

**The well trailed Levelling Up White Paper was published on 2<sup>nd</sup> February and confirmed that LEPs would continue to play a key role in supporting the levelling up agenda across England.**

While much more work is needed to flesh out the detail of what the LEP role will look like, it is clear that the government values many of the functions we highlighted through the LEP Review, from strategic planning and convening partners through to business support and skills initiatives. This provides a solid platform on which to begin the next phase of our engagement with officials.

**The White Paper confirmed:**

“Institutions such as Local Enterprise Partnerships (LEPs) play an **important role** in bringing together stakeholders from local authorities and businesses. According to the LEP Census, the majority of LEPs perceive that they have formed **strong working relationships** with local authorities and higher education providers (shown in Figure 1.61). However, some LEPs perceive that businesses do not play a full and active role. The capacity and capability of LEPs also differs significantly across different parts of the UK.

For the last decade, LEPs have acted as **important organisational means** of bringing together businesses and local leaders to drive economic growth across England. They have also been responsible for the delivery of a number of major funding streams. It is **important to retain** the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters, while at the same time better integrating their services and business voice into the UK Government’s new devolution plans.

To that end, the UK Government is **encouraging the integration of LEPs** and their business boards into MCAs, the GLA and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy. Where devolution deals cover part of a LEP, this will be looked at on a case-by-case basis. Further detail on this transition will be provided in writing to LEPs as soon as possible.

The UK Government recognises the **convening power** of these groups and is committed to working with stakeholders to strengthen and deepen partnership working to drive local growth. Initiatives such as the Western Gateway, an economic partnership of local authorities, city regions, LEPs and governments in the West of England have demonstrated the benefits that can be achieved through effective cross-border collaboration.

Looking ahead, and supporting these efforts, a number of new UK Government initiatives to support **private sector partnerships and clusters** are underway. For example, the Government is investing £100m to pilot three new **Innovation Accelerators** in West Midlands and Greater Manchester. These are intended to boost economic growth by investing in R&D strengths, attracting new private investment, boosting innovation diffusion, and maximising the economic impact of R&D institutions. Each Accelerator will develop a plan to grow their local innovation ecosystem, receiving bespoke support from the UK Government.”

Turning to the wider White Paper, the document sets out twelve “**clear and ambitious medium-term missions**” with timed target objectives through to 2030 – in the areas of:

- 1. Living Standards:** By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing.
- 2. R&D:** By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- 3. Transport Infrastructure:** By 2030, local public transport connectivity across the country will be closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- 4. Digital Connectivity:** By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- 5. Education:** By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
- 6. Skills:** By 2030, the number of people successfully completing high-quality skills training will have increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
- 7. Health:** By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
- 8. Wellbeing:** By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- 9. Pride in Place:** By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
- 10. Housing:** By 2030, renters will have a secure path to ownership with the number of first time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
- 11. Crime:** By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.
- 12. Local Leadership:** 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.

These missions will guide the UK’s approach to levelling up over the **next decade** and set the medium-term ambition of the government and are an anchor for the expectations and plans of the private sector and civil society. An initial suite of headline and supporting metrics for measuring and tracking progress against levelling up outcomes are set out in a **separate document** which is published with the White Paper.

The mission objectives will be governed by four parameters:

1. **Improved transparency about place-based spending:** The spatial pattern of UK Government spending and funding allocations is often unclear due to a lack of high quality, granular data. This means government policy is sometimes acting in a “place-blind” way.
2. **Hardwiring spatial considerations into decision-making and evaluation:** The spatial impact of policy, and the evaluation of those decisions locally, is often not hardwired into central government decisions and processes, sometimes leading to outcomes that are contrary to the objectives of levelling up.
3. **Improved coordination of central government policies at the local level:** Uncoordinated and siloed policy from the centre can complicate decision-making at the local level. This is particularly salient in the case of local growth funding, with multiple pots each with their own reporting requirements.
4. **Greater focus on local places:** The distance between the officials who design policy nationally and those who are affected by them locally, can mean policy is insufficiently place sensitive.

UK Government will create a **new regime to oversee its levelling up missions**, establishing a statutory duty to publish an annual report analysing progress and a **new external Levelling Up Advisory Council**.

The Government has also set up a new **Levelling Up Cabinet Committee** tasked with embedding levelling up across central government policy design and delivery. The committee will work directly with local leaders to improve the clarity, consistency and coordination of policy. It is chaired by the Secretary of State for Levelling Up, Housing and Communities and will:

- embed levelling up policies across government, ensuring these reflect the needs of places and people, and align with the missions;
- work directly with places, putting local ideas and innovations at the heart of government and supporting local leaders to tackle their local challenges;
- deliver measurable change, by monitoring progress on policies that contribute to delivering against the missions, including the policies in this paper and those developed subsequently; and
- drive forward the new framework for devolution, by empowering local leaders and communities and improving accountability mechanisms.

The government is pursuing a new approach to places through **Levelling Up Directors**. Levelling Up Directors will act as a single point of contact for local leaders and a first port of call for new and innovative local policy proposals. They will be based in the areas they have responsibility for and will bring together government policy and delivery, aligning decisions and funding to support local and national strategic objectives. The new Levelling Up Directors will also support the **development of clusters** across the UK, and they will work closely with the **Centre for Thriving Regions**, a proposal recently put forward by the CBI. These roles will have the following objectives:

- building local capacity and capability, especially where it is thin;
- improving the evidence base for local decision-makers, working with the ONS, and evaluating what works using data, statistics and analysis;
- catalysing local change and championing local ideas within government;
- bringing strategic coherence, coordination and flexibility to government intervention in places;
- forming a key bridge between local actors and central government; and
- acting as champions for their places.



The UK Government will set out a plan for **streamlining the funding landscape** this year which will include a commitment to help local stakeholders navigate funding opportunities and reducing the unnecessary proliferation of individual funding pots with varied delivery approaches.

The government will set out a **new devolution framework** for England. The **preferred model** of devolution is one with a directly-elected leader covering a well-defined economic geography with a clear and direct mandate, strong accountability and the convening power to make change happen. However, because this may not suit all areas, the framework sets out a **flexible, tiered approach**, allowing areas to deepen devolution at their own pace. Four principles will define it:

1. **Effective leadership:** Powers should be devolved to authorities which have the necessary structures and leadership for clear, strong local decision-making.
2. **Sensible geography:** new devolution deals will be based on geographies that are locally recognisable in terms of identity, place and community, as well as being sensible economic areas that join up where people live and work.
3. **Flexibility:** Devolution deals will be tailored to each area, with not every area necessarily having the same powers.
4. **Appropriate accountability:** Accountability measures for devolution deals will sit with the broader Local Government Accountability Framework.

Around 40% of the population of England are currently covered by a devolution deal. **Extending devolution in England** means:

- inviting Cornwall, Derbyshire and Derby, Devon, Plymouth and Torbay, Durham, Hull and East Yorkshire, Leicestershire, Norfolk, Nottinghamshire and Nottingham, and Suffolk to start formal negotiations to agree new County Deals, with the aim of agreeing a number of these deals by autumn 2022;
- taking forward negotiations to agree an MCA deal with York and North Yorkshire and an expanded MCA deal for the North East; and confirming that other areas, particularly those with broadly similar circumstances to North Yorkshire and York have the opportunity to consider their interest in an MCA devolution deal – for instance, the UK Government will work to secure a mayoral deal in Cumbria and similar areas.

**Deepening devolution** in England means that:

- the UK Government will open negotiations immediately on trailblazer deals with the West Midlands and Greater Manchester, which will act as the blueprint for other MCAs to follow;
- working with MCAs, initially as part of the trailblazer deals, to explore options to streamline the funding landscape for MCAs; and inviting other MCAs and the GLA to bid for sweeping further powers, through the new devolution framework.

**Simplifying devolution** in England means:

- setting out the UK Government’s new devolution framework to provide greater clarity on the devolution offer across England; and
- seeking to legislate to establish a new form of combined authority model to be made up of upper-tier local authorities only (e.g. a county council and its associated unitary councils); providing a single, accountable institution across a functional economic area or whole county geography; district councils can be non-constituent members; and county councils will be expected to work closely with their district councils.

The government wants to encourage **private sector-led partnerships** across the UK, especially when these coincide with existing or potential new clusters of business activity. These initiatives should ideally seek to coordinate action not just across the private sector, but in partnership with local and central government, and local education and research institutions. Examples of these initiatives include the proposal being developed by local businesses for the Humber; and a WMCA led public-private sector partnership to realise the ambition of the West Midlands to become a “smart city” region.

The UK Government is establishing a **new independent body in England** focused on data, transparency and robust evidence. This will enhance the UK Government’s understanding of **place-based leadership**, quality of local service delivery and organisational efficacy. Before new devolution deals are agreed, a **new accountability framework** will be finalised that will apply to all devolved institutions in England.

The UK Government is keen to **strengthen the role of local stakeholders** in the broader employment landscape, using local insight and expertise to shape the UKSPF and future national employment provision. This increased partnership working will build on existing work to engage local stakeholders in the procurement and implementation of contracted employment programmes of appropriate scale. Work with local stakeholders to **shape the UKSPF** and with level 3 devolution deal areas to shape contracted employment programmes will help meet local and national priorities.

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.

Government will support **private sector clusters**, existing and embryonic, providing an enabling environment within which innovation and business can flourish. That means ensuring the right sets of skills exist, the necessary digital and physical infrastructure is in place, adequate and appropriate financing has been secured, and an appropriate regulatory framework is operating. By providing these foundations locally, government can help to catalyse private sector innovation, job creation and growth.

The role played by government in securing these outcomes needs to be tailored to local circumstances and opportunities. There is a **spectrum of possible interventions** to achieve these objectives as follows:

- **Convening.** By convening and bringing together stakeholders, government can help design and deliver a local transformation plan. It is important to strengthen and deepen these partnerships over strategic geographies.
- **Influencing.** By signalling its support for initiatives, government can encourage private sector stakeholders to take forward investment and financing. For example, pan-regional partnerships provide an extended network of collaborators and a strong regional brand. The Northern Powerhouse and the Midlands Engine have provided an opportunity for partners to collaborate at scale and prioritise areas of common interest. Because these partnerships cover large populous regions, with distinct histories, strengths and challenges, they are an important partnership model for levelling up.
- **Informing.** By providing information, advice, and practical assistance, government can support business clusters.

- **Funding.** By using seed financing, government can de-risk private sector activity and crowd-in private finance. One example is the £5m provided to Northern Gritstone, a ground-breaking new investment company based in the north of England founded by the Universities of Leeds, Manchester and Sheffield. This aims to be one of the largest investors in academic spin-outs in the UK and is on track to raise £500m to support commercialisation of projects from northern universities.
- **Business environment.** By creating a streamlined, effective and stable regulatory environment which supports the private sector to invest over the longer term, government can catalyse private financial flows to local businesses and projects.

Over time, the UK Government, through the ONS and the Integrated Data Services Platform (IDSP) will expand its use of **new and administrative data** to improve the timeliness and granularity of **local data** made available to central government departments, including DLUHC local government finance functions.

The UK Government will introduce a **statutory obligation to report annually on progress** towards meeting the Levelling Up missions. The report will draw on the metrics set out in this White Paper and provide rigorous analysis and monitoring of progress in reducing regional disparities.

The government is creating a **Levelling Up Advisory Council**. The Council will be charged with providing independent expert advice on matters relating to the design and delivery of levelling up. Its analysis will be commissioned and published, at the discretion of the Levelling Up Cabinet Committee. The new Levelling Up Advisory Council will **launch an expert sub-committee** on regional adoption and diffusion infrastructure – exploring how to improve the uptake of productivity-enhancing technologies and management practices by businesses.

The Government also identifies four **high-level objectives for public policy**:

- boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
- spread opportunities and improve public services, especially in those places where they are weakest;
- restore a sense of community, local pride and belonging, especially in those places where they have been lost; and
- empower local leaders and communities, especially in those places lacking local agency.

Government will empower decision-makers in local areas by providing leaders and businesses with the tools they need. A **new framework** will extend, deepen and simplify local devolution in England. Ongoing support will be provided to existing City and Growth deal areas in Scotland, Wales and Northern Ireland, pan-regional partnerships like the Northern Powerhouse and Midlands Engine, and local private sector initiatives. The UK Government will support existing and embryonic private sector clusters of economic activity, which exist in all parts of the UK and are the wellspring of new innovation and job creation.

**Relevant policy initiatives include:**

A series of new **Research and Development (R&D)** investments will strengthen our science base across the country. The increase in public R&D investment to £20bn by 2024-25 and the target for total UK R&D investment to reach 2.4% of GDP by 2027 must see every region of the UK experience

an uplift in investment. The Department for Business, Energy and Industrial Strategy (BEIS) will aim to invest at least 55% of its total domestic R&D funding outside the Greater South East by 2024-25;

UK Government will target £100m of investment in three new **Innovation Accelerators**, private-public-academic partnerships which will aim to replicate the Stanford-Silicon Valley and MIT-Greater Boston models of clustering research excellence and its direct adoption by allied industries. These pilots will be centred on Greater Manchester, the West Midlands and Glasgow City-Region. These new clusters will be our Fourth Industrial Revolution Foundries, leveraging our global lead in scientific research.

They will empower local areas by bringing together national and local government, industry and R&D institutions in a **long-term partnership**. Each Accelerator will see local consortia developing a plan and identifying transformational projects to grow their innovation ecosystem. This may also include working with partners outside of the immediate geography as is necessary. They will receive bespoke support from the UK Government, led by BEIS in partnership with other departments and their regional teams. BEIS will work with the pilot places, and central government departments to design this support, so it aligns to the characteristics and needs of each individual pilot place.

The government will support all LTAs by publishing **new guidance on Local Transport Plans**, so that all LTAs can deliver updated plans by the end of this Parliament, with clear project pipelines and comprehensive strategies to improve local transport for people and reduce carbon emissions. The UK Government will also **explore regional centres of excellence** that can provide bespoke support to LTAs. Future funding will be dependent on the delivery of these plans and wider LTA performance.

The government will publish the **Wireless Infrastructure Strategy**. This will review how far the private sector will go to deliver wireless infrastructure – including 5G – across the country, and determine whether there are any market failures in places that need to be addressed.

The UK Government continues to work with local leaders to develop **Local Digital Skills Partnerships**. These collaborative partnerships are now operating in seven regions across England, with an eighth formally launching in Hull and East Yorkshire in early March. The UK Government will work with devolved administrations to consider how best to share the insights and evaluation of the programme to help build digital skills capability across the UK.

The government will roll out **employer-led Local Skills Improvement Plans (LSIPs)** across England, together with supporting funding, looking to prioritise areas with the most pressing skills needs. Employers, convened by employer representative bodies, will work with providers, MCAs where relevant, and other stakeholders to develop LSIPs, setting out the key changes needed in a place to make technical skills training more responsive to skills needs. The UK Government is also legislating to put these employer-led LSIPs on a statutory footing through the Skills and Post-16 Education Bill.

The government also intends to **reform funding and accountability for further education**. The quadrupling of places in England on **Skills Bootcamps**, announced at SR21, will ensure that acute national and local skill shortages can be addressed at speed. The UK Government will bring greater alignment to the delivery of employment and skills interventions in **new Pathfinder areas**. These will bring together local delivery partners from DWP and DfE, including Jobcentre Plus, careers services, local employers, education and training providers, and local government to respond to intelligence about local employers' skills needs,

The government has also announced nine new **Institutes of Technology** (IoT) across England, building on the 12 already established since 2019 and taking the total to 21. The lead organisations for the nine new IoTs and the wider areas they will cover are:

- a. Blackpool and The Fylde College (Lancashire LEP area);
- b. Cheshire College South and West (Cheshire and Warrington LEP area);
- c. Chichester College Group (Coast to Capital LEP area);
- d. DN Colleges Group (Sheffield City Region LEP area);
- e. Newcastle and Stafford Colleges Group (Stoke on Trent & Staffordshire LEP area);
- f. Solent University (Solent LEP area);
- g. South Essex College (South East LEP area);
- h. University of Derby (D2N2 and Leicestershire LEP areas); and
- i. University of Salford (Greater Manchester LEP area).

The government will proactively identify and engage with **20 places in England** that demonstrate strong local leadership and ambition and where the impact of existing investment can be maximised to catalyse economic transformation. The focus will be on places that will particularly benefit from **regeneration** – where regeneration will lead to increased local prosperity, improved social mobility and bolstered pride of place.

The government has set itself one core mission on **local devolution**. It will support wider place leadership throughout the UK through **private sector-led partnerships** and local growth funds.

**Integrated Rail Plan**, improving the rail network in the North and Midlands, and investing £24bn in our busiest roads and motorways, £5.7bn in City Region Sustainable Transport Settlements and £5bn for buses, cycling and walking networks.

Government will enhance **digital connectivity** through Project Gigabit and the Shared Rural Network so that by 2030, the UK Government and private sector will deliver nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.

The funding of courses and the **governance of colleges** will be overhauled in line with employers' needs. **Local Skills Improvement Plans**, together with supporting funding, will be set up across England to set out the key changes needed in a place to make technical skills training more responsive to skills needs. Nine new Institutes of Technology with strong employer links will be established in England, helping to boost higher technical skills in STEM subjects.

The Department for Work and Pensions (DWP) will provide £1.3bn over the SR21 period to provide employment support for disabled people and people with health conditions. This builds on the **National Disability Strategy**, Health and Disability Green Paper and Health is Everyone's Business consultation.

Government aims to have significantly increased the number of people to have successfully completed **high quality skills training** in every part of the UK, including 200,000 more people successfully completing high quality skills training annually in England, driven by 80,000 more people completing courses in the lowest skilled areas.

We will also **regenerate 20 of our towns and cities** by assembling and remediating brownfield land and working with the private sector to bring about transformational developments combining housing, retail and business in sustainable, walkable, beautiful new neighbourhoods. These new



developments amongst others will be supported by an Office for Place which will pioneer design and beauty, promoting better architectural aesthetics to ensure they enhance existing settlements, gladden the eye and lift the heart.

Government will publish a second **report on rural proofing** in England this spring. This report will set out how government departments are working to support levelling up in rural areas, through targeted approaches where needed, and how we are strengthening the rural economy, developing rural infrastructure, delivering rural services and managing the natural environment.

Government will deepen and **simplify devolution across England** so that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution with a simplified, long-term funding settlement.

Introducing a **new model for counties with mayors or “governors”**. We will open negotiations on **trailblazer deeper devolution** deals with the West Midlands and Greater Manchester combined authorities. These deals will act as the blueprint for other mayoral combined authorities (MCAs) to follow, with bids for more powers welcome. We will likewise recast the geography of MCAs, where necessary, to ensure there is greater economic coherence. We will further invite nine areas to agree new County Deals and seek to agree further MCA deals, extending devolution to much more of England. **A new independent body** will be set up to drive this, empowering citizens, strengthening local leaders’ knowledge of their services, and increasing central government’s understanding of the sector.

The UK Government has put into law a **Net Zero** emissions target by 2050. This structural shift could have large and long-lasting effects on virtually every aspect of the economy, including jobs and skills, infrastructure and technology, and investment and innovation. The Net Zero transition could create huge opportunities for many of the UK’s left-behind places, but also poses risks for them which, if unmanaged, could be damaging.

Past policy initiatives have not been sufficient to arrest the rise in geographic disparities over the second half of the 20th century in the UK. HMG identifies five key shortcomings in policy:

1. longevity and policy sufficiency;
2. policy and delivery coordination;
3. local empowerment;
4. evidence, monitoring and evaluation; and
5. transparency and accountability.

Resolving geographic disparities will require a fundamental rewiring in the system of decision-making, locally and nationally, across the UK. Learning the lessons of past experience, the following five pillars should underpin this policy regime:

- a) medium-term missions;
- b) reshaping central government decision-making;
- c) empowering local decision-making;
- d) data, monitoring and evaluation; and
- e) transparency and accountability.

### Next Steps

The government will put in place a comprehensive process of **engagement and informal consultation** to inform levelling up delivery and future policy-making. Some of the key elements of this process include:

- a structured process of **visits, at ministerial level**, across the whole of the UK in the months following publication of the White Paper, to discuss how levelling up can be successfully achieved in that area and to gather feedback;
- an ongoing, long-term **commitment for further ministerial visits** across the whole of the UK, to update on progress on the policy programme and missions;
- setting up **local panels**, drawn from a wide range of stakeholders, to serve as a sounding board on levelling up delivery and implementation, working closely with the new Levelling Up Directors once established;
- **annual reports** summarising the key messages from these local panels, which will feed into the UK Government's Cabinet Committee on Levelling Up; and
- an **online space** where local ideas, proposals and initiatives around levelling up can be heard and co-ordinated, to spread knowledge and understanding of what has worked locally and to foster innovation and experimentation.

This document provides many opportunities for LEPs and given the fresh mandate we have now been given, the LEP Network will begin the next phase of discussions with officials on the role we can play in the Levelling Up agenda.

February 2022