House of Commons Library

Debate Pack

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By Daniel Harari,
Georgina Hutton,
Matthew Keep,
Andrew Powell,
Mark Sandford,
Matthew Ward
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The Levelling Up Agenda

Summary

There will be a Westminster Hall debate on the Levelling Up Agenda at 2:30pm on Tuesday 15th June 2021.

The debate will be opened by Bob Seely MP.

This briefing contains background information, parliamentary and press material, as well as suggested further reading which Members may find useful when preparing for this debate.

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1 Background

1.1 What is meant by Levelling Up?

In his first speech as Prime Minister, 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."[1]

The theme of levelling up was also addressed in the Conservative Party's 2019 election manifesto – 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."[2]

Levelling up is designed 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:

> 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.[3]

[1] Prime Minister's Office, Boris Johnson's first speech as Prime Minister, 24 July 2019

[2] Prime Minister's Office, Queen's Speech 2021, 11 May 2021

[3] IFS, Levelling up: where and how?, IFS Green Budget 2020, chapter 7, October 2020, pg. 325

The Government is due to publish a White Paper on levelling up later this year; a response to a PQ on the subject stated this would “set out bold new policy interventions to improve livelihoods and opportunity in every part of the United Kingdom.”[4]

[4] Levelling-up Agenda, HC Deb 27 May 2021, c 523

2 Regional/local economic inequalities

This section provides some background information on the economic inequalities that the Government's "levelling up" agenda to is seeking to address.

There are several different economic statistics one can use to compare the performance of regional economies across the UK. The focus here is on GDP, productivity, the labour market, household incomes and infrastructure spending. More economic data can be found in the Library briefing, Regional and National Economic Indicators.

2.1 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.[5]

As a result, GDP per head is much higher in London (£56,200) than the rest of the UK (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.[6]

There is much less variation among other regions and nations. 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 saw 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%.

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

[6] 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 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.

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

2.2 Productivity

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

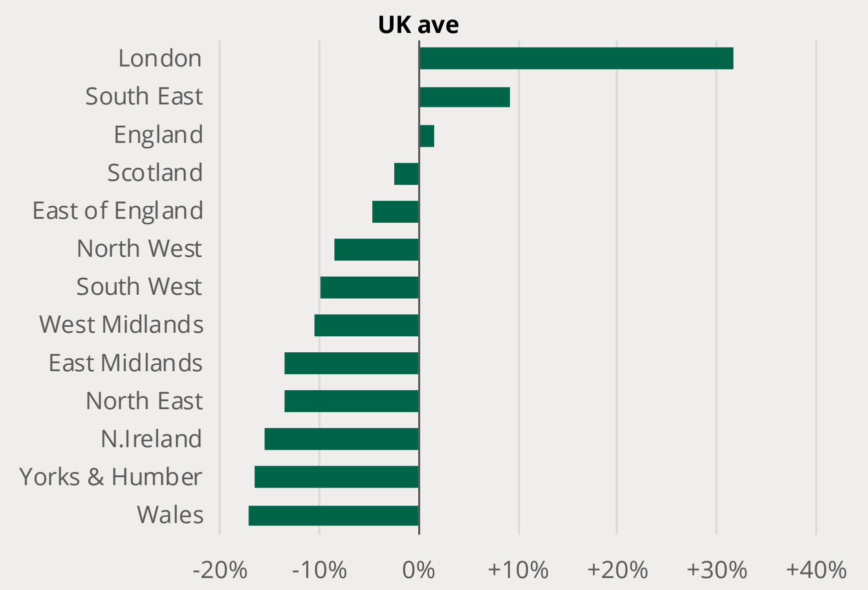
Productivity and living standards are closely linked. If we can produce more in the same amount of time, this frees up resources, such as labour, in the economy to do other things.

Comparing regions and nations of the UK reveals London has the highest productivity level in the UK by some distance. It was 32% above the UK's average productivity in 2018. 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). Wales and Yorkshire and Humber had the lowest productivity levels in 2018, both 17% below the UK average.

Productivity level in London higher than rest of UK

Output per hour worked compared to UK average, 2018



Source: ONS, Annual regional labour productivity dataset, Feb 2020

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 371 local authorities in Great Britain (plus the overall figure for Northern Ireland).[7]

The map illustrates how the **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.

The Office for National Statistics (ONS) who publish the statistics, make the following observations about this local data:

> In many cases, local authorities with relatively high labour productivity will be those with either a major manufacturing site (for example, car or aerospace production), a large utilities sector, or a focus on high-skill

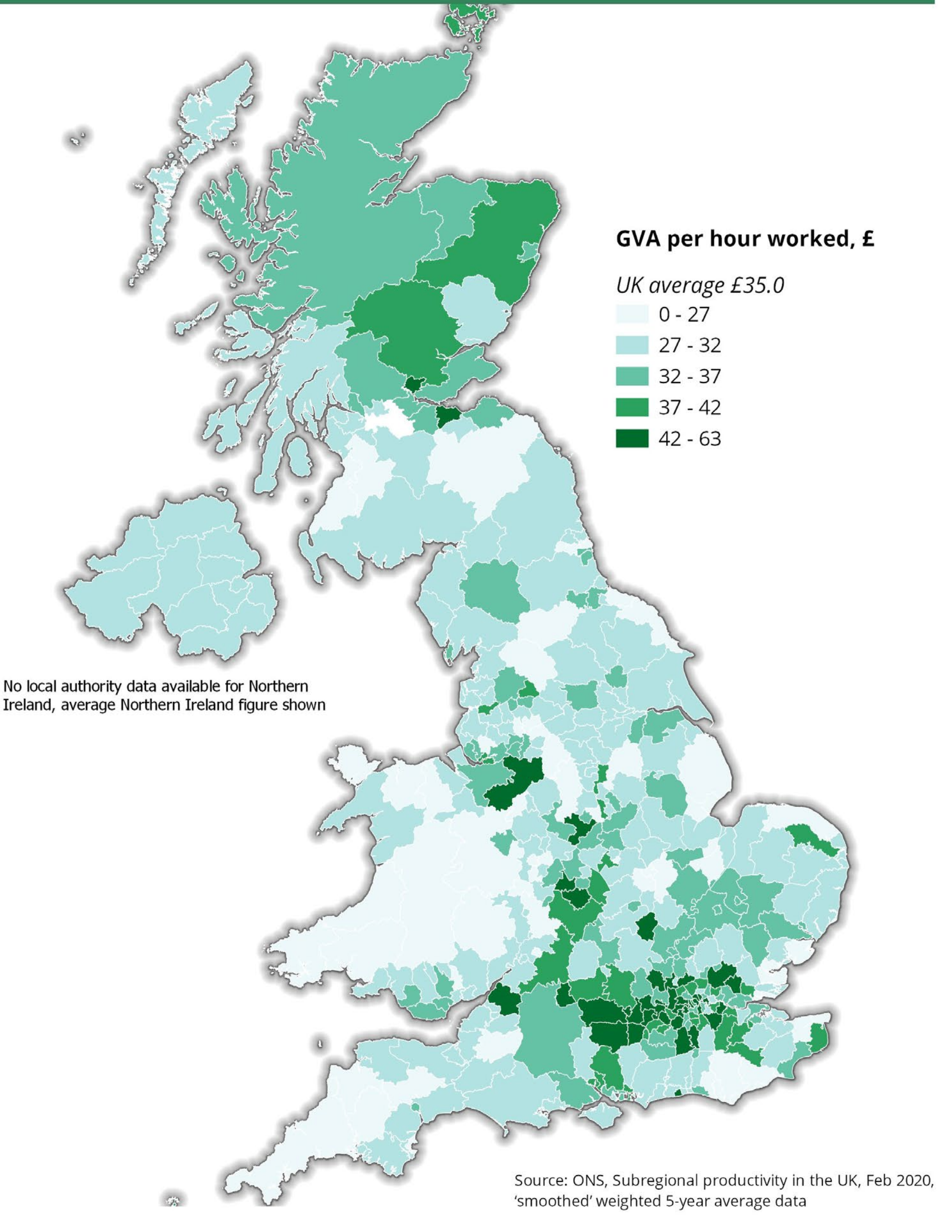
[7] Local authority data for Northern Ireland not available; ONS, Subregional productivity: labour productivity indices by local authority district dataset, 28 February 2020

> service sectors, reflecting the high labour productivity in these types of industries. Meanwhile, local authorities with the lowest productivity are typically in more rural or geographically isolated locations.[8]

They go on to say that differences in productivity across the country are not just a result of industry structure but also more wide-ranging factors.

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

£ per hour, economic output (GVA) per hour worked by local authority, 2018



[8] ONS, Subregional productivity in the UK: February 2020, 28 February 2020

Reasons for regional differences

The now disbanded Industrial Strategy Council[9] pointed to three "key explanations" for productivity differences in an early 2020 report. These are:

- **Place-based fundamentals**: Geography, local culture, governance and infrastructure are important factors determining the economic activities of a region.
- **Agglomeration**: Places attract clusters of economic activity which become self-sustaining. These agglomeration effects arise because specialised firms benefit from the ability to trade with other firms in their industry and because these firms benefit from sharing the common resources offered by large cities.
- **Sorting:** Workers, especially highly-skilled workers, also choose to cluster. This means small initial differences between places can generate large disparities in the nature and skills of the workforce, which then shape regions' industries, attractiveness and productivity.[10]

Andy Haldane, chair of the Council and chief economist at the Bank of England, noted in the report's foreword that regional differences have deep long-lasting roots. For example, estimates of regional GDP per head over a century ago show London well above the UK average.

2.3 Household incomes

As well as productivity, statistics on household incomes provide an insight into regional economic differences. At face value, these also show a similar picture: median earnings are highest in London, well above the UK average.

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.

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.

[9] The body established to assess progress on the Government's 2017 Industrial Strategy, which has now been replaced by the Government's Plan for Growth

[10] Industrial Strategy Council, UK Regional Productivity Differences: An Evidence Review, February 2020

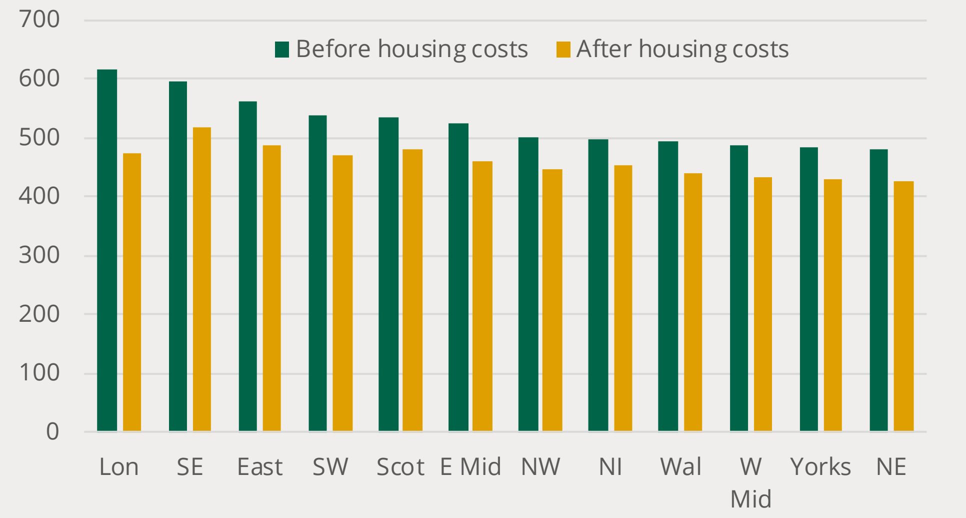
These figures, detailed in the chart below, show disposable income before and after housing costs, in the regions and countries of the UK. Data are for a three year average from 2017/18 to 2019/20.

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

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

Household incomes affected greatly by housing costs

£ per week, median household disposable income (equivalised*), 2017/18-19/20



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

Source: DWP, Households below average income, March 2021, table 2.5ts

Poverty

The Library briefing Poverty in the UK: statistics provides data on poverty in the regions and nations of the UK.

The Library's interactive dashboard provides data on children poverty for parliamentary constituencies.

2.4 Labour market and qualifications

The table below shows the employment and unemployment rate in each region and nation of the UK, as well as the proportion of people who either have a degree or have no qualifications. Data is for 2020.

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 second lowest proportion of people with degrees or equivalent.

Labour Market and Qualification Statistics

January 2020-December 2020

	Employment rate (%)	Unemployment rate (%)	% with degree or equivalent	% with no qualifications
North East	71.5	6.4	27.6	8.2
North West	74.2	4.2	31.6	7.6
Yorks and Humber	74.6	4.4	30.4	7.1
East Midlands	75.8	4.7	29.2	6.4
West Midlands	73.7	5.3	30.8	8.4
East of England	77.2	3.8	31.8	5.8
London	75.3	5.9	52.6	5.2
South East	78.3	3.9	37.6	4.9
South West	77.8	3.8	33.1	5.1
Wales	72.8	3.7	31.0	7.7
Scotland	73.5	4.3	34.8	8.2
Northern Ireland	70.6	2.8	29.8	12.7
UK	75.3	4.5	35.4	6.7

Source: ONS Labour market in the regions of the UK

Apprenticeships

The table below shows the number of apprenticeship starts in each English region in 2018/19 and 2019/20.

Apprenticeship starts by region in England
2018/19 and 2019/20, Thousands

	2018/19	2019/20	Change 18/19-19/20	
			Level	%
South East	56.3	47.8	-8.5	-15%
North West	58.3	47.0	-11.3	-19%
Yorkshire & The Humber	47.3	37.7	-9.6	-20%
South West	43.9	37.1	-6.8	-15%
West Midlands	45.7	36.9	-8.8	-19%
London	40.7	33.9	-6.8	-17%
East of England	38.3	32.3	-6.0	-16%
East Midlands	35.9	28.6	-7.3	-20%
North East	23.3	18.0	-5.3	-23%
Other	3.8	3.2	-0.6	-16%
Total	**393.4**	**322.5**	**-70.9**	**-18%**

Source: DfE Apprenticeships and traineeships data

All English regions saw a fall in the number of apprenticeship starts between 2018/19 and 2019/20. The North East had the largest proportional fall in apprenticeship starts, with 23% fewer starts. The East Midlands and Yorkshire and the Humber both had 20% fewer starts.

Other regions had smaller decreases in the number of apprenticeship starts. The South East and South West had the smallest proportional fall, with 15% fewer apprenticeship starts in 2019/20 than 2018/19.

Skills and training

The UK Employer Skills Survey for 2017 report was published in August 2018, and provides an outlook on skills and training within UK employers. The report is based on responses from 87,000 employers, and also includes a Slide Pack that analyses skills gaps for different regions.

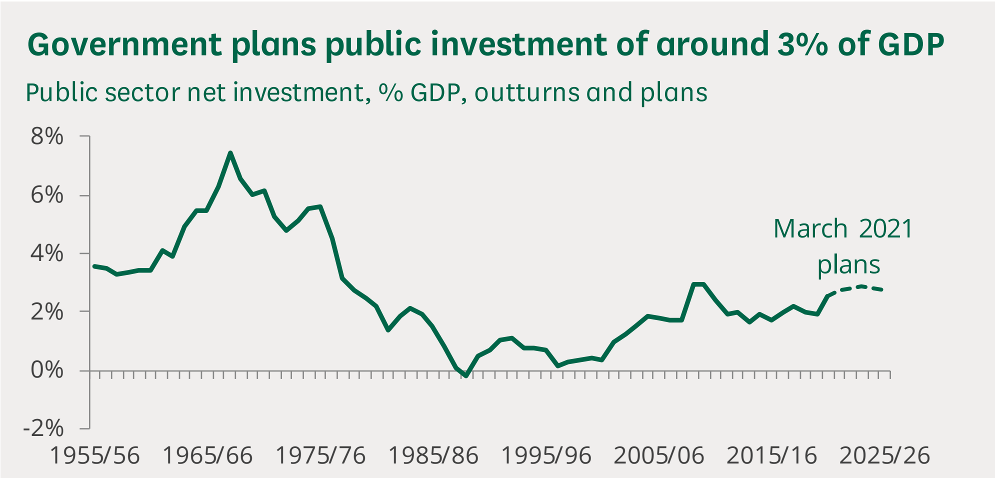
2.5 Infrastructure

The 2019 Conservative Manifesto pledged an "infrastructure revolution" in the UK.[11] The Government plans to invest in infrastructure to "level up" economic growth and prosperity across the country and to address the challenges

[11] The Conservative and Unionist Party Manifesto 2019, page 2

posed by climate change.[12] The Government is "prioritising those areas that have received less support in the past."[13]

The Chancellor plans relatively large increases in government investment spending, which includes infrastructure. Government investment spending is set to increase to levels last regularly seen in the late 1970s, when more of industry was publicly owned than now and required investment.



Note: Data for 2020/21 doesn't yet include the cost to the Government of businesses defaulting on coronavirus-related loans. See page 47 of Coronavirus: Economic impact for more.
Source: OBR. Public finances databank – May 2021

Government's role in infrastructure isn't limited to providing funding. For instance, it also directs investment towards projects it considers valuable and supports private investment through various mechanisms. The National Infrastructure Strategy sets out the Government's plans for UK infrastructure.

Infrastructure projects can be funded from a range of sources:

- **Public funding:** projects are funded by the government and wider public sector. High Speed 2 railway is funded publicly.
- **Private funding:** projects are funded by private companies who plan to recoup and earn a return on their initial investment via customer bills or charges over several years. Heathrow Terminal 5 was entirely funded by private investment.
- **Mixed public/private funding**: funding is drawn from both the public and private sector. Network Rail maintains and develops the railway infrastructure using Government grants, government backed borrowing and private sector funding drawn from charges levied on train operators. Sources of funding differ from sector to sector.

[12] HM Government, Queen's Speech 2019: background briefing notes, 19 December 2019, p90
[13] HM Treasury. National Infrastructure Strategy, November 2020, page 11

Projects in the energy and utilities sectors are almost entirely privately funded (reflecting the ownership and management of assets in these industries). The opposite is true of projects in the transport and social sectors. [14]

Public sector capital spending in UK countries and regions

Capital spending is the best measure available of public sector investment spending at the country and regional level. 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 five-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.[15]

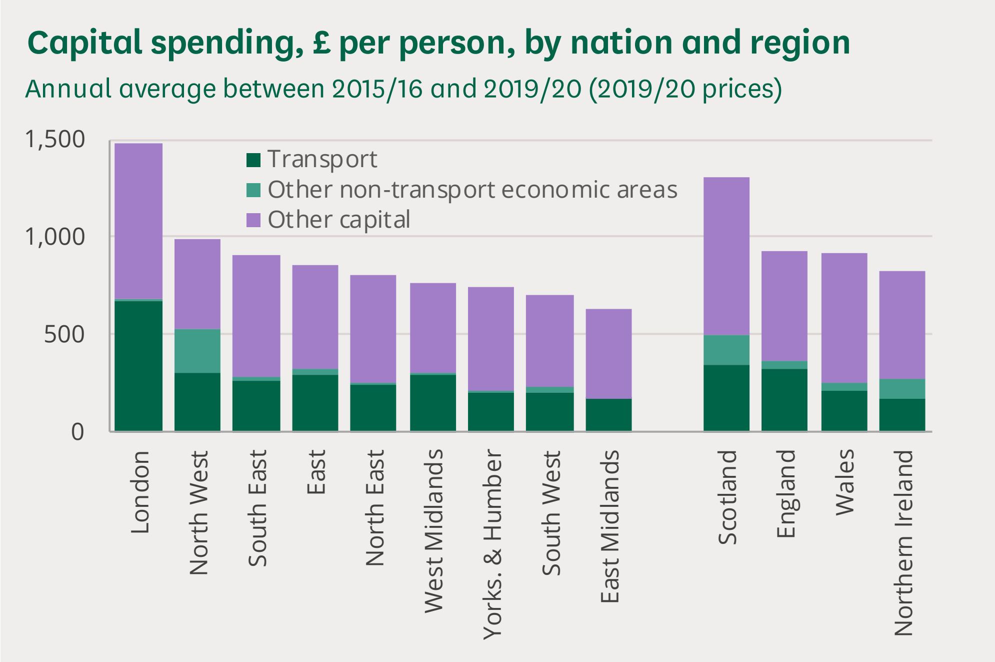
Capital spending per head is highest in London, at an average of £1,475 a year over the period. Transport spending per head is twice as high in London as the North West, which is the English region with the second highest level of spending. The Institute for Fiscal Studies have raised some points that are necessary to interpret 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 individuals living outside of the capital.[16]

Spending on nuclear decommissioning in the North West means that 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.

[14] The Treasury's Infrastructure and Construction Pipeline can be used to analyse what types of funding will be used in upcoming infrastructure projects.

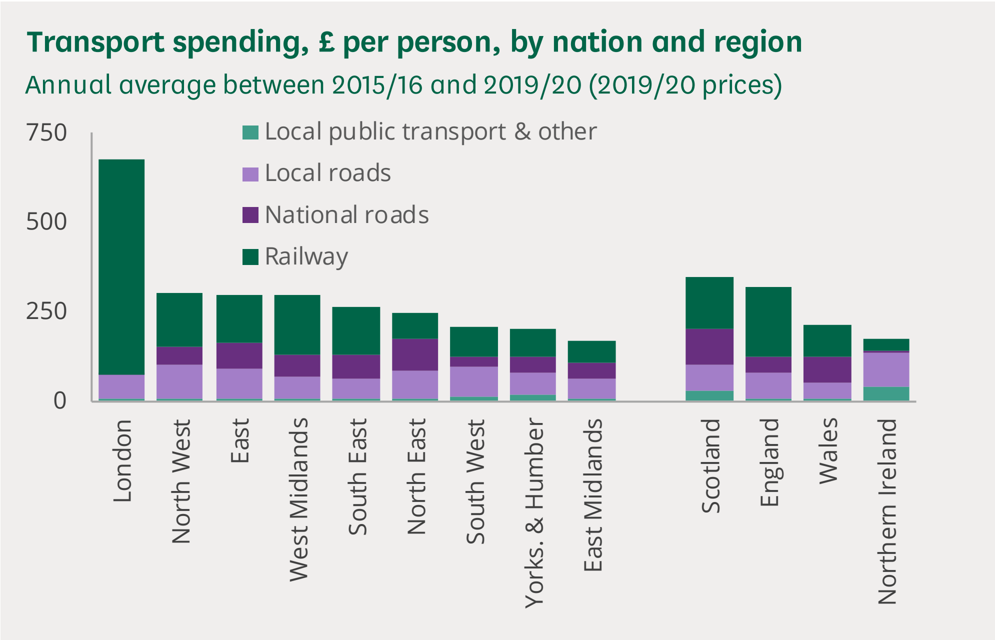
[15] The spending areas used here include fuel and energy, transport, communications, wastewater management and water supply. They are broadly based on the definition of economic infrastructure set out in the National Infrastructure Commission's remit, which includes: energy, transport, water and waste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

[16] IFS. Levelling up: where and how?, October 2020, page 349



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 2020. ONS. Mid-year population estimates [accessed from nomisweb.co.uk]; HM Treasury. GDP deflators at market prices, and money GDP March 2021, March 2021

As the chart below shows, London's transport spending was largely driven by investment in railways, including London Underground, Crossrail and High Speed 2 (HS2). The West Midlands has the second highest capital spending per head on railways amongst UK nations and regions.



Sources: as in previous chart

Further information

The Library briefing paper Infrastructure policies and investment examines the current state of infrastructure in the UK, recent Government policies and levels and sources of investment.

The Institute for Fiscal Studies (IFS) report Levelling Up: where and how? includes analysis similar to the above. The Resolution Foundation report Euston, we have a problem: Is Britain ready for an infrastructure revolution? draws conclusions similar to the IFS from the data, but also considers how much the Government should invest, what it should invest on and where.

3 Plan for Growth

In March 2021 the Treasury published its Plan for Growth. The Plan sets out the Government's strategy to support economic growth and "build back better" following the coronavirus pandemic. The Plan is centred around "three pillars of investment": infrastructure, skills and innovation. The Plan for Growth replaces the government's previous 2017 Industrial Strategy.[17]

Levelling up is one of three priority areas for growth that the Plan is targeted at, along with reaching net zero greenhouse gas emissions and delivering "Global Britain". The Plan for Growth describes the levelling up agenda as the Government's "most important mission":

> Our most important mission is to unite and level up the country: tackling geographic disparities; supporting struggling towns to regenerate; ensuring every region and nation of the UK has at least one globally competitive city; and above all, strengthening the Union.[18]

The Plan for Growth summarises the following areas through which the Government will deliver on the levelling up agenda:

- Regenerate struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund.
- Realise our long-term vision for every region and nation to have at least one globally competitive city at its heart to help drive prosperity. This includes City and Growth Deals, £4.2 billion in intra-city transport settlements from 2022-23, and continued Transforming Cities Fund investment to 2022-23.
- Catalyse centres of excellence, supporting individuals across the country to access jobs and opportunities by ensuring digital and transport connectivity, by establishing a new UK Infrastructure Bank in the North of England and by relocating 22,000 Civil Service roles out of London.
- Strengthen the Union, creating Freeports across the country – including in Scotland, Wales and Northern Ireland – and delivering the Union Connectivity Review, reviewing options to improve our sea, air and land-links across the four nations.[19]

The now disbanded Industrial Strategy Council (the body established to assess progress on the 2017 Industrial Strategy) stated in its last Annual

[17] For background information, see our briefing on the 2017 Industrial Strategy: Industrial strategy (CBP-7682, 08 August 2019).

[18] HM Treasury, Build Back Better: our plan for growth, 3 March 2021, page 8.

[19] HM Treasury, Build Back Better: our plan for growth, 3 March 2021, page 13.

Report published in March 2021 that it believed a "comprehensive reorientation" of the Government's approach to Levelling Up was needed:

> The Council believes addressing regional disparities is fundamental to boosting productivity, pay and prosperity. The Plan for Growth highlights Levelling Up as the Government's most important mission. This is welcome. But the proposed approach appears over-reliant on infrastructure spending and the continued use of centrally controlled funding pots thinly spread across a range of initiatives. Evidence, historical and international, suggests this is unlikely to be a recipe for success. Sustained local growth needs to be rooted in local strategies, covering not only infrastructure but skills, sectors, education and culture. These strategies need to be locally designed and focussed, as with the Local Industrial Strategies drawn up under the 2017 Industrial strategy. There also needs to be investment in the local capacity and capability to then implement these strategies.[20]

[20] Industrial Strategy Council, Annual Report 2021, 23 March 2021, para 8 and page 31-33.

4 Funding

Various funds have been established under umbrella of the levelling up agenda.

4.1 The Levelling Up Fund

The Levelling Up Fund was announced in the 2020 Spending Review last November. This stated the fund would be worth £4.8 billion, with £4 billion of this to be spent in England and £0.8 billion to be spent in Scotland, Wales and Northern Ireland.

The Spending Review described the purpose of the Fund thus:

> This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less government investment in recent years.[21]

The Government published a prospectus alongside the Budget - this stated that the Fund would focus on capital investment in local infrastructure and would be delivered through local authorities in England, Scotland and Wales. The prospectus states for the first round of funding, "at least 9% of total UK allocations will be set aside for Scotland, 5% for Wales, and 3% for Northern Ireland" – this works out as £432 million for Scotland, £240 million for Wales and £144 million for Northern Ireland.

The prospectus states funding will focus on those areas "most in need of levelling up" – those areas are determined by an index published alongside the prospectus that ranks local authorities by on a scale of 1 to 3, with those ranked 1 considered most in need and those ranked three least in need. These ranking are split evenly between all local authorities in England, Scotland and Wales – a third are ranked 1, a third ranked 2 and a third ranked 3.

The ranking system is based on three criteria:

- need for economic recovery and growth;
- need for improved transport connectivity;
- need for regeneration.

[21] HM Treasury, Spending Review 2020, CP 330, November 2020, pg. 4

In England, Category 1 places will be eligible to receive targeted capacity funding, to support them in preparing high-quality bids (all places in Scotland and Wales are eligible for this capacity funding, independent of their place in the index).

The methodology on how areas were ranked was is available here.

Every local authority is eligible to submit at least one bid. The Fund focuses on investment in projects that require up to £20 million of funding, though bids of between £20 million and £50 million will be accepted for transport projects. County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority are eligible to submit one transport bid; unitary authorities in England with transport powers are able to submit one additional bid which must be for transport.

The first round of the Fund will focus on three themes - transport projects, town centre and high street regeneration and cultural investment.

Details on how to apply are shown in chapter 6 of the prospectus - bids must be submitted by noon on Friday 18 June 2021.

4.2 The Community Renewal Fund

The Community Renewal Fund is designed to “support our communities to pilot programmes and new approaches ahead” in preparation for the introduction of the UK Shared Prosperity Fund in 2022, which is designed to replace the EU structural funds.

The Community Renewal Fund will operate in 2021/22, is worth £220 million and is based around 4 investment priorities:

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

Some of this money has been earmarked for specific purposes - £11 million will go to Northern Ireland (for its separate system), up to £500,000 will go to Gibraltar, and up to £14 million will be available to help places prepare for the introduction of the UK Shared Prosperity Fund, leaving around £194.5 million to be distributed across England, Wales and Scotland.

Funding will be allocated competitively. Lead authorities are asked to invite bids from a range of project applicants, appraise and prioritise a shortlist of projects up to a maximum of £3 million per place and submit shortlists by 18th June.

Project applicants can include (but are not limited to) universities, voluntary and community sector organisations, and umbrella business groups.

100 "priority places" have been identified based on "an index of economic resilience." The Fund will prioritise bids from these places and the lead authority of each of these areas will receive capacity funding to help with bid co-ordination and appraisal – this is worth £20,000 per priority place.

A methodology on how this index was developed has been published, including the statistical measures used, and emphasised that the priority places were selected using only these measures rather than by ministers.

A full timeline of the bidding and funding allocation process has been published by the MHCLG.

4.3 Towns Fund

In a speech in July 2019, the Prime Minister announced a "£3.6 billion Towns Fund." This is composed of three sperate stands:

- The Towns Fund – 101 of 541 eligible towns in England were selected to develop "Town Deals" and bid for up to £25 million (or up to £50 million in exceptional circumstances) following a bidding process, with funding designed to address issues such as "ageing populations, limited regional economic opportunities and lack of investment."
- A further bidding round for towns not selected as one the initial 101 towns invited to develop Town Deals.
- The Future High Streets Fund – funding is distributed to towns in England, allocated following a bidding process, with the aim of renewing town centres and high streets.

In September 2019, the government announced a list 100 towns in England (later expanded to 101) that been invited to develop Town Deals – see here for a full list of these towns. In October 2020, the first seven Town Deal funding allocations were announced, worth up to £178.7 million; the next 45 towns to receive funding were announced alongside the Budget, with funding of £1.02 billion.[22]

[22] Ministry of Housing, Communities & Local Government, First Town Deals worth almost £180 million announced, 27 October 2020 and Towns Fund recipients March 2021, 3 March 2021

5 Press articles

[The British government's vague "levelling-up" idea gets a champion: Can one of the Conservative Party's cleverest MPs make sense of it?]

The Economist, 27 May 2021

[Governments have been promising to 'level up' the UK for 80 years: Solving Britain's vast regional inequalities will require significant constitutional change, not top-down tinkering]

Neil McInroy

The Guardian, 25 May 2021

[Levelling up will never succeed if it comes at the expense of London]

Simon Nixon

The Times, 20 May 2021

[New index to track progress of UK's 'levelling up' agenda: Legatum Institute hopes measure will help identify priorities to drive improvements]

Delphine Strauss

Financial Times, 12 May 2021

[What is levelling up and how is it going?]

BBC, 11 May 2021

[Putting flesh on the bones of the levelling up agenda: The UK government has ideas to boost deprived areas but not yet a vision]

Financial Times, 11 May 2021

[Johnson to set out 'levelling up' agenda in Queen's Speech: Prime minister under pressure to deliver results to new Conservative supporters in northern towns]

George Parker

Financial Times, 9 May 2021

[Key government and sector figures react to devo white paper replacement]

Jessica Hill

Local Government Chronicle, 6 May 2021

[Boris Johnson's 'levelling up' plans unlikely to succeed, says watchdog: Industrial Strategy Council says plan relies too heavily on infrastructure spending and one-off funding]

Richard Partington

The Guardian, 23 March 2021

[Government criticised over design of levelling up fund: Methodology published on Thursday fails to include accepted measures for deprivation]

Andy Bounds

Financial Times, 11 March 2021

[The politics of the levelling-up agenda: Policy should be aimed at poorer towns and not Conservative electoral prospects]

Financial Times, 7 March 2021

[Boris Johnson's 'levelling up' agenda depends on devolving power: The prime minister knows that some decisions are best made close to the action]

Camilla Cavendish

Financial Times, 6 March 2021

UK Budget: the long road to levelling up: The coronavirus crisis has made it even harder to work out which regions of the country are subsidising others

Chris Giles

Financial Times, 2 March 2021

Levelling up: how wide are the UK's regional inequalities? FT analysis suggests Johnson's pledge to 'level up' Britain faces significant hurdles

Chris Giles

Financial Times, 2 March 2021

6 Parliamentary material

6.1 Written questions

Levelling Up Fund: Question for Ministry of Housing, Communities and Local Government: UIN 6220

Asked by Jessica Morden

Asked on 24 May 2021

To ask the Secretary of State for Housing, Communities and Local Government, if Ministers of his Department will publish (a) written guidance and (b) discussions on the role and rules for hon. Members sponsoring bids in the Levelling Up Fund.

Answered by Luke Hall

Answered on 27 May 2021

The Levelling Up Fund prospectus published at Budget provides guidance for local areas on how to submit bids for the first round of funding for projects starting in 2021-22. This includes guidance on the process for submitting bids, the types of projects eligible for funding, and how bids will be assessed. Further detail on this process was made available subsequently via both a technical note and a frequently asked questions document, the former of which specifically discusses the role of MPs in the bidding process.

The Government recognises the important role of MPs in championing the interests of their constituents, and taking on a positive role in prioritising bids and helping broker local consensus within their communities. We expect bidding authorities to consult local MPs as part of submitting bids for the Levelling Up Fund, and support and engagement from local stakeholders and local MPs will be considered as part of the strategic fit assessment; however, such support from local MPs is not a necessary condition for a successful bid.

As part of the bidding process, MPs have the option of providing formal written support for one bid which they see as a priority. The lead authority must submit that letter of priority support along with their application, and a bid may have priority support from multiple MPs and local stakeholders. In addition to formally backing one bid, MPs may also want to support any or all schemes that would have a benefit to their constituencies as part of the wider stakeholder input process. Individual MPs should not provide a letter offering their priority support to more than one bid. Information on the role of MPs in future bidding rounds of the Fund will be confirmed after funding has been announced for bids from the first funding round.

There are no plans to publish further guidance on the role of MPs in supporting Levelling Up Fund bids.

Levelling Up Fund: Question for Ministry of Housing, Communities and Local Government: UIN 3141

Asked by Damien Moore

Asked on 18 May 2021

To ask the Secretary of State for Housing, Communities and Local Government, what mechanisms are in place to ensure that local authorities in priority category 3 without capacity funding apply for the Levelling Up Fund.

Answered by Luke Hall

Answered on 24 May 2021

The £4.8 billion Levelling Up Fund will invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.

The Fund will be allocated competitively. Funding will be delivered through local authorities in England, Scotland and Wales, and through local delivery partners and public sector bodies in Northern Ireland.

The index places areas into category 1,2 or 3 based on the local area's need for economic recovery and growth, improved transport connectivity, and regeneration.

These bandings will form part of our criteria for assessing bids. The bandings do not represent eligibility criteria, nor the amount or number of bids a place can submit.

Following the launch of the Fund, Ministers and officials held webinar events open to all local authorities to provide details on the design of the new Fund, including how to apply.

Regional Planning and Development: Question for Ministry of Housing, Communities and Local Government: UIN 167212

Asked by Steve Reed

Asked on 11 March 2021

To ask the Secretary of State for Housing, Communities and Local Government, whether the Government has developed metrics to assess the progress of its levelling up agenda in each (a) local authority area and (b) region.

Answered by Eddie Hughes

Answered on 16 March 2021

As reaffirmed at the Spending Review, the Government is levelling up opportunity across the UK so that people feel that they can succeed in their local area. The Spending Review established a set of provisional priority outcomes and metrics across all departments and policy areas which have been published here: https://www.gov.uk/government/publications/spending-review-2020-documents

These outcomes are now being embedded by departments into Outcome Delivery Plans, which will set out strategy and planning information for delivering the priority outcomes and for delivering on strategic "enabling" activities that are crucial to successful delivery.

6.2 Oral questions

The Levelling Up Agenda

HC Deb 27 May 2021, c 523-24

Levelling Up Agenda

HC Deb 25 May 2021, c 225

Levelling-Up Fund

HC Deb 27 April 2021, c 215

Levelling-up Fund

HC Deb 17 March 2021, c 309-10

6.3 Debates

Community Renewal Fund and Levelling Up Fund in Wales

HC Deb, 8 June 2021, c 313WH-338WH

6.4 Select Committee

Post-pandemic economic growth: Levelling up - local and regional structures and the delivery of economic growth – oral and written evidence

Business, Energy and Industrial Strategy Committee

7 Further reading

7.1 Library briefings

Coronavirus: Economic impact

June 2021

Poverty in the UK: statistics

March 2021

Regional and National Economic Indicators

May 2021

How big are regional economic inequalities in the UK?

March 2021

Infrastructure policies and investment

March 2021

7.2 Other

The Politics of Levelling Up

Will Jennings, Lawrence McKay, Gerry Stoker

Political Quarterly, May 2021

The Ambiguous Ideology of Levelling Up

Jack Newman

Political Quarterly, May 2021

A tool for transformation to help 'level-up' the country

Matthew Goodwin

Legatum Institute, May 2021

What next for the UK industrial strategy?

Professor Richard Jones

Productivity Institute, April 2021

Levelling up the UK's regional economies

Lord Sainsbury of Turville

Centre for Cities, March 2021

Budget ditches industrial strategy for centralised levelling up

Diane Coyle, Sam Warner, Dave Richards and Martin Smith

Bennett Institute for Public Policy, March 2021

Achieving Levelling Up: the structures and processes needed

LIPSIT project, Universities of Birmingham, Cardiff, Surrey and Warwick and Demos

November 2020

Levelling up: where and how?

Alex Davenport and Ben Zaranko

Institute for Fiscal Studies, October 2020

Go Big. Go Local: the UK2070 report on a new deal for levelling up the UK

UK2070 Commission, October 2020

Power down to level up: resilient place-shaping for a post-Covid world

Andrew Walker and Patrick Diamond

Local Government Information Unit, October 2020

Catching up or falling behind? Geographical inequalities in the UK and how they have changed in recent years

Sarthak Agrawal and David Phillips

Institute for Fiscal Studies, August 2020

Levelling up: Rebalancing growth-enhancing spending

Neil O'Brien MP and Guy Miscampbell

Onward, March 2020

People, places and politics: the challenge of 'levelling up' the UK

Henry Overman

LSE, March 2020

Levelling Up?

John Tomaney, Andy Pike

Political Quarterly, March 2020

UK Regional Productivity Differences: An Evidence Review

Robert Zymek and Ben Jones

Industrial Strategy Council, February 2020

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