

Hull and East Yorkshire LEP Business Support Board

Paper B – Levelling Up White Paper & LEP Review Implications
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1. Introduction

- 1.1. Michael Gove, the government's Levelling Up Secretary launched his department's long-awaited Levelling Up white paper on Wednesday the 2nd of February 2022.
- 1.2. Addressing the uneven patterns of economic growth and their subsequent impacts upon employment, skills, incomes, and wider opportunities is a key challenge in many western countries. Geographical inequities represent inefficiencies in the operation of an economy and the UK has been seeking policy approaches to address the issue of 'left behind' places for the last four decades. In this context Levelling Up has been framed by this government as their defining mission and have prepared the Levelling Up white paper to outline their approach to delivering a transformative shift in policy model to counter long term trends of economic inequality in the UK.

2. Key Points from Levelling Up White Paper

- 2.1. The Levelling Up white paper is structured around 12 national missions which the government have undertaken to deliver by 2030. Each mission will have quantifiable performance metrics against which delivery can be monitored. Government will bring forward legislation to put in statute some of the key pillars of levelling up to ensure this new framework is built on strong foundations and will report on progress annually.
- 2.2. The white paper looks at how the government can go about developing 6 "capitals" and says that levelling up is about ensuring that every area in the UK has access to these 6 capitals.
 - Physical capital – infrastructure, machines, and housing.
 - Human capital – the skills, health, and experience of the workforce.
 - Intangible capital – innovation, ideas, and patents.
 - Financial capital – resources supporting the financing of companies.
 - Social capital – the strength of communities, relationships, and trust.
 - Institutional capital – local leadership, capacity, and capability.

- 2.3. The missions outlined in the paper are broad based and pertain to one of the six capitals. The missions include elements such as wellbeing, crime, and pride of place, moving beyond the narrower scope of economic development activity which has been focused on productivity and industrial stimulus over the last 12 years. In that context this Levelling Up white paper can be seen to reassert the importance of place-based regeneration.
- 2.4. Another key strand in the Levelling Up white paper is devolution, with the paper espousing a huge shift of power from Whitehall to local leaders. The paper seems to offer areas options on how to access this devolution based on their desire to have an elected mayor. More Mayoral Authorities will be allowed and for those who do not wish to pursue this model, new county deals will be established. Existing Mayoral Authorities may ask for further powers. A key policy pledge in the paper is that “By 2030, every part of England that wishes to have a ‘London-style’ devolution deal will have one.”
- 2.5. The 12 National missions outlined in the paper are:
1. By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
 2. By 2030, domestic public investment in Research & Development outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
 3. By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares, and integrated ticketing.
 4. By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for most of the population.
 5. 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. By 2030, the number of people successfully completing high-quality skills training will have significantly 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. 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 5 years.

8. By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

9. 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 the top performing and other areas closing.

10. 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. By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

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.

2.6 Under these missions some headline policy commitments are made

Governance

- Central government decision making will be streamlined, and all departments will be made accountable for progressing the levelling up missions.
- Local decision makers will be empowered.
- A statutory duty will be introduced to publish an annual report analysing progress and a new external Levelling Up Advisory Council will be established. The Council will support Ministers by advising on the design, delivery and impact of levelling up policy. The annual report will update the public on progress against the missions so that levelling up is subject to rigorous external scrutiny, including by Parliament.

Productivity, Jobs and Living Standards

- Government will reform EU rules restricting investment from pension funds and others so more investment will move into long-term capital assets.
- 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 Southeast by 2024-25.
- The Department of Health and Social Care (DHSC) will increase National Institute for Health Research investment outside London, Oxford, and Cambridge.

- The Ministry of Defence (MoD) will expand the regional footprint of the Defence Science & Technology Laboratory (Dstl).
- Increase total domestic public investments outside the Greater Southeast by at least a third over the Spending Review period and at least 40% by 2030.
- £100m of investment in three 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.
- Simplify the EU-inherited public procurement rules to prioritise British businesses.
- 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.

Skills and Education

- 55 new Education Investment Areas (EIAs) in places where educational attainment is currently weakest.
- Establish the UK National Academy, a new free digital education service that will support pupils from to acquire additional advanced knowledge and skills.
- Essentially eliminate illiteracy and innumeracy. By 2030, the aim is that 90% of all primary school children in England will achieve the expected standard in reading, writing and maths.
- 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.
- Introduce the in-Work Progression offer to help people on low incomes address barriers to better employment opportunities.
- Launch a new National Youth Guarantee so that by 2025 every young person in England will have access to regular out of school activities, adventures away from home and opportunities to volunteer.
- Provide more support to the state school sector to increase Combined Cadet Force participation.

Health and Wellbeing Outcomes

- The DHSC will shortly publish a White Paper designed to tackle the core drivers of disparities in health outcomes.
- Take forward recommendations from Henry Dimbleby's independent review towards a National Food Strategy including piloting Community Eatwell and a school cooking revolution.
- Introduce a new Tobacco Control Plan and set up at least 100 Community Diagnostic Centres in England by 2025.

Housing and Planning

- Regenerate 20 towns and cities by assembling and remediating brownfield land.
- Powers for local authorities to require landlords to rent out long-term vacant properties to prospective tenants, such as local businesses or community groups.
- Consult on developing a National Landlord Register.
- Bring forward measures to reset the relationship between landlords and tenants, including through ending section 21 “no fault evictions”.
- Consult on introducing a legally binding Decent Homes Standard in the Private Rented Sector

Local Government

- £50m from the Safer Streets Fund every year of the SR21 period to give Police and Crime Commissioners and local authorities in England and Wales the resources they need to tackle crime.
- 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.
- 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 transparency for local people and publish rigorous, comparable data on performance.
- Work with Local Government Pension Funds to publish plans for increasing local investment, including setting an ambition of up to 5% of assets invested in projects which support local areas.

3. Key Implications for HEY LEP region and activity

3.1. Although the full details which sit behind the 12 keys levelling up missions outlined in the paper have not been fully formed, the following implications for the region can be pinpointed, from the Levelling Up white paper.

Institutional arrangements

- The white paper is positive about the impact that LEPs have made in the ten years of their operation. As such there is commitment from government to LEPs and the Levelling Up white paper is the first time LEPs have been embedded in policy and legislation. The White Paper makes clear that: LEPs have acted as an important organisational means of bringing together businesses and local leaders to drive economic growth across England and as such it is important to retain the key strengths of these local, business-oriented institutions in supporting private sector partnerships and economic clusters. The white paper presents the opportunity not only for LEPs to continue to set the economic agenda in their areas but also to integrate their

services and business voice into the UK Government's new devolution plans.

- Hull and East Yorkshire are mentioned in the white paper as one of the first 9 areas invited to begin negotiations on a county deal for the area. This will continue the positive joint working between public and private partners fostered up to date on the preparation of the devolution bid for area. Detail is provided in the white paper as to what functions would be transferred to each type of devolved administration. Government is encouraging the integration of LEPs and their business boards into Mayoral Combined Authorities, the Greater London Authority and County Deals, when and 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.
- The Levelling Up white paper outlines governments intention to form a new Humber level board, Opportunity Humber. The paper notes that Opportunity Humber will be a private sector led board, chaired by Laxman Narasimhan, Chief Executive Officer of Reckitt, which will sit alongside future local devolution arrangements. It will work with the local authorities to provide a single voice for the Humber nationally, globally and into government, and will provide strategic leadership to drive the development and delivery of agreed pan-Humber economic priorities, including the Humber Net Zero Cluster. It is expected that this board will work alongside the Humber Energy Board, the Humber Leadership Board, HEY LEP and Greater Lincolnshire LEP. The Opportunity Humber Board currently only in formation phase and little detail has currently been agreed around its operation and responsibilities.
- The paper outlines a new approach to 'place' through Levelling Up Directors. They will provide a key point of contact for local areas, acting as a bridge between local leaders and central government.

Local Strategy

- The aspirations of the Levelling Up white paper dovetail well with the priorities and objectives in the draft HEY LEP Growth and Workforce Wellbeing strategy. There is a however a requirement to review the document to ensure all relevant missions are reflected in this strategic economic plan. This work is underway.
- The white paper notes there will be a second report will follow in the spring building on the Levelling Up white paper and deal with rural proofing. 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.

Funding & Resource

- There are questions around the resource which will be available to deliver this levelling up agenda. No new resource will be made available from treasury above that outlined in the comprehensive spending review and there are concerns that this resource is disproportionately weighted towards capital funding rather than revenue.
- It is confirmed in the paper that the UK Shared Prosperity Fund would be routed through Local Authorities.
- Whilst the paper and Ministerial feedback to LEP Chairs and CEOs has been positive regarding the role of the LEPs we have not yet received confirmation of our core funding or for programmes such as the Growth Hub; we will be writing to ministers on this latter matter to ensure continuity of service.

4. Next Steps

- 4.1. The Levelling Up white paper concedes much work will be required to develop detailed policy to support the high-level aspirations in the document. The government note a desire to co-design and co-deliver these policies.
- 4.2. To that end, the government commit to undertake 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. Alongside this there will be an ongoing, long-term commitment to further ministerial visits across the whole of the UK, to update on progress on the policy programme and missions. It also signals that it will set 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.