



APPG inquiry into levelling up

Session 4: Levelling up investment and local leadership

Empowering local leaders and communities, especially in those places lacking local agency

Date: Tuesday 24 January 2023

Time: 3.00pm – 4.45pm

Venue: Jubilee Room, Westminster Hall

Expert witnesses:

Billy Dasein, Chair, East Marsh United

Gavin Parker, Professor of Planning Studies,
University of Reading

Barbara Slasor, Community Development
Lead, Gaunless Gateway Big Local in
Bishop Auckland

Henry Kippin, Chief Executive, North
of Tyne Combined Authority

1. About the inquiry

The Levelling Up White Paper sets out the government's plan to spread opportunity more equally across the UK. But if this national project is to become a reality, transformational improvements will be required in those communities that need them most. This inquiry will assess the likelihood of the government achieving this goal by considering the extent to which the White Paper's policy programme aligns with the needs and aspirations of people who live in the most deprived or 'left behind' neighbourhoods.

The work of the APPG to-date has shown that these areas face a range of intersecting challenges including low levels of community capacity, depleted civic assets, and poor connectivity in addition to, and which reinforce, their socio-economic challenges. Sessions will build upon the existing evidence base, with new research, written submissions and expert testimony used to judge the potential of current proposals and their planned implementation to regenerate 'left behind' neighbourhoods across the country.

Each line of inquiry is structured around the levelling up focus areas and medium-term missions. Sessions will consider research measuring the current situation in 'left behind' neighbourhoods and identify key issues on which the White Paper is silent or could contain more impactful proposals. On completion of evidence gathering and analysis, the APPG will recommend measures to support a long-term, positive programme of change for communities with the most need.

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2. What this session will examine

The fourth session of the APPG's inquiry into levelling up will examine the White Paper's twelfth mission, which relates to devolution and funding settlements. The overarching objective set out in the White Paper is to '*empower local leaders and communities, especially in those places lacking local agency*'.

Focus area	Mission
	<i>Empowering local leaders and communities, especially in those places lacking local agency</i>
Local leadership	Mission 12: By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

3. Biographies

Billy Dasein, Chair, East Marsh United

Dr Billy Dasein has worked in education for much of his adult life, as a lecturer, educational technologist and teacher of English in Oman and Poland. He's passionately interested in what makes for a good life, how we organise ourselves so that we humans can flourish and live the best lives we can. His doctoral thesis 'Freedom to learn for the 21st century (education as if people mattered)', says just about everything about his being-in-the-world: <https://etheses.bham.ac.uk/id/eprint/8553>

Gavin Parker, Professor of Planning Studies, University of Reading

Professor Gavin Parker holds the Chair of Planning Studies at the University of Reading, UK. He is an elected Fellow of the Royal Town Planning Institute (RTPI) and Academy of Social Sciences (FACSS). Gavin has published five books and over 100 papers and reports including *Neighbourhood Planning in Practice*, which won the 2019 RTPI Sir Peter Hall research excellence award. He led the national evaluation of neighbourhood planning research for DLUHC (then MHCLG in 2019-20 and in 2014 for the then DCLG which informed the 2017 Neighbourhood Planning Act. Gavin has acted as an advisor drawn into the Planning reform process with DLUHC in 2020-22 and his recent work was cited in the 2022 Levelling Up White Paper.

Barbara Slasor, Community Development Lead, Gaunless Gateway Big Local in Bishop Auckland

Barbara has been Gaunless Gateway Big Local's Community Development Lead since January 2017. She was born in Newcastle upon Tyne and currently lives in County Durham, close to Bishop Auckland. Barbara works to support a resident-led pro-active partnership to identify, prioritise, make decisions and act in response to local community needs, utilising £1.15m of Big Local funding. In her spare time, Barbara has been involved in local governance as a member of small unincorporated groups, as a charity trustee and company director.

Henry Kippin, Chief Executive, North of Tyne Combined Authority

Dr Henry Kippin is the Chief Executive of the North of Tyne Combined Authority, responsible for its delivery programme spanning inclusive economic growth, skills, housing, public service innovation, net zero and devolution. He was formerly an Executive Director at the West Midlands Combined Authority. Prior to this, he was Chief Executive of Collaborate CIC and held a number of roles in UK and international public policy, including as manager of the cross-party Public Services Commission. He is a trustee of the Young Foundation, a visiting professor at Newcastle University and was a visiting fellow of the UNDP Global Centre for Public Service Excellence from 2013 – 2018.

4. Background

This section examines the policy programme set out in the White Paper and current performance in 'left behind' neighbourhoods. It also provides the broader context for existing government initiatives and policy approaches. For further information on the performance of 'left behind' areas across the 12 Levelling Up missions, see the accompanying research commissioned for the APPG and inquiry session 4, 'Left behind' Neighbourhoods': Performance on Levelling Up Mission 12'.¹

Levelling Up Mission 12: Empowering local leaders

The White Paper acknowledges the need for greater devolution of power both to local government, and to communities, committing "to empower communities to shape the regeneration of their areas and improve public services".² The policy programme's focus is on enabling more devolution deals, expanding devolved powers and providing simplified funding settlements, but also new models of local partnership that "make it easier for local people and community groups to come together, set local priorities and shape the future of their neighbourhoods".³ Research for the APPG shows that this kind of 'double devolution' - which facilitates resident-led working, can lead to better outcomes on crime, anti-social behaviour and key indicators of community cohesion.

White Paper Policy Programme

Private sector led partnerships

- Engaging with local leaders to consider public sector interventions to address market failures, catalyse private sector investment and increase productivity
- Coordinating action across the private sector and in partnership with local and central government and local education and research institutions

Local growth funds

- Simplifying the local growth landscape over time

Levelling Up Fund

- £4.8bn allocated until 2024-5 for investment in capital infrastructure that improves life outcomes and local places
- Round one of the fund directed investment across three themes: regenerating town centres and high streets, upgrading local transport and investing in cultural facilities
- Funding is directed towards places according to need, as measured by the index of priority places - which accounts for places' needs around economic recovery and growth, transport connectivity and regeneration

Towns Fund

- 3.6bn allocated to boost the economic potential of towns and high streets in England
- Encourages interventions that combine efforts to level up with achieving the UK's overarching goal of reaching Net Zero by 2050
- Town Deals aim to regenerate towns and drive productivity growth through urban regeneration, planning, skills and enterprise infrastructure, with up to £25m invested in each of the 101 participating towns

¹ OCSI, 'Left behind' neighbourhoods: Performance on the 12 Levelling Up Missions, Mission 12 (PDF), January 2023

² Levelling Up the United Kingdom, p.xxiv (PDF; hereafter LU White Paper)

³ LU White Paper, p.215

- The Future High Streets Fund aims to revivify high streets in a way that drives growth and ensures sustainability. 72 places will share £830m, complemented by a small loans fund for Business Improvement Districts and the regulation of the private parking industry

UK Shared Prosperity Fund (UKSPF)

- The UKSPF will increase life chances and build pride in place across the UK
- The fund is worth £2.6bn until March 2025 and has three priority areas: communities and place (strengthening the social fabric of communities, building pride in place and creating the foundations for economic growth at the neighbourhood level), people and skills, and local business
- Decisions are made by locally elected leaders with support provided

Community Spaces and Relationships Strategy

- Underpinned by four guiding principles: i) community power, ii) building the evidence base to better understand how to support communities and put them in the driving seat of levelling up, iii) listening to and engaging with communities, iv) reaching out to engage with the most disconnected communities and ensuring funding reaches those most in need⁴
- Reviewing neighbourhood governance – with the view to making it easier for communities to come together to shape local priorities
- Piloting Community Covenants - agreements between councils, public bodies and the communities they serve to harness the expertise and assets of local communities to build and sustain social infrastructure and take a holistic approach to solving local issues

Performance in 'left behind' neighbourhoods

Local leadership and engagement

- 63.27% of people living in LA-LBNs are subject to an existing devolution deal, compared to the average across other deprived areas of 62.25% and the England average of 44.17%

Community governance and resident-led working

Though the conversation around devolution tends to focus on devolving power from central to local government, there is also a growing consensus – acknowledged in the White Paper⁵, that more power must be devolved down to communities, to harness residents' expertise and ambitions for their area. Facilitating communities' greater involvement in issues shaping their surroundings has proven benefits for people's life outcomes: improving health⁶, reducing stress⁷ and generating savings for the taxpayer.⁸

New Local recommend a "community paradigm" that would boost people's faith in democratic systems and empower people to feel more in control of the issues shaping their lives; enabling a more preventative approach to public services that would reduce demand at a time of great strain, and generate downstream savings.⁹

⁴ LU White Paper, p.214

⁵ LU White Paper, p.247

⁶ Marmot et. al, [Health Equity in England: The Marmot Review 10 Years On](#) (PDF), February 2020, p.98

⁷ People's Health Trust, [Local people programme evaluation: a summary](#) (PDF), 2018, p.3

⁸ New Local, [Community Power: The evidence](#) (PDF), 2021, p.76-81

⁹ New Local, [The Community Paradigm: Why public services need radical change and how it can be achieved](#), 2019

Frontier Economics modelled what these downstream savings could look like in practice.¹⁰ Using only conservative assumptions and robust estimates, they found that a £1million investment in social infrastructure in a 'left behind' neighbourhood would deliver approximately £2million in economic and social benefits and a further £1.2million in fiscal benefits, alongside additional, unquantifiable social, economic and environmental outcomes. This would include:

- Increased employment worth £740,000
- Increased health and well-being worth £670,000
- Increased GVA in local economy worth £500,000
- Reduced crime worth £130,000
- Employment healthcare savings worth £520,000
- Employment tax and benefits savings worth £510,000
- Reduced fiscal costs of crime worth £80,000
- Sports healthcare savings worth £50,000

Moreover, preliminary research for the APPG, in partnership with OCSI and Shared Intelligence, suggests that where residents are involved in managing and improving their areas, outcomes are better. The research compared outcomes in areas that had strong evidence of neighbourhood management – specifically, resident-led initiatives focused on improving social, environmental, or economic conditions in an area through a combination of advocacy, representation, co-ordination and financial resources, with 'benchmark' areas that lacked such resident-led, locality-based working. It found that areas with strong neighbourhood management tend to have lower levels of crime and anti-social

behaviour, fewer vacant dwellings and are generally more likely to report higher levels of neighbourliness, belonging and local participation than their benchmark comparators.

Nevertheless, research shows that there are barriers to people in 'left behind' neighbourhoods accessing and fully utilising existing neighbourhood management arrangements. This is because the communities that most need power and agency to improve their lives and areas are by default less equipped with the resources, networks, confidence and capacity necessary to leverage funding and make the most of statutory processes. An upcoming report by Local Trust makes the case that any review of neighbourhood governance must focus on capacity-building in the most deprived and 'left behind' areas, to ensure those communities can also benefit from the powers available to them through parish and town councils and neighbourhood forums.

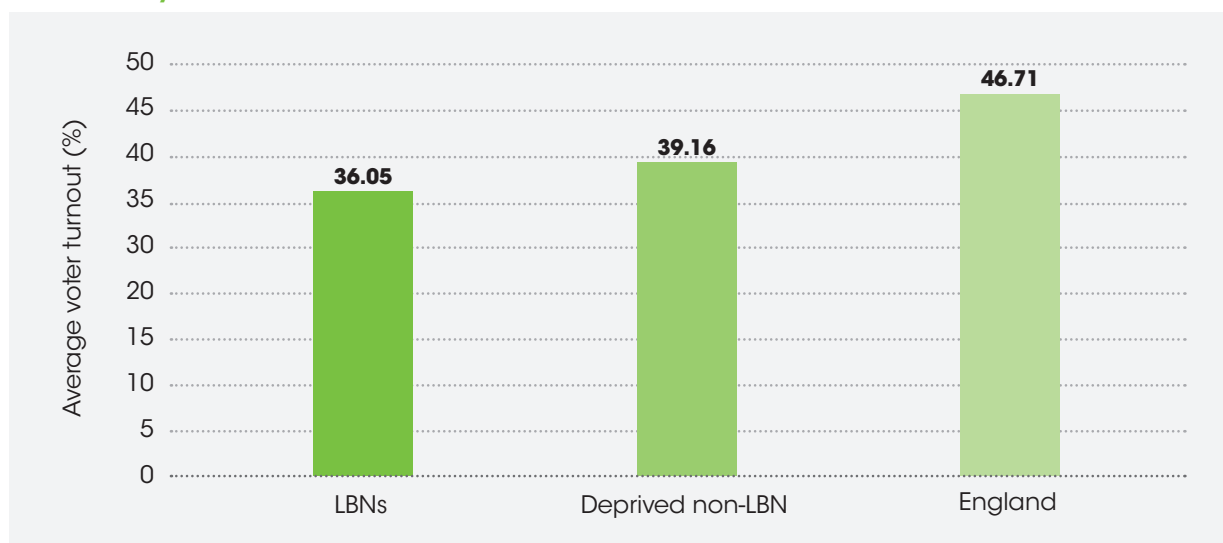
The research supports this, finding that:

- LA-LBNs have a lower concentration of neighbourhood plans (3.04 per 100,000 population) compared to other deprived areas (3.34 per 100,000) and England as a whole (5.19 per 100,000)
- LBNs have a lower average voter turnout in the most recent local elections (36.05%) compared to other deprived areas (39.16%) and England (46.71%)
- LBNs perform less well than other deprived areas and across England on all of the key measures relating to local democratic engagement and participation in the Community Life Survey
- 96% (218/225) of LBNs have lower proportions of people taking part in civic engagement than the England average

Area	Total number of neighbourhood plans	Neighbourhood plans per 100,000 people
LA-LBNs	579	3.04
LA-other deprived	1,063	3.34
England	2,936	5.19

¹⁰ Frontier Economics, [The Impacts of Social Infrastructure Investment](#) (PDF), June 2021

Community-owned assets



Source: Power to Change, Community Land Trust Network, Plunkett Foundation 2021

Performance in 'left behind' neighbourhoods

Funding

- OCSI research shows that households in LA-LBNs received slightly lower levels of government funding per household than the England average in 2021 and 2022 (£2123.70 and £2129.65 respectively) despite higher overall socio-economic needs. Moreover, LA-LBNs saw considerably lower funding than across other deprived areas
- Recent research by Local Trust into UK Shared Prosperity Fund allocations indicates that funds may not be reaching the most 'left behind' neighbourhoods. All areas of the UK received funding through a "conditional allocation skewed to need" – yet LA-LBNs such as Tendring, in Essex – containing eight wards classified as 'left behind', and Thanet, in Kent – containing five 'left behind' neighbourhoods, both received allocations under £1.2m.¹¹

Broader policy context

The Levelling up and Regeneration Bill

In May 2022 the Levelling up and Regeneration Bill was introduced, following the initial February 2022 White Paper, which set out a framework for levelling up and encouraged government to put reducing regional disparities at the centre of decision making.¹² The Bill particularly focuses on building and development, giving communities more agency to decide what is built, where, and how. However, while the Bill could be effective in these areas, concerns persist that it lacks the structural economic proposals and strong reporting requirements needed to support the long-term success of the levelling up missions.

¹¹ Department for Levelling Up, Housing and Communities, [UKSPF allocations](#), August 2022

¹² Department for Levelling Up, Housing and Communities, [Levelling Up and Regeneration: further information](#), May 2022

Impact of inflation on levelling up funds

The IPPR have reported that approximately 1 in every £13 of levelling up funding is due to be lost to inflation by 2025/26, as the budget was not protected against inflationary damage, meaning the Levelling Up Fund and UK Shared Prosperity Fund will be reduced by around £560million.¹³ This loss has the potential to threaten the ability of local authorities to deliver planned projects, and would inequitably impact LBNs, preventing levelling up targets being met by 2030.

Community Wealth Fund

A final decision is soon expected on the creation of a new £700 million Community Wealth Fund, with funds allocated from the Dormant Assets Scheme, targeted specifically at LBNs.¹⁴ Individual communities will be able to decide how money is spent, and the fund has the potential to boost economic growth and rebuild social infrastructure in these areas. To fully benefit from such a scheme, LBNs may require additional organisational and administrative support in order to access funds.

Devolution deals

In 2022 new devolution deals were struck in the East Midlands, Suffolk, Norfolk, Cornwall, York and North Yorkshire, and north-east England.¹⁵ This means eight of eleven areas initially prioritised for devolution in the Levelling Up White Paper have agreed deals which will give them elected Mayors (except in Suffolk) and increased powers over spending and policy direction. In early 2023, expansive 'trailblazer' deals are also set to be announced in the West Midlands and in Greater Manchester, which will extend devolved powers into areas including skills, transport and housing, and supply a model for other areas to follow in future. Whilst these deals can help to draw resources and leadership closer to the LBNs within their respective jurisdictions, questions remain over whether this approach to devolution misses opportunities to empower the smaller local authorities that may be better-placed to support communities.

¹³ IPPR, *£560 million in levelling up funding lost to inflation* | IPPR November 2022

¹⁴ Hansard, <https://hansard.parliament.uk/commons/2021-12-08/debates/E9F1E931-1707-40B7-A4C3-940CF81649C3/CommunityWealthFund> December 2021

¹⁵ Gov.uk, *Historic devolution deals* December 2022