and commitment to building resilience in Britain.

The first few weeks of lockdown exposed fragilities in our systems with frightening regularity. There were shortages of personal protective equipment (PPE) for frontline health workers, revealing problems in our medical supply chains and in our industrial capacity.[2] The length of time it took to build up and accelerate our testing capacity raised doubts about national procurement capability and exposed a lack of connectedness within our public health infrastructure.[3] Panic buying created short-term shortages of certain items. Supply soon caught up, but since then, the agricultural sector's reliance on short-term foreign labour has raised doubts about our food supply chain in the medium to long term.[4]

The public service response was a triumph of the personal passion of the key worker, rather than the rigour of the basic system framework. Years of 'efficiency' drives across the public sector have stripped back capacity to a minimum; staff are stretched, services lack investment and 'nice to haves' such as effective emergency planning were ditched years ago.[5]

[1] McCabe, A. et al. (2020). 'Community Resilience or Resourcefulness?'. *Local Trust*.

[2] Leach, M. (2020). 'Communities must be at the heat of plans for a new resilient Britain'. *Local Trust*.

[3] Hunter, P. (2020). 'Why the UK failed to get coronavirus testing up to speed'. *The Guardian*.

[4] Barbulescu, R & Vargas-Silva, C. (2020). 'Seasonal harvest workers during COVID-19'. *The UK in a Changing Europe*.

[5] Aldred, J. (2020). 'This pandemic has exposed the uselessness of orthodox economics'. *The Guardian*.

The pre-pandemic drive to eliminate 'slack' from the system resulted in a dire lack of flexibility in the face of crisis; highlighted, for example, by the stark fragility of the care sector. As with so many things, regional disparities were exposed, with the 'left behind' areas that have recently been the focus of much government attention facing greater demand for and pressure on services,[6] and demonstrating less capacity to compensate for this through existing social capital.[6]

The economic crisis emerging as a result of the pandemic is exposing the precarious positions of many. Can a country in which 32 per cent of people have less than £2000 worth of savings survive a sharp rise in unemployment?[7] Do we have the necessary training capacity to reskill those whose jobs are gone for good?[8]

Those experiencing economic vulnerability for the first time join the ranks of those already living at the sharp end of an economy that is characterised by low pay, zero-hours contracts, and a gig economy, which promise flexibility but only really deliver insecurity.

Looming challenges

It's clear then, from surveying our national response to the pandemic, and contrasting it to other comparable countries,[9] that addressing our particular systemic weaknesses is a priority. Beyond the immediate demands the pandemic creates, there are looming future challenges that were present before the virus hit our shores, and haven't gone away.

These threats can be identified on a number of fronts. Inequality – whether between generations,[10] between regions,[11] or within society as a whole – is on the rise, which has profound health and social consequences for all.[12] The ability of the state (at all levels) to respond is increasingly hampered by declining democratic legitimacy and trust.[13] The evidence of the cumulative effects of climate change is growing as fast as our window of opportunity to respond before we face widespread ecological catastrophe is narrowing.[14]

[6] Felici, M. (2020). 'Social Capital and the Response to COVID-19'. *Bennet Institute.*

[7] Cherowbrier, J. (2019). 'Share of adults with cash savings in the United Kingdom (UK) 2017, by amount'. *Statista.*

[8] Petrie, K & Shepherd, J. (2020). 'A new safety net: Guaranteeing jobs and training after the crisis'. *Social Market Foundation.*

[9] Inman, P. (2020) 'UK economy likely to suffer worst Covid-19 damage, says OECD'. The Guardian.

[10] Bangham, G. et al. (2019). 'An Intergenerational Audit for the UK: 2019'. *Resolution Foundation.*

[11] 'UK has higher level of regional inequality than any other large wealthy country'. The University of Sheffield (2020).

[12] NLGN has written previously about the "triple crisis" of rising levels of inequality, deteriorating democratic legitimacy and climate change. See Lent, A. (2020). 'Community power and the triple crisis of the new decade'. *NLGN.*

[13] Lent, A & Studdert, J. (2019). *The Community Paradigm. NLGN.*

[14] Ciavarella, A. et al. (2020). 'Prolonged Siberian heat attributed to climate change'. *Met Office*

Volunteers from Elthorne Pride distribute 'complimentary store cupboard basics' to members of the community at St Johns Community Centre on the Elthorne Estate in N19, London

Our population is ageing, creating new demands on services built for eras with different demographic expectations.[15] What's more, COVID-19 has accelerated changes already happening in labour markets. Before the pandemic, technological innovation had already started to have huge consequences, with automation making roles carried out by human beings redundant across large swathes of our economy.[16]

In each domain, the challenge of the coming decade will be to create resilience alongside prosperity – so that rather than lurch from crisis to crisis, we weatherproof our social, economic and democratic systems so that they are fit for long-term purpose. The status quo has, in recent years, left us exposed to being buffeted by these forces rather than creating capacity to withstand and adapt to them.

What comes next must be more resilient, fairer, and fundamentally better.

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[15] Thompson, C. (2015). 'Meeting the challenges of an aging population'. *NHS*.

[16] Sampson, A. (2018). 'The robots are here: how humans can build resilience for the automated future'. *Adaptive Lab*.

Areas of structural weakness

How then, in practice, can we develop systems that are able to withstand these challenges? How can we make the phrase 'build back better' truly meaningful? What would a 'resilient Britain' look like?

In order to answer this question, and to build a coherent plan for the future, we must first explore which areas of our national life currently lack resilience. The following sections highlight what we see as five areas of structural weakness in need of urgent attention.

Poorly performing economy

In just one month, during the height of lockdown, the UK's economy shrank by 20 per cent.[17] These are the kinds of extreme numbers that can only be produced by cataclysmic exogenous shocks. Yet they should not mask the fact that even before the pandemic, our economy was experiencing serious difficulties. Indeed, it was already shrinking, reducing in size by 0.1 per cent in February of this year,[18] before the crisis struck.

These headline GDP figures emerge in the context of worrying indicators elsewhere. Our national productivity is weak by international standards and has been for many years. We have just endured what has been called a 'lost decade' for productivity,[19] with increases in output per hour growing by an average of just 0.3 per cent between 2008 and 2018.[20] This has several knock-on effects. Living standards have stagnated; in the 10 years to 2020, we saw the lowest levels of wage growth for workers for any decade since the Napoleonic Wars.[21]

Our economy is heavily skewed towards the finance sector, and geographically towards London. Regional imbalances are a persistent feature, as large parts of the country have been 'left behind' by economic shifts such as the decline in manufacturing that began in the 1980s, the fallout of which has never been effectively addressed.

[17] 'UK economy shrinks by record 20% in April', *Financial Times,* (2020).

[18] Inman, P. (2020). 'UK economy already flatlining before coronavirus, figures reveal'. *The Guardian.*

[19] 'UK productivity continues lost decade', *BBC,* (2019).

[20] 'Poor productivity growth of 0.3% is 'statistic of the decade'', *Financial Times,* (2019).

[21] 'Is wage growth at the same level as during the Napoleonic wars?', *Full Fact,* (2017).

These structural weaknesses in our economy are a big part of why we are now predicted to face a more severe economic fallout from the COVID-19 crisis than most comparable nations.[22] Numerous sectors – some incredibly strategically important – have now sounded the alarm about their long-term viability as a result of social distancing measures. The retail sector, which in many areas has grown and created jobs where other industries have declined over the decades, has been hit hard.[23] Tourism, another sector upon which particular parts of the country are highly dependent,[24] has also taken a significant blow, as have town centres dependent on the economic activity of office workers.[25] More widely, all sectors face challenges due to the disruption to global supply chains we have come to rely upon.

For the time being, the government has been able to keep our economy on life support through the first stages of this crisis through direct financial support to individuals and businesses. However, over the long term, this kind of government action is surely unsustainable. Structural weaknesses and sector vulnerabilities need to be addressed as part of a wider rebalancing, diversification and reform of our economy to increase its resilience to external shocks.

• **How will this economic crisis affect existing issues in the UK economy, such as productivity and regional imbalance?** • **How sustainable are current economic approaches aimed at promoting recovery?**	**Key questions**

22 Inman, P. (2020). 'UK economy likely to suffer worst COVID-19 damage, says OECD'. *The Guardian.*

23 Inman, P. (2020). 'UK retailers face declining sales amid COVID-19 shutdown'. *The Guardian.*

24 'Impacts on the UK tourism industry from COVID-19 (Coronavirus) examined'.

25 Barton, L. (2020). 'The uphill battle to get workers back into deserted city centres'. *The Telegraph.*

Disconnected decision-making

Across the different headlines criticising aspects of Britain's initial slow response to the pandemic – lack of PPE, inadequate testing and inconsistent public health guidance – a clear pattern of disconnected decision-making emerged. It has become increasingly apparent to many observers that the governance architecture that exists in this country is not capable of the kind of real-time intelligence-gathering and rapid, flexible response demanded by crisis.

Britain's centralised decision-making processes have been shown by the pandemic to be ineffective and cumbersome,[26] particularly in comparison to those of other countries with more devolved systems.[27] An internal Whitehall review found that local emergency planning teams believe their work had been compromised by the central government machine withholding data and intelligence.[28] The infrastructure of our health system, and the ways in which different public bodies interact within the NHS, has been inefficient. Public Health England has come in for particular criticism,[29]

and ultimately, contentious reform. Likewise, the lack of transparency and accountability around influential bodies like the Scientific Advisory Group for Emergencies (SAGE) has been seen by some as problematic.[30]

These problems emerged in the context of a political culture that has been grappling with issues of public trust and alienation for some time. Many have argued that the 2016 Brexit vote reflected the strength of a certain anti-politics current in British public opinion,[31] and a frustration with the status quo in terms of how decisions are made and whose interests get heard. The general growth in support for Scottish and Welsh independence might also be seen through this lens.

Fundamentally, then, it seems that over the first months of the pandemic, Britain's overcentralised systems of administration and decision-making failed the test of resilience. They are inefficient and disconnected, which makes dealing with crises substantially more difficult, as we lack the adaptability and nimbleness required to act effectively. Major structural reforms will be needed to correct this.

Key questions

- How might a less centralised system of national administration and decision-making be more resilient, and what would it look like?

- How can we increase the legitimacy of national and local decision-making systems and institutions?

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26 Studdert, J. (2020). 'England's over-centralisation isn't just a governance issue now – it's a public health emergency'. *Inlogov.*

27 Weiss, K. (2020). 'Decentralised, competitive and local: how Germany's health system is tackling the virus'. CAPX.

28 Butler, P. (2020). 'Emergency teams condemn government's 'controlling' approach to crisis'. *The Guardian.*

29 Forrest, A. (2020). "Abolish it tomorrow': Boris Johnson urged to axe Public Health England over response to coronavirus crisis'. *The Independent.*

30 Mendick, R. (2020). 'Calls for names of scientists shaping UK strategy to be made public amid fears over coronavirus transparency'. *The Telegraph.*

31 Vines, E. (2020). 'How did it come to a Brexit? Anti-politics and UKIP's effects on the EU referendum'. A*cademia.edu.*

Social fragility

The fragility of much of Britain's social fabric can be identified in a number of ways. Deep inequalities characterise our society and persist through generations. The virus exposed the interplay of economic, racial, health and geographic inequalities. Certain demographic groups have lost their lives at far higher rates from COVID-19 than others, with Black people and those of Bangladeshi heritage most at risk.[32]

This intersects with economic status, with those living in the most deprived areas far more at risk and likely to die from the virus than those in the most affluent.[33] The experience of the pandemic has cast light on issues of inequality that seemingly had previously been largely tolerated; from the low pay of essential workers, to the systemic racism that had largely been ignored by the mainstream – until the murder of George Floyd in the US forced a renewed national focus on Black people's lived experience in the UK.

The formal side of our social infrastructure has also struggled during the pandemic – specifically our people-focussed public services. Shockingly, a third of COVID-19 deaths during the pandemic have been in care homes.[34] The seeds of this particular catastrophe appear to have been sown when, early on in the pandemic, around 25,000 hospital patients were discharged into care homes without being tested for COVID-19 in order to free up bed space at the front line. This demonstrates the knock-on effects of insufficient resilience, whereby an identified weakness of one part of the healthcare sector was met with a response that increased the exposure of another, highly vulnerable, part.

As with so many other systems that have creaked during the crisis , the social care sector was one that was already showing signs of trouble. Demand for its services are growing,[35] and there is cross-party recognition that our current system of funding is inadequate for the long term.[36] Many are also deeply unhappy with the quality of provision,[37] raising questions about what reforms would be needed to ensure that we have a care system that both meets needs and is sustainably funded – and thus be considered resilient in the long term.

- **How can we ensure that this crisis does not reinforce and deepen existing inequalities in our society?**

- **What does a more resilient post-pandemic health and social care system look like?**

Key questions

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[32] Campbell, D & Siddique, H. (2020). 'COVID-19 death rate in England higher among BAME people'. *The Guardian.*

[33] 'Disparities in the risk and outcomes of COVID-19', *Public Health England*, (2020).

[34] Walker, P et al. (2020). 'Fury as Boris Johnson accuses care homes over high COVID-19 death toll'. *The Guardian.*

[35] 'More people asking for social care support but fewer getting it as demand leaves social care system at crisis point', *The Kings Fund*, (2019).

[36] Ham, C. (2018). 'Cross-party approach to the NHS and social care'. *The Kings Fund.*

[37] Robertson, R et al. (2019). 'Public satisfaction with the NHS and social care in 2018'. T*he Kings Fund.*

Labour market precarity

Our labour markets have already been operating with a significant degree of precarity for some time now, with the exigencies of this further laid bare by the pandemic.

The levels of unemployment that are likely to result from the financial crash caused by lockdown will go 'way beyond anything we've experienced' in the recent history of this country.[38] During the recession that dominated so much of the last decade, one of the few consistently positively trending economic indicators was employment, with more than three million jobs being created in Britain between 2010 and 2019.[39]

With the government currently supporting more than nine million jobs through the furlough scheme,[40] many analysts fear this is masking a future cliff-edge when government support stops; even if a minority of those currently on furlough face redundancy, then we will be facing an unemployment crisis of a different order to what was experienced after 2008.

This will place serious pressures on a welfare system that has been extensively reorganised under austerity measures since it last had to deal with a period of high unemployment. In the first five weeks of lockdown alone,[41] some 1.5 million new claims for universal credit were filed. Whether the system can handle these sorts of numbers for any sustained period of time is an open question – as is whether many of these new claimants can afford to live on meagre levels of support until new opportunities arise.

38 Stewart, H. (2020). 'Labour: unemployment could go 'way beyond anything we've experienced'. *The Guardian*.

39 Inman, P. (2019). 'The British economy creates lots of jobs – not lots of pay rises'. *The Guardian*.

40 Clark, D. (2020). 'Number of jobs furloughed under the job retention scheme in the UK 2020'. *Statista*.

41 Butler, P. (2020). 'Universal credit claimants with larger families will lose out, say campaigners'. *The Guardian*.

These questions are what is leading many to call for more radical solutions such as Universal Basic Income,[42] or a Universal Jobs Guarantee,[43] which offer universal safety nets, tipping the system away from the conditionality that has increasingly come to characterise it.

What makes this situation such a serious test of resilience is that our labour market was already facing serious long-term challenges. Automation poses a major threat to around 1.5 million jobs.[44] Even among those with jobs, low pay is endemic, affecting over 17 per cent of the workforce.[45] 15 per cent of families with an adult in work are in poverty.[46] Close to 900,000 workers are on zero-hours contracts,[47] denied the stability of traditional employment. Put simply, work has not been delivering people the security and solvency it has traditionally promised for quite some time now.

As such, the labour market can be considered another area of structural weakness for resilience. Addressing the issues outlined here will be foundational to building a resilient Britain, ensuring that workers in this country are guaranteed a basic quality of life.

- **What systems, and what reforms, will be needed to deal with a potential tidal wave of unemployment?**

- **What employment sectors will remain vulnerable in a post-recovery Britain?**

- **For those who remain employed, how can we ensure that their jobs contribute to, rather than diminish, individual and collective resilience?**

Key questions

42 Painter, A. (2020). 'The case for Universal Basic Income after COVID-19'. RSA.

43 Petrie, K & Shepherd, J. (2020). 'A new safety net: Guaranteeing jobs and training after the crisis'. *Social Market Foundation.*

44 'Which occupations are at highest risk of being automated?', *ONS,* (2019).

45 Cominetti, N et al. (2019). 'Low Pay Britain 2019'. R*esolution Foundation.*

46 'Working-age poverty', *JRF.*

47 Clark, D. (2020). 'Number of employees on zero hours contracts in the UK 2000-2019'. *Statista.*

Environmental vulnerability

One of the great ironies of the COVID-19 pandemic in Britain has been that whilst the virus has directly led to the loss of tens of thousands of lives, evidence shows that it has indirectly saved some others, because lockdown measures have led to improvements in air quality.[48] This demonstrates the interplay of resilience across different aspects of our society; for example, population health outcomes can be directly affected by local environmental resilience.

Climate change is a huge threat to our resilience. Indeed, with temperatures inside the Arctic Circle reaching 38°C in June,[49] the urgency to respond is becoming greater; as more time wasted, the deeper the damage to earth's atmosphere will be. As we emerge from the pandemic, the climate crisis might well be the next to impose significant worldwide shock events upon economies and society.

Shoring up our resilience to climate change will involve measures to improve our robustness to the immediate consequences of changing global temperatures. Natural disasters are going to become more frequent, particularly flooding.[50] This will mean investment in infrastructure, and investment in communities,[51] so that they have the tools they need to deal with hyper-localised adverse conditions.

Beyond these mitigation measures, there is a harder challenge to build economic and social systems and norms that reduce the threat of climate change itself. There is an increasing imperative to decarbonise the economy, which will mean major structural change. It is crucial that we build the capacity to deal with this, so that our economy can continue to be productive, and so that people can continue to have employment in a post-fossil-fuel future.

Creating a more resilient environment will have to underpin all other efforts to create a resilient Britain.

Key questions

- **How can we ensure that resilience measures enable us to thrive in a post-carbon future?**
- **What are the implications of the ways in which environmental problems interact with other issues, such as public health?**

[48] 'Coronavirus: Cleaner UK air during lockdown has 'saved 1,700 lives', says study', Sky News, (2020).

[49] 'Arctic Circle sees 'highest-ever' recorded temperatures', BBC, (2020).

[50] 'How much flooding is in the UK"s future? A look at the IPCC report', *Carbon Brief*, (2014).

[51] Ntontis, E et al. (2018). 'Community resilience and flooding in UK guidance: A critical review of concepts, definitions, and their implications', *Journal of Contingencies and Crisis Management*, 27(1), 2-13.

Key domains for resilience

Taking these areas of structural weakness into account, how best can we conceive our approach to building a resilient Britain?

It is clear that we need to think about resilience across multiple domains, allowing us to then analyse how key systems within those domains can be (re)designed so that they can better withstand future shocks. We have identified five key domains for consideration:

1 Economic resilience
Supply chains, food security, energy

2 Public sector resilience
Pubic services, government structures

3 Community resilience
Community groups, voluntary sector organisations

4 Environmental resilience
Climate change prevention and mitigation, environmental regulation

5 Workforce resilience
Skills, precarity, labour market change and conditions

A resilient Britain

Properly redesigned and regenerated, these five domains together will act as the foundations of a resilient Britain.

Next steps

In this report, we have defined resilience simply as the ability of a system to withstand disruption and to recover within a reasonable time period. We believe that it has been this ability to withstand disruption that determined which systems have failed, and which have thrived during the COVID-19 pandemic.

In order to 'build back better' from this crisis, we must learn and incorporate lessons. Future shocks of one kind or other are inevitable. So the question is: how can our systems, our infrastructure, and our way of life be configured to withstand disruption? When the next global crisis hits, Britain cannot end up at the bottom of lists comparing impacts between nations. We must do better, and doing better means putting resilience at the forefront of everything we do.

Making this vision a reality is going to take a lot of work. We will need to draw on expertise from multiple sectors, and ensure that we learn both from systems that have experienced successes and from those that have experienced failures during the pandemic. What we are calling for here are insights that go far beyond the scope of our own areas of traditional focus, which have been local government and community power.

We will be hosting a series of discussions to explore this topic further, and want people from across each of the key sectors to be involved. For more information and join the conversation follow **#TowardsResilience**.

We want to hear from any organisations that share our diagnosis of the problem, and work together to build solutions. Delivering a resilient Britain will require a coalition of organisations of all kinds, and a network of policy expertise from across the board. We hope that this paper can be the start of that process.