



On the level

six principles to underpin
the levelling up
White Paper

LGiU

Introduction

Levelling up has been this government's signature policy. It has been emphasised repeatedly by the UK Prime Minister and in ministerial speeches across government. It now has a department named after it, a cabinet big hitter in charge and a cabinet office task force led by a former Bank of England chief economist.

Levelling up speaks to a clear need. We know that wealth, health, life chances and well being vary hugely between different parts of the country.

But nearly two years into this administration, there are still fundamental questions about what levelling up means. Is it about regional disparities or does it aim to address inequalities within regions? Is it just about the economy – and, if so, is it just about infrastructure projects – or does it address broader wellbeing outcomes? How will it be measured and what will success look like?

Most importantly, from our perspective and that of our members, what will be the role of local government and of local communities in planning and delivering levelling up?

A White Paper on levelling up is expected sometime this autumn. Given its long gestation there has been plenty of time for ideas, demands and suggestions as to what it should contain. The LGIU has over the last two years published a series of briefings and research papers to try and clarify what levelling up will entail, whether it is a coherent policy and how local government can respond.

This paper brings together this work to look at the opportunities levelling up offers and the risks it poses. Reviewing our work and those of others it sets out six principles that need to underpin the white paper:

Clarity – The White Paper has to clarify what the government means by levelling up whilst allowing flexibility for locally-targeted action and scope for local leaders to make it their own.

Scope – New levelling up funding and other funding related to it and local growth strategies, such as the Towns and UK Shared Prosperity funds should extend beyond investing in hard infrastructure projects to social infrastructure and to measures that address inequalities in areas such as health and skills, with support for early intervention measures such as early years programmes and childcare services.

Partnership – Local leaders have to be given the tools to be able to fully contribute as partners to the levelling up project. Levelling up needs to go hand in hand with a decentralisation of power to local and sub-national governments, based on [A New Settlement for Place](#).

Transparency – There has to be complete transparency – both in relation to the data and information used for making decisions and the reasons why policy and funding decisions are made.

Flexibility – Levelling up has to be and be seen to be relevant to local places, reflecting the priorities of and differences between local authorities, their communities and partners.

Accountability – The levelling up White Paper needs to set out clear objectives and timescales – at national and disaggregated levels so that progress can be scrutinised and outcomes measured including developing metrics for place-based wellbeing policy.

If levelling up is grounded in these core principles, it has the potential to offer real transformation. But it can only be effective if it is delivered in partnership with empowered and empowering councils. If we miss that opportunity it risks being remembered as an empty political slogan.

Clarity

The White Paper needs urgently to clarify what the government means by levelling up – it is still an ambiguous and potentially confusing concept, which can mean everything and nothing.

The prime minister has put levelling up at the heart of the government’s mission since he referred to it in his first speech as prime minister in July 2019. In his 15 July 2021 speech in Coventry he reaffirmed levelling up as the central purpose of his premiership: his government would “level up across Britain” by unleashing the “the productive power not just of London and the South East but of every corner of England, Scotland, Wales and Northern Ireland”. Levelling up was a major theme of the 2019 Conservative Party general election manifesto and figured prominently in the 2021 Queen’s Speech.

Yet what exactly is meant by “levelling up” is still unclear.

We do know, however, that levelling up was originally promoted as place-based: to reduce economic inequality between places. In the government’s [Build Back Better: our plan for growth](#), published alongside the 2021 Budget, the Chancellor states in his introduction:

“Our most important mission is to unite and level up the country: tackling geographic disparities; supporting struggling towns to regenerate; ensuring every region and nation of the UK has at least one globally competitive city; and above all, strengthening the Union.”

Even the Chancellor’s statement lacks clarity – is levelling up focused on reducing the disparities in productivity between regions (usually seen as between London and the South-East and the rest) or between particular cities and “struggling towns” around them? Will it recognise the economic inequalities within regions and well as between them?

There were some details of both financial commitments and specific measures in the 2021 Queen’s Speech, including a £4.8bn Levelling Up Fund, a £220m Community Renewal Fund, a £830m Future High Streets Fund for 72 areas across England and eight Freeports. There is, so far, a focus on physical projects.

Despite levelling up being referred to in almost every speech given by key ministers for two years there are numerous questions remaining. The more it is heralded by ministers the more it becomes a loose concept – sometimes it seems unduly restrictive and sometimes so wide it is impossible to grasp. Ministers have a tendency to badge every new policy announcement as levelling up.

Levelling up has become an omnipresent phrase, in danger of representing everything but not effectively delivering on its rhetoric. The [House of Lords Public Services Committee](#) neatly summarises that “aside from the government’s broad ambition to reduce regional inequalities, it is unclear exactly what it wants to level up, how much the strategy will cost, how long it will take and how the government plans to achieve its goals.”

Both the House of Lords Committee and the July [Business, Energy and Industrial Strategy \(BEIS\) Select Committee report on levelling up](#) are concerned about the lack of specificity in what levelling up success looks like and are dissatisfied with it being defined in a primarily geographical way – especially in simplistic regional terms.

The Lords position paper seeks a stronger social (including health and education) and community focus, local involvement, transparency in both the data used to determine decisions and the rationale for ministers’ decisions. Plus, it wants to see much higher levels of local authority and local service provider autonomy.

The BEIS Select Committee is even more scathing about the time it is taking to publish the levelling up White Paper: the lack of clarity and metrics on what specifically the government is seeking to achieve. It proposes a cabinet committee on levelling up with devolved national, regional and local leaders involved; and greater capacity funding where there are constraints to bidding successfully for government funding. The committee says that to date, the government has provided no overall strategy for the agenda or a vision for what a levelled up UK might look like in the future. A number of witnesses said that it remained unclear what the term levelling up meant.

The committee pointed out that while the Prime Minister has described levelling up as a UK wide policy, many of the sources of funding and policy initiatives are for England only, as much of the relevant policy area is devolved.

(See LGIU briefing [Levelling up, devolution and local economic agendas for 2021-25](#) by David Marlowe and LGIU briefing by Andrew Jones [BEIS Committee Report: post-pandemic economic growth and levelling up](#).)

The Institute for Government told the BEIS Committee that if the levelling up agenda is to be more than “just another round of upheaval and reinvention” of regional policies, the prime minister needed to be clearer about what he was trying to achieve and why existing policies and institutions had failed before. The Mayor of Bristol said that “[we] have no real coherent national framework with which to work”.

Scope

New levelling up funding and other funding related to it and local growth strategies, such as the Towns and UK Shared Prosperity funds should extend beyond investing in hard infrastructure projects to social infrastructure and to measures that address inequalities in areas such as health and skills, with support for preventative measures such as early years programmes and childcare services.

“The Levelling Up, Towns, Community Renewal and UK Shared Prosperity funds and any future fund introduced by the ‘levelling up’ White Paper should include expenditure on preventative measures to improve health; early years programmes; ‘social infrastructure’ such as childcare services, libraries, youth and community centres; and higher education institutions.” (House of Lords Committee).

“The government should seek to tackle inequality within regions. Plans to address inequalities should be focused on longer-term goals, rather than just the life span of political cycles, requiring a deeper level of consensus.” (BEIS Committee).

“Funding for levelling up should be explicitly and directly linked to the identified issues that the government is seeking to address. As there is an inequality in the capacity of local areas to bid for government funds, there should be mechanisms in place to ensure that it is not the most well-resourced authorities who are successful in securing funding.” (BEIS Committee).

A further criticism of the government’s messaging around levelling up is that it has so far been very focused on reducing gaps in productivity and on improving physical capital.

While this is obviously very important, a priority should also be to enhance social capital by investing in skills and opportunities for training, community projects and health and wellbeing, all of which can contribute to improving quality of life. Levelling up has to be about health, education and social outcomes as well as improving physical infrastructure.

The pandemic has exacerbated what were already serious inequalities between and within regions and socioeconomic inequalities between people and communities. In [Driving Growth and Shared Prosperity](#), CPP and the Northern Research Group, although acknowledging that one-off physical infrastructure projects can make a difference, argue that they are not in themselves adequate if levelling up is to be sustainable.

The [House of Lords Public Services Committee](#) emphasised that “successfully ‘levelling up’ the country will require a more holistic approach. Funding for ‘social infrastructure’, and the support provided by public services, is at least as critical to communities as investment in roads and bridges.”

Issues such as how to tackle health inequalities, homelessness and poverty have been marginalised by government ministers in discussing the levelling up agenda.

New Philanthropy Capital, a think tank and consultancy for the charity sector, has published a report [Should we ‘level up’ social needs?](#) which argues that levelling up should address social needs alongside improving physical infrastructure, and it suggests how it can go about doing so. The report points out that as little as seven per cent of the £8.77bn of levelling up funding could be spent on services that might tackle social needs, such as homelessness, poverty, crime and unemployment and that 23 per cent of the most deprived quarter of local authorities in England are currently not prioritised for levelling up funding.

Other organisations and think tanks have also stressed that levelling up has to extend beyond physical infrastructure. The King’s Fund points out that although improving infrastructure is a vital part of addressing inequalities, it is not sufficient: *“for example, this approach to levelling*

up will not, on its own, address disparities in health and life expectancy between the most and least deprived communities”.

The Health Foundation focuses on health inequalities and highlights that action to “level up the nation’s health” has been described as a core part of levelling up – *yet levelling up is an opaque term, and the government’s plans are still under construction*. Measures of health are not yet influencing the initial allocation criteria for levelling up funds, and initiatives are firmly tilted towards boosting financial and physical infrastructure capital. The role of local government and the NHS in helping to level up is also underplayed.

A clear objective of levelling up must surely be to reduce the systematic (and growing) differences in health outcomes between groups within the same population. This is even more the case given the impact of Covid-19 on the most disadvantaged who suffered the worst outcomes. Even before Covid in England, people living in the poorest neighbourhoods, on average, died seven years earlier than people living in the richest neighbourhoods. Even more disturbing, the average difference in disability free life expectancy is 17 years. So, people in poorer areas not only die sooner, but they will also spend more of their shorter lives with a disability.

The government’s approach to levelling up investment has, so far, reflected the traditional belief that large physical infrastructure projects such as transport and digital connectivity are the best way to achieve economic renewal. However, there is increasing evidence that this approach neglects the crucial role of social infrastructure: the spaces and community facilities which bring people together to build meaningful relationships, such as pubs, libraries, leisure centres, community centres and playgrounds.

Social infrastructure in this context includes physical spaces whether publicly or privately run; public services whose main function is to facilitate civil society and community relationships; and businesses that bring people together for commercial benefit such as cafes and pubs.

LGIU’s member’s only briefing [Social infrastructure and levelling up – building resilient communities](#) suggests that policy makers should give more consideration to the value of social spaces and facilities where people come together when developing policies and programmes to tackle inequalities and that hard physical infrastructure and softer, social infrastructure should not be seen as rivals: both types of infrastructure are needed for sustainable communities.

Partnership with local government

Local leaders have to be given the tools to be able to fully contribute as partners to the levelling up project. Levelling up needs to go hand in hand with a decentralisation of power to local and sub-national governments, based on A New Settlement for Place.

The approach to levelling up by the UK government in respect of the devolved governments and local government in their territories has been inadequate. There needs to be full consultation, genuine transparency and the ability of devolved governments to influence future plans from the beginning.

Local government is essential to delivering levelling up and decentralising powers will be crucial to give councils the right tools. Devolution and levelling up are seen as separate agendas, but they should be closely connected. In our recent report [A New Settlement](#), we argued that levelling up would not be achieved without significant resources and a bolder push for devolution.

Building back following the pandemic must include a new settlement for place that reconnects the government's levelling up ambitions with the decentralisation of power in England. In recent years, the momentum on English devolution has been lost but the pandemic has underlined the fundamental importance of shifting power to places and people. In our recent report we argued that this new place settlement must:

- Give local leaders the tools to pursue levelling up, while tackling three of the most urgent policy crises recently exacerbated by the pandemic:
 - ▶ revitalising economic growth and 'good' jobs;
 - ▶ house building;
 - ▶ and social care.
- Introduce a sustainable funding model for local government.
- Ensure a commitment to further decentralisation across all Whitehall departments and give local government a stronger voice in national policy decisions.
- Provide dedicated research infrastructure funding for councils to create a benchmark of local social wellbeing indicators that can inform future policy decisions.
- Launch a local government-led "Building Back Better" commission.

The British Academy's [Shaping the Covid Decade](#) report argued that empowered governance "strengthen the capacity to identify and respond to local needs" and would be essential for responding to the Covid-19 pandemic. Different levels of government "must operate in strong partnership" and that there is an opportunity for "reform of the role and powers of central and local government – and, crucially, how they interact across a range of policy issues and areas of service provision."

The [All Party Parliamentary Group for Devolution](#) believes devolution is already delivering results and improving outcomes and that it is therefore crucial to levelling up. The report argued that "devolving and decentralising power and enabling local people to make decisions in these areas will create the conditions for sustainable growth, better public services and a stronger society". But it says that unless local leaders have more control over policy and local budgets, their potential will continue to be held back.

A step change in the pace of devolution appears less likely given the delay and eventual cancellation of the long awaited devolution White Paper. However, with the appointment of Michael Gove as Secretary of State for Levelling Up, Housing and Communities communities, and with that department's reorientation towards "delivering levelling up", it is increasingly likely that a levelling up White Paper will emerge sometime soon.

As the work develops, there may be an opportunity for developing policy interventions that enable government departments to orient themselves towards supporting place-shaping, and for making the right resources and tools available in the right places to carry this out. As David Marlow argued in a recent LGIU briefing, these opportunities have been missed in the recent past.

Arguably the goals that will be achieved by a centrally-administered and ring-fenced set of capital pots will be far less ambitious than those that could be achieved through a process of empowering, freeing and funding local government.

Some of the criticisms of how the UK government have approached levelling up are echoed (and magnified) in concerns of the devolved administrations, especially Scotland – particularly around transparency, devolution and consultation and how funding is being distributed.

The government had increased the initial allocation of £4bn for the Levelling Up Fund to provide funds for the whole of the UK, with at least £800m to be spent in the devolved nations.

The additional funding was welcomed but there have been concerns about the process.

A recent letter from Richard Lochhead MSP, Minister for Just Transition, Employment and Fair Work, to Luke Hall MP, then Minister of State for Housing, Communities and Local Government set out these concerns – focussing on the lack of clarity on how new EU replacement funds will be delivered in Scotland but he also refers to levelling up .

“However, I would emphasise that we remain beyond disappointed by the continued refusal of the UK government to engage the Scottish government in any meaningful way in the development of both the UK Shared Prosperity Fund and the other funds announced in the March budget, namely the Community Renewal Fund, the Levelling Up Fund and the Community Ownership Fund.

“The UK government’s approach to the disbursement of monies from its Levelling Up Fund risks not only undermining the devolved settlement in Scotland, but also the priorities of the devolved agency with responsibility for transport, Transport Scotland.”

At the Scottish government’s Local Government, Housing and Planning Committee on 7 September 2021 Councillor Alison Evison, President, and Sarah Watters, Director of Membership and Resources, COSLA were asked about their experience of levelling up funding. Councillor Evison said that there had been opportunities to talk about the fund “but not in a way that would influence (it). We have not had any involvement in its design or implementation, which would appear to be the major point of your question”.

Sarah Watters told the committee that they had done a piece of work with all the directors of finance to find out how engaged they are with the funds. They found that councils are finding the timescales very challenging and stressed that there needs to be “absolute transparency through the fiscal framework work, at all levels, so that we know the impact of the funding and can be sure that it is additional to what is already in the system”.

She was asked if there is a potential issue for local autonomy? Sarah Watters replied that one of the key concerns about the levelling up fund is the bid approach to funding:

“The bid approach does not necessarily mean funding getting to places of greatest need. Instead, the approach might mean that funding reaches places that, to put it bluntly, can write and submit good bids. It might come down to local capacity. It would be really disappointing if there were areas of real need that, for a variety of reasons, do not have the capacity to access the funds. That is a major concern for local government.”

This reflects concerns felt by local leaders in England.

Transparency

There needs to be funding transparency in both the data used to determine decisions and the rationale for ministers’ decisions. Gaps should be filled in relevant local and national data, such as on health outcomes, educational attainment and skills and income. This data should be publicly available.

The Index of Multiple Deprivation should be used when making future levelling up funding decisions, and it should publish criteria on such decisions as soon as spending is announced. (House of Lords Committee)

How can the government be sure funding will be equitable? The Levelling Up Fund labels local authorities into three priority groups, but there is no detail about what factors contributed to that prioritisation.

As such, the government has faced [criticism](#) for including places in the Levelling Up Fund top priority group, despite not featuring in the top third most deprived places in the Index of Multiple Deprivation.

There have been many criticisms of funding processes as unfair and lacking in transparency. In the [Public Accounts Committee report](#) on the Towns Fund published in November 2020 the Committee was harsh: “The justification offered by ministers for selecting individual towns are vague and based on sweeping assumptions. In some cases, towns were chosen by ministers despite being identified by officials as the very lowest priority (for example, one town selected ranked 535th out of 541 towns)”.

“The government has shown insufficient transparency in making ‘levelling up’ funding decisions. This lack of transparency has fuelled accusations of political bias, led stakeholders to question why criteria such as commuting distance have been given such prominence, and risks undermining public trust in ‘levelling up’. ‘Levelling up’ funding criteria should instead work alongside existing measurements that take better account of local needs.” (Lords Public Service Committee)

Flexibility

Levelling up has to be and be seen to be relevant to local places, reflecting the priorities of and differences between local authorities, their communities and partners.

The notion of ‘levelling up’ implies that everywhere should be made equal. On measures such as educational attainment, this should be the goal. But when it comes to levelling up the economy, policy will fail if it sets the goal of making everywhere the same.

LGIU briefings have frequently commented on the continual cycle of upheaval and change that seems to always accompany local and regional economic development. In a 2019 report on LEPs, the National Audit Office drew attention to no fewer than 52 initiatives for local growth driven by central government since 1978. UK local and regional economic leadership and governance over the decades has been characterised by complexity, fragmentation and institutional churn.

Will levelling up follow the same agenda? The abrupt ending of the Industrial Strategy, after many LEPs had either published or were nearing completion of their Local Industrial Strategies, seems to indicate that it could do. A witness to the BEIS Committee’s inquiry suggested that the levelling up agenda might yet become “just another round of upheaval and reinvention”. Another witness drew attention to the confusing and “cluttered” structure of sub-national agency for economic development.

Local economic growth strategies have often been implemented by large numbers of individual competitive bidding-based schemes, covering overlapping geographies, often led by different agencies, with what could be said to be arbitrary and inconsistent decision-making criteria. Leading in some cases to a strong drift to central government micro-management when the difficulties of this approach become increasingly apparent.

The process of competitive bids was described by the Mayor of Bristol in his evidence to the BEIS Committee as a “zero-sum game” with local authorities competing against each other “when we [local authorities] are trying to collaborate across the country”.

Since 2010 the approach to local economic strategy has been mainly around ‘deal making’ with deals negotiated between the centre and local and sub-national government. Moreover, there has been no fundamental shift in local/centre relations in this period despite the promise of 2011 Act. In essence, Whitehall did not trust local councils, and robust financial controls were maintained. Additional complexity and uncertainty undermined the attempts at consistency, efficiency and partnerships at the local level.

There is little to indicate so far in relation to levelling up that this approach is not going to be continued – with the subsequent loss of decentralised focus. The Johnson government is pursuing a contract-based approach, with councils bidding for pots of cash, while mayors negotiate bespoke deals with Whitehall. The business case and the ‘value for money’ of these deals is determined by ministers in Whitehall.

Regional, sub-regional and local arrangements change rapidly over time, geographies and functions. Just considering the last decade, ‘deals’ have been agreed with institutions that come and go in city regions, sub-regions, local authorities and towns. These sit alongside

other, often bigger, place-based and place-blind policies and programmes with huge top-down impacts on places largely determined by the national government in Whitehall and Westminster.

Accountability

The White Paper needs to set out clear objectives and timescales – at national and disaggregated levels. There should be a clear direction from No10 regarding which department will be responsible for delivering which outcomes and how.

The lack of clarity on what levelling up means has also led to a vacuum in understanding how it will be measured. In its recent inquiry the Business Energy and Industrial Strategy Committee member [Mark Pawsey MP](#) said: “I am struggling to understand, because we have not got any metrics... Where are those measures that enable us to get a view? Or are we simply relying on trickle-down theory that if businesses do well then everybody will do well?”

The BEIS Committee explored different options for measuring outcomes and stressed “the government needs to be awake to the fact that levelling up could come under similar criticisms unless it focuses on clear metrics and milestones for achievement”.

The Committee recommended that “the government should set out what it envisages a ‘levelled up UK’ would look like and agree a set of metrics by which progress towards this vision can be measured”. Assessments should be based on measurable outcomes linked to short, medium and long-term milestones and goals. The government needs to set metrics on levelling up for each Department. Performance against these metrics should be published annually and monitored by the National Audit Office.

What is measured is also important. CLES in its paper [Devolve, Redirect, Democratise: the future of local economic development in the UK](#) argues for a new approach to measuring economic activity which adopts wellbeing metrics to chart their economic success beyond growth, with measures such as the ratio of housing costs to income; the growth in the number of generative businesses; and the decrease in the level of poverty.

The Northern Research Group and Centre for Progressive Policy (CPP) in a new joint report [Driving Growth and Shared Prosperity](#) suggest that the government should measure the success of levelling up against four key tests:

1. Halving the gap in skills and good jobs by 2030 between places with the highest and lowest levels of productivity and employment across the UK.
2. Halving the gap in healthy life expectancy by 2030 between nations, regions and local authorities across the UK.
3. Closing the gap in public sector spend on research and development (R&D) and halving the gap in private sector R&D spend by 2030 between those regions with the lowest levels of investment and those with the greatest.
4. Reducing by half the educational, health and income inequalities between and within places across the UK by 2030.

Of course, other groups will come up with a different set of measures, but the emphasis on having clear objectives is well made.

There are attempts to do this at the local level, which the government could well learn from as they develop the White Paper. In our paper, [A New Settlement](#), published earlier this year, we looked at the increasing importance of measurement for complex policy issues such as wellbeing. The paper looks at some of the approaches and different metrics that contribute to place-based wellbeing policy. In the final report, we presented case studies of the London Borough of Barking and Dagenham and Bradford City Council, both of which offer compelling attempts to gather and present data around issues that are crucial to levelling up.

Conclusions

Levelling up, though ill-defined, is hugely ambitious and speaks to a real need. The government will, at some stage, need to provide evidence that it is working. In his July 2021 speech, the prime minister recognised the connection between being one of the most highly centralised countries in the world and being one of the most imbalanced. Of course, the reality doesn't necessarily match his observation – there is still clearly a belief that the centre knows best – as evidenced by the continuation of complicated challenge-based competitive bidding systems and the micro-management of processes.

David Marlow's [LGIU briefing](#), whilst expressing frustration about the lack of definition and coherence from central government, makes it clear that local and regional government needs to be planning now for the implementation of the levelling up agenda following the White Paper. It requires action from all levels of government: national, as well local and sub-national government.

This includes translating levelling up so it is locally relevant and is an explicit part of a place's goals and priorities. This will mean resolving the government's confusion over issues such as whether it is about geographies and/or specific communities in those geographies. Is it about economic performance, social and environmental goals and/or access to public services? How ambitious and who/where are the comparators with whom levelling up is directed – global, national, regional, and/or local?

Marlow emphasises that levelling up has to be a 'team game':

“Resolving the structures and processes of leadership and governance, planning and delivery, collaboration, collective and individual accountabilities is important. Determining who sits at which tables, and with what powers, resources, mandates and responsibilities, needs to be resolved.”

As many others have stressed, we argue in this briefing that orthodox local economic development agendas of productivity and employment are necessary but wholly insufficient for post-pandemic recovery and post-brexit economic transformation. Levelling up needs to recognise and link into the grand challenges: net zero and nature recovery; demography and ageing; digitalisation and technological change; reskilling and upskilling; countering the tendencies to growing inequalities; and of relations to neighbouring cities, regions, national and global positioning.

And while notoriously difficult to measure there also needs to be a democratic empowerment element to levelling up. All communities in all parts of the country need to feel equally able to shape their own destinies.

Local legitimacy and accountabilities should be at the heart of levelling up. Strong local ownership and participation need to be built and nurtured: *this is not a given and requires proactive effort and resources. Many current agendas seem designed to sow and exacerbate division and exclusion.*

Finally, however difficult, the local response to levelling up will not be a clone of national norms and aggregates. Building an evidence-informed narrative that resonates locally but gives the government confidence that its priorities are shared and respected will be crucial.

The briefing does not pretend any of this will be easy for councils and local partners:

“A lot of local work needs to be done, on top of the day jobs of continuing crisis and turnaround management as the economy reopens. Without falling into the trap of branding everything as local levelling up, the above agendas do represent the foundations from which an authentic, appropriate and relevant local levelling up strategy may be articulated and delivery managed.”

Levelling up is inherently political. Its origins lie in the Conservatives gaining ‘red wall’ seats in the 2019 election. Yet it is also a consequence of the changing nature of local economies and communities that goes back decades. It is at once both a political construct and a means of reducing the serious economic inequalities between places – if it succeeds. But that is a big ‘if’.

“Left behind’ places are not mythical – and many of their residents clearly see themselves and the places they live and work in as having been neglected – the Brexit vote reflected this, as did the 2019 general election. Indeed the issue of some places being “left behind” will be too big for infrastructure spending alone to fix. Wider trends around political engagement and identity, as well as economic growth and town centre regeneration could well prove crucial.

The government needed to make explicit its commitment to these areas. Levelling up, however, presents the government with a myriad of problems – it is being besieged by advice and demands from all sides, including by many of its own MPs. Even if the Prime Minister claims levelling up is not about levelling down, it is fundamentally about redistribution. That is not natural Conservative territory. There are substantial political tensions for the government that will not be easily managed – mixed messages such as increased state intervention and public spending alongside projects such as freeports and promoting the free market.

Some of the demands from Conservative MPs, the opposition, regional bodies and local government will contradict each other. There are also contradictions raised by the concept itself – such as how withdrawing the £20 uplift to universal credit can be compatible with levelling up – reducing the buying power of the worst off in the poorest places could hurt the local economy (not to mention the other implications for poverty and wellbeing). And more generally – how can levelling up happen in a period which is bound to see further cuts in public spending, including local government spending and services as a result of the pandemic? We have already seen the backlash against the government’s decision to

increase national insurance to plug gaps in the NHS and to begin to reform social care. Decisions about increased spending and borrowing over the next period are bound to be fraught. Local government which is central to levelling up implementation has its own massive financial pressures.

So far, the main focus of levelling up (and ‘the plan for growth’) have been focused on providing funding for hard infrastructure projects. Many local authorities will welcome funding for the regeneration of town centres or for local transport schemes. Or for larger national projects, connecting their place to others, like core cities. But others will be asking if these schemes are a priority for their local economies, whether they, for instance, adequately reflect inclusive growth and community wealth building strategies, focusing on what works for their own local economies? Councils need to be able to decide for themselves what works in their areas and will need funding to promote local growth, which could, for example, include enhanced public services and new housing.

The flexibility of a phrase like levelling up should be a strength, in that it is flexible enough to allow locally-targeted action and scope for local leaders to make it their own. The converse of this is a real risk that levelling up is a large vessel that policy makers and politicians attempt to fill with every social and economic challenge that arises. It is challenging enough to coordinate across multiple scales, places and policy areas, but the politics of levelling up will make navigating this landscape even more uncertain.

Many councils will ask whether government priorities support wider objectives such as combatting the climate emergency or reducing health inequalities. This means devolution is not a side issue – it is central to effective implementation – to councils, sub regional government and to communities. Local people and businesses will only trust in levelling up if they are involved in developing it.

If we want places to level up and to stay levelled up, we need real devolution that gives local leaders the incentives and the tools to drive sustained and sustainable growth and to align it with the political identity, needs and aspirations of local areas. That’s how we will achieve a form of levelling up that is truly transformative.

Further reading from the LGIU

[Levelling up, devolution and local economic agendas for 2021-25](#)

[Levelling up – what does it really mean?](#)

[Budget March 2021 and placemaking – towards ever greater centralisation?](#)

[The Towns Fund – what’s wrong with the government’s approach to levelling up?](#)

[Spending Review 2020: Analysis](#)

[Budget March 2020 – implications for local growth and devolution](#)

[The IFS 2020 Green Budget](#)

[BEIS Committee Report: Sector Deals](#)

[NAO Report: Local Enterprise Partnerships: an update on progress](#)

[Industrial Strategy November 2017](#)

[What is Industrial Strategy?](#)

[BEIS Committee Report: post-pandemic economic growth and levelling up](#)

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