



# Levelling Up White Paper

This briefing updates members on the main policy objectives of the recently published Levelling Up the United Kingdom White Paper and its implications for London.

## Overview

The government recently published its Levelling White Paper. It contained a significant analysis of the factors underlying the UK's economic and social geography, set out 12 missions to address the inequalities highlighted and contained a limited number of new policies. The White Paper including a balanced analysis of London, acknowledging the challenges that exist within the capital and that there are disparities within as well as between regions.

London Councils welcomes the government's positive vision of a fairer and more prosperous country, but it is absolutely critical that any plans to tackle inequality must include London and the capital is given the powers and funding to address this at levels closest to communities wherever possible.

## Levelling-Up objectives

The White Paper has four high level policy goals:

- Boost productivity, pay, jobs and living standards by growing the private sector.
- Spread opportunities and improve public services.
- Restore a sense of community, lost pride and belonging.
- Empower local leaders and communities.

The White Paper also sets out 12 Missions to Level Up the UK:

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 R&D outside the Greater Southeast will increase by at least 40 per cent 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 the majority 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 per cent 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 per cent, 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.

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A statutory duty will be introduced to publish an annual report analysing progress on the Missions. A new external Levelling Up Advisory Council will be established providing an expert forum advising on improving productivity, encouraging private sector capital and community capacity building. The council has been asked to consider how to ensure London's complex economic geography and socio-economic spectrum can further benefit from levelling up.

## **Implications for London**

The White Paper had:

- No significant new resources from Spending Review 2021 (SR21) or moves to deliver fiscal devolution.
- An ask of Local Government Pension Scheme funds to publish plans for increasing local investment, including setting an ambition of up to 5 per cent (£16 billion) of assets invested in projects which support local areas.

The paper included some specific examples of resources being rebalanced away from London:

- The Department for Business, Energy and Industrial Strategy will aim to invest at least 55 per cent of its total domestic Research & Development funding outside the Greater Southeast by 2024-25. It is unclear if this means a cut in funding for London as the White Paper proposes an uplift in the overall national investment.
- On housing it abolishes '80/20 rule' that targeted housing funds to regions with the most unaffordable housing (primarily London and South East England). The 2021/26 Affordable Homes Programme allocations are already agreed, so the change poses the most immediate risk to future brownfield land and infrastructure funding programmes that were announced at SR21.
- 100 per cent of the Arts Council England funding uplift announced at SR21 will be directed outside London and there is a commitment to "delivering a more even distribution between regions of Grant-in-Aid and Lottery "Good Cause" funding."

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### UK Shared Prosperity Fund

UK Shared Prosperity Fund (UKSPF) is the replacement for European Structural and Investment Funds. The White Paper set out three broad priorities for UKSPF – 1. Communities and place 2. People and skills and 3. Local business. It also confirmed that:

- GLA is the lead authority for London. It will develop an investment plan for UKSPF in London, within a national framework and based on a three year allocation and manage its delivery.
- Conditional allocations will be made in the spring, with investment plans submitted to government by local areas in the summer.
- UKSPF will focus on people and skills after 2023/24. This is at odds with London's priorities which has traditionally focused its ESIF funds on employment and skills provision.

There was no detail on how the UKSPF will be allocated to different areas across the UK.

### Skills & employment

The White Paper also included a commitment to:

- Trial to extend Lifetime Skills Guarantee to free Level 3 qualification to anyone unemployed or earning below the National Minimum Wage. The GLA will be able to set the wage threshold in London.
- Pathfinder areas to bring local partners together to respond to local skills needs to get people into work and progress, with one in Barking & Dagenham.

## Commentary

London Councils will continue to make the case for a fair allocation of resources to enable the capital to deliver the missions' objectives. Given the many inequalities and different level of infrastructure across London, the capital needs support to level up too.

In many of the missions, such as serious crimes and home ownership, as well as overarching objectives such as wellbeing and satisfaction, London performs worse than other UK regions. Depending on the matrix used, the missions may overlook the large variations within the capital in areas such as pay, employment and productivity. London Councils will continue to make the argument for the missions to be measured by appropriate social and economic indices.

Devolution proposals are focused towards areas outside London, with an emphasis on Mayoral authorities. The White Paper does not recognise the unique governance arrangements in London and assumes that the default level of devolution in London should be to the Mayor of London. However, this is not always appropriate for the funding involved and does not allow for decisions to be taken as close to communities as possible. London Councils will continue to make the case for further devolution to London and that boroughs should have a central role in this, alongside the Mayor.

While the White Paper signals moving forward on reforms to the private rented sector, the overall emphasis on home ownership overlooks the capital's continued need for the provision of social housing given the city's affordability issues.

London Councils repeats its call for the capital to receive at least the same amount of UKSPF investment as under the European Structural and Investment Funds.

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### **Links:**

[Levelling Up the United Kingdom White Paper](#)

### **This member briefing has been circulated to:**

**Portfolio holders and those members who requested policy briefings in the following categories: Leadership, Devolution and Democracy**