

Research Briefing

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Levelling up: What are the Government's proposals?



Summary

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Summary

The Government's wide-ranging "levelling up" policy, intends to reduce geographic economic, social and health inequalities. Prime Minister Boris Johnson has described levelling up the UK as "[the defining mission](#)" of his Government.

Levelling up white paper

The Government published its [Levelling Up the United Kingdom white paper](#) on 2 February 2022. It's an extensive document, providing history and analysis of the causes of economic and social disparities across the UK.

Plans to address and narrow these differences are introduced, covering numerous areas of government structures and public policy. Some elements are new, while others are existing policies. The paper also sets out areas on which further policies will be announced.

The white paper argues that a "fundamental rewiring" of the system of decision-making, locally and nationally, is required to address geographical disparities. To do that, the Government is introducing a new approach based on five "pillars". This includes medium-term "missions" (outlined below), reforming central and local government decision making, and improving local data.

The intention is for this "long-lived programme of change" to "embed levelling up across all areas of the UK government, local and national", in partnership with the private sector and civil society.

The Government's 12 missions

The Government used the white paper to set 12 targets, or "missions" linked to policy objectives. The targets all have a 2030 end date, "setting the medium-term ambition" of the Government.

The 12 missions are under four objectives, outlined below. There are also key targets and policies, designed to help meet these objectives. Some of these were announced in the white paper, while many are existing policies. The Government says that policies set out in the white paper "will begin to have visible effects" in the "next few years".

Objective one: Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging

- **Living standards** – foster a growing private sector to raise productivity, pay and living standards across the UK.
- **R&D** – boosting [research and development spending](#), focusing on areas outside of south-eastern England.
- **Transport infrastructure** – improving transport connectivity outside London.
- **Digital connectivity** – improving connectivity, including by rolling out high-speed [gigabit-capable broadband](#).

Objective two: Spread opportunities and improve public services, especially in those places where they are weakest

- **Education** – Improve [literacy and numeracy](#) among primary school children. Create new 'Education Investment Areas'.
- **Skills** – focus on [improving skills](#), including of those in the workforce. Local Skills Improvement Plans to be introduced among other policies.
- **Health** – reduce health disparities across UK, with a new white paper to be published in 2022. A [food strategy](#) white paper will also be published.
- **Wellbeing** – measured using [survey data](#) from the Office for National Statistics, the “overarching objective” for levelling up is for improved wellbeing and the gap across local areas to close.

Objective three: Restore a sense of community, local pride and belonging, especially in those places where they have been lost

- **Pride in place** – includes policies to support [regeneration](#), communities, green spaces and cultural activities. The aim is to create stronger and more cohesive communities.
- **Housing** – the aim is to increase home ownership and improve housing quality. Policies include [reforms of the planning system](#), the target of [building 300,000 new homes per year in England](#), a new Levelling Up Home Building Fund and a new white paper on the private rented sector.
- **Crime** – to create safer neighbourhoods.

Objective four: Empower local leaders and communities, especially in those places lacking local agency

- **Local leadership** – a “[devolution revolution](#)” across England is proposed. This includes the introduction of ‘[County Deals](#)’ and expanding the number of Mayoral Combined Authorities. A new devolution

framework will be set out. [Local growth funds](#), such as the Levelling Up Fund and Shared Prosperity Fund, will provide funding to improve local areas.

Next steps

The Government will **introduce legislation to put into statute some aspects of the levelling up agenda**. The white paper gives limited information on what this will include, but is likely to involve legislation to expand and deepen devolution in England and a statutory obligation “to report annually on progress towards meeting the Levelling Up missions”.

A new Levelling Up Advisory Council will also be created, chaired by the Secretary of State for Levelling Up and made up of leaders from industry, academia and civil society.

Reaction

Labour has been critical of the white paper, with Keir Starmer saying it consisted of “[rehashed and recycled](#)” policies. Scotland’s First Minister Nicola Sturgeon made similar comments and the Welsh Government criticised the lack of funding to accompany the plans.

Many think tanks and commentators have welcomed the overall aims of the Government’s white paper, while [citing concerns regarding their delivery](#). Greater local devolution is one area that is [welcomed](#) by various think tanks, along with the focus on social, as well as economic, dimensions of inequality.

The white paper has also been praised for [including metrics of success](#). However, there are concerns that some proposals are too ambitious, with insufficient plans for how the 12 missions will be delivered. Many think tanks point to the [lack of funding allocated to these missions](#).

1 Background

The history of the term “levelling up” can be traced back to the 19th Century, at least in terms of use in Parliament.¹ In more recent times, the term was used to some degree during the Labour Government of 1997-2010 and then when Theresa May was the Conservative Prime Minister from 2016-2019, both in relation to school funding.² This briefing, however, focuses on its much more widespread use in the Government led by Boris Johnson.

1.1 What is meant by “levelling up”?

In his first speech as Prime Minister in July 2019, Boris Johnson spoke of a need to “level up across Britain” and “answer the plea of the forgotten people and the left-behind towns”, unleashing the “the productive power” of every corner of the country.”³

Levelling up was also addressed in the Conservative Party’s 2019 election manifesto.⁴ This pledged to “to use our post-Brexit freedoms to build prosperity and strengthen and level up every part of the country”, through specific measures, such as:

- Investing in towns, cities, and rural and coastal areas
- Giving those areas more control of how investment is made
- Levelling up skills using apprenticeships and a £3bn National Skills Fund
- Creating up to 10 freeports to help deprived communities.

Similarly, the 2021 Queen’s Speech stated the Government will “level up opportunities across all parts of the United Kingdom, supporting jobs, businesses and economic growth and addressing the impact of the pandemic on public services.”⁵

Levelling up was intended to address the longstanding problem of the UK’s regional economic disparities. The 2020 Institute for Fiscal Studies (IFS) Green Budget included a chapter on levelling up, which identified the following characteristics of areas most in need of levelling up:

¹ For example, [HC Deb 22 May 1868 vol 192 cc760](#) and [HL Deb 20 May 1884 vol 288 c800](#)

² Jack Newman, [The Ambiguous Ideology of Levelling Up](#), Political Quarterly, Vol 92, Issue 2, pp312-320, May 2021; summarised by the author for UK in a Changing Europe, [Levelling up: the \(surprisingly long\) history](#), September 2021

³ Prime Minister’s Office, [Boris Johnson’s first speech as Prime Minister](#), 24 July 2019

⁴ [Conservative and Unionist Party Manifesto 2019 \(PDF\)](#) [accessed 16 February 2022]

⁵ Prime Minister’s Office, [Queen’s Speech 2021](#), 11 May 2021

A 'left-behind' area, in need of 'levelling up', is characterised by broad economic underperformance, which manifests itself in low pay and employment, leading to lower living standards in that area. Behind these factors lie other considerations such as poor productivity, which in turn may be associated with a low skill base. The health of the population may also be relatively poor: in some cases, this could be a legacy of deindustrialisation or long-term unemployment, as well as deep-rooted socio-economic issues.⁶

1.2 Lead up to the white paper

On 15 July 2021, the Prime Minister delivered a speech in Coventry on levelling up, in which he said it would be achieved through “a strong and dynamic wealth creating economy” accompanied by “a catalytic role for government, and government is there to provide a strategic lead but that requires consistency from government.”⁷

Specific policy measures announced in the speech included county deals – devolved deals outside of cities, 15 additional town deals and the City Region Sustainable Transport Fund.⁸

Michael Gove became the Secretary of State for Housing, Communities and Local Government in a cabinet reshuffle on 15 September 2021, replacing Robert Jenrick. On 19 September, it was announced that his department would become the Department for Levelling Up, Housing and Communities. It was also announced that Andy Haldane, former Chief Economist of the Bank of England, would become the Head of the Levelling Up Taskforce and would join the Cabinet Office as a permanent secretary on secondment from the RSA.⁹

The levelling up white paper was initially planned to be published in Autumn 2021¹⁰; the 2021 Autumn Budget and Spending Review stated it would be published “later this year”¹¹; in December 2021, it was confirmed the publication would be delayed until 2022.¹²

⁶ IFS, [Levelling up: where and how?](#), IFS Green Budget 2020, chapter 7, October 2020, p325

⁷ Prime Minister's Office, [The Prime Minister's Levelling Up speech](#), 15 July 2021

⁸ Prime Minister's Office, [PM sets out new 'County Deals' to devolve power to local communities in Levelling Up speech](#), 15 July 2021

⁹ DLUHC, [Ambitious plans to drive levelling up agenda](#), 19 September 2021 and Local Government Lawyer, [Prime Minister and Secretary of State launch 'Levelling Up' taskforce as beefed-up Ministry gets rebrand](#), 20 September 2021

¹⁰ Prime Minister's Office, [Prime Minister sets out vision to Level Up the UK](#), 15 July 2021

¹¹ HM Treasury, [Autumn Budget and Spending Review 2021](#), HC 822, October 2021, p8

¹² BBC, [Levelling up: Government white paper likely to be delayed to 2022](#), 5 December 2021

2

Levelling up white paper

On 2 February 2022, the Government published the **Levelling Up the United Kingdom white paper**.¹³ A Government press release summarised the paper, including its key objectives.¹⁴ A technical annex was also published, with further details of the metrics to monitor progress on levelling up.¹⁵

The white paper is an extensive document, providing history and analysis of the causes of economic and social disparities across the UK. Plans to address and narrow these differences are introduced, covering numerous areas of government structures and public policy. Some elements are new, while others are existing policies. The paper also sets out areas on which further policies will be announced

The following sections of this briefing will provide an overview of the white paper and associated policies. It is not intended to be an exhaustive list of all policies covered in the paper, but acts as a guide to the main elements and arguments, with signposting to further information.

The economic background to the levelling up agenda, including analysis covered in the first part of the white paper, is covered in section 5 of this briefing.

2.1

Overall aims

In his foreword to the levelling up white paper, the Prime Minister describes levelling up as “the defining mission of this government” and a process he is “determined” will “break that link between geography and destiny.”¹⁶

Geography and destiny

This connection between “geography and destiny” – that parts of the country are less prosperous and people and businesses wishing to succeed must relocate from these areas to more prosperous places – is further addressed in the paper by Michael Gove, Secretary of State for Levelling Up, and Andy Haldane, Head of the Levelling Up Taskforce.

¹³ HM Government, [Levelling Up the United Kingdom](#), CP604, 2 February 2022

¹⁴ Government press release, [Government unveils levelling up plan that will transform UK](#), 2 Feb 2022

¹⁵ HM Government, [Levelling Up the United Kingdom: Technical Annex](#), CP604, 2 February 2022

¹⁶ White Paper, p.viii

Speaking on ITV's "Peston" programme, Andy Haldane referred to the UK's imbalanced economic geography as "70 years of entrenched differences" and that the process of levelling up will "take at least 10 years" to begin to close.¹⁷

Opportunities and governance

Michael Gove and Andy Haldane in their foreword to the white paper argue that "while talent is distributed evenly across the UK, opportunity is not. For many, if you want to get on you need to get out". They go on to say levelling up is "a mission – part economic, part social, part moral – to change that for good."¹⁸

Their foreword also says that the process of levelling up requires a "new model of government and governance of the UK... anchored around an ambitious set of missions, galvanising action across sectors to improve jobs, incomes, health, skills, transport, pride in place, safety and well-being across the UK."¹⁹

Potential benefits

The white paper makes some rough calculations of the "prize" for boosting the economic performance of local areas stuck in a "low-growth" environment.²⁰

If places with productivity in the bottom quarter of all areas in the UK were able to be "levelled up" to the existing median level, then the boost to productivity would, the white paper estimates, be equivalent to around an average of a £2,300 pay rise per worker in these areas. For the UK, this equates to about £50 billion in additional economic output per year.

The paper also states that if health, education and wellbeing were "levelled up" then similarly-sized benefits would occur in those areas.

The white paper acknowledges that estimates such as these are subject to massive uncertainty and dependent on the assumptions made.

2.2

Five "pillars" of the levelling up policy

The white paper examines previous efforts by British governments to address the problems of the UK's regional economic disparities, beginning in the 1920s.

¹⁷ Peston, ITV, 3 February 2022, <https://www.youtube.com/watch?v=maXG9oEz8hU>

¹⁸ White Paper, p.x

¹⁹ White Paper, p.x

²⁰ All information in this sub-section is from pages xiv and 96-99 of the [white paper \(PDF\)](#)

The failure of these policies to significantly address these disparities is ascribed to various factors which, “taken together, have led to suboptimal decision-making at both the national and local level.” Specifically, the paper blames a lack of:

- longevity and having sufficient policies at the right scale
- policy and delivery coordination
- local empowerment
- evidence, monitoring and evaluation and
- transparency and accountability²¹

As a result, the white paper states that “a fundamental rewiring in the system of decision-making, locally and nationally” is required to address regional and local economic disparities.²² This **new approach is based on five pillars** which are said to be “mutually reinforcing”:

- medium-term missions (or targets)
- reshaping central government decision making
- empowering local decision making
- data, monitoring and evaluation at a sub-national level
- transparency and accountability of this new policy regime.

These are explained, in turn, below.

Pillar one: Medium-term missions or targets

The white paper defines medium-term missions as “**targeted, measurable and time-bound**” objectives to help address regional economic disparities.²³ There are 12 objectives, with a target for these to be achieved by 2030. These are categorised under four “focus areas” to:

- 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.
- Empower local leaders and communities, especially in those places lacking local agency.

Section 3 looks at each of the 12 missions.

²¹ White Paper, p110

²² White Paper, p117

²³ White Paper, p117, emphasis added

Pillar two: Changing central government decision-making

The white paper states that achieving the 12 missions will require “changes to the structure of decision-making by central government” as it argues that previously “central government decision-making has weighed spatial [geographic] considerations insufficiently in the design and delivery of policy initiatives.”²⁴

The Government has put forward four changes to government decision making, described below.

Improved transparency about place-based spending

The white paper states there will be “more effective spatial targeting of investment” – in other words that investment will be better targeted at the right places – and the Government will “improve its use of the spatial impact of programmes to inform future decision-making, including in future Spending Reviews”. It will also review its use of “formula-based spending, to ensure it is targeted where most needed.”²⁵

Hardwiring spatial considerations into decision-making and evaluation

This will be supported by a Levelling Up Cabinet Committee, chaired by the Secretary of State for Levelling Up, Housing and Communities. It’s tasked with “embedding levelling up across central government policy design and delivery”. Levelling Up Directors will also be created, based in their areas of responsibility, and will be a contact for local leaders. They will help to align “decisions and funding to support local and national strategic objectives.”²⁶

Public bodies will also have an objective of “reducing geographical variations” in areas they are responsible for, through the Public Bodies Strategy being developed by the Treasury and Cabinet Office-led Public Bodies Reform Programme.²⁷

Levelling up objectives will also be built into government procurement processes, with plans to introduce legislation requiring contracting authorities to consider national and local priorities, such as creating new jobs and encouraging supply chain innovation in procurement decisions.

Improved coordination of central government policies at the local level

The Government will set out a plan for “streamlining the funding landscape” in 2022, aiming to simplify the local growth funding streams for local

²⁴ White Paper, p122

²⁵ White Paper, p124 – formulas are used in various decisions across government about the allocation of funds. Examples include funding that goes to local government (currently based on an assessment from 2012/13) and the police. For more on these see Section 3.2 of the Library briefing [Local Government Finance Settlement 2022/23](#) and [Police Grant Report \(England and Wales\) 2022/23](#).

²⁶ White Paper, p125

²⁷ White Paper, p125

government, by reducing the number of competitive funding pots and removing “restrictive ringfences.”²⁸

Greater focus on local places

The white paper refers to the Places for Growth Programme, which includes the objective of moving 22,000 civil service roles and moving 50% of UK-based senior civil service roles out of Greater London by 2030.²⁹

Pillar three: Empowering local decision making

To support local government, local leaders and businesses, the white paper states there will be:

- a new framework for devolution in England
- support for private sector partnerships and building economic clusters

New devolution deals will be available to all areas of England that want one, to be delivered by 2030. The deals will include powers “at or approaching the highest level of devolution and a simplified, long-term funding settlement.”³⁰

The white paper states the preferred model for this new devolution framework in England will be based on a “directly-elected leader covering a well-defined economic geography with a clear and direct mandate”. However, a flexible, tiered approach is presented in the framework, to allow different speeds of devolution, should the preferred approach not suit all areas.³¹

A council or group of councils seeking devolution must have a combined population of at least 500,000. Priority will be given to deals covering either a whole county or a functional economic area.³²

The devolution framework is set out in full in table 2.3 (p140) of the white paper. Further information is available in section 3.4 of this briefing and in the Library briefing, [Devolution to local government in England](#).

Private sector partnerships

The Government says it will support private sector partnerships and clusters and will spend £100 million into three pilot “Innovation Accelerators” in Glasgow, the West Midlands and Greater Manchester, which are intended to invest in research and development and attract new private investment.³³

New Levelling Up Directors will also support the development of new clusters, in conjunction with the Centre for Thriving Regions, a new body proposed by the CBI business organisation. Each Innovation Accelerator will develop a

²⁸ White Paper, p128

²⁹ White Paper, p129

³⁰ White Paper, [Executive summary \(PDF\)](#), p16

³¹ White Paper, p136

³² White Paper, p137

³³ White Paper, p146

plan to grow its local innovation ecosystem, receiving support from the Government.

The Government will also encourage the integration of Local Enterprise Partnerships (LEPs) into mayoral combined authorities, the Greater London Authority and County Deals.

Pillar four: Data, monitoring and evaluation at a sub-national level

The white paper states that regional and local data in the UK is “insufficiently granular and timely to support user requirements”, which “may have contributed to weaknesses in the design and delivery of levelling up policies.”³⁴

To address this, the Government will implement a “transformative data and analysis strategy at the subnational level”. This will be composed of four elements:

- Producing and disseminating **more timely, granular and harmonised subnational statistics** through the Government Statistical Service’s Subnational Data Strategy.³⁵ The Department for Levelling Up, Housing and Communities will also establish a new Spatial Data Unit.
- **Making granular data publicly available.** The Office for National Statistics (ONS) introduced a Subnational Data Explorer on the same day the white paper was released, aimed at local users and decision makers.³⁶
- Harnessing **data visualisation** techniques to improve decision-making and building capacity. This will include an ONS-led collaboration platform, powered by the Integrated Data Service (IDSP), which will develop “a suite of data dashboards to support spatial analysis across government in a coherent and consistent way.” The Government will also address the lack of in-house spatial modelling capability for local government by investing in spatial modelling techniques.³⁷
- Increasing incentives to **evaluate, monitor and experiment** in levelling up policies and programmes. The Government will “embed consistent and regular use of subnational data when tracking UK Government spending and impact.”³⁸

³⁴ White Paper, p149

³⁵ Government Statistical Service (GSS), [Subnational data strategy](#), December 2021

³⁶ ONS, [subnational indicators explorer](#) [accessed 10 February 2022]

³⁷ White Paper, p153

³⁸ White Paper, p155

Pillar five: Transparency and accountability of the new policy regime

As part of a new “accountability regime” for the design and delivery of levelling up, the Government will introduce a **statutory obligation** “to report annually on progress towards meeting the Levelling Up missions”.³⁹

A **new Levelling Up Advisory Council** will also be created.⁴⁰ The Council will be chaired by the Secretary of State of Levelling Up and made up of 11 leaders from industry, academia and civil society.⁴¹ The Council will be charged with “providing independent expert advice on matters relating to the design and delivery of levelling up”, with its analysis commissioned and published, at the discretion of the Levelling Up Cabinet Committee.⁴²

2.3

Plans after the white paper

Ultimately, the Government hopes that this “long-lived programme of change” will “embed levelling up across all areas of the UK government, local and national” in partnership with the private sector and civil society.⁴³

The white paper states that for levelling up to be successful, many different parts of the public and private sectors, society more generally, and public leaders will need to work together.⁴⁴ The Government says it will “embark on a process of sustained and systemic engagement and consultation”, on the white paper, including with the devolved administrations of Wales, Scotland and Northern Ireland.⁴⁵

The white paper states that the Government will introduce legislation to put into statute some aspects of the levelling up agenda. Limited information is provided but the paper says the Government is exploring:

- legislation to expand, deepen and improve devolution in England
- an obligation for an annual report on progress against the 12 missions of levelling up to be published by the Government⁴⁶

As described in this briefing, the white paper also sets out several policy areas where future publications from Government are expected.

³⁹ White Paper, p156, emphasis added

⁴⁰ White Paper, p156

⁴¹ A full list of appointees is available on p157 of the white paper

⁴² White Paper, p156

⁴³ White Paper, p245

⁴⁴ White Paper, pp245-47

⁴⁵ White Paper, p16

⁴⁶ White Paper, p247

3

White paper's 12 missions and policy programme

The Government used the white paper to set 12 targets, or “missions” as they are defined in the paper, designed “to provide consistency and clarity over levelling up policy objectives”.⁴⁷ The **targets all have a 2030 end date attached to them** – “setting the medium-term ambition”.

The targets are aimed at embedding the commitment to levelling up, a feature the paper says was missing from past approaches. The missions are also intended to act as “an anchor for the expectations and plans for the private sector and civil society”.⁴⁸

The white paper argues these missions are “distinct from delivery targets”, because they are meant to lead to “systems change” through cooperation across public, private and voluntary sectors, instead of acting as a “mechanism for holding the government to account”.⁴⁹

The Government stresses that these policies are “only part of the answer to levelling up” and are “stepping stones on what must be a sustained journey of change.”⁵⁰

The missions all have **headline indicators or metrics** attached to them that are intended to be used to **monitor progress**. Each mission has a set of supporting metrics. These are described in depth in the white paper's technical annex.⁵¹

Policies designed to begin to deliver these 12 missions are described in chapter 3 of the white paper and include new policy announcements, as well as references to existing policies. The missions and accompanying policies are grouped under four main objectives.

This section summarises the key policies, following the structure set out in the white paper. This is not an exhaustive list and extensive policy detail is not provided. However, references to relevant parts of the white paper and signposting to Library briefings on specific policy areas are provided to allow readers to delve deeper.

⁴⁷ White Paper, p119 and p12 of the [Technical Annex \(PDF\)](#)

⁴⁸ White Paper, p117

⁴⁹ White Paper, p119

⁵⁰ White Paper, p159

⁵¹ HM Government, [Levelling Up the United Kingdom: Technical Annex](#), CP604, February 2022

A table providing a summary of the 12 missions is provided below.

12 levelling up missions

Focus Area	Mission
Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging	
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 Research & Development (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 significantly 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.
Spread opportunities and improve public services, especially in those places where they are weakest	
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 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 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 Well-being	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

Focus Area	Mission
Restore a sense of community, local pride and belonging, especially in those places where they have been lost	
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.
Empower local leaders and communities, especially in those places lacking local agency	
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.

[Levelling Up the UK white paper](#), Feb 2022, table 2.1

The white paper states these missions are not set in stone and could change, infrequently, as the economy adapts and lessons are learnt from past interventions.⁵²

While the missions all have a target date of 2030 attached to them, the Government says that policies set out in the white paper “will begin to have visible effects” in the “next few years”.⁵³

3.1

Boost productivity, pay, jobs and living standards by growing the private sector

There are four missions (or targets) attached to this objective, related to the following areas:

1. Living standards
2. Research & Development (R&D)
3. Transport infrastructure
4. Digital connectivity

The full text of specific missions is provided below, and the policy programme, as set out in the white paper, is also summarised. Many of these programmes

⁵² White Paper, p122

⁵³ White Paper, pxx

have already been introduced, some have not yet been published in detail, while others are new.

Living standards

Mission 1: By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, and the gap between the top performing and other areas closing.

The aim is to foster a growing private sector economy to boost productivity, pay, jobs and living standards across the UK.⁵⁴ Five associated policy areas that are identified in the white paper are:

- **Small- and medium-sized (SME) finance** – access to financing particularly an issue outside south eastern England⁵⁵
- **Institutional investment** – getting more large-scale UK pension funds to investment in local projects
- **Mobile investment and trade policy** – attracting foreign direct investment (FDI) which tends to involve innovative and high-productivity foreign firms
- **Adoption and diffusion of knowledge and technology** to boost productivity and competitiveness of firms
- **Manufacturing** – support a sector that provides high-skilled well-paid jobs

Some of the policy initiatives and targets in the white paper related to this mission include:

- Extending the geographical reach of the [British Business Bank](#) partnership model. Spending Review 2021 provided £1.6 billion in funding for the “next generation” of regional funds.⁵⁶
- [Regional Angels Programme](#) – £150 million was announced for this scheme at Spending Review 2021. The aim is to make early-stage equity capital available to smaller businesses with high growth potential across the UK.⁵⁷
- The Government is asking **Local Government Pension Scheme funds** to publish plans for increasing local investment, with a target of up to 5% of assets invested in projects which support local areas.⁵⁸
- Working with devolved administrations to [establish new freeports](#) in Wales, Scotland and Northern Ireland, to go alongside the eight already announced for England.⁵⁹

⁵⁴ See White Paper [Technical Annex \(PDF\)](#), pp13-15 for more detail on Mission 1

⁵⁵ Defined as Greater South East in the White Paper (London, south east and east of England regions)

⁵⁶ White Paper, p162

⁵⁷ White Paper, p162

⁵⁸ White Paper, p163; see Library briefing [Local Government Pension Scheme investments](#)

⁵⁹ White Paper, p164; For more see Library briefing paper, [UK Government policy on freeports](#);

On 14 Feb 2022, after the white paper was released, two new freeports in Scotland were announced (DLUHC, [Ground-breaking deal to establish two new Green Freeports in Scotland](#), 14 Feb 2022)

- **Global Britain Investment Fund** - this £1.4 billion fund provides grants to “internationally-mobile firms” seeking to make or expand brown or greenfield investments across the UK.
- The **Office for Investment** (set up in November 2020) will “establish a presence” in each part of the UK.⁶⁰
- The UK Government’s **Innovation Strategy** set out plans for more businesses to adopt new technologies and processes, with the goal of boosting productivity of low-productivity firms.⁶¹

Library briefings and dashboards

- [Regional and National Economic Indicators](#)
- [Economic indicators for the UK](#)
- [Average earnings by age and region](#)
- [Deprivation in English constituencies, 2019](#)
- [Local data dashboards](#)

Research & Development and innovation

Mission 2: 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 [2022/23-2024/25] 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.

The aim is to boost research and innovation capacity across the UK, which is “currently unevenly distributed” with a majority of UK R&D spending taking place in London, the South East and East of England regions.⁶²

Some of the policy initiatives and targets in the white paper related to this mission include:

- Implementing the **R&D Roadmap and Innovation Strategy**.⁶³
- The previously announced target of £20 billion in **public spending on R&D** by 2024/25 and £22 billion by 2026/27, with an overall target (public and private) of R&D investment reaching 2.4% of GDP by 2027.
- Department for Business, Energy and Industrial Strategy (BEIS) will aim to invest at **least 55%** of its total domestic R&D funding outside south eastern England by 2024/25.⁶⁴
- UK Research and Innovation (UKRI) will also be given a new organisational objective to “deliver economic, social, and cultural benefits from research and innovation to all of our citizens, including by developing research and innovation strengths across the UK in support of levelling up.”⁶⁵

⁶⁰ White Paper, p165

⁶¹ White Paper, p166

⁶² See White Paper [Technical Annex \(PDF\)](#), pp16-18 for more detail on Mission 2

⁶³ White Paper, p171

⁶⁴ White Paper, p173; London, South East and East of England regions

⁶⁵ White Paper, p173

- £100 million of investment in three new “**Innovation Accelerators**” – these are private-public-academic partnerships, with the aim of “clustering research excellence and its direct adoption by allied industries.” These will be based in Greater Manchester, the West Midlands and the Glasgow City Region.⁶⁶

Library briefings

- [Research and development funding policy](#)
- [Research and development spending](#)

Transport infrastructure

Mission 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.

The white paper highlights the role transport can play in boosting productivity, as well as wider quality of life, by connecting people and jobs to each other. The **lack of high-quality transport in some of the UK's largest cities is noted**, with pledges to improve local transport (particularly buses) and give greater powers to local leaders. In addition, improving connectivity between economic centres of the UK is described as a goal.⁶⁷

Some of the policy initiatives and targets in the white paper related to this mission include:

- **Previously announced transport policies** are noted, such as the National Bus Strategy, Cycling and Walking Plan, and City Region Sustainable Transport Settlements, with specific schemes in different regions highlighted.⁶⁸
- Local Transport Authorities will take on more powers and responsibilities in order to improve local transport services. The Government is **exploring devolving more transport power responsibilities** in England.
- Implementation of the **Integrated Rail Plan**, which includes plans for investing in maintaining and improving A roads and motorways, as well as upgrades to existing rail lines and some new high-speed rail routes.

Library briefings

- [Infrastructure policies and investment](#)
- Library website: [briefings on Transport](#)

⁶⁶ White Paper, p173-74

⁶⁷ White Paper, pp176-182; see White Paper [Technical Annex \(PDF\)](#) pp19-21 for more detail on Mission 3

⁶⁸ White Paper, p177-78

Digital connectivity

Mission 4: By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.

High-quality digital infrastructure across the country is the key goal, which the white paper says can drive economic growth, productivity and living standards. Noting “significant spatial disparities” in the quality of broadband and mobile networks, the objective is to allow almost all parts of the UK access to high-speed networks by the end of the decade.⁶⁹

Some of the policy initiatives and targets in the white paper related to this mission include:

- The Government’s **National Infrastructure Strategy**, published in 2020, committed funding to roll out high speed gigabit broadband.⁷⁰
- The Government will publish a **Wireless Infrastructure Strategy** later in 2022.⁷¹
- The Government is working with local leaders to extend the provision of digital skills via **Local Digital Skills Partnerships**.⁷²
- Much of this mission will be delivered by the private sector, with Government “cover[ing] gaps” in provision.⁷³

Library briefings and data

- [Gigabit broadband in the UK: Government policy and targets](#)
- [Constituency data: broadband coverage and speeds](#)
- [Tackling the digital divide](#)

3.2

Spread opportunities and improve public services

There are four missions (or targets) attached to this objective, related to the following areas:

5. Education
6. Skills
7. Health
8. Wellbeing

Education, health and skills policy are devolved policy areas, with the UK Government responsible for policy in England. The white paper states that

⁶⁹ White Paper, p183; see White Paper [Technical Annex \(PDF\)](#) pp22-23 for more detail on Mission 4

⁷⁰ White Paper, p183

⁷¹ White Paper, p185

⁷² White Paper, p185

⁷³ White Paper [Technical Annex \(PDF\)](#), p23

collaboration with the devolved administrations in Scotland, Wales and Northern Ireland “will be vital”.⁷⁴

The full text of specific missions is provided below, with the policy programme as set out in the white paper also summarised. Many of these programmes have already been introduced, some have not yet been published in detail, while others are new.

Education

Mission 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.

The main aim is to improve literacy and numeracy among primary school children and reduce disparities in attainment between different areas. The white paper emphasises the importance of early age education for future development, including job opportunities.⁷⁵

Some of the policy initiatives and targets in the white paper related to this mission include:

- The creation of **55 new Education Investment Areas (EIAs)**, covering a third of local authorities in England where educational attainment is currently weakest.⁷⁶
- The Government will “make more intensive investment in some EIAs” to address other issues, such as limiting school improvement.⁷⁷
- The creation of a **new “UK National Academy”**, a free digital education service to support pupils across the UK.⁷⁸

Library briefings

- [Assessment and testing in primary education in England](#)
- [School funding in England](#)

Skills

Mission 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.

⁷⁴ White Paper, p186

⁷⁵ White Paper, p187; see White Paper [Technical Annex \(PDF\)](#) pp24-25 for more detail on Mission 5

⁷⁶ White Paper, pxxii & pp189-91, see map on p191 for location of newly-announced EIAs

⁷⁷ White Paper, p190

⁷⁸ White Paper, pp190-91

The focus is on improving the number of people achieving “high-quality skills training”, so more people have skills needed to get good jobs. Skills are identified as a “key driver of the disparities between people and places”.⁷⁹

The policy programme is designed to put local employers “at the heart of provision” and to allow all people “lifetime access to training”.⁸⁰ Some of the policy initiatives and targets in the white paper related to this mission include:

- **Local Skills Improvement Plans** 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”.⁸¹
- As announced in the 2021 skills white paper, **reforms to the further education funding system** in England are ongoing. The aim is to “embed local employers at the heart of an increasingly devolved” system.⁸²
- Nine **new Institutes of Technology** will be set up in England, in addition to 12 already established. These are collaborations between colleges, universities and employers.⁸³
- As part of the launch of the UK Shared Prosperity Fund, a **Multiply numeracy programme** will be set up offering support for people to improve their numeracy skills.⁸⁴
- Introduction of **In-Work Progression** in Great Britain, which will offer work coach support to people on low incomes to address any skills or wider barriers to them progressing in the job market.⁸⁵
- As announced at the 2021 Spending Review, the Department for Work and Pensions will provide £1.3 billion over the three years 2022/23-2024/25 to provide **employment support for disabled people and people with health conditions**.⁸⁶

Library briefings

- [FE white paper: Skills for Jobs for Lifelong Learning for Opportunity and Growth](#)
- [Further education funding in England](#)
- [Skills and Post-16 Education Bill \[HL\]: Progress of the Bill](#)
- [Coronavirus: Getting people back into work](#)

⁷⁹ White Paper, p193; see White Paper [Technical Annex \(PDF\)](#) pp26-28 for more detail on Mission 6

⁸⁰ White Paper, p194

⁸¹ White Paper, p194

⁸² White Paper, p194

⁸³ White Paper, p196, including the location of these 9 new IoTs

⁸⁴ White Paper, p198

⁸⁵ White Paper, p194

⁸⁶ White Paper, p194

Health

Mission 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 five years.

The aim is to tackle “the stark disparities in health outcomes across the UK”.

The white paper links better health to improved wellbeing and economic productivity. Causes of lower life expectancy in more deprived areas are cited as smoking rates, alcohol intake and poor diet, as well as demographics, quality of housing, and access to health services.⁸⁷

Policies are designed to improve public health, reduce diagnostic backlogs, and support people to improve their diet. Some of the policy initiatives and targets in the white paper related to this mission include:

- The Department of Health and Social Care will publish in 2022 a white paper “designed to tackle the core drivers of disparities in health outcomes,” with a focus on prevention and **disparities** by ethnicity, geography and socioeconomic background.⁸⁸
- A new **Tobacco Control Plan** for England will be published in 2022.⁸⁹
- A **food strategy white paper** will also be published, following recommendations of Henry Dimbleby’s independent review towards a National Food Strategy.⁹⁰
- Establishing at least 100 **Community Diagnostic Centres** in England by 2025, with most based outside of London and the South East.⁹¹

Library briefings

- [National Food Strategy and public health](#), debate pack (Dec 2021)
- [Office for Health Improvement and Disparities and Health Inequalities](#), debate pack (Jan 2022)
- [Obesity and Obesity statistics](#)
- [School meals and nutritional standards \(England\)](#)
- [Delivery of a new Tobacco Control Plan](#), debate pack (Nov 2021)

Wellbeing

Mission 8: By 2030, wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing.

This is called “the overarching objective” for levelling up, intended to capture “the extent to which people across the UK lead happy and fulfilling lives”. It

⁸⁷ White Paper, p200; see White Paper [Technical Annex \(PDF\)](#) pp29-31 for more detail on Mission 7

⁸⁸ White Paper p203

⁸⁹ White Paper pp203-04

⁹⁰ White Paper pp204-05 and [National Food Strategy: an independent review for Government](#), 2021

⁹¹ White Paper p205

will be measured using an existing survey from the Office for National Statistics (ONS) of personal wellbeing, at the local authority level.

Indicators that will be used include life satisfaction, happiness, anxiety and whether people feel that the things they do in life are worthwhile.⁹² Further supplementary data may be used in future to measure this mission.

Library and external information

- For background on wellbeing metrics, see Library debate pack, [Wellbeing Economy approach to meeting climate goals](#)
- ONS, [Well-being topic page](#)
- ONS, [subnational indicators explorer](#)

3.3

Restore a sense of community, local pride and belonging

There are three missions (or targets) attached to this objective, related to the following areas:

9. Pride in place
10. Housing
11. Crime

The full text of specific missions is provided below, with the policy programme as set out in the white paper also summarised. Many of these programmes have already been introduced, some have not yet been published in detail, while others are new.

Pride in place

Mission 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 top performing and other areas closing.

There are three main elements linked to this mission in the white paper: regeneration; communities; and culture, heritage and sport. The aim is to restore “a sense of community, local pride and belonging” in those areas where this has fallen, in order to build “stronger and more cohesive communities”.⁹³

⁹² White Paper p186; see White Paper [Technical Annex \(PDF\)](#) pp32-33 for more detail on Mission 8

⁹³ White Paper, p187; see White Paper [Technical Annex \(PDF\)](#) pp34-35 for more detail on Mission 9

The white paper acknowledges this is a difficult objective to measure, with limited data currently available. The Government says it will explore how best to measure pride of place at a local level.⁹⁴

Some of the policy initiatives and targets in the white paper related to this mission include:

- Several **existing funding programmes** were mentioned, including the levelling up fund, that are designed to regenerate areas such as high streets and city centres.
- Identifying **20 towns and cities to benefit from regeneration** through assembling and remediating brownfield land, working with the private sector to bring about “transformational developments”, including housing, retail and business developments. These 20 places will be chosen by the Government, selecting areas that “demonstrate strong local leadership and ambition and where the impact of existing investment can be maximised to catalyse economic transformation.” Sheffield and Wolverhampton have already been chosen as two of the 20 areas.⁹⁵
- Extend the existing Brownfield Housing Fund (BHF) in England, which is intended to help mayors address problems with brownfield sites.⁹⁶
- As part of efforts to ensure green spaces are accessible and improved, a new **parks fund**, worth £30 million, will offer funding of up to £1 million for the refurbishment of at least 30 local parks in England.⁹⁷
- A range of existing and new policies related to communities are noted in the white paper, focusing on supporting young people, empowering and investing in communities. These include:
 - A new **National Youth Guarantee** for young people to have access to regular out of school activities
 - A new **Strategy for Community Spaces and Relationships**
 - The **Dormant Assets Scheme** will be expanded, with some funds from it used to support charities and social enterprises⁹⁸
- Increased **spending on cultural activities outside London**, to include theatres, museums and libraries in “towns which have been deprived of investment in the past.”⁹⁹

Library briefings

- [Town centre regeneration](#)
- [Local growth funds](#)
- [Tree Planting in the UK](#)

⁹⁴ White Paper [Technical Annex \(PDF\)](#) p35

⁹⁵ White Paper, pp208-10

⁹⁶ White Paper, p210

⁹⁷ White Paper, p212

⁹⁸ White Paper, pp212-217

⁹⁹ White Paper, pp217-219, pxxv

Housing

Mission 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.

The focus of this mission is on increasing home ownership and improving housing quality, partly through reforms to the planning system. The white paper discusses the role housing can play in economic productivity and how home ownership gives people “a tangible stake in society” and “a stable place to raise a family”. It says it is unacceptable for people to live in homes that “do not pass basic standards of decency” and that too many families live in poor conditions.¹⁰⁰

Some of the policy initiatives and targets in the white paper related to this mission include:

- Continuation of the Government's target to **build 300,000 new homes per year in England** by the mid-2020s. Investment in brownfield sites, infrastructure projects and the Affordable Homes Programme were cited as policies directed at this goal.¹⁰¹
- In addition, a **new £1.5 billion Levelling Up Home Building Fund** will provide loans to small and medium-sized businesses and housebuilders to “support the wider regeneration agenda” in priority areas for levelling up.¹⁰²
- Continuing schemes, such as Help to Buy, to help first time buyers and improving the home buying and selling process.¹⁰³
- The **end of the so-called “80/20” rule**, which had the effect of targeting some housing funding toward London and the South East (where housing costs are highest). As a result, this will potentially lead to more housing investment in the North and Midlands.¹⁰⁴
- A white paper will be published in spring 2022 outlining Government support for those in the **private rented sector**. This will include “ending so-called “no-fault” Section 21 evictions and giving all tenants a strong “right to redress”. It will also explore proposals for: **new minimum standards for rented homes; a National Landlord Register; and reviewing the Decent Homes Standard.**¹⁰⁵
- As well as some of the measures announced in Mission 9 (restoring local pride), the white paper mentions reforms of the **planning system** for the housing mission, although there is limited new information.¹⁰⁶

¹⁰⁰ White Paper, pp221-23; see White Paper [Technical Annex \(PDF\)](#) pp36-38 for more detail on Mission 10

¹⁰¹ White Paper, pp223-24

¹⁰² White Paper, p224

¹⁰³ White Paper, pp224-25

¹⁰⁴ White Paper, p208

¹⁰⁵ White Paper, p226

¹⁰⁶ White Paper, pp227-28

Library briefings

- [Tackling the under-supply of housing in England](#)
- [Improving the home buying and selling process in England](#)
- [The end of 'no fault' section 21 evictions](#)
- [Planning for the Future: planning policy changes in England in 2020 and future reforms](#)

Crime

Mission 11: By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.

The main aim here is to create safer neighbourhoods. The white paper states that as well as the direct effects of crime on individuals and neighbourhoods, crime also deters investment and job creation, and entrenches poverty.¹⁰⁷

The Government says it is intent on tackling crime, drug abuse, serious violence and anti-social behaviour.¹⁰⁸ Some of the policy initiatives and targets in the white paper related to this mission include:

- The existing [Safer Streets Fund](#) focused on preventing neighbourhood crime by providing resources to local authorities in England and Wales and Police and Crime Commissioners.¹⁰⁹
- Implementing the [Drugs Strategy](#), published in December 2021.
- Increasing the amount of unpaid work that offenders will provide to a total of around 8 million hours per year. Work includes cleaning up local streets and spaces.¹¹⁰
- The Government will publish a new plan for **anti-social behaviour** and quality of life issues.¹¹¹

Library briefings

- Library website: [briefings on crime](#)

3.4

Empower local leaders and communities

There is one mission (or target) attached to this objective. The full text of the specific mission is provided below, with the policy programme as set out in the white paper also summarised.

¹⁰⁷ White Paper, pp228-29; see White Paper [Technical Annex \(PDF\)](#) pp39-40 for more detail on Mission 11

¹⁰⁸ White Paper, pxxvi

¹⁰⁹ White Paper, p230

¹¹⁰ White Paper, p232

¹¹¹ White Paper, p233

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.

A “devolution revolution” across England is proposed in the white paper. As discussed in section 2.2 above, one of the five “pillars” of the levelling up strategy is to empower local leaders.¹¹²

Some of the policy initiatives and targets in the white paper related to this mission include:

- As part of the aim of extending devolution in England, some local authorities will be invited to negotiate and agree new **County Deals**, with the aim that “a number of these deals” will be agreed by autumn 2022.¹¹³ Negotiations will also take place to agree a [Mayoral Combined Authority](#) (MCA) deal with York and North Yorkshire and an **expanded MCA deal** for the North East. Other areas, particularly “those with broadly similar circumstances to North Yorkshire and York” will also have opportunity to consider their interest in an MCA devolution deal.¹¹⁴
- Negotiations will also begin for “**trailblazer deals**” with the West Midlands and Greater Manchester, extending the level of devolution in these areas, which will subsequently “act as the blueprint” for subsequent MCA devolution deals. Other MCAs and the Greater London Authority will also be invited to bid for “sweeping further powers, through the new devolution framework.”¹¹⁵
- The Government will also set out a **new devolution framework to clarify the devolution offer in England**. It will seek to legislate to “establish a new form of combined authority model”, made up of upper-tier local authorities. They will provide a “single, accountable institution across a functional economic area or whole county geography.”¹¹⁶
- **Local growth funds**, such as the Levelling Up Fund and Shared Prosperity Fund, will contribute to improving local areas.¹¹⁷

Library briefings

- [Devolution to local government in England](#)
- [Local growth funds](#)

¹¹² White Paper, pxxvii and p234

¹¹³ Cornwall, Derbyshire and Derby, Devon, Plymouth and Torbay, Durham, Hull and East Yorkshire, Leicestershire, Norfolk, Nottinghamshire and Nottingham and Suffolk were mentioned in the paper

¹¹⁴ White Paper, p235

¹¹⁵ White Paper, p235

¹¹⁶ White Paper, p235

¹¹⁷ White Paper, pp238-42

4

Reaction to white paper

This section summarises the initial reaction – from politicians think tanks and commentators – to the Government's white paper, published 2 February 2022.¹¹⁸

4.1

Political responses

Labour

Labour has been critical of the white paper. On Twitter, Labour leader, Keir Starmer said:

Today's set of repackaged, rehashed and recycled "announcements" is yet another sign the Conservatives are out of ideas and out of energy. A Labour Government would be focused on enabling communities across the UK to thrive, providing security and prosperity for all.¹¹⁹

Lisa Nandy, Shadow Secretary of State for Levelling Up, Housing and Communities wrote in the Yorkshire Post that the "government lacks ambition for our places and our people". She argues that levelling up should deliver on jobs, thriving high streets, and connection through "better transport links, digital infrastructure and affordable housing", giving communities power and money, and bringing back neighbourhood policing.¹²⁰

SNP

Scotland's First Minister Nicola Sturgeon said the white paper was an attempt to distract people from "an utterly discredited prime minister".¹²¹

Tommy Shepherd, the SNP's Westminster Cabinet Office spokesperson, labelled the paper as "somewhat underwhelming" and "a damp squib". He asked Michael Gove, the Secretary of State for Levelling Up, how this squared

¹¹⁸ HM Government, [Levelling Up the United Kingdom](#), CP604, 2 February 2022

¹¹⁹ Starmer, K. "Today's set of repackaged, rehashed and recycled "announcements" is yet another sign the Conservatives are out of ideas and out of energy. A Labour Government would be focused on enabling communities across the UK to thrive, providing security and prosperity for all." (Twitter) 2 February 2022 [Accessed 8 February 2022]. Available from: https://twitter.com/Keir_Starmer/status/1488836200286797827?cxt=HHwWhoCy7dmotKkpAAAA

¹²⁰ Yorkshire Post, [Here is Labour's five-point levelling up plan – Lisa Nandy](#), 2 Feb 2022

¹²¹ BBC, ['Levelling up' plan for UK unveiled by Michael Gove](#), 3 February 2022

with the rest of the Government's policies, such as "the decision to cut universal credit", which he said seemed to make inequality in Britain worse.¹²²

Labour Welsh Government and Plaid Cymru

Both the Labour Welsh Government and Plaid Cymru have criticised the white paper for a lack of funding. Vaughan Gething, the Minister for the Economy in the Welsh Government, said Wales has lost out on around £1 billion pounds and will have less funding than it did from EU structural funds.¹²³

Ben Lake, Plaid Cymru's Levelling Up and Treasury spokesperson, said:

The gulf between the promises of 2016 and 2019 and the reality of this paper couldn't be wider. With no new funding announced today, people are right to be sceptical of these plans.¹²⁴

Mr Lake also said that while the devolution plans in the paper give more power and resources to English regions, they undermine Welsh devolution and roll back Wales's powers.

However, Simon Hart, Secretary of State for Wales, denied claims that Wales was missing out on money and said the power that was being given to Welsh local authorities, rather than to the Welsh Government.¹²⁵

BEIS committee

Darren Jones, chair of the Commons Business, Energy and Industrial Strategy Committee welcomed the clarity that the white paper has delivered on levelling up.

However, he questioned why it took the Government so long to deliver when the missions "have been largely cut-and-pasted from Theresa May's abandoned Industrial Strategy".¹²⁶ He said that ministers need to be accountable for delivering these policy areas and ensure that they bring real change.¹²⁷

Local leaders

Andy Burnham, the Mayor of the Greater Manchester combined authority, said the white paper put forward "some positive proposals" for Greater

¹²² [HC Deb](#), 2 February 2022 c319

¹²³ [ITV, Levelling up or short-changing Wales? Politicians react to UK Government plans](#), 2 February 2022

¹²⁴ [ITV, Levelling up or short-changing Wales? Politicians react to UK Government plans](#), 2 February 2022

¹²⁵ [ITV, Levelling up or short-changing Wales? Politicians react to UK Government plans](#), 2 February 2022

¹²⁶ For background, see Library briefing [Industrial Strategy](#)

¹²⁷ Business, Energy and Industrial Strategy Committee, [Levelling-up White Paper - Darren Jones, Business Committee Chair](#), comment, 2 February 2022

Manchester and he welcomes the opportunity to “deepen and strengthen the devolution agreement”.¹²⁸

Nik Johnson, Mayor of the Cambridgeshire and Peterborough combined authority, welcomed the white paper and said he is ready to work with the Government to address inequalities in the region.¹²⁹

Jamie Driscoll, the Mayor of the North of Tyne combined authority, has said the white paper is “a resounding vote of confidence in our achievements so far”. However, he also said more funding is needed to have more impact.¹³⁰

4.2

Think tanks

Many think tanks have welcomed the overall aims of the Government's white paper, while citing concerns on its delivery.

The prospect of greater local devolution has been positively received, along with the focus on social, as well as economic, dimensions. The white paper has also been praised for including metrics of success. However, there are concerns from many that some proposals are ambitious, with insufficient detail on how the 12 missions included in the paper will be delivered. Many think tanks point to the lack of funding allocated to these missions.

Below is a summary of responses from several think tanks.

Institute for Fiscal Studies

In its initial response, the IFS described the white paper as a “welcome first step”. It said the 12 missions look “sensible” and welcomed the focus on education, skills, health and transport connectivity. The IFS said the long-term perspective of the white paper recognises the scale of the problem and noted the range of metrics which progress and success can be judged on. However, the IFS said it was concerned that the missions are “in places perhaps overly ambitious”.¹³¹

The IFS discussed the lack of funding, saying in 2025 many government departments' budgets will still have funding lower than in 2010. It listed three key issues with the missions expected to deliver within the budgets set at the October 2021 Spending Review:

¹²⁸ Labour List, [Burnham welcomes levelling up funding outlined for Greater Manchester](#), 2 February 2022

¹²⁹ Cambridge Network, [Levelling Up White Paper statement from Mayor Dr Nik Johnson](#), 3 February 2022

¹³⁰ North of Tyne Combined Authority, [Leaders welcome new funding and powers from government](#), 2 February 2022

¹³¹ IFS, [An initial IFS response to the Government's Levelling Up White Paper](#), 2 February 2022

- The spending plans set out in October 2021 may not match the ambition of the proposals in the white paper.
- The Treasury sets departmental spending plans in cash terms. With higher inflation, the same cash budget will be worth less in real terms.
- Policy choices since 2010 – such as cuts in local government spending and schools' funding – have made achieving some of the missions in the white paper harder.¹³²

Institute for Government

The Institute for Government has also welcomed parts of the white paper, saying there are “proposals – especially on devolution – that are steps in the right direction”. It too believes that setting long-term goals is the correct approach and praises the clear metrics outlined for judging success.

However, it also notes “there is still a lack of detail behind how these proposals will work, and a shortage of policies which could actually make the missions succeed”. It said the specific policies listed in the paper are mostly small and “unlikely to make major differences to regional economies”.¹³³

Centre for Cities

The Centre for Cities said the 12 missions appear to amount to the following:

Get every part of the country to reach productivity potential (but note that different places have different potentials), and improve standards of living in places that are lagging behind.¹³⁴

It says the paper does set out strategy, but this could be expressed more clearly.

It criticises the white paper for not looking beyond 2030, noting that divides across the country are at least a century old and solving this in eight years is not likely to be achievable.

It also noted the lack of funding and argued that, while the Chancellor said the money for the next three years was already allocated in the October 2021 Spending Review, funding beyond 2025 could have been outlined. It raises concerns that the lack of long-term funding could signal the Treasury is not behind the levelling up agenda.

The Centre for Cities also argued that some targets are not clearly defined, saying the term “significant improvement” is used without being defined clearly. However, it recognises that other targets are clearer, such as commitments to get 90% of primary school age children up to the required standard of reading, writing and maths.

¹³² IFS, [An initial IFS response to the Government's Levelling Up White Paper](#), 2 February 2022

¹³³ IFG, [The levelling up white paper: welcome ambition but underwhelming policies](#), 2 February 2022

¹³⁴ Centre for Cities, [Does the Levelling Up White Paper measure up?](#), 3 February 2022

It concludes that:

There are a number of good things in the paper. As well as the recognition of the different roles that different parts of the country should play in the national economy, the attempts to get Whitehall departments to think more spatially, the devolution framework to encourage more sensible local government boundaries and the emphasis on improving subnational data are all welcome. But the lack of Treasury backing poses the question that come a change in government, or a change of leader for that matter, will we start all over again?

The paper commits to a period of consultation over the coming months. The goal of this should be to sharpen up the arguments in it and setting out what it wants to do beyond 2030.¹³⁵

Resolution Foundation

The Resolution Foundation labelled the white paper a “two part argument with echoes of both George Osborne and New Labour”, pointing to Osborne’s focus on devolution and the last Labour government’s more activist state focused on deprived areas.

It welcomes both approaches; however, it also points out the lack of funding, and lack of regional infrastructure (such as the old Regional Development Agencies). In addition, it argues there is not enough integration with the wider central government decision-making processes.

The Resolution Foundation says the white paper comes after 10 years of “doing the opposite in terms of which areas were prioritised for funding”. It argues the proposed investment in poorer regions through research and development and housing will not be quick to offset cuts poorer regions have had to day-to-day public spending over the last 10 years.¹³⁶

CBI

The Chief Policy Director for the CBI business organisation, Matthew Fell, welcomed the white paper and the role that business has to play:

The Levelling Up White Paper is a serious assessment of the regional inequalities which have hamstrung the UK’s economic potential for generations. It offers a blueprint for how government can be rewired and an encouraging basis for how the private sector can bring the investment and innovation to start overcoming those deep-rooted challenges, and power long term prosperity for every community, wherever they live.

The picture it paints of a reinvigorated 2030 UK can inspire public and private sector partners to unite on shared missions for improving health, wealth, growth and opportunity across the country.

¹³⁵ Centre for Cities, [Does the Levelling Up White Paper measure up?](#), 3 February 2022

¹³⁶ Resolution Foundation, [Levelling-up: The Blair-Osborne Project](#), 2 February 2022

Crucially, it accepts the CBI view that business-driven economic clusters – enabling every region and nation to build its own unique competitiveness proposition – can be a catalyst which brings levelling up ambitions to life.¹³⁷

Institute of Economic Affairs

The IEA said the levelling up proposals are of “dubious quality”.¹³⁸

It said that if missions such as reducing illiteracy, boosting average pay and productivity and increasing life expectancy are to be achieved, it will be as a by-product of private sector growth and social change.

It said the white paper could have been written by any political party and fails to include anything about encouraging private business by cutting taxes and regulation, which it argues is the only way to promote growth and prosperity across the whole country.

Centre for Local Economic Strategies

Sarah Longlands, Chief Executive of Centre for Local Economic Strategies in Manchester, criticised the paper for not having the “focus and finance” to get to the heart of the issues:

Even with 332 pages to fill out the detail, and after two years of hype, the levelling up white paper lacks the focus and finance to get to the root of the problem: an economic system which fails to give people a stake in their local place through, for example, decent work, housing and transport. This inequality, made worse by the pandemic, is what is driving down living standards and life expectancy rather than helping people to live good lives.¹³⁹

She said the paper contained a “scattering of special projects” which “do little to alleviate the challenges faced by those who have not only been left behind but kept behind for decades.”¹⁴⁰

Health Foundation

Jo Bibby, Director of Health at the Health Foundation said that the challenge of closing the gap in life expectancy between areas is substantial and that more funding was needed:

The target set to be set to be outlined in today's white paper to close the gap in healthy life expectancy between the richest and poorest areas over the next decade, while welcome, is extremely ambitious. It appears the government has failed to grasp the enormity of the challenge.

A healthier and fairer society needs secure jobs, good pay, decent housing and high-quality education. While there is some recognition of this in today's

¹³⁷ CBI, CBI responds to UK Government Levelling Up Whitepaper, 2 February 2022

¹³⁸ IEA, [Levelling up proposals of “dubious quality.” says IEA economist](#), 2 February 2022

¹³⁹ The Guardian, [What thinktanks are saying about the levelling up white paper](#), 2 February 2022

¹⁴⁰ The Guardian, [What thinktanks are saying about the levelling up white paper](#), 2 February 2022

announcements, insufficient funding means that, as it stands, the levelling up agenda is unlikely to lead to significant improvements in any of these areas.¹⁴¹

Joseph Rowntree Foundation

Katie Schmuecker, Deputy Director of Policy & Partnerships at the Joseph Rowntree poverty solving charity, said that due to a “lack of new funding” and an approach to devolution that “appears to be quite centrally controlled” more needed to be done to make the plans a reality.¹⁴²

4.3

Commentators

Martin Wolf, Chief Economics Commentator at the Financial Times, said the white paper contains thorough analysis, clear aims and sensible policy steps. However, he said many of the goals will be unachievable and resources are insufficient. He therefore labelled the white paper as a “call to arms”, saying it makes clear the scale of the task and shows that delivering it requires a co-ordinated response, local government empowerment, private-sector engagement, accountability and reliable funding.¹⁴³

Rachel Wolf, who has been a senior Conservative adviser, wrote on Conservative Home that the white paper is “brilliant in its ambition and analysis” and “has truly understood the priorities of people”. If delivered correctly, she believes this could help the Conservatives in the next election.

However, she argues that few government departments have done more than come up with a list of “rehashed” policies, and it is “necessarily limited by the deep policy tensions between the Treasury and Downing Street, and the inability to force all departments to row together”.¹⁴⁴

Henry Overman, Professor of Economic Geography at the London School of Economics, argues the Government will need to “grapple with the fundamental trade-off between concentrating spending to help achieve the economic strategy while spreading out spending to meet the other objectives”. He also argues the funds do not seem to match the scale of the challenge.¹⁴⁵

¹⁴¹ The Guardian, [What thinktanks are saying about the levelling up white paper](#), 2 February 2022

¹⁴² The Guardian, [Can Britain be levelled up? The huge task ahead for Gove's plans](#), 2 February 2022

¹⁴³ Financial Times, [The levelling-up white paper is a necessary call to arms](#), 6 February 2022

¹⁴⁴ Conservative Home, [Rachel Wolf: My verdict on Levelling Up? Very good in parts. But even Gove cannot paper over the cracks](#), 4 February 2022

¹⁴⁵ London School of Economics, [‘Levelling up’: the government’s plans aren’t enough to promote economic growth and tackle inequality](#), 2 February 2022

4.4

Policy-specific comments

Devolution

The **Institute of Economic Affairs** has said an expansion of regional mayors will add another layer of government at an additional cost and with the potential for disputes between different bodies. It added there is a “top down” feeling about many proposals which “often consist of rebadging existing initiatives”, citing enhancing skills and investing in football pitches as examples.¹⁴⁶

Martin Sandbu, European Economics Commentator at the Financial Times, said there is little sign that the devolution deals will include enhanced local tax-raising or borrowing powers and that it is not clear that the strategy is considers how national policies will interact with place-based ones.¹⁴⁷

The **Institute for Government** states that proposals to change policymaking and devolution would represent “genuine and radical reform” if delivered. However, it argues more detail is needed on proposed changes and policy on devolution “stops short of providing a worked-through solution” to the current system of funding for local government.¹⁴⁸

The **Local Government Association** said it “is positive to see devolution being extended beyond England’s city regions” and with further opportunities for Mayoral Combined Authorities. It said it was good the framework will apply to all local areas and will not impose a one-size-fits-all approach to governance” and it is “keen to go further and faster with other government departments so the whole of government is taking a ‘local first’ approach”.¹⁴⁹

New local, an independent think tank and network of councils, has claimed the missions in the white paper do not transfer onto the devolution framework, which it says is a missed opportunity to guarantee accountability and resource through which they could have been achieved.

It further said the devolution policy “offers scraps of funding and power in a series of transactional deals” and that there is an “obsession” with the structure of local government over its many functions for communities.¹⁵⁰

Research and Development

The **Institute of Economic Affairs** has raised concerns that the intention to spread R&D funding around the country could damage the success of the

¹⁴⁶ IEA, [Levelling up proposals of “dubious quality.” says IEA economist](#), 2 February 2022

¹⁴⁷ Financial Times, [The UK makes a start — but only a start — at levelling up](#), 3 February 2022

¹⁴⁸ IfG, [The levelling up white paper: welcome ambition but underwhelming policies](#), 2 February 2022

¹⁴⁹ Local Government Association, [Levelling Up White Paper: LGA briefing](#), 4 February 2022

¹⁵⁰ New Local, [A White Paper fit for Groundhog Day](#), 2 February 2022

internationally renowned Oxford-Cambridge corridor (the Oxford-Milton Keynes–Cambridge area).¹⁵¹

Sebastian Payne, Whitehall Editor for the Financial Times, argued the proposal to raise R&D funding outside of the South East is good, but more detail is needed on where and what it will be spent on.¹⁵²

Skills

Martin Sandbu, European Economics Commentator at the Financial Times, argues that successful levelling up would mean more high-skilled people can thrive in places currently considered left behind. He says the white paper has missed an opportunity to consider remote working, which could be used to immediately raise the share of high skilled-workers outside of London.¹⁵³

Manchester University Professor, **Andy Westwood**, said the target of 200,000 more people a year gaining high quality qualifications, with 80,000 of these in the lowest-skilled areas, is ‘pretty modest’. He said that this “just about replaces some of the learners that have been lost over the last decade”.¹⁵⁴

Pay, employment and productivity

The **Institute for Fiscal Studies** states the aim of creating a ‘globally competitive city’ in every part of the UK is ambitious considering that Preston, the most productive city in the North West, is nearly 30% less productive than London. Similarly, it argues that the aim of increasing pay and productivity in every part of the UK will be challenging given that labour productivity increased by just 0.5% a year on average since 2008, with real (inflation-adjusted) earnings only just reaching their pre-2008 levels before the pandemic hit.¹⁵⁵

Health

Professor Michael Marmot, director of UCL’s Institute of Health Equity has said the funding promised is “tiny” given the scale of the problem. He argues health inequality has been made worse by Conservative spending cuts:

At the heart of the dramatic and avoidable falls in life expectancy has been the government’s agenda since 2010 to cut public services. This comes on top of the mass deindustrialisation of the 1980s and contributed to stripping the

¹⁵¹ IEA, [Levelling up proposals of “dubious quality,” says IEA economist](#), 2 February 2022

¹⁵² Payne, S. “#10: Research and Development - No10 focused on science superpower after Covid. Aspiration to raise spend 40% outside of the SE is good, but where and what? Unless careful, danger is money not effectively spent to help national science standing (tension at heart of levelling up)” (Twitter) 2 February 2022 [Accessed 8 February 2022] Available from: <https://twitter.com/SebastianEPayne/status/1488937797629140996>

¹⁵³ Financial Times, [The UK makes a start — but only a start — at levelling up](#), 3 February 2022

¹⁵⁴ Manchester Evening News, [For Boris Johnson it is a slogan - for others, it is life and death: The puzzle of ‘levelling up’](#), 6 February 2022

¹⁵⁵ IFS, [An initial IFS response to the Government's Levelling Up White Paper](#), 2 February 2022

heart out of those communities the levelling up agenda is intending to reinvigorate.¹⁵⁶

Digital Infrastructure

Sebastian Payne, Whitehall Editor for the Financial Times, states that digital infrastructure is key to raising the UK's productivity and that the white paper's aim of nationwide 4G coverage in eight years' time is "not good enough".¹⁵⁷

¹⁵⁶ The Guardian, [Gove's levelling up targets 'highly unlikely to be met'](#), experts say, 2 February 2022

¹⁵⁷ Payne, S. "#11: Digital infrastructure is core to any hopes of raising the UK's productivity. LU paper's aim of nationwide 4G coverage in *eight years time* is not good enough - never mind 5G (we'll be cracking on with 6G by that point!). Pandemic has proven this is a top national priority." (Twitter) 2 February 2022 [Accessed 8 February 2022] Available from: <https://twitter.com/SebastianEPayne/status/1488938536661311495>

5

Regional and local economic inequalities

The levelling up white paper gives extensive analysis of the UK's spatial economic disparities.¹⁵⁸ This is summarised briefly in this section, followed by background information on the economic inequalities that the Government's levelling up agenda is seeking to address.

There are different economic statistics one can use to compare the performance of regional and local economies across the UK. The focus here is on GDP, productivity, the labour market, household incomes and infrastructure spending.

More regional economic data can be found in the Library briefing, [Regional and national economic indicators](#). For a local level, see the Library's [local data dashboards](#), including a [constituency dashboard](#). Also see the Office for National Statistics' [subnational indicators explorer](#) containing a range of economic and social indicators for local authorities.

5.1

White paper analysis

Chapter 1 of the white paper provides extensive discussion and analysis of the UK's regional economic disparities and places this in the context of the history of the UK's economic development, as well as examining how spatial economic disparities have developed historically around the world.

The paper argues that in tandem with the economic decline of industrial cities in the 20th century was the emergence of “knowledge-intensive super-cities”, characterised by a much more notable “clustering of people, business, finance and culture”. This process was more pronounced in the UK, the paper states, owing to the scale of deindustrialisation, which occurred “at a faster pace, than any other country in the G7”, causing a “large and lasting shock to industrial cities and towns”, in particular “mono-industrial” towns which developed due to their proximity to natural resources, something that makes the “regeneration challenge even greater.”¹⁵⁹

The white paper includes statistical analysis of historical trends and recent data. It looks at levels of regional disparity through metrics such as productivity, earnings, skills, educational attainment and health, stating that

¹⁵⁸ [White Paper](#), Chapter 1

¹⁵⁹ White Paper, p49

the **UK's regional disparities in these metrics are “among the largest across advanced economies.”**¹⁶⁰

The paper also includes analysis of the economic dominance of London, relative to other UK cities, and how UK cities outside London “tend to underperform relative to similarly-sized urban areas in other countries.”¹⁶¹ It also includes analysis of how **differences within regions are often as pronounced or larger than differences between regions**, stating there are often large disparities in outcomes “within geographically-adjacent areas.”¹⁶²

The chapter concludes by identifying six “capitals” (outlined below). It argues that places rich in these capitals have been economically successful, while those lacking in these capitals have been less economically successful, and that the process of levelling up requires ensuring all parts of the UK having “a rich endowment of all six capitals.”¹⁶³

The six capitals are:

- 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.

5.2

GDP and GDP per head

The most prominent measure of economic performance, Gross Domestic Product (GDP), shows the disproportionate contribution of London and the South East to UK GDP.

In 2019 (latest available data), London accounted for 22.7% of UK GDP, with the South East adding another 14.8%. Their combined 37.5% of UK GDP compares with these two regions making up 26.8% of the UK population.¹⁶⁴

As a result, GDP per head is much higher in London (£56,200) than the rest of the UK (the UK average is £32,900). Only London and the South East have GDP per capita figures above the UK average, with London significantly pulling up the UK figure.¹⁶⁵ There is much less variation among other regions and nations.

¹⁶⁰ White Paper, p19, emphasis added

¹⁶¹ White Paper, p33

¹⁶² White Paper, p27

¹⁶³ Page xvi; also see the [Technical Annex \(PDF\)](#) for more detail on measuring these capitals

¹⁶⁴ All figures calculated from ONS, [Regional economic activity by gross domestic product, UK: 1998 to 2019](#), 26 May 2021

¹⁶⁵ The GDP per head figures can be influenced by commuter flows. GDP is based on where people work (and therefore contribute to GDP), whereas population data is based on where people live. If an

In 2019, most had GDP per head between £24,000 and £31,000. The North East (£24,100) and Wales (£24,600) had the lowest GDP per head of the UK's 12 regions and nations.

London had the fastest GDP per head growth between 2010 and 2019, a cumulative increase of 18.0%, with the West Midlands second fastest at 13.4%. The UK average was 12.2%. The North East was an outlier, with growth per head of only 2.7% in total over the period. The next slowest was the South West at 7.2%.

GDP and GDP growth in UK regions/nations

GDP and % change in real* GDP per head over time period shown

	GDP (£bn), 2019	GDP per head (£), 2019	% total change in real* GDP/head over time period	
			1998-2007	2010-2019
North East	64	24,068	29.7	2.7
North West	213	28,993	27.7	10.2
Yorkshire & Humber	147	26,667	25.6	9.8
East Midlands	130	26,852	17.0	8.8
West Midlands	164	27,574	15.2	13.4
East of England	191	30,622	21.9	11.8
London	504	56,199	33.0	18.0
South East	327	35,631	18.8	10.2
South West	164	29,147	18.7	7.2
England	1,903	33,809	24.4	12.5
Wales	78	24,586	20.9	12.2
Scotland	167	30,560	26.7	10.4
Northern Ireland	49	25,656	27.2	9.3
United Kingdom	2,214	32,876 **	24.8	12.2

* Regional GDP data are not deflated using true regional price indices but by using industry deflators for the UK and applying to regional industry-level GDP

**UK GDP per head figure excludes GDP that cannot be assigned to a region, this is mostly North Sea oil and gas extraction

Note: 2008-2009 is excluded from GDP per head data, as this period covers the recession related to the global financial crisis

Source: ONS, [Regional economic activity by GDP, UK: 1998 to 2019](#), May 2021

area, like London, has net commuter inflows then its GDP per head figures will be higher than its 'true' value. The reverse is true for areas where residents commute to work in different areas.

5.3

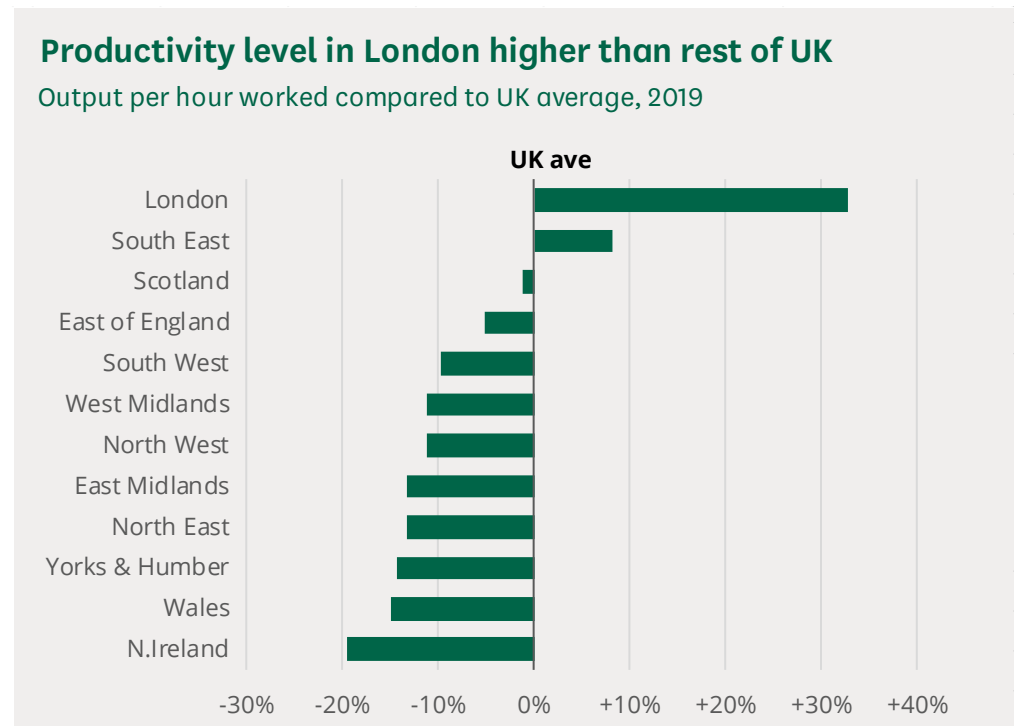
Productivity

A key economic indicator is productivity. This measures how much is produced (GDP) for every hour worked.

Productivity and living standards are closely linked. If we can produce more in the same amount of time, this frees up resources, such as labour, in the economy to do other things.

Comparing regions and nations of the UK reveals London has the highest productivity level in the UK by some distance. It was 33% above the UK's average productivity in 2019. However, the gap is not as large as when looking at GDP per head.

The South East is the only other region above the UK average (England is also slightly above the UK average). Northern Ireland had the lowest productivity level in 2019, 20% below the UK average.



Source: ONS, [Annual regional labour productivity dataset](#), July 2021

Regional figures such as these, while valuable, can also mask differences within regions, from local area to local area.

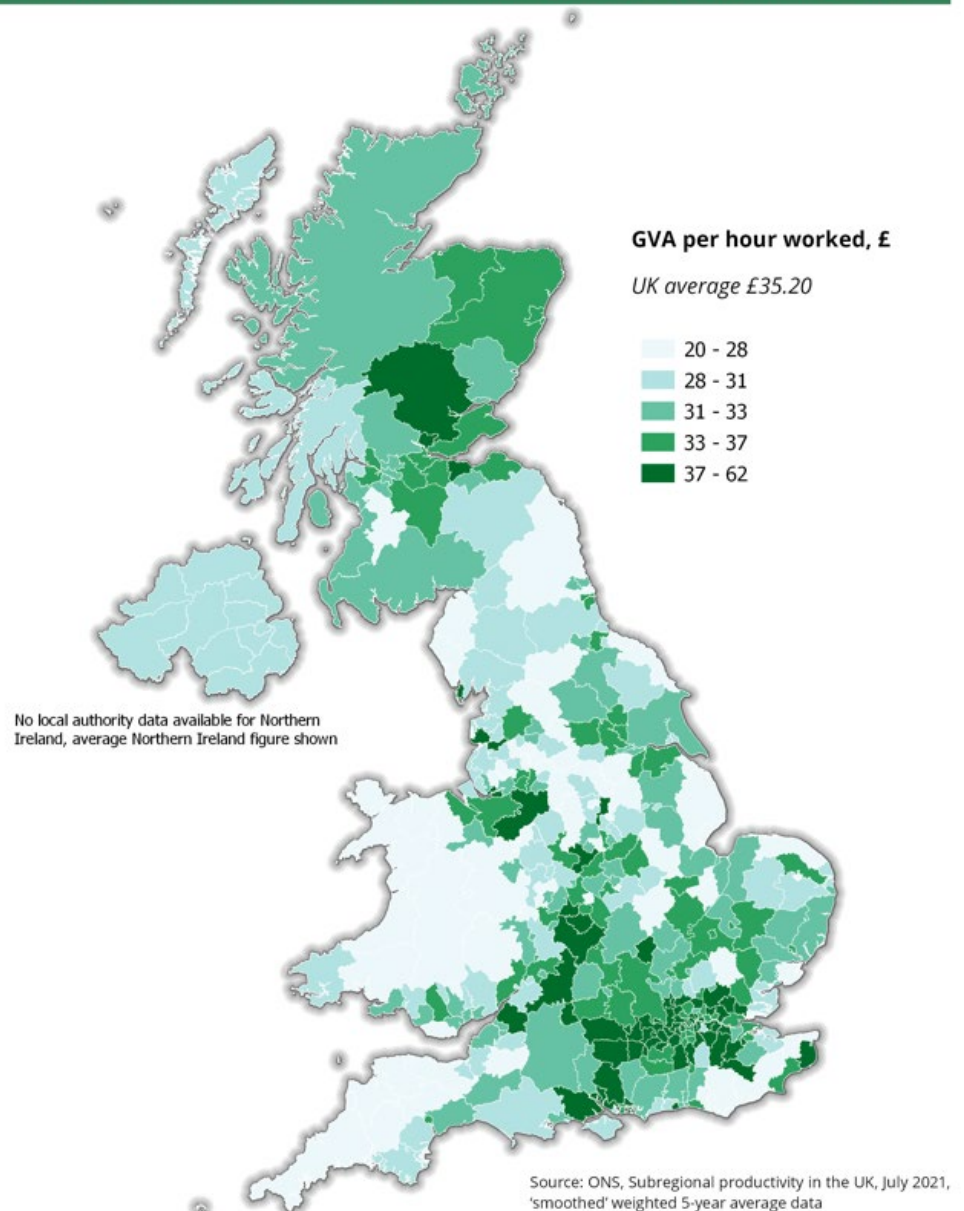
The map on the next page shows the same productivity data but this time for 363 local authorities in Great Britain (plus the overall figure for Northern Ireland).¹⁶⁶ Data covers 2019.

¹⁶⁶ Local authority data for Northern Ireland not available; ONS, [Subregional productivity: labour productivity indices by local authority district dataset](#), 23 July 2021 update

The map illustrates how **differences within regions can sometimes be as large or larger than across regions**. It highlights that many of the most productive local areas in the UK are in the south, mostly in London and the surrounding area to its west in the 'M4 corridor'. There are also pockets of high productivity areas in other regions, such as around Warwick and Solihull in the West Midlands, and single areas, such as Cheshire East in the North West.

Productivity levels vary across and within regions and nations of the UK

£ per hour, economic output (GVA) per hour worked by local authority, 2019



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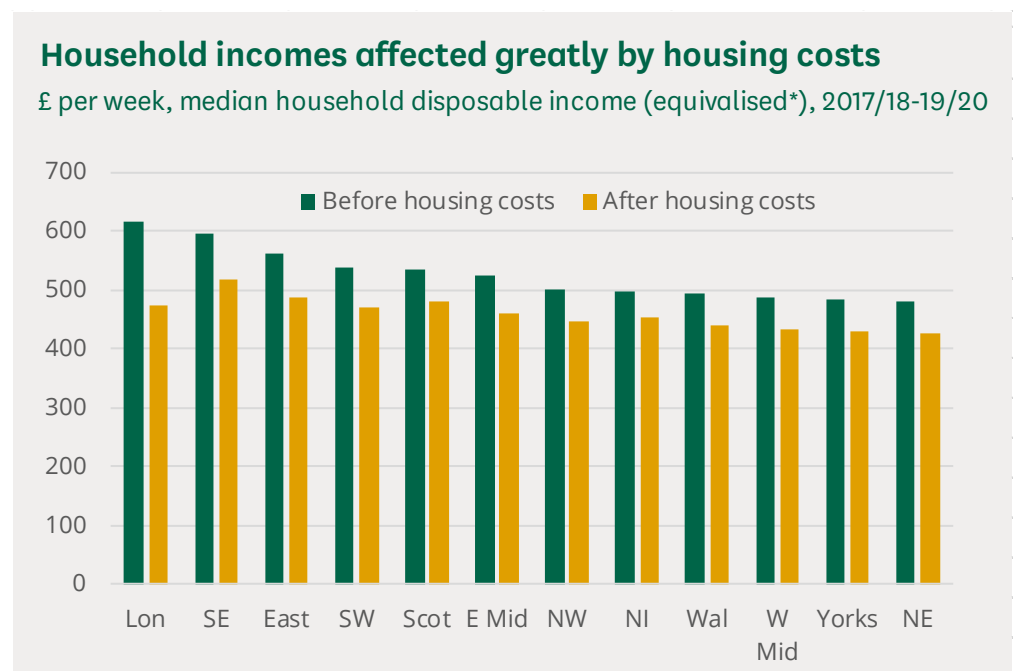
5.4

Household incomes

As well as GDP and productivity, household incomes show regional economic differences. At face value, these also show a similar picture: median earnings are highest in London, well above the UK average.¹⁶⁷ Digging a little deeper, however, leads to a more nuanced picture. A more complete evaluation should include other income in addition to wages (investment income, welfare payments, pensions etc.) and take account of taxes paid.¹⁶⁸

The Department of Work and Pensions conducts a detailed survey of household disposable income, adjusted for the number of people living in each household (so-called 'equivalisation'). This provides arguably the most rigorous data on incomes.¹⁶⁹

These figures, shown in the chart below, show disposable income before and after housing costs, in the regions and nations of the UK. Data are for a three year average from 2017/18 to 2019/20.



*Household incomes adjusted for number and age of people in household - data based on a couple with no children

Source: DWP, [Households below average income](#), March 2021, table 2.5ts

Before housing costs are factored in, London has the highest median disposable income, although the difference is not as large as for productivity. This is partly due to redistribution through the tax and welfare system. After

¹⁶⁷ [Average earnings by age and region](#), Commons Library briefing 8456

¹⁶⁸ Resolution Foundation, [Mapping Gaps](#), July 2019

¹⁶⁹ DWP, [Households below average income](#), annual reports

housing costs, however, London drops to fourth highest, reflecting the sharply higher housing costs in the capital.

5.5

Labour market and qualifications

The table below shows the employment and unemployment rate in each region, as well as the proportion of people who either have a degree or have no qualifications.

Labour Market and Qualification Statistics				
	October 2020-September 2021		January 2020-December 2020	
	Employment rate (%)	Unemployment rate (%)	% with degree or equivalent	% with no qualifications
North East	70.4	6.1	27.5	8.2
North West	73.3	4.7	31.6	7.7
Yorks and Humber	73.3	4.9	30.2	7.2
East Midlands	74.2	5.0	28.9	6.3
West Midlands	73.6	5.1	30.7	8.5
East of England	77.1	4.1	31.8	5.6
London	74.1	6.5	52.7	5.3
South East	77.9	3.9	37.6	4.9
South West	77.2	3.6	32.8	5.1
Wales	72.8	4.2	30.8	7.9
Scotland	72.9	4.2	34.5	8.2
Northern Ireland	70.3	3.9	29.5	12.7
UK	74.5	4.7	35.3	6.7

Source: ONS [Labour market in the regions of the UK](#)

The regions with the highest employment rates were also the regions with the highest proportion of people with degrees, and the lowest proportion of people who had no qualifications.

The South East had the highest employment rate, the lowest proportion of people with no qualifications and the second highest proportion of people with degrees or equivalent.

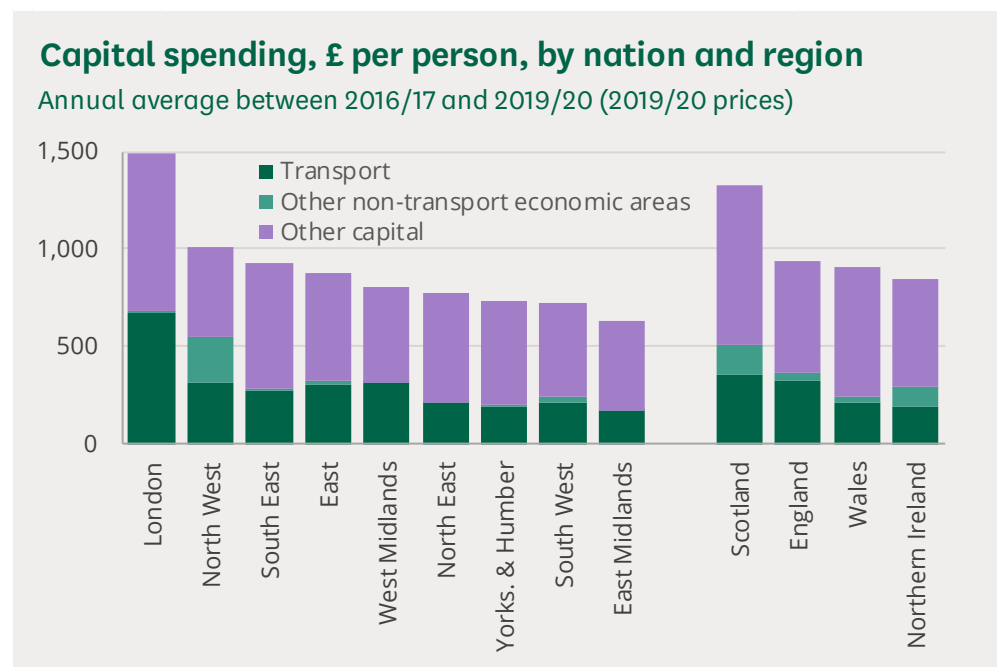
Northern Ireland had the lowest employment rate, the highest proportion of people with no qualifications and the third lowest proportion of people with degrees or equivalent.

5.6

Public sector investment

Capital spending is the best measure available of public sector investment spending for the UK nations and English regions. Capital spending is wider than infrastructure spending, for instance it includes spending on assets such as computers and some financial transactions.

The chart below shows average public sector capital spending, per head, across the latest four-year period. Capital spending is volatile, so using averages helps to smooth out this volatility. The chart separates capital spending on areas that could be considered economic infrastructure (transport and other economic areas) and other capital spending.¹⁷⁰



Notes: Other non-transport economic areas include fuel and energy, communications, wastewater management and water supply. They have been chosen as the closest match to economic infrastructure as defined in the National Infrastructure Commission's remit.

Sources: HM Treasury. [Country and regional analysis: 2020](#), November 2021. ONS. Mid-year population estimates [accessed from [nomisweb.co.uk](#)]; HM Treasury. [GDP deflators at market prices, and money GDP December 2021](#), 6 January 2022

Capital spending per head is highest in London, averaging £1,493 a year over the period. Transport spending per head in London is twice that of the North West – the English region with the second highest level of capital spending.

The Institute for Fiscal Studies has raised some points that are useful in interpreting London's data. First, some of the transport spending in London is financed through locally raised taxes and fares. Second, some transport spending in London will benefit people living outside of the capital.¹⁷¹

Spending on nuclear decommissioning in the North West means it has higher per head spending on non-transport economic areas than other English regions. The water industry is publicly owned in Scotland and Northern Ireland, which largely explains why these nations have relatively higher spending on non-transport economic areas.

¹⁷⁰ The spending areas used here include fuel and energy, transport, communications, wastewater management and water supply. They are broadly based on the definition of economic infrastructure set out in the [National Infrastructure Commission's remit](#), which includes: energy, transport, water and waste water, waste, flood risk management and digital communications.

¹⁷¹ IFS, [Levelling up: where and how?](#), October 2020, [page 349](#)

6

Further information

HM Government, [Levelling Up the United Kingdom](#), February 2022; also accompanying [press release](#)

Welsh Parliament Senedd Research, [Next level or restart the mission? The Levelling Up White Paper and Wales](#), 16 February 2022

Library statistical briefing, [Regional and National Economic Indicators](#)

Office for National Statistics, [subnational indicators explorer](#)

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