

Levelling up post-Covid Britain

The Salvation Army and New Statesman report on regional inequalities



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The Salvation Army's levelling-up priority areas, developed with the Institute for Employment Studies (IES)

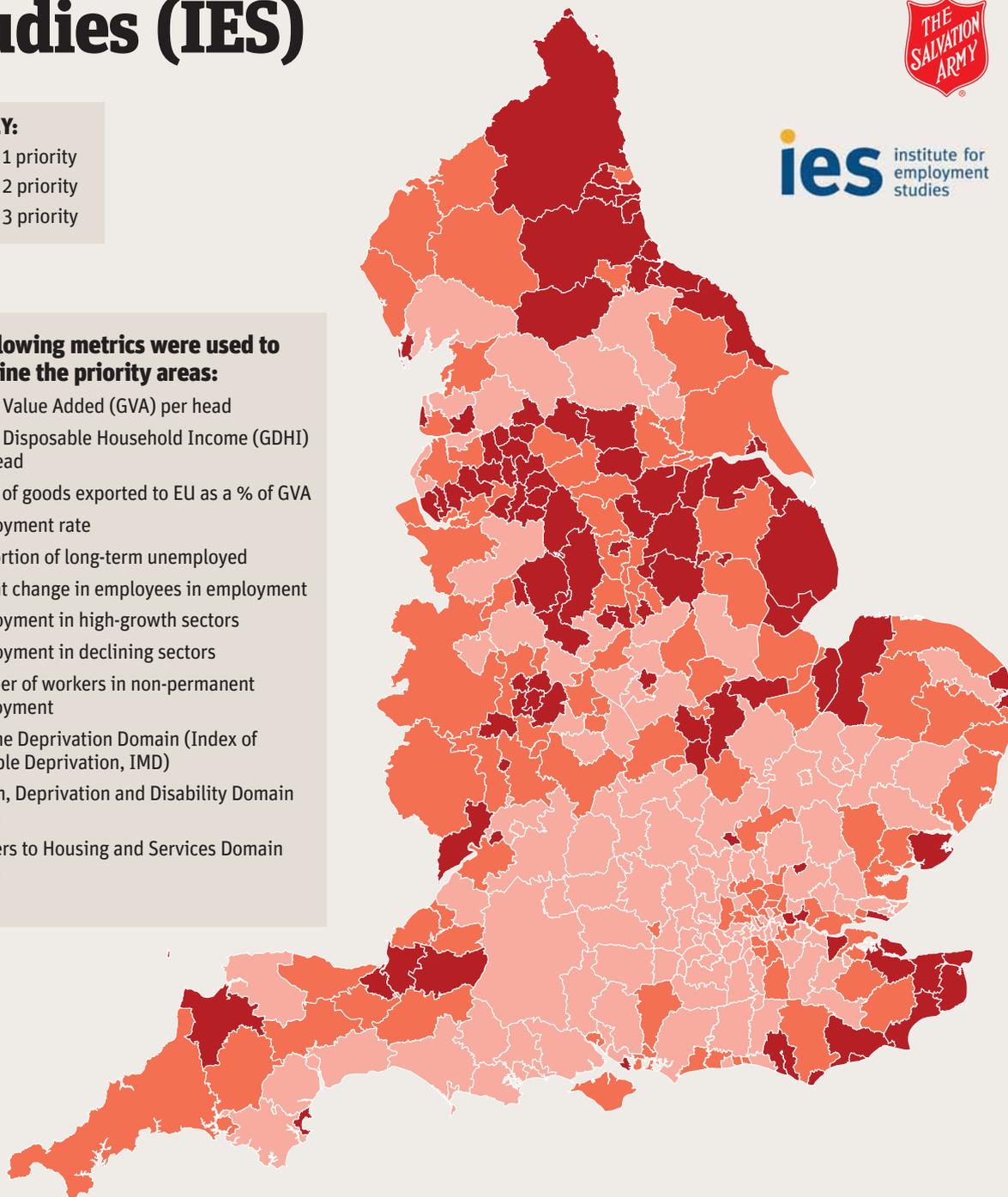


MAP KEY:

- Level 1 priority
- Level 2 priority
- Level 3 priority

The following metrics were used to determine the priority areas:

- Gross Value Added (GVA) per head
- Gross Disposable Household Income (GDHI) per head
- Value of goods exported to EU as a % of GVA
- Employment rate
- Proportion of long-term unemployed
- Recent change in employees in employment
- Employment in high-growth sectors
- Employment in declining sectors
- Number of workers in non-permanent employment
- Income Deprivation Domain (Index of Multiple Deprivation, IMD)
- Health, Deprivation and Disability Domain (IMD)
- Barriers to Housing and Services Domain (IMD)



Centralised design and control does not work



Westminster needs to support local government to deliver a better quality of life for citizens, says Cllr James Jamieson, chair of the Local Government Association

Never has the role of local authorities been more significant in people's lives. Whether it be supporting vulnerable residents with emergency food deliveries, or providing grant support to local businesses, councils have faced up to the challenges presented by the pandemic.

The Local Government Association (LGA) and councils want to work closely with the government to help deliver on its commitment to level up powers and invest in areas across all parts of the UK. With the right funding and freedoms, councils will play a leading role in the country's post-Covid recovery, driving improvements in public health, boosting local growth, reviving town and city centres, building homes, improving roads, and equipping people with the skills they need to succeed so no one is left behind.

A key lesson from the Covid-19 crisis is that centralised design and control of public services does not work nearly as well as allowing councils to innovate and deliver services locally. As we look to the future, we should end the emphasis on devolution deals designed by Whitehall and instead ensure that all councils can support new infrastructure investment, join up public services, and provide greater access to jobs and prosperity.

Our international competitors and partners have long demonstrated the positive impact devolution has on accountability, efficiency and growth. Councils want to work with the government to build back better and address the gap in local power and autonomy, so we can keep pace on the global stage.

Over the past ten years, the UK has taken some steps to give greater freedoms to local communities. However, as part of its commitment to level up the country,

it is clear we need to go further and faster. Councils are uniquely placed to bring together businesses and drive economic growth and opportunities.

The *Levelling Up White Paper* presents an important opportunity to reset the relationship between central and local government and turbocharge an ambitious programme of devolution. This is supported by many in parliament, with exclusive LGA polling showing that 58 per cent of MPs and 80 per cent of peers agree that councils should be given greater powers and funding to drive employment and training schemes in their areas.

Councils stand ready to work with the government as an important partner in their ambition to build back better and level up. With the right tools, councils can help rebuild communities and address the challenges the country faces. ●

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WINNER

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What does real investment mean for communities?

A *New Statesman* round table of leading councillors, local authority chief executives, parliamentarians and business leaders discuss the government's levelling-up strategy

The Covid-19 pandemic has exposed long-standing inequalities in Britain. Low-paid workers, BAME communities, and those living in parts of the country already deemed “left behind” have been disproportionately affected by the coronavirus.

Last month, the *New Statesman* and The Salvation Army hosted an online round table of local government councillors and chief executives, national politicians, and business representatives to discuss the levelling-up strategy and what it should look like for communities across the UK.

Opening the discussion, the chair, Jon Bernstein, a former deputy editor of the *New Statesman*, told attendees that “efforts to rebalance the economy were in evidence even before the pandemic took its toll”, and added that those efforts had been accentuated by the experience of the coronavirus. Bernstein invited Stephen Timms MP to make opening remarks in his capacity as chair of the Work and Pensions select committee. Timms highlighted research from the Institute for Fiscal Studies that found that the UK was “one of the most geographically unequal countries in the developed world”, when measured by disparities in “earnings, wealth, health, educational attainment, and social mobility”.

Annie Dell, policy advisor at The

Salvation Army, explained the role of the organisation in “delivering support to everyone who needs it”, including working with food banks, providing support with housing and unemployment, and helping “anybody who feels like their life is down and out”. “Levelling up”, Dell said, “was potentially the greatest lever that we have to rebuild the country post-pandemic and also help people who were left behind before the pandemic.”

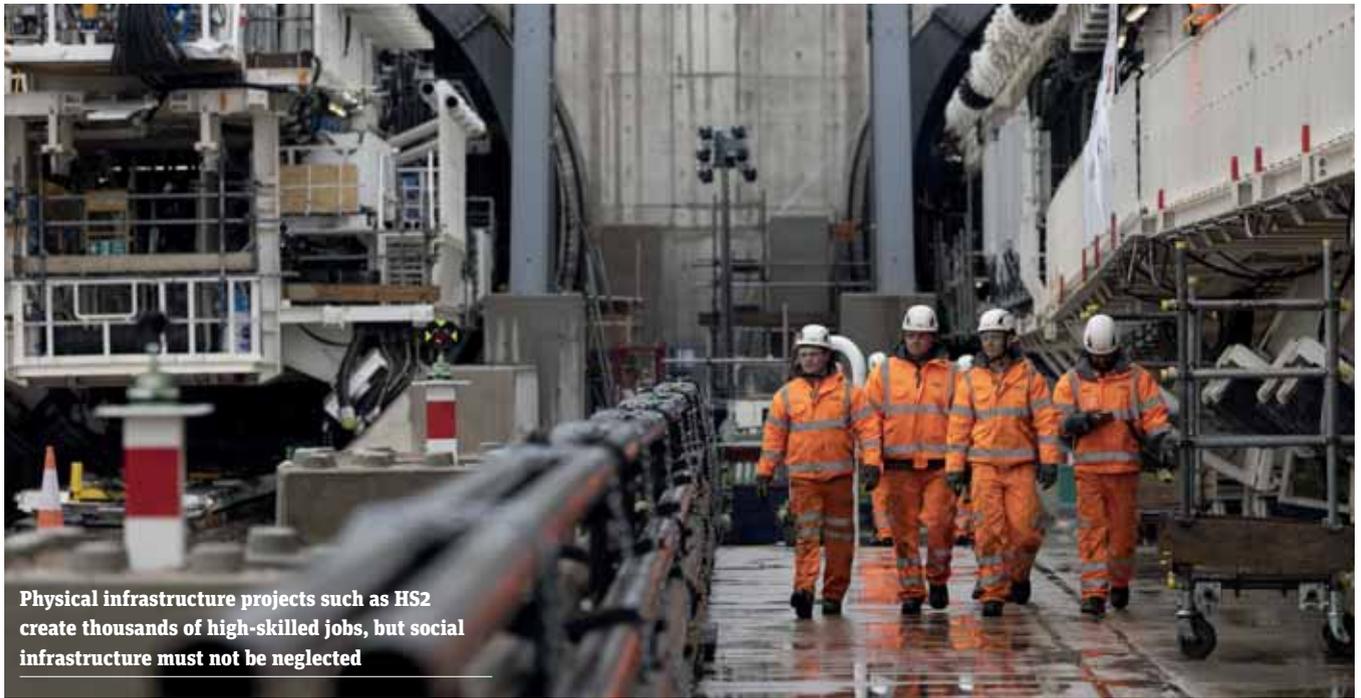
In response, Karime Hassan, chief executive and growth director of Exeter City Council, highlighted the importance of “inclusive growth” in achieving levelling up, warning round table participants that successful economies can coexist with high levels of poverty. “Not all boats rise on a rising tide,” he said. Philip Cox, chief executive of the Cheshire and Warrington Local Enterprise Partnership, added that “even in places that are comparatively wealthy, you still have pockets of deprivation”. Another council chief executive, Madeline Homer from Thanet District Council, stressed that the notion that the south-east “doesn’t have deprivation challenges” was a “misconception”.

Baroness Judith Blake, former leader of Leeds City Council, agreed with this analysis, acknowledging that “we know there’s deprivation all over the country”. But she also stressed that “we need to recognise how much growth and new job creation is taking place in London”.

Levelling up, however, was not simply about the north-south divide. The strategy has to be about addressing inequality within regions, rather than just inequality between them.

Richard Inglewood, cross-bench peer and chair of the Cumbria Local Enterprise Partnership, said that levelling up should deliver “appropriate high-standard infrastructure, in both the physical and social sense”, with a view to generating growth and prosperity.

In addition to concerns about the UK’s centralised governance model, and the funding predicaments of local authorities, a common area of complaint from many attendees was the overuse



Physical infrastructure projects such as HS2 create thousands of high-skilled jobs, but social infrastructure must not be neglected

of centralised funding pots and the associated bidding processes used by government to allocate investment. Alex Thomson, director of policy and business partners at Solace, said that Solace had campaigned against stand-alone funding pots as an inefficient form of funding, but posited that the government preferred this allocation method “in part because it allows MPs to claim credit for money spent in their areas”.

John Wrathmell, director of strategy, research and economy at the Greater Manchester Combined Authority, agreed that there were problems of “infrastructure funding not being sufficient” and problems with the oft-used method of “centralised competitive bidding pots”. Mobilising local resources, and trusting communities to efficiently target their own spending, would be crucial, he said.

Cllr Rob Stewart, leader of Swansea City Council and deputy leader of the Welsh Local Government Association, called for clarity on the meaning and ultimate aims of the levelling-up strategy. “I’m confused exactly as to what or where we are levelling up, and what the measures will be,” he said, questioning whether success will be defined by the life chances, incomes or gross value added (GVA) metrics of the communities in question.

Robin Tuddenham, chief executive of Calderdale Council, offered one definition: “Surely it means that regardless of where you live, or where you’re born, or the job of your parents, that you’ve got an opportunity to reach your full potential.” Denise McGuckin, managing director of Hartlepool Borough Council, suggested a similar definition: that levelling up was “about giving people equal opportunities that are relevant to their areas”. She added that a key part of that would be early intervention strategies in deprived communities, to prevent problems like long-term joblessness, economic inactivity, and educational disadvantage.

Ian Miller, chief executive of Wyre Forest Council, said “30 or 40 years of centralisation” had necessitated levelling up, and that therefore the solution had to lie in “far greater devolution of powers and funding to local areas”. Nick Read, deputy director of employment at The Salvation Army, agreed that devolution is key: “Local communities know a lot more about the requirements in their local area,” he said.

Speaking in his capacity as a member of the Public Services Committee in the House of Lords, Michael Bichard said he had taken evidence that suggested the level-up strategy should focus “on people rather than capital investment”, and that it should be “designed and

delivered by local people” who “know what their priorities are better than [the people working] in Whitehall”. Mark Duddridge, chair of the Cornwall and Isles of Scilly Local Enterprise Partnership, also stressed this point. “The nearer to a place that decisions are made, the better,” he said, before emphasising the importance of private money and foregrounding the skills agenda in realising the ambitions of the level-up strategy.

There was consensus across the attendees that “levelling up” must go beyond investment in short-term infrastructure and instead focus on long-term outcomes. Following a successful vaccine roll-out, as we emerge from a tumultuous period in which a global health crisis has been compounded by an unprecedented economic crisis, the government has doubled down on its promises to “level up” the country and tackle regional inequalities. The success of the strategy will rest not just on central government, but also on local authorities, the private sector, and charitable organisations across the country wishing to “build back better”.

This *New Statesman* event contributed to the ongoing discussion and debate around levelling up, a key first step in building the partnerships and networks necessary to achieving a fairer and brighter post-pandemic recovery. ●

“Levelling up is more than just rhetoric”

Identifying which areas are left behind is key to addressing inequalities. By [Annie Dell](#), policy advisor at The Salvation Army

Ispeak to a lot of people who feel left behind: left behind due to a lack of after-school activities or access to mental health help; left behind due to a lack of jobs that excite them and a lack of accessible buses during the morning rush; left behind because there’s no local, affordable nursery or because they can’t access training.

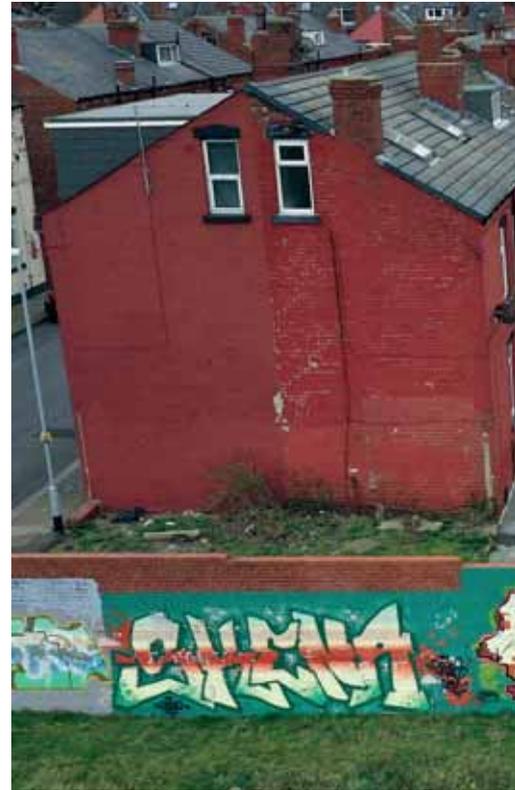
For The Salvation Army, the government’s levelling-up agenda isn’t rhetoric. The levelling-up agenda is set to be one of the largest and most crucial levers the state can utilise to successfully rebuild communities – both those impacted by Covid-19 and those suffering from historical regional inequalities. As one of the country’s largest community and church-based charities, we see first-hand every day the work that is needed to rebuild. The success of this policy must be the priority for decision-makers, and The Salvation Army is heartened to see that it is being taken so seriously by both national and local governments. However, to guarantee success, our evidence-based, grassroots work suggests that more needs to be done by government to ensure that

investment reaches the communities and individuals who need it most.

First, we need to step back and consider the current factors being used to decide how best to allocate levelling-up investment. To date, these factors have been limited and focused primarily on mapping physical infrastructure. Improvements to regions’ physical infrastructure are vital to their long-term economic success, but they must be balanced against an equal commitment to social infrastructure. Without this commitment, we risk levelling up in an unbalanced way, and missing communities that need funding the most.

More importantly, we have not seen any engagement with local communities on what’s most important to them. It is essential that those who will directly benefit from levelling up are given the power to shape the agenda.

A successful levelling-up agenda could be one of the greatest accomplishments this country sees, as we move into a post-pandemic world. However, without the above changes, we risk limiting its capacity for transformation.





Leeds has been identified as a Level 1 priority area for levelling up by The Salvation Army and IES

Where should levelling up be prioritised?

The Salvation Army, in partnership with the Institute for Employment Studies, is conducting research into where and what should be prioritised by the levelling-up agenda (see our infographic map on page 2).

Currently, Whitehall calculations that determine the levelling-up agenda priority areas consider three correct but limited indicators:

- Local labour pools: namely local gross value added (GVA), unemployment, and post-16 skills.
- Transport infrastructure: namely “travel to work areas” and ease of transport.
- Local infrastructure: namely percentage of viable homes and commercial property.

These calculations are not enough for policymakers to truly understand what being “left behind” means. They present a limited picture of the barriers our communities have faced pre-pandemic, which are even more complex post-pandemic.

The Salvation Army has worked with the Institute of Employment

Studies to fill in the gaps on identifying areas that should be prioritised. Firstly, we have expanded the focus around local labour markets to create a clearer picture of what local economies truly look like. Community growth potential is much more nuanced than unemployment rates. In order to understand the economic opportunities in an area, government must consider much more sector growth, employment durations, and full labour pools, including those who are economically inactive or underemployed.

Moreover, a deeper understanding of the social fabric of these communities is required. To date, there has been no real discussion around social indicators for areas that feel left behind. As a result, our research also considers a range of social indicators including crime, income, health, and access to public services.

If we don’t capture the experiences of our communities, national policy will lack the nuance required to bring about effective local outcomes. If we are to avoid this outcome, we must expand our definition of what it means to level up.

How money should be invested

For the levelling-up agenda to succeed, government must engage with people on the ground. Every day, in our 650 centres across the UK, The Salvation Army is working and speaking to those whose lives have been turned upside down, who have given up, who feel that there isn’t much left for them. This evidence gathering is essential as each community, each neighbourhood, each person’s needs are different.

In order to level up, government must create a mechanism for communities to directly decide what and how funding can create the greatest change and result in sustainable growth. Our research highlights the importance of the levelling-up agenda working hand in hand with communities and local decision-makers to ensure that each pound spent makes a sustainable difference.

Finally, for the levelling-up agenda to be a success, government has to rethink how it invests taxpayers’ money. Spending on physical infrastructure falls somewhat short of achieving the ambitious aims set out by government. If we want to help communities develop, we must also invest in the social infrastructure that sustains healthy labour markets. We can’t ask people to work if they can’t access good childcare. We can’t expect young people to move on to high levels of qualifications if they don’t have the access to sustainable careers services. We can’t expect those who have been beaten down time after time by the impacts of Covid-19 to return to work without ready access to good mental health support.

Organisations like The Salvation Army are ready to play their part in levelling up our society. This agenda was important before, but it is even more vital now as we begin to move out of the restrictions placed upon us by Covid-19. To achieve this shared aim, we must work together, but we must also begin the process of expanding our understanding of how we define levelling up - and even more importantly, who has a say in deciding what that looks like. ●



Through poverty, illness and heartache, we'll always be here to bring back the smiles



Last year, so many families were going hungry that our top priority was to feed people in desperate need. That work is still going on, as many people continue to battle against hardship, unemployment and debt. We are giving out thousands of food parcels a week as well as specialist money and debt advice to families who are struggling.

£25 could help towards the cost to run a youth club, giving young people from disadvantaged backgrounds the chance to develop new interests and skills.

£54 could pay for 20 activity packs to keep young children busy, interested and full of life over the school holidays.

£114 could meet the cost of a Salvation Army officer to run one of our community centres for three days to host breakfast clubs, children's groups and youth activities.

You can make a donation by phone or online

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salvationarmy.org.uk/donate

Lines are open
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