

Implications of the Levelling Up white paper

Purpose of report

For direction.

Summary

The report analyses the core elements of the Levelling Up White Paper. It sets out a number of issues for members' views, including implementing devolution and the implications for the LGA of various new structures introduced by the White Paper. Following this discussion a report will be prepared for the LGA Advisory Board.

Recommendation

This paper seeks Members' views on the issues arising from the Levelling Up White Paper.

Action

Officers to take forward policy and improvement work in line with Members' steer.

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Implications of the Levelling Up white paper

Background

1. The Levelling Up White Paper was published on 2 February 2022. It sets out Government's programme to address regional inequalities and improve people's life chances across the UK. The White Paper uses a framework of 12 national missions to describe the activity it will be undertaking across all Government departments, together with a series of metrics against which the Government will measure progress on its ambition up to 2030. The LGA's [briefing on the white paper](#) summarises key announcements under each of the missions, which will be integrated into the LGA policy boards' work programme where necessary.
2. As part of its plan for achieving its goals on levelling up, Government has committed to eight deliverables:
 - 2.1. 12 national missions
 - 2.2. Further devolution deals across England
 - 2.3. A devolution framework for England
 - 2.4. A new, independent data body
 - 2.5. A national advisory council
 - 2.6. Levelling up directors
 - 2.7. A plan to simplify growth funding
 - 2.8. A new Bill on levelling up and devolution
3. This paper explores the implications of each of these for local government and the LGA. To note this paper does not include details of the UK Shared Prosperity Fund. Updates in this area will be provided to the relevant Boards as more details are published.
4. We are also anticipating a broad consultation led by DLUHC in the wake of the White Paper.

The 12 missions

5. The missions cover four broad areas: boosting productivity and living standards by growing the private sector, especially in those places where they are lagging; spreading opportunities and improving public services, especially in those areas where they are weakest; restoring a sense of community, local pride and belonging, especially in those places where they have been lost; and, empowering local leaders and communities, especially in those places lacking local agency. The White Paper commits to further

consultation on the metrics used to measure the success of these missions and to creating a statutory responsibility on Government to report on their progress.

6. The Missions will require collective work between Government departments and local partners. In the short term, we will want to work with departments to ensure the metrics where local government has a delivery role are appropriate. For mission 9 (pride in place), the white paper is clear that new forms of measurement will need to be developed. Given local government's key role in delivering this mission, this will be one of our key areas of focus and members' views on how we best do this are welcome.

Devolution deals

7. The LUWP commits to all areas of England that want one having a devolution deal by 2030. It extends devolution beyond metropolitan areas and introduced the nine places (Cornwall; Derbyshire and Derby; Devon, Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; Norfolk; Nottinghamshire and Nottingham; and Suffolk) that will be shortly undertaking negotiations for their own devolution deals. It announces the beginning of discussions for a Mayoral Combined Authority (MCA) with York and North Yorkshire and an expanded MCA deal for the North-East; and confirms that other areas in similar situations to North Yorkshire and York (such as Cumbria) have the opportunity to consider an MCA deal. The White Paper is explicit that no local government reorganisation will be required to secure a deal, and that it remains flexible on the governance that places put forward. However, it is clear that it views directly elected mayors as the strongest form of governance and that places may progress towards having a mayor if they want more powers.
8. It is positive that devolution has been extended to non-metropolitan areas; something the LGA has been lobbying for over a number of years. As part of our sector-led support offer funded by DLUHC we offer our support to all areas interested in devolution, where there is agreement by all councils affected to pursue it. From our experience of previous rounds of devolution deals, officer capacity is likely to be one of councils' biggest support needs as they move into negotiating deals. Our Principal Advisers will work with each place to design a bespoke offer which could include: officer or member peer support; expert consultancy, for example on constitutional, HR or financial issues; membership of the LGA's devolution officer networks; advice on gathering an effective evidence base to support discussions, and advice on the process of forming a combined authority or other body where all partners are in agreement. We also plan to design a knowledge sharing element, both to share our existing knowledge base with new places and to support knowledge transfer between places as deals progress. The final shape of our offer will depend on the outcome of the discussion with DLUHC about our wider sector support programme.

9. The People and Places Board has a strong interest in supporting the progress of the upcoming county deal process. The Board will continue to lead policy in this area, including understanding the governance proposals being put forward by places and the legislative or other impacts these might have.

Devolution framework

10. The devolution framework sets out a flexible, three level approach to devolution recognising that a one-size fits all model would not be suitable. The White Paper sets out the types of powers and functions that will be considered for each devolution level. Some powers may only be available to certain authorities or geographies, and there will be scope to negotiate further powers on a case-by-case basis. There may also be an option to change public sector administrative boundaries on a case-by-case basis to support devolution.
11. The published devolution framework is a good first step. It is good that the framework will apply to all local areas and will not impose a one-size-fits-all approach to governance. We are keen to go further and faster with other government departments so the whole of government is taking a 'local first' approach. The missions set out in the White Paper are wide-ranging, encompassing social as well as economic outcomes. For these to be successfully delivered will need the framework and devolution deals to be expanded beyond their current, largely economic, focus. The role of citizens and communities in delivering the levelling up missions also needs to be developed further, and local government is the natural convenor of this thinking.
12. We now need to offer support to Government to expand the framework. We will share our evidence base and views on where connections need to be made with our areas of reform across Whitehall, for example on health and social care. We will also work with those councils seeking devolution deals to understand any other areas where the framework does not yet go far enough and where public service reform is still needed.

Independent data body

13. The Government is establishing a new independent body in England focused on data, transparency and robust evidence. The objectives of this body will be to empower citizens with information about their local area, input into service design, strengthen local leaders' knowledge of their services, enabling them to share best practice, increase central government's understanding of local government, and enable sector support to be better tailored. The headquarters will be outside London, and the body will be co-designed with local government.
14. Local government has a very strong record of data transparency, including through our LG Inform data platform which already enables residents and leaders to compare

information by presenting up to date published data about local areas and the performance of councils utilising existing data. This complements the sector led approach to improvement. The Improvement and Innovation Board at its meeting on 24 February raised concerns about the proposal given all council performance data is already made public via LGInform and queried what was the problem the government was trying to solve. It was the view of the Board that what was needed was data about what government and other public sector organisations spend and deliver at the local level and more work to enable different bodies to share data rather than replicate LG Inform. The new organisation must therefore build on what already exists, focus on transparency and not duplicate the work of other bodies.

15. To understand how the new body can support leaders, citizens and government, we must first understand the extensive amount of local government data that is already collected by Whitehall, how it is used and crucially determine what gaps there are across departments and the work Whitehall does in places. We already know that councils and combined authorities can struggle to access data collected by national bodies, for example some of the national skills and employability organisations.
16. A clear objective of the new independent body is to empower local leaders in having access to comparable information. We therefore support the proposal that the new body must be co-designed with the local government sector, given the central role of local leaders as stakeholders. Local leaders must be fully involved in its design at all stages to ensure that the new independent body adds value and can help councils to access nationally held regional data as well as local government data. We look forward to hearing the Department plans for how the sector will be involved in co-design.

National Advisory Council

17. The White Paper introduced a new National Advisory Council on levelling up, made up of independent experts. The Council will support Ministers by advising on the design, delivery and impact of levelling up policy including how to ensure London's complex economic geography and socio-economic spectrum can benefit from levelling up. There are plans to set up expert sub-committees on themes such as regional adoption and diffusion infrastructure; the role of private sector capital, and local communities and social infrastructure. For a list of council members, see Annex A.
18. It is helpful to see an independent body advising Government, both in its own right and as a partner of local government. To support the Council and Whitehall, the LGA could act as a sounding board for how levelling up policies, especially devolution, are landing in places and acting as an early warning system for any unintended consequences. These could be collected in, for example, six monthly updates to be shared with the Council as part of its work programme.

Levelling up directors

19. The Government will introduce new Levelling Up Directors to join up policy at a local level. These directors will work to build local capacity, improve the evidence base for local decision-makers, bring strategic coherence to government intervention in places, form a bridge between local and central government, and act as champions for their places.
20. Extra resource to support places to achieve their local ambitions is positive. However, we will want to work closely with Government to ensure the new directors work in partnership with local government and can engage meaningfully with departments across Whitehall. It will be important that the primary focus of levelling up directors is to enable local government devolution by addressing potential policy and funding barriers within central government. Councils, working collaboratively, must continue to have the primary role in catalysing local change and identifying capacity and capability issues, as councils are directly accountable to their local electorates.

Plan for growth funding

21. The Government will set out a plan for streamlining the local growth funding landscape this year. The aims of this are to reduce the unnecessary proliferation of individual funding pots, streamlining bidding, ensuring that places have robust monitoring and evaluation plans to assess the impact of their investment and spending, and tailoring investment and delivery to the local landscape.
22. The LGA has been campaigning for a simplified approach to growth funding. Our research has consistently found growth funding has been split across numerous pots with overly complicated oversight arrangements and an over reliance on competition. We will want to work closely with DLUHC to feed in our expertise and test their early thinking with councils and combined authorities.

Levelling up and Devolution Bill

23. The White Paper states that the UK Government will explore provisions around introducing an obligation for the UK Government to publish an annual report on delivery against the levelling up missions. It will also look at strengthening devolution legislation in England in order to expand devolution to more places, deepen current devolution deals and enable the devolution process to be simpler and more transparent.
24. The LGA's public affairs team will lead our Bill activity, working with policy and improvement colleagues as needed. Following the precedent of the Cities and Local Government Devolution Act 2016, the People and Places and City Regions Boards will steer our lobbying activity.

Longer term issues

25. Beyond the immediate implementation of the White Paper, other issues will emerge.
26. **Firstly**, Government's expressed preference for an independent data body, saying: "[i]n the past, it has been difficult to see what is being spent, where and how it is being spent, and its impact." Whilst the emphasis of the White Paper is on greater data transparency, which local government supports, there is a risk that existing comparative data mechanisms such as LG Inform are not fully utilised or that the focus of the new body is just on local government rather than greater data transparency for national government. The White Paper references that the new body will be co-designed with the sector (as opposed to consulted on) and officers would recommend that there is specific engagement with both politicians and officials to make this a reality and to ensure that local leaders are fully engaged as a key objective for the new body is to provide more information to them.
27. A related risk is the extent to which the new data body may develop further powers in relation to performance management of councils in the future. Whilst officials and the Government have indicated that they do not see the new body as a return to the Audit Commission, it will be important to fully understand the remit of the new body over the coming months through further engagement with DLUHC during the co-design stage.
28. **Secondly**, the national missions cover an extremely wide range of policy areas. With Government planning to make a statutory commitment to report on progress, and to achieve the missions by 2030, there is a risk that the collection of data becomes burdensome. The risk is heightened as different departments overseeing each mission may approach local government separately and local government could end up being asked to contribute data under 12 different missions with no coordinated overview. The independent data body could play a helpful role in streamlining the data requirements.

Implications for Wales

29. The Levelling Up White Paper covers the whole of the UK, however as with England Wales is on its own devolution journey. We continue to work closely with the WLGA and other UK associations on issues of shared importance, including the UK Shared Prosperity Fund.

Financial Implications

30. Policy work will be undertaken as part of our core activity. Improvement work is funded through our sector support agreement with DLUHC which is currently being negotiated and we are confident that sufficient budget will be available to cover the proposed devolution support activity for 2022/23.

Next steps

31. Officers will undertake policy and improvement work and engage with Whitehall Departments in line with members' steer.

Annex A

Levelling Up Advisory Council

The Secretary of State for Levelling Up has appointed the following leaders from industry, academia and civil society to the Council:

- Katherine Bennett (CEO, High Value Manufacturing Catapult and Chair, Western Gateway)
- Sir Tim Besley (Professor of Economics and Political Science, London School of Economics)
- Sir Paul Collier (Professor of Economics and Public Policy at the Blavatnik School of Government, University of Oxford)
- Cathy Gormley-Heenan (Former Deputy Vice-Chancellor (Research and Impact), Ulster University)
- Sally Mapstone (Principal, University of St Andrews)
- Laxman Narasimhan (CEO, Reckitt Benckiser)
- Sacha Romanovitch (CEO, Fair4all Finance)
- Hayaatun Sillem (CEO, Royal Academy of Engineering)
- David Skelton (Director, Renewal)
- Sir Nigel Wilson (Chief Executive, L&G)
- Baroness Wolf (Professor, King's College London)