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Crisis and state transformation: Covid-19, levelling up and the UK's incoherent state

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This article provides a novel account of recent UK governance reforms, describing what can be termed an 'incoherent' state, ill-equipped to address complex, multi-dimensional policy challenges. This is evidenced through two interrelated case-studies: Covid-19 and levelling up. We highlight how the tradition of strongly centralised government combined with an ad hoc approach to reform has undermined inter-governmental relations and limited the possibility of effective policy. We conclude by arguing that current levelling up proposals, focused on redesigning sub-national government, reflect these deficiencies and therefore offer an insufficient remedy for the UK's imbalanced economic geography and resulting inequalities. The failure of past reform highlights the need for systemic transformation—including a new governance framework—to address meaningfully the UK's geography of discontent.

Keywords: governance, Covid-19, intergovernmental relations, regional inequalities, industrial policy, levelling up

JEL Classifications: H1, H7, H12, R11

Introduction

The UK has long been recognised as one of the most centralised liberal democracies in the world (Carrascal-Incera et al., 2020). At the launch of his government's flagship programme on levelling up, Boris Johnson asserted: 'It is not just that this country is the most economically imbalanced – it is the most centralised … For many decades, we relentlessly crushed local leadership' (Johnson, 2021). The subsequent Levelling Up White Paper proposed system-wide reform: '[A] new model of government and governance of the UK…rewiring Whitehall…A devolution of decision-making powers to local leaders where decisions are often best taken' (HM Government, 2022, x). Its ambition contrasts with previous government reforms, notable more for their continuity, rather than systemic change. Four decades of New Public Management (NPM) reforms and, more recently, devolution to the nations of the UK and localism within England, have seen incremental

adaptation reflecting the layering-on of change to existing structures.

This article argues that while England in particular remains highly centralised, the development of different modes of policy delivery and ad hoc forms of devolution across the UK have created an increasingly incoherent state. Westminster and Whitehall's centralised polity seeks to control a sclerotic, fragmented system of overlapping authorities at the sub-national level. The incoherence of a forty-year reform programme has led to a lack of congruence between what the government wants to achieve and its capacity to deliver. The lack of integration that often exists between central government and those directly tasked with policy implementation has considerable implications for state capacity and the infrastructural power needed to drive a government's political agenda (Migdal, 2001; Mann, 1984). We illustrate this deficiency through two case-studies—the Covid-19 crisis and the long-term

political economy challenges highlighted in the Johnson Government's (2019–2022) levelling up programme. This incoherence is not a quality of any single government, but endemic within the British system of governance (and has implications for understanding state capacity more widely). It was the ideological ambiguity and governance-style of the Johnson Government that exacerbated, and in turn brought to the fore, the extent of incoherence both in terms of policy objectives and mechanisms for delivery.

We highlight the degree of centralisation (despite proposed reforms to local governance) was incompatible with the Johnson Government's economic strategy. The article reveals that in both NHS test and trace and regional economic policy there has been a failure by central government to work effectively with localities on both policy development and implementation. We conclude by arguing that governance reform which is only ad hoc and partial, rather than systemic, will repeat these previous patterns. The irony is that the Johnson Government recognised this very issue in its Levelling Up White Paper, yet its recommendations for reform left central government power almost untouched, while layering on additional complexity in local government arrangements.

We set out an original conceptual framework bringing together two distinct literatures: public administration's institutionalism capturing the state-centrism and power asymmetries within a fragmented governance context (Lowndes and Roberts, 2013; Marsh et al., 2003; Richards and Smith, 2004) and analytical approaches from economic geography highlighting the impediments to state rescaling associated with the often contradictory and partial decentralisation of functions to the regional and local level (Cox, 2009; McCann, 2016, 2021). We focus on how relations between the central state and other governance stakeholders operate, examining how these dynamics shape the interactions of actors subject to a set of 'intercurrent' governance ordering arrangements, operating simultaneously across scales with competing, often contradictory, logics (Skowronek and Orren, 2016). We identify how a top-down approach to governing these arrangements, relying on complex, decentralised, delivery networks, has led to a set of ineffective, and at times incompatible, governance processes surrounding policy implementation.

The research design employs a case-study approach drawing on a process tracing methodology (Bennett and Checkel, 2014), supported by a rigorous documentary analysis of a range of primary sources, including: (i) official reports and inquiries; (ii) official statistics; (iii) a detailed review of secondary sources and grey literature; and (iv) supplementary contextual and background information on our conceptual themes drawn from over 50 interviews with officials in central and local government and agencies between 2020 and 2022.[1] Given the UK's complex political and economic geography, and the rapidly unfolding nature of crisis management to which these two case studies relate, the range of methods and data sources analysed allows for triangulation and robust conclusions. While the paper primarily focusses on the UK case, it raises wider questions about the nature of state organisation in the 21st century and the importance of well-functioning relationships between different levels of government.

From a dual polity to an incoherent state

Four decades of incremental reforms to the governing process have reshaped the UK into what we characterise as an incoherent state. The governance literature has identified the way in which a deeply embedded British Political Tradition and, relatedly, the Westminster model of government are key determinants in shaping reform (Hall, 2011; McCann, 2021; Pabast, 2021; Richards et al., 2014).

The pre-eminence of Parliamentary Sovereignty, and consequently executive power, embeds and sustains a set of hierarchical, asymmetric relations based on a power-hoarding model of government (Ayres et al., 2018; King, 2007; Marsh et al., 2003; Palese, 2022). Power hierarchy is understood: first, as legislative and executive decisions at the centre that steer democratic governmental action across wider scales of UK governance (Scharpf, 1997); and second, central government's command of a unique set of resources—force, legitimacy, state bureaucracy, tax-raising powers and legislation—unavailable to other actors, that perpetuate asymmetric relations. The Westminster model is based on ministerial responsibility with departments operating as functional and hierarchical fiefdoms. It propagates vertical and hierarchical lines of accountability as mechanisms of control across scales (Ferry and Sandford, 2021), resulting in few incentives for service–delivery agencies beyond the centre to work together, especially when budgets are constrained (Solar and Smith, 2020).

The dual polity

From 1940s to 1970s, there was a degree of compatibility between the nature of the state and the policy regime. The social democratic programme of Labour Governments was based on the notion that social progress could be achieved by central government-led redistribution that ensured the development of nationwide and uniform social and welfare policies. Similarly, Conservatives, influenced by the one nation tradition, saw a centralised state both as a mechanism for uniting four nations and for using a centralised welfare system to grow working class support (and broader legitimacy) for Conservativism. While the Westminster model was flawed, not least in its limited conception of democracy, it had coherence (King, 2007, 47).

Power was clearly located within the Executive, though expressed through the notion of Parliamentary Sovereignty (Judge, 1993). Ministers were responsible for the delivery of major policy initiatives using hierarchical, line bureaucracies they controlled. Policy was mainly delivered directly by central government.

Policies were designed to recognise the wide-ranging needs and territorial interests across Great Britain and Northern Ireland. Bulpitt (1986) characterised this as a 'dual polity' based on the notion of a separation of powers between the centre/periphery and high/low politics. Central government focused on 'high politics' issues—health, defence, macro-economics etc., hiving-off 'low politics' matters downwards to the local level. In practice, many services were delivered by local government, crucially education and social services, but with limited influence in policy-making. Local authorities were effectively delivery agents for central government.

The past forty years have witnessed the erosion of this dual polity model. Kenny (2019, 5) frames the context of this latter period: '[T]his most hide bound and constitutionally cautious of countries has gone in for an extended process of disjointed experimentalism in terms of its own internal governance'. The net result is a state of incoherence.

The emergence of an incoherent state

Kenny's notion of disjointed experimentalism reflects a pattern of state reforms over the last four decades that sought to retain, rather than overhaul, the existing constitutional arrangements of the Westminster model. The outcome is an approach which grafted on incremental, often ad hoc, adaptations. It has tended to produce temporary or partial solutions, exacerbated by the interdependencies of governance arrangements that cross scales (Jessop, 2016). The cumulative effect is a set of contradictions within an incoherent governance system, reflecting 'a layering process that stems from the scale of sunken resources within deeply embedded institutions' (Diamond et al., 2016, 24). In dismantling the state apparatus and replacing it with an increasingly complex network of public and private actors, the UK has diminished what Mann (1984, 189) refers to as infrastructural power: 'the capacity of the state to actually penetrate society, and to implement logistically political decisions throughout the realm'.

NPM reforms—characterised by the application of private sector mechanisms to public sector organisations including privatisation, marketisation and the measurement of performance (see Hood and Dixon, 2015)—introduced by the Thatcher/Major Governments (1979–1997) and then advanced by New Labour Governments (1997–2010) and the Coalition/Conservative Governments (2010-present), prompted a reassessment of traditional bureaucratic models of delivery. Under Thatcherism, the stated aim was to shrink the role of the state, despite a well-documented expansion of state functions (Hood and Dixon, 2015). For New Labour, it was to create an enabling state with more effective public services through developing the mechanisms of NPM (Diamond et al., 2016). The 2008 financial crisis led to a period of austerity governance and with it a further recalibration of the state. The 2010 Conservative-led Coalition Government substantially reduced funding to local services. Between 2010-11 and 2017-18, there was a real-terms reduction in government funding for local authorities of nearly 50% (National Audit Office, 2018). Retrenchment was justified as a necessity to drive more efficient service delivery (Johnson and Chandler, 2015). Yet, Gray and Barford (2018) identify a territorial dimension to the cuts, with already socioeconomically disadvantaged local councils disproportionately affected by reductions in public expenditure. This exacerbated pre-existing inequalities in local state capacity.

While austerity produced some innovative forms of governance at the local level, it also complexified delivery. Different authorities created improvised and often temporary delivery networks, based on short-term, uncertain and reduced funding (Solar and Smith, 2020). Local bodies including health, housing and policing were forced into a range of complicated, ad hoc arrangements to ensure a continuation of service within the context of severe cuts. The nature of these arrangements varied across localities, further complexifying the local governance landscape (Clifford and Morphet, 2022).

The combination of a strong centre, NPM, New Labour's social interventionism and austerity-driven reform has led to growing incoherence, characterised by:

- *the sustaining of key pillars of the post-war social democratic settlement.* Most notable is the commitment to elements of the welfare state, but with varied funding-scales and an increasing imbalance in the ratio of public spending on the National Health Service relative to other policy areas (Lobao et al., 2018; Murie, 2018; Richards and Smith, 2004)
- *four decades of neo-liberal reform.* This is reflected in reforms emphasising quasi-markets, contestability, efficiency savings and managerialism across the public sector. Hood and Dixon (2015, 1) asked whether government now works better and costs less? They concluded not, as there has been 'a striking increase in running or administration costs in real terms, while levels of complaint and legal challenge also soared'
- *a complex mix of governance structures.* The relative uniformity of the post-war, modern state has been transformed overtime. Governance shifts have led to a complex range of hierarchies, networks and markets in the wider state apparatus, alongside differing modes of public good delivery—command, incentives and partnerships (Diamond et al., 2016; Richards and Smith, 2004). Flinders and Huggins (2021, 100) highlight that

over time 'the specific tools of governance may have changed, but the broad (if at times reluctant) reliance on private sector finance has not diminished…Outsourcing is the single biggest component of government expenditure and in recent years has grown modestly. Peaking at 33.4% in 2007–08 and reaching a low of 30.3% in 2012–13, the level stood at 33.3% in 2017–18'

- *devolved forms of government*. Devolution, notably in the case of Scotland and to a lesser extent Wales, has challenged the notion of a unified national state (Keating, 2021). It created a system of 'asymmetrical and polycentric governance, characterised by a patchwork of differing modes of governance across the UK' (Flinders and Huggins, 2021, 97; see also Cairney et al., 2016). For England, devolution developed in ad hoc, often incoherent ways through a City Regions model and directly elected mayors that varied across time and place, with different parts of England effectively having different forms of governance (Palese, 2022; Richards and Smith, 2016)

These evolving, complex layers of governance undermined the coherence of the Westminster model (King, 2007). Incongruity emerged between central government's ability to determine policy and local capacity for delivery. The reforms undermined infrastructural power. Local institutions had increased responsibility for delivery (for instance through the creation of NHS Trusts and opted-out schools), but with limited, indeed reduced, capacity for either strategic policy-making or sufficient funding to deliver effectively. Devolution in the UK—involving both nations and regions—has created new regional and local governance structures layered onto existing arrangements. In England, these have predominantly remained within upwards facing, centralised frameworks, such as Regional Development Agencies [1998–2010], accompanied by initiatives prioritising private sector participation, such as Local Enterprise Partnerships [2011–present] (Diamond and Laffin, 2021).

In terms of power, reforms to regional and local structures have not much altered the central-regional-local dynamic (Kenny, 2019; Westwood et al., 2021). The local government framework in England is one of a wide range of public organisations with different boundaries and no overarching authority. As policing, health and transport jurisdictions do not correlate, local authorities have to deal with wide-ranging, often overlapping, partnerships. The Westminster model, and in particular ministerial accountability, prioritises local bodies accounting upwards to Whitehall, rather than downwards to their constituents (Ferry and Sandford, 2021). But no single body has authority to deliver shared and joined-up policy because individual organisations at the local level are accountable to a different central authority actor (Solar and Smith, 2020). As McCann (2021, 10) concludes: 'The UK

sub-central government system is very much a direct control system, except for the devolved administrations which are closer to rules-based systems. No other large countries exhibit a direct control system of this degree of centrality'.

Fusing new patterns of reform onto established institutional structures and traditions associated with the Westminster model leads to a series of unresolved pathologies, including 'hyper-centralised decision-making, short-termist policy churn, siloised policy-making and the lack of effective joined-up government' (Pabast, 2021, 4). Pabast argues this 'reveals the degree to which the Westminster Model is singularly ill-suited to address the 21st-century task of sustained and balanced economic growth, combined with higher productivity and shared prosperity'. Policy has fragmented both horizontally between departments and vertically between the centre and localities. Providing the capacity and incentives for delivering a national levelling up programme has become extremely challenging.

Forty years of reform has eroded the uneasy detente between the centre and the periphery encapsulated in Bulpitt's (1986) dual polity, replaced by an incongruity across governance scales. The case studies below illustrate how the UK's governance system combines centralised government with a sclerotic patchwork of overlapping, devolved and local government arrangements that mitigate against co-ordinated policy delivery. The key point is that while in the case of the UK, policy-making is highly centralised, the ad hoc process of reform over the last 40 years has fragmented policy delivery and undermined implementation. Even authoritarian, top-down, systems like China, where the party/state system provides a framework for central command and control, struggle to effectively coordinate policy across scales and address implementation gaps at the regional and local level (Zhang and Rosenbloom, 2018). By contrast, policy implementation in decentralised systems based on greater subsidiarity, subnational capacity and regional coordination of governance arrangements, often benefits from the information advantages associated with meaningfully engaging with local expertise and, in turn, improved allocative efficiency and innovative, 'learning-by-doing' place sensitive policy-making (OECD, 2019).

In what follows, we first analyse how incoherence across scales impacted on the management of the Johnson Government's response to the Covid-19 pandemic, before turning to its levelling up programme and issues arising out of an incomplete reform agenda.

The UK Government's response to the Covid-19 crisis

We might expect states organised round a centralised governing model to be better positioned than federalist

or regional systems to provide a coherent and joined-up approach to the complex, often competing, nation-wide challenges the pandemic presented. The UK's pandemic performance is broadly comparable with other wealthy, albeit decentralised, nations when based on excess deaths alone (WHO, 2022). But this is an undoubtedly partial measure of success. In the absence of a rigorous, multi-factorial comparative analysis of different states responses to the crisis, caution is required. For example, the resilience of public trust in government and experts in the UK resulted in high compliance with lockdowns and vaccine take-up, in stark contrast to American society where intense distrust of governmental decisions was commonplace, in part reflecting deeply engrained historical, cultural and societal factors (Cairney and Wellstead, 2021). In the UK, the success of the vaccine rollout quickly transformed health outcomes and shifted the spotlight away from governance arrangements. However, between March 2020 and February 2021, before vaccines had a meaningful effect, the UK's governance of the pandemic was widely criticised, with death rates among the highest in the world and surpassing many comparable economies with decentralised public administrations (WHO, 2022). This prompts the question: why initially did the UK struggle to coordinate a multi-level, multi-agency response, despite the apparent advantages of a heavily centralised system?

Covid-19 offers a revealing example of how the dilemmas presented by the incoherent nature of UK governance contributed to its mixed record in governing performance. This case draws extensively on evidence from the first major inquiry into the UK's response to the pandemic undertaken by the House of Commons Health and Social Care Committee (HCHSCS, 2021). This Inquiry involved the Health and Social Care Committee and the Science and Technology Committee. It drew on oral evidence from over 50 key witnesses directly involved in decision-making and delivery, alongside 400 written submissions between October 2020 and June 2021 (HCHSCS, 2021, 139–144).

There are various dimensions to the handling of the pandemic—preparedness, lockdowns/social distancing, testing and contact tracing, social care, at risk communities and vaccines—all covered in the Inquiry. We focus on the vaccine programme and NHS Test and Trace (NHST&T) as two of the most prominent elements of the Government's Covid-19 response. They offer a striking contrast in terms of outcome; that of the successful roll out of the Covid-19 vaccine programme, unlike the variety of issues and problems to emerge from NHST&T. Based on the evidence and analysis set-out below, we argue that the nature of UK governance was a crucial factor behind their contrasting outcomes.

NHS test and trace

In September 2020, Prime Minister Johnson launched 'Operation Moonshot' supported by a budget of £100 billion (equivalent to 75% of the whole NHS budget). He declared it the world's most sophisticated mass testing programme, capable of carrying out 10 million daily tests. By October 2020, the plan was abandoned and subsumed into NHST&T in the face of legal challenges to the scientific basis of the programme and accusations that billions of pounds of funding had been committed without due process (Iacobucci, 2020).

In 2020, in lieu of any available vaccines or home testing kits, the NHST&T system (itself with a £37 billion budget over two years and costing twice as much as the new Elizabeth Line in London) was seen as the major weapon against Covid-19. The subsequent general assessment is that it has been a costly failure (PAC, 2021). The Government was seen to be too 'slow to react to the pandemic' (HCHSCS, 2021, 123). The UK's former Chief Medical Officer, Sally Davies, argued this was influenced by a 'form of British exceptionalism' that concluded the UK would not be affected by an Asian pandemic, a judgement shaped by a traditional 'Whitehall knows best' view of public policy.

In developing the NHST&T programme, the Government devised highly centralised plans which ignored local knowledge, needs and capacity. Morphet (2021, 29) observes this reinforced:

> [A] centralised approach to managing the pandemic, and one that fitted with the PM's ideology for promoting the private sector to deliver public services…private contractors were used rather than local government in distinct contrast with the experience of the previous 100 years. This was against the advice of the WHO and the practices of other countries that were ahead of the UK in managing infection rates.

Early on, the Government abolished the main health body responsible for dealing with the pandemic—Public Health England—and developed a new, centrally controlled testing system. The Government's NHST&T development continually bypassed local level expertise and knowledge-networks, instead building its own Whitehall-centred system. This illustrates a centralising governing mindset, but also one contributing to incoherence, as it still relied on localities to deliver. As Diamond and Laffin (2021, 18) observe:

> An over-centralised, central government, with few countervailing constraints, makes policy failures more likely. The 2021 proposed NHS reorganisation, and the flawed 2012 NHS reorganisation, illustrates how ministers can embark on major service reorganisations with a minimal degree of reflective policy learning or consultation.

Throughout this phase, central government failed to coordinate effectively across scales, including with local

providers in crucial areas such as information sharing, where data flows between public bodies and between national and local government were far too slow to become functional (HCHCS, 2021, 124). The Inquiry concluded that:

> The test and trace operation followed a centralised model initially, meaning assistance from laboratories outside PHE – particularly university laboratories – was rebuffed. The same was true for contact tracing, where the established capabilities of local Directors of Public Health and their teams were not effectively harnessed during the initial response to the pandemic, despite local approaches proving effective. (HCHSCS, 2021, 7)

The centre lacked the capacity for delivering the programme which, in turn, delayed the implementation and effectiveness of NHST&T. Consequently, privately operated call centres largely failed in their attempts to deal with the complexity of contact tracing. In terms of lesson-drawing, HCHSCS (2021, 81) concluded that: 'It is now clear that the optimal structure for test and trace is one that is locally driven with the ability to draw on central surge capacity, but it took the best part of a year to get to that point'.

The focus on centralisation and distrust of localities was exacerbated by the Government's preference for the private sector over existing public health provision networks and services. A British Medical Association report (2020, 1) notes the scale of outsourcing during the pandemic: DHL, Unipart and Movianto for PPE; Deloitte for drive-in testing centres and super-labs; Serco to run the NHST&T programme; Palantir and Faculty A.I. to build the Covid-19 datastore; and Capita to 'onboard' returning health workers in England. A BBC (2020) investigation identified that 'NHS labs were not invited to a key meeting with private sector firms about testing'. The National Audit Office ([NAO] 2021) reported that 217 organisations had signed a contract with the Department of Health and Social Care to deliver NHST&T. By November 2020, there were 73 different NHST&T suppliers employing over 2300 consultants and contractors, costing approximately £375m of the £7bn committed to test and trace. Revealingly, 70% of the contract values awarded were without competition under the auspices of emergency measures procedures.

The report highlights both how slow the policy was to develop, but also an absence of coherence between those developing the policy at the centre and those required to deliver it across the policy chain. NHST&T sought to build a top-down centralised system requiring central government bodies to direct local bodies in an ad hoc way, without taking account of local level knowledge and capacity. Evidence to HCHSCS (2021, 279) revealed:

> The Government was "very much focused on building capacity in the commercial Lighthouse laboratories"

but…this focus was to the detriment of other potential capacity: if more had been done during the summer months…for example, we could have made greater use of university laboratories and NHS laboratories – we might have been able to add capacity to avoid the bottlenecks that occurred [in September].

Paul Nurse of the Crick Institute echoed this view: 'We argued very early on…that we should mobilise much more locally…We used that terrible metaphor of Dunkirk and little ships, and so on, but we produced a testing facility locally within two weeks that was doing 2,000 tests a day' (HCHSCS, 2021, 280). The Government focussed on building a national system based on new structures and partnerships with the private sector, rather than developing existing local capacity. The former Chair of the UK's Vaccine Taskforce, Kate Bingham (2021), argued that central government is not suited to this task, lacking both commercial and scientific expertise. Crucially, the absence of local knowledge and capacity required building a structure that relied on a new, complex set of public-private relations. As Figure 1 highlights, the consequence was a highly centralised policy driver, but a fragmented and incoherent delivery system.

The key criticism is that the Government chose not to work more closely with local institutions and knowledge, hampering the effectiveness of NHST&T. Allen Wilson, the President of the Institute of Biomedical Science, argued: 'If we'd kept it local, we would have been able to turn those tests around much quicker. We already had the logistics in place' (BBC, 2021). This view was amplified to the Select Committee inquiry (HCHSCS, 2021, 345) and corroborated by the NAO's (2021) report on NHST&T. The latter pointed to analysis by the Local Government Association that ten locally run schemes reached between 47% and 91% of cases that the national system could not.

The evidence illustrates a policy shaped by the Westminster model; top-down and lacking in sufficient local involvement. In the context of pressure to rapidly respond to a crisis environment, normal Whitehall decision-making procedures, including financial scrutiny, were often bypassed (Durrant et al., 2021). The overall approach was influenced by the dominance of a conception of markets and private actors as more effective at delivery than state (national or local) institutions. Consequently, a complex network of public/private provision emerged that paid insufficient attention to the variegated and multiscaler nature of the problem.

The UK government's traditional emphasis on central decision making requires a coherent and integrated approach to delivery. For NHST&T, this was not the case. Shortcomings can, in part, be explained by longer term trends associated with NPM (Hood and Dixon, 2015). More recent austerity framing by government has also hollowed
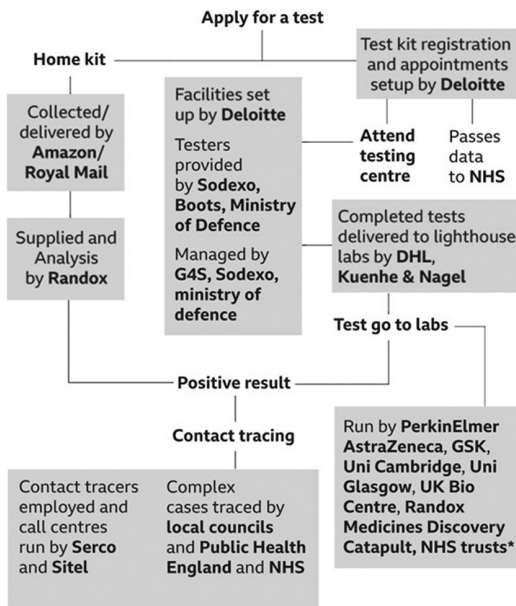
Figure 1. NHST&T organogram. *Source*: BBC News.

out local capacity, limiting local government's ability to act (Gray and Barford, 2018; Solar and Smith, 2020). In developing NHST&T, the Government's preferred private providers lacked experience of delivering universal public goods or working with local actors. The weakness of coordinating mechanisms both between devolved government and across local providers led to a system without proper coordination or sufficient and transparent accountability (NAO, 2021).

NHST&T is a study of incoherence—overlapping organisations without local autonomy attempting to deliver a top-down derived system with the centre using sovereign power to determine and execute policy despite impaired delivery mechanisms. In evidence to a Public Accounts Committee ([PAC] 2021, emphasis added) inquiry into test and trace, NHST&T reflected that 'you can only deliver this sort of service *as an integrated team* of all the different organisations, institutions and individuals in the country'. It retrospectively recognised this required building a 'coalition between local government and national Government, the NHS, the broader public sector and the private sector' (PAC, 2021, 15). The Inquiry highlighted how 'a range of stakeholders have queried why local authorities and NHS primary care bodies were not more directly involved in the government's approach to test and trace from the outset, given their existing networks, experience and expertise' (PAC, 2021, 15–16).

The vaccine programme

The Inquiry's verdict on the vaccine programme notably contrasted with that of NHST&T. The former was lauded as

'[t]he most successful component of the United Kingdom's response to the Covid-19 pandemic' (HCHSCS, 2021, 107).

Two key elements of the vaccine programme were procurement and distribution. Both were controlled, directed and driven from the centre, though in different ways. In the case of procurement, a key innovation in April 2020 was the creation of a Vaccine Taskforce led by a Whitehall outsider Kate Bingham. It was based in the Department for Business, Energy and Industrial Strategy, rather than Health and Social Care due to concerns over the latter's performance (HCHSCS, 2021, 109). Crucially, the taskforce reported directly to the Prime Minister. Such arrangements were not novel in Whitehall, but allowed for a bespoke unit to operate 'outside the Whitehall hierarchy's' traditional norms (HCHSCS, 2021, 110). Understandably, procurement was centrally driven, given the economies of scale involved in working with a range of vaccine suppliers, yet flexibility and agility were accommodated through a taskforce approach.

Performance on distribution was also regarded as a notable success story. The Inquiry (HCHSCS, 2021, 107) found that:

> The distribution of vaccines was the mirror image of the test and trace operation. It sprang into large scale operation explosively and impressively, rather than slowly and inadequately; it made extensive use of existing NHS resources…It welcomed third party assistance – such as the countless volunteer groups across the country – rather than having the approach of repelling local assistance that test and trace initially favoured.

Central to the successful roll-out of the vaccine programme was the decision to draw on existing knowledge and networks built-up overtime though the NHS's annual flu vaccine programme. Distribution was organised round a variety of fixed mass vaccination sites, alongside both rolling and mobile sites. They drew on established NHS primary health care networks ranging from hospitals, GP surgeries, pharmacies and community vaccination centres. By July 2021, there were 3600 vaccination sites and NHS England claimed '99% of the population live within 10 miles of a vaccine service' (BBC, 2021). The approach benefitted from existing, comprehensive, but local-specific, health data sources to offer a targeted approach. It was the antithesis of the incoherence associated with NHST&T. As the former Secretary of State for Health and Social Care, Matt Hancock, observed:

> On the vaccine roll-out we have local and national data integration. We have the local systems going and finding people who are hard to reach. We have the national system for the big numbers, for the people who are enthusiastic and willing to drive and queue up (HCHSCS, 2021, 117).

It led the Inquiry to conclude that the roll-out of the vaccine programme should be commended for being 'one of the fastest in the world'.

Explaining contrasting outcomes

Both NHST&T and the vaccine programme had similarities, in terms of being Whitehall driven, rather than devolved, initiatives. This is not unexpected given the UK's hyper-centralised system of government. But it is here that the parallels end.

How are their contrasting performances explained? One possible explanation is that there was effective policy learning by Government into the shortcomings of NHST&T that subsequently informed a more effective vaccine role out strategy. This is unconvincing given the paucity of evidence to support such a claim, either to the HCHSCS Inquiry, or elsewhere on the public record. A more compelling explanation concerns the contrasting nature of the vaccine programme, whereby the challenge was relatively clear and unilinear. Additionally, as HCHSCS (2021) noted, it had the benefit of greater time to prepare compared to NHST&T. Crucially, the decision to rely on existing NHS primary healthcare networks both for knowledge and delivery, rather than creating new structures, was crucial. It was a challenge that existing UK governance arrangements were equipped to deal with.

In contrast, the test and trace programme presented a very different, far more complex and multi-faceted, challenge. Its success required an approach that needed to harness existing localised knowledge and collaborate with a disparate range of local actors. The Government chose to mainly bypass these networks. It adopted a state-centric approach that eschewed existing public health and local organisations with a rich experience of delivering targeted services to end users. A new, complex set of public and private networks were forged, often with little or no experience in the services they were contracted to provide. Notable 'policy failures' resulted (PAC, 2021). Without sufficient infrastructural power, it was difficult for the Government to implement its test and trace policy. In contrast, in the case of the vaccine roll-out, policy goals were matched with capacity.

As we will see below, despite differences in terms of the magnitude of the task, levelling up, like test and trace, has strikingly similar challenges, as both display a multi-faceted and multi-dimensional character. The issues identified in the failings of NHST&T provide a range of lessons for the Government's levelling up agenda. They include:

- *Centrism*—the dominance of a centrist *modus operandi* that eschewed utilising existing local-regional structures, so failing to harness local experience, knowledge and expertise.
- *Groupthink*—the forging of a narrow consensus between official scientific advisers and the Government at the expense of a wider plurality of views.

- *British Exceptionalism*—leading to an absence of lesson-drawing from other countries, particularly those with previous pandemic experiences.
- *Lack of coherence and co-operation*—between different scales of government and delivery agencies, particularly round data-sharing, public communications and service delivery.
- *Failings in joined-up government*—across different related sectors, but notably in relation to central government and delivery agents.
- *Inadequate contingency planning*—compounded by a decade of austerity cuts to public services at both central, but particularly local, levels, that enervated resilience and contributed to the exacerbation of a range of spatial inequalities in existing social, economic and health outcomes.
- *Issues of confidentiality, transparency and accountability*—whereby normal rules and procedures were altered or by-passed.

These themes are investigated in our levelling up case-study. This was the Johnson Government's flagship programme to deal with both the legacy of the pandemic and provide a new, post-Brexit, political economy to address the UK's long-term, socio-economic regional inequalities.

Economic strategy and the levelling up agenda

The issues emerging out of the complex challenge presented by NHST&T usefully illuminate elements of incoherence regarding UK inter-governmental relations. As the acute phase of the crisis drew to a close, attention turned to another, highly complex challenge, though on a much wider scale; the failure of the UK economic model to produce adequate economic growth across all regions and localities.

Solving the problem of regional inequalities has been a dilemma confronting UK governments for decades. Since the 1980s, the complexities of this challenge have been magnified with all governments failing to develop an effective, post-industrial, regional policy. Successive governments, supported by the Treasury, have funnelled state funding to favoured sectors in high productivity regions where the direct economic returns on investment appear highest. Regional rebalancing has been a rhetorical exercise at best (Berry and Hay, 2016). Productivity growth since 1998 has widened the uneven pattern across regions (Figure 2). Government interventions have been ad hoc, inconsistent and inadequately resourced. On the back of more than 30 years of growing regional inequalities, a 'geography of discontent' has developed in places where some inhabitants perceive they do not benefit fairly from the current economic model. Brexit is one consequence of this phenomenon (McCann, 2019). Continuing this longstanding trend, the economic consequences of
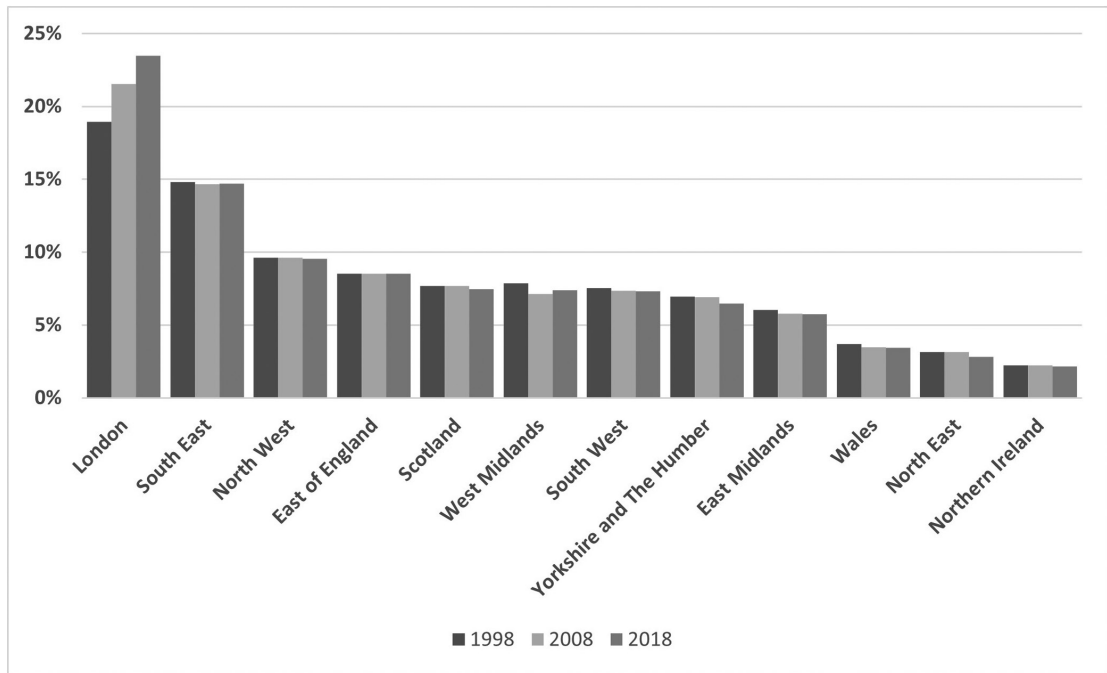
Figure 2. Regional contribution to Gross Value Added across all industries. *Source*: Authors' calculations based on regional Gross Value Added (balanced) by industry dataset, Office of National Statistics (ONS).

the pandemic have also been unevenly distributed, as the least prosperous regions and localities have suffered the worst social and economic outcomes and are often inadequately equipped to adapt to the new socio-economic landscape that Covid-19 has produced (Martin, 2021, 144).

The Johnson Government's antidote was its 'levelling up' agenda. It was a key element of the 2019 General Election campaign, and grew in significance during the pandemic to become the most distinctive programme of the Johnson era. Despite its rhetorical prominence, the strategy remained ill-defined and contested both in the lead-up to the delayed White Paper, *Levelling Up the United Kingdom*, in February 2022 and throughout the Johnson premiership.

Levelling up is loosely associated with geographical imbalances, but 'there is confusion about the economic problem that it seeks to solve and which policies are likely to be effective' (Tomaney and Pike, 2021, 23). The evidence presented in this case-study suggests that the Johnson Government's 'levelling up' agenda was shaped by centralised control and ad hoc policy development, to the detriment of subsidiarity and place-sensitive strategic policy-making. A long-term approach to regional economic development requires a policy agenda devised using local knowledge, enhanced local capacity and adequate sub-national funding arrangements. Instead, as we illustrate below, distrust of sub-national actors was an ever-present feature of regional economic policy. When

considered alongside the incoherence of the UK's centralised state, the state transformation required to meaningfully 'level up' the UK seems unlikely.

An important contributory factor to the UK's uneven economic geography is that both industrial (Coyle & Muhtar, 2021) and regional (Westwood et al., 2021) policy over recent decades have been strikingly incoherent. Forty years of reform has led to a fragmented landscape of state intervention, even as the political rhetoric of market-oriented growth remained consistent. The Thatcher Government's distrust of the corporatist legacy of the National Economic Development Council and Office led to its loss of influence, before being abolished in 1992. Since 1979, there has been consistent rhetorical disparagement of 'picking winners' by subsequent Labour and Conservative governments, with faith placed in the market and a limited regulatory role for the state (Moran, 2003). Subsequent industrial policies were introduced, including by New Labour in 2008–2009 and the Coalition Government in 2012, but interventions involved identifying specific market failures or key sectors, and were short-lived.

The May Government's 2017 Industrial Strategy offered a potential turning point. But the Johnson Government abandoned it, alongside the Industrial Strategy Council set up to monitor policies. It was replaced by the Treasury-led *Build Back Better: Our Plan for Growth* (HM Treasury, 2021), alongside the Department of Business, Energy and Industrial Strategy *UK Innovation Strategy* (BEIS, 2021). Both

documents paid lip service to the reduction of spatial disparities as part of a 'transformational approach' to deliver economic growth and high-quality jobs across the UK (HM Treasury, 2021).

The Levelling Up White Paper (HM Government, 2022) set out the Johnson Government's programme to addresses the longstanding problem of UK spatial economic disparities and break 'that link between geography and destiny' (HM Government, 2022, viii). To achieve this, it outlined 12 'national missions' (eight of which can be traced back to the 2017 Industrial Strategy)—pay, investment, literacy, skills and training, transport, digital connectivity, first-time home-buying, life expectancy, well-being, civic pride, violent crime and regional devolution—linked to a range of policy objectives with a 2030 target end (HM Government, 2022, xvii).

The scale and range of the 12 missions reflected the complexity and multi-dimensional challenge underpinning levelling up. Revealing, the White Paper offered a detailed critique of 40 years of centralised government, *ad hocery* and incrementalism:

> Government is there to provide a strategic lead but that requires consistency from government – not chopping and changing – in the last 40 years we have had 40 different schemes or bodies to boost local or regional growth … [N]one of these initiatives have been powerful

enough to deal with…de-industrialisation or the decline of coastal resorts and that basic half-heartedness has been coupled with an unspoken assumption by policy-makers that investment should always follow success. (HM Government, 2022, vi)

It argued that only 'systemic change' could break this cycle, requiring 'a fundamental rewiring in the system of decision-making, locally and nationally'. Below, we detail the range of governance challenges confronting this ambition.

Policy churn

The White Paper characterised spatial policy in the UK as 'endemic policy churn' resulting in a 'patchwork of policies and ever-changing organisational structures' (HM Government, 2022, 110). Successive governments have had no anchoring philosophy regarding the relationship between hierarchies, networks and markets, exacerbating the often incoherent policy landscape. Resultantly, a range of actors, sometimes with competing interests, operate at and across national, territorially-devolved and sub-national levels. The complexity of inter-governmental relations has snowballed—illustrated by the proliferation of public and private sector bodies and initiatives (see Figure 3)—despite low levels of trust and limited co-operation across scales undermining local and regional
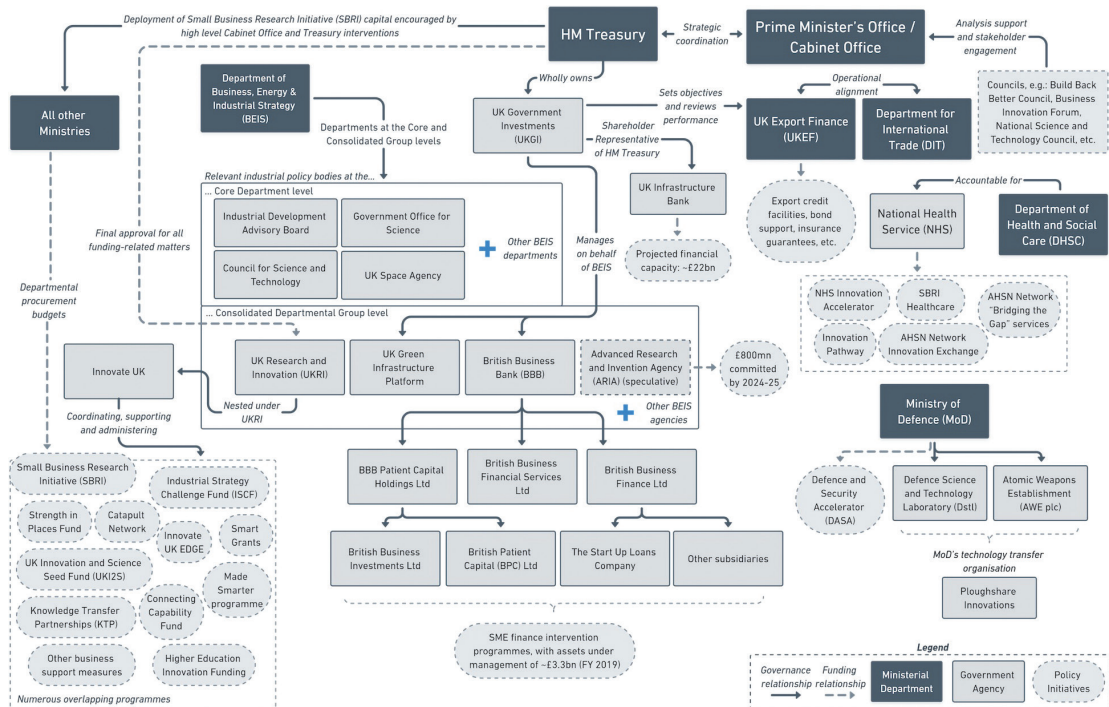

Figure 3. Simplified map of key British industrial policy institutions, initiatives and their relationships, as of September 2021. *Source:* Coyle and Muhtar (2021, 11).

economic strategy. Both European and Asian examples have combined the roles of private and public sector in a consistent way to deliver long-term economic success. The lack of consistency in the UK stems partly from the absence of a coherent and integrated system of inter-governmental relations which catalyses differentiation, despite top-down mechanisms of control (Pike et al., 2020). Policy evaluation is difficult because it is not regionally anchored or coordinated nationally. Without capacity for institutional and policy learning, the UK lacks the knowledge and expertise required to sustain the interventions that look most likely to succeed. The net result is incremental, often poorly thought through policy development and implementation (Coyle and Muhtar, 2021).

Lack of effective co-ordination in inter-governmental relations

The UK has long-suffered from sub-optimal coordination both within central government and across other scales of government, including agencies and public bodies tasked with policy implementation. The White Paper observed that 'policy is often set centrally, silos can hinder coordination…historically, joining up policies in line with the needs of places has been unusual. For example, improving education and skills is crucial for levelling up, but historically has been split across funding streams, departments and agencies' (HM Government, 2022, 111).

The Johnson Government recognised central coordination as an issue with 'local actors often left to join up policies and programmes themselves' (HM Government, 2022, 127). The White Paper provided some detail on integration, but the general emphasis in its recommendations was one of top-down oversight and centralised control. Proposals included a new Levelling Up Cabinet Committee chaired by the Secretary of State for Levelling Up, Housing and Committees, 'tasked with embedding levelling up across central government policy design and delivery'. It suggested the creation of nine new regional Levelling Up Directors to 'act as a single point of contact for local leaders and a first port of call for new and innovative local policy proposals', intended to 'bring together government policy and delivery, aligning decisions and funding to support local and national strategic objectives' (HM Government, 2022, 125). A new Levelling Up Advisory Council was proposed to 'support Ministers by advising on the design, delivery and impact of levelling up policy' (HM Government, 2022, xix).

This hardly represents breaking away from the centralised status quo. If fully implemented by the Conservative Government, directors are likely to become 'big Whitehall tsars' rather than local government representatives because they would be appointed within, and answerable to, Whitehall, and embedded within traditional governmental hierarchies (Hill, 2022). In contrast to the UK's top-down and sceptical approach to industrial policies, successful fast growth economies in Asia, or Germany following

reunification, have encouraged: bottom-up initiatives; co-ordination across ministries and localities; combined with a mechanism for evaluation to mitigate against failures (Coyle and Muhtar, 2021). The White Paper recognised that the hallmark of the UK's levelling up agenda is British exceptionalism, but the Johnson Government ignored its own lesson learning from industrial strategy success stories elsewhere, by pursing a partial approach to reform. Despite substantial evidence suggesting that centralised government and high spatial inequalities in the UK have contributed toward sluggish productivity and economic growth (Carrascal-Incera et al., 2020), meaningful reform of Whitehall's power base remains off the agenda.

This has profound consequences. The geographies of sub-national government and regional agencies in the UK are schematically incongruent. Inter-regional growth strategies rarely survive a change of government and are often abandoned, only to be reforged later with different institutional arrangements, administrative boundaries and responsibilities (McCann, 2016). A brief history is illustrative of the resulting confusion, highlighting that inconsistency is a lesson government should heed.

At the regional level, New Labour's Regional Development Agencies, designed to map onto the Thatcher governments' regional Government Offices, were replaced by Local Enterprise Partnerships (LEP) in 2011 as non-statutory bodies that operate around 'functional economic areas' but often do not map onto local government territories (Pike et al., 2015). LEPs are dominated by unelected private sector actors but, since 2012, have negotiated regional Growth Deals with central government. A patchwork of different City Deals, each the product of individual negotiations with the Treasury, have been weaved into a complex web of institutions and administrative boundaries. The incorporation of private sector and regional actors into decision-making processes devised at the centre perpetuate a confusing, incoherent governance landscape. The absence of long-term strategic thinking or a stable institutional context makes devising place-specific remedies to entrenched spatial disparities more difficult. The White Paper signalled a continuation of this pattern of incrementalism. It mentioned the integration of LEPs into mayoral combined authorities, the Greater London Authority and Country Deals (HM Government, 2022, 145), but was light on detail, pointing to more policy churn and therefore incoherence.

Treasury dominance

To the extent coordination occurs at all, it runs through the Treasury's grip on budgets, and its embedded institutional scepticism about government economic activism. The Treasury, as the key coordinating department, holds a unique and commanding position, not only in Whitehall, but across the governance landscape of the UK through its control of public expenditure and influence over public sector budgetary and financial management practices

(Smith, 1999). For critics, reversing the decades-long rise in spatial inequality is contingent on reforming the dominant Treasury model of command and control which sits uncomfortably alongside delegated delivery (Warner et al., 2021). Sub-national government in the UK has some of the most limited fiscal powers among OECD nations. In 2016, out of 35 OECD countries, the UK was 29th in terms of the local revenue raising powers of sub-national government and 26th regarding sub-national control of investment (Carrascal-Incera et al., 2020). On most accepted measures, the UK is an outlier because it is both heavily centralised *and* geographically imbalanced. As the PAC (2022, 14) reported, '[i]t is the Treasury that holds the purse strings', preventing localities determining spending priorities.

In operational terms, this manifests itself through 'financial conformance' to the Treasury's preferred practices (Ferry and Eckersley, 2015) and an institutionalised 'bid culture' cascading down from Whitehall that ensures the policy priorities of the centre shape local decision-making (Sandford, 2018). The consequences of these arrangements are multifarious, but recent decisions surrounding resource allocation point to tensions that link directly to 'levelling up'. The PAC (2022, 9) found:

> There is an 'alphabet soup' of central government programmes, totalling billions of pounds…In 2021-22 alone, the NAO's report identified 10 live funds…When we asked the Department how it ensured that these funds worked together to achieve value for money, the Department told us that this type of funding is most effective when coordinated by local authorities…We suggested that while local authorities might have a plan for where they want to get to, they do not always know what is coming when from Whitehall.

The new localism of successive governments appears ineffective when the Treasury apparently dominates financial management and resource allocation. For example, although sectors like life sciences, finance and the creative industries have been among the few UK industrial success stories, this has been partly driven through centrally sustained tax credits and R&D funding, skills training and specific investments that have enabled learning-by-doing to accumulate over decades. This stock of research experience, know-how and physical capital proved vital in the success of the Covid-19 vaccine development (Gilbert and Green, 2021). This investment is concentrated in areas that are already the most prosperous—with 46% of public and charitable investment located in London, Oxford and Cambridge—while regions that have already fallen behind in terms of productivity tend to lose out. The centre, not regional organisations, dominates allocation decision-making (Forth and Jones, 2020; Figures 4 and 5).

Similarly, competitive funding streams intended to 'level up' geographical imbalances, notably the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund, are criticised for being inefficient and for reflecting the policy preferences of Whitehall. They waste local resources in devising bids, foster a competitive rather than collaborative ethos, and are susceptible to pork barrel politics (Burnham, 2022; Newman et al., 2021; Warner et al., 2021). For example, the evidence suggests that in Towns Fund allocations, Conservative-held parliamentary seats, especially marginals, were prioritised in this centralised process. The Institute for Government (2021) reports:

> All 12 of the low priority towns selected were in Conservative-held parliamentary constituencies; of all the 183 low priority towns initially eligible, 136 were Conservative, 46 Labour and 1 Liberal Democrat. …[A] cross the medium and low priority categories, ministers tended to choose towns in Conservative-held constituencies more than Labour ones – though towns in Labour-held constituencies made up a smaller proportion of the overall towns eligible.

The PAC (2022) also acknowledged this issue when criticising the Department for Levelling Up, Housing and Communities (DLUHC) for unsatisfactory procedures underpinning awards from the Levelling Up Fund, including retrofitting criteria to justify pre-existing decisions and the lack of a transparent, thematic and distributional analysis to evaluate allocative efficiency.

The Johnson-led Government's approach to levelling up was characterised by an unwillingness, shared by previous governments, to abandon an out-dated Treasury tendency for command and control, despite an increasingly fragmented governance landscape. Its attempts to address spatial inequality crystallised a range of issues: ineffective joined-up government in Whitehall, weak coordination across public and private sector actors and the subordination of sub-national government. The centre tends to prioritise the national political agenda, rather than meaningfully addressing spatial disparities through place sensitive policy-making.

Continuing incremental rather than systemic reform

The Levelling Up White Paper was paradoxical. It detailed a forthright critique of 40 years of top-down, incoherent governance reform. Yet, the remedies offered were piecemeal and limited. Its strategy to tackle regional inequality was almost exclusively focused on a 'revolution in local democracy' based on more localised governments with their own mayors to give greater autonomy and power to 'left behind' regions. But under the proposals, local authorities have not been granted a set of consistent powers that enable them to set their own priorities in a strategic way. Their accountabilities therefore continue to be upwards with spending determined by the Treasury and the DLUHC.
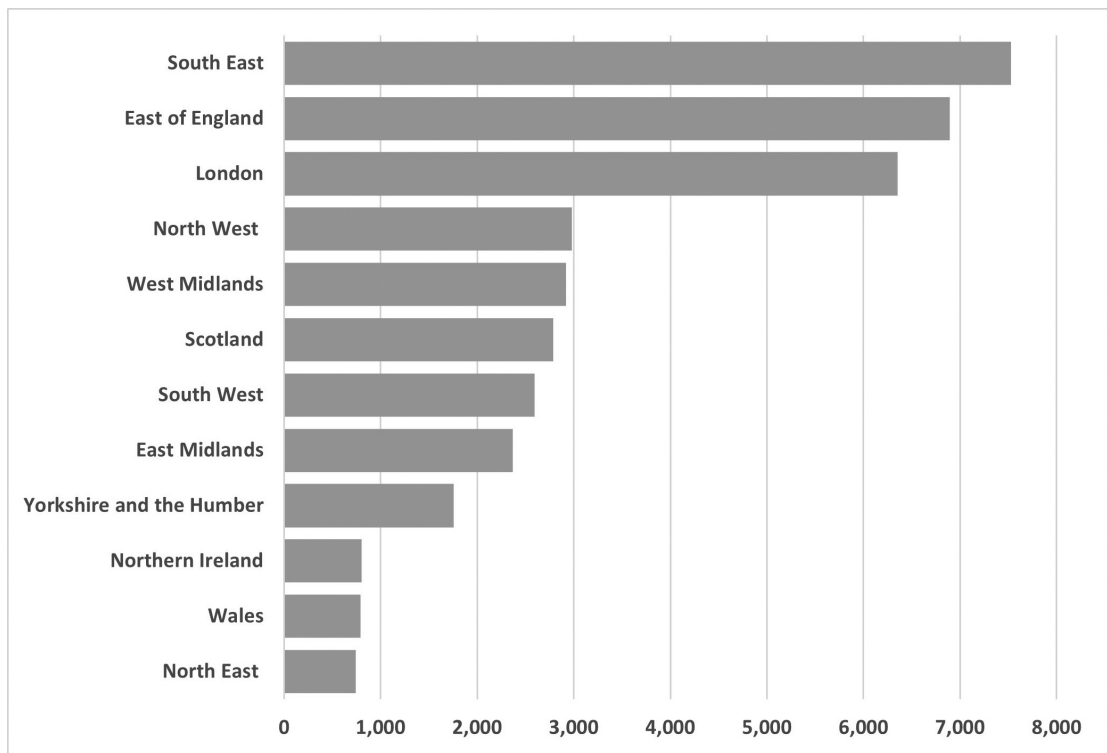
Figure 4. R&D expenditure by country and region, 2019 (£ million). *Source*: Gross domestic expenditure on research and development, by region, dataset, ONS.

The Johnson-led Government eschewed the constitutional and economic system-wide reforms required to break from the highly centralised Westminster model of government, instead arguing that:

> While there is a case for wholesale institutional reform, this could distract from the implementation of improved local government services and outcomes, and delay the agreement and implementation of devolution deals. The UK Government will not impose top-down restructuring of local government. Reorganisation will remain a locally-led avenue available where there is broad local support, but will not be a requirement for a devolution deal. The UK Government intends to follow an *incremental approach* using existing legislation to work with areas which are seeking to establish reformed local governance structures. (HM Government, 2022, 143, *emphasis added*)

Addressing the UK's socio-economic inequalities requires a meaningful transfer of political *and* fiscal powers downwards. But 'unfunded mandates'—whereby sub-national governments gain political responsibility, despite lacking adequate resources—have been a longstanding feature of decentralisation in the UK, despite being widely cautioned

against (OECD, 2019). The White Paper's solution was partial at best. Simplifying existing fragmented funding arrangements based on a wide range of different schemes controlled by central government would be welcome, but the Treasury's control of financial priorities remains untouched as things stand. Local leaders in England retain statutory responsibilities for core aspects of key policy areas—welfare, schools and health—despite lacking real revenue-raising powers beyond what is already centrally mandated. This top-down and restrictive approach to allocating and raising funding (Warner et al., 2021) remains complex, messy and short term. Crucially, under the Johnson Government there is limited evidence to suggest any meaningful, overhaul in funding models between central and local government occurred. The UK retains its position as having one of the most centralised approaches to tax and spend of all OECD nations and with it the perpetuation of Treasury dominance.

The White Paper promised that by 2030 any region would be able to negotiate a novel deal with enhanced powers 'at or approaching the highest level of devolution' (HM Government, 2022, 234). But the problems of geography and scale remain—there is tension between the size of local government and existing accountability arrangements. Too small, and local government does
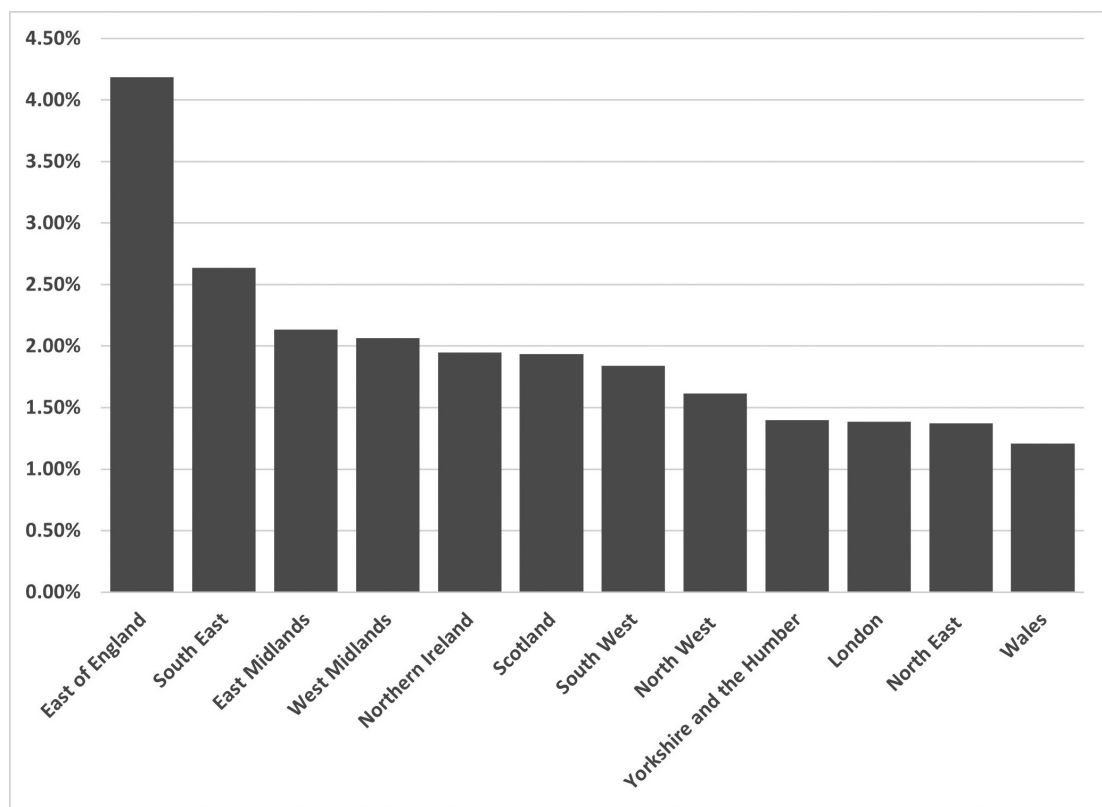
Figure 5. R&D expenditure by country and region as a percentage of GVA, 2019.[2] *Source*: Authors' calculations based on regional Gross Value Added (balanced) by industry dataset and gross domestic expenditure on research and development, by region, dataset, ONS.

not have the capacity or economic resources to make real policy change. Too large, and it becomes remote from local people and their concerns.

The proposed landscape simply increases the incoherent nature of the state. Some areas are large economic conglomerations with clear regional identities, like Greater Manchester. Others are more fragmented, like York and North Yorkshire and Hull and East Yorkshire. Smaller regions often do not have the economic capacity or governance structures in place to make targeted interventions to address long-standing socio-economic challenges. Much of their economic activity will be affected by the pull of nearby larger economic centres. Even large urban hubs like Birmingham, Leeds and Manchester, will struggle to raise and then direct the resources to integrate health, education, housing, planning and transport in ways that can overcome many decades of neglect and decline. The inadequacy of the resources made available to date—£4.8 billion compared to the roughly £71 billion annual allocation of funds to address historic regional imbalances in Germany (Enenkel, 2021; see also McCann, 2021, 5)—suggests that the scale of the 'levelling up' challenge continues to be underestimated and a place sensi-

tive, strategic vision argued for by Martin et al. (2021) is yet to break the overcentralised status quo. The Johnson Government's approach failed to build the infrastructural power necessary for regional economic transformation. It remains to be seen which aspects of this evolving strategy will be embraced or jettisoned by his successor.

The fundamental problem remains that for most public services, accountability for delivery will continue to flow upwards to central government, not downwards to local citizens. If health, education and other services are still effectively overseen by Whitehall, there is minimal bandwidth for them to innovate in response to local priorities. A meaningful system of local power requires rethinking the role and functions of government departments and ministerial responsibility. Real devolution would require representatives at the local level being responsible for policy failure or success over clearly defined and delineated, joined-up jurisdictions to overcome the existing incoherent landscape of devolved government. As Migdal (2001) highlights, effective governance requires the integration of civil society into the process of policy delivery, but central government continues to see localities as isolated delivery agents.

A radical strategy that moves away from the current 'top down' model of economic policy-making and centralised governance arrangements has been widely called for (Burnham, 2022; Martin et al., 2021; Paun et al., 2022). Yet, the White Paper advanced incremental reform predominantly focused beyond Whitehall, so failing to challenge the Westminster model. Most funding is still determined, distributed and accounted for by the Treasury. The current first-past-the-post electoral system and the consequent need for political point scoring means that there is a strong incentive for accountable ministers to intervene and interfere. The White Paper is set to become another example of ad hoc policy churn without concrete policies to enhance local fiscal autonomy and eschew top-down accountability. In a fiscal context of scarce resources, without enhanced autonomy, local leaders cannot take informed risks or develop policy that diverges from national policy goals.

Conclusions

This article highlights a key paradox of British governance; the state is centralised in terms of power but fragmented in relation to public administration and policy delivery. It is well established that state capacity depends not just on central authority, but on the ability to engage networks of social actors throughout society (Migdal, 2001). States depend on building infrastructural power as a means of developing the tools of policy delivery (Mann, 1984), as the above case-studies illustrate. Effective regional economic policy requires the meaningful engagement of local economic actors, while NHST&T clearly depended on utilising local health knowledge and networks. States that attempt to impose centralised policy without understanding local conditions are likely to fail or produce perverse policy outcomes (Scott, 2008).

The scale of the UK's capacity problem has developed with a shift from a dual polity to an incoherent state. An overlapping, at times contradictory, system of policy delivery involving a mix of local governance bodies, both public and private, with different territorial boundaries, powers and lines of accountability, confuses responsibilities. McEwen et al. (2020, 264) observe that what has been absent is 'the task of devising structures of cooperative government…neglecting almost entirely the questions of how policy interdependency would be managed, or power shared'.

We argue that the incoherence of the state creates an incongruence between what the government wants to achieve and what it has the capacity to achieve. While the centralised model is effective for delivering comparatively simple policy goals such as the vaccine role out, it is ill-suited for more complex, multidimensional policies. Our cases highlight the extent to which the centralised nature of policy-making has failed to account for local needs, knowledge and capacity. The first case focusing on the response to the pandemic, draws out central government's distrust in local actors, compounded by 10 years of austerity and four decades of local governance reforms denuding resources and capacity at the local level. The executive regards localities as policy takers not policy makers, a governance deficiency that instils a lack of willingness to include localities in the policy-making process even when, as in the case of NHST&T, there is powerful evidence to suggest it would have led to more effective policy outcomes.

The second case-study on economic strategy and levelling up, maps the ad hoc approach overtime to economic development. It reveals a continually changing set of institutional arrangements that fail to pay attention to local context, needs or accountability. As with the first case-study, a similar pattern emerges pointing to the on-going absence of trust and willingness by the centre to empower sub-national stakeholders. This has led to a cycle of governments creating new structures, but ones controlled by the centre. Accountability goes upwards to the centre, not downwards to the regions in which it is meant to be embedded. The case of levelling up highlights how these new structures are still not effectively integrated into existing institutions in a way which allows for the development of a coherent regional economic development plan that incorporates local accountability into the policy process.

The Johnson Government did not systemically rethink how the process of governance works. The criticism here is that it repeated the pattern of past policy failures, and so an increasingly incoherent state remains an obstacle to meaningful reform. Complex, multi-dimensional policy challenges such as NHST&T and, even more so, levelling up, require more than just a redesign of sub-national government. This alone is a necessary, but not sufficient, condition of success. Systemic transformation is contingent on a new governance framework in which decision-making and policy implementation properly accommodate complex, de-centred forms of network governance. It requires the meaningful transfer of power away from the centre as part of the route map to address the UK's regional imbalance and associated 'geography of discontent' (McCann and Ortega-Argilés, 2021).

The UK case offers a striking illustration of a more generalisable point; effective governance depends on the appropriate calibration of both functions and accountabilities across different scales of government. States with an asymmetric set of governance arrangements, in terms of either functions or accountabilities, are likely to encounter greater challenges in effective policy delivery when faced with complex policy problems. States are dependent on substate organisations for policy delivery and without properly accountable relationships, the delivery of public goods will be compromised. Disaggregated problems, whether it is local economic development or a health

pandemic, require effective partnerships, trust and an appropriate balance in the distribution of resources.

Acknowledgements

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Endnotes

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2 2019 data for regional contribution to GVA is provisional.