LOCALIS

A Plan for Local Growth

A LOCALIST ANALYSIS OF THE UK GOVERNMENT'S PLAN FOR GROWTH

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About Localis

Who we are

We are a leading, independent think tank that was established in 2001. Our work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues.

Neo-localism

Our research and policy programme is guided by the concept of neo-localism. Neo-localism is about giving places and people more control over the effects of globalisation. It is positive about promoting economic prosperity, but also enhancing other aspects of people's lives such as family and culture. It is not anti-globalisation, but wants to bend the mainstream of social and economic policy so that place is put at the centre of political thinking.

In particular our work is focused on four areas:

- **Decentralising political economy.** Developing and differentiating regional economies and an accompanying devolution of democratic leadership.
- **Empowering local leadership.** Elevating the role and responsibilities of local leaders in shaping and directing their place.
- **Extending local civil capacity.** The mission of the strategic authority as a convener of civil society; from private to charity sector, household to community.
- **Reforming public services.** Ideas to help save the public services and institutions upon which many in society depend.

What we do

We publish research throughout the year, from extensive reports to shorter pamphlets, on a diverse range of policy areas. We run a broad events programme, including roundtable discussions, panel events and an extensive party conference programme. We also run a membership network of local authorities and corporate fellows.

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Executive summary

The Plan for Growth, released in March 2021, is the UK government's new plan setting out its view on how to recover from the pandemic through 'building back better' and 'levelling up' across the UK. Specifically, it sets out how government aims to 'support economic growth through investment in infrastructure, skills, and innovation'. Understanding the need for a transformational approach in recovering from the economic and social fallout of the pandemic, the plan promises to deliver on the electoral mandate from 2019 through building on three core pillars of growth: infrastructure, skills, and innovation. This report provides a localist interpretation and augmentation of the plan, focusing on areas where pre-existing models for policy and action at the local level could help bolster the effort to build back better. Using the forthcoming Levelling Up White Paper as a focus point, the report provides four key points by which the white paper can build on the Plan for Growth.

Separating prosperity from productivity in levelling up

The levelling up agenda is the top priority for this government and is something that informs all the themes of the Plan for Growth. Localis is one of many research and policy institutions who have highlighted the urgent need to close the productivity gap between regions of England and London and the South East – something that is especially true in light of COVID-19 and the need for a robust economic recovery from the pandemic. Understanding levelling up as an agenda targeted at solving what has been called the UK's 'productivity puzzle' allows for a targeted approach to assessing and addressing its goals.

A guiding priority for the government in delivering on levelling up is town centre and high street regeneration. Investing in this regeneration goes hand in hand with investing in the steps needed to close the productivity gap. Equal focus must be given to both, and one should not take precedence at the expense of the other. It is also important to bear in mind the different outcomes, funding scales and delivery timeframes between investing to raise national productivity and investing to increase place prosperity. While the latter will have a shorter-term focus, it is vital to improving social infrastructure, raising quality of life and making places people are proud to live in. Place lies at the heart of both sides of the levelling up coin. But the role of 'bottom-up' decision-making is far more important to the short-term goal of raising place prosperity and the role of 'top-down' strategy far better suited for the long-term goal of raising productivity.

Government has stated a desire to demonstrate its ability to deliver on local priorities - including local infrastructure, transport, and housing needs. The various funds discussed at Budget 2021, including the Towns Fund, play an important role in this. Yet in terms of unlocking the kind of placemaking funding that might help make more people in the country proud of where they live, the funding mechanisms will resemble more of the same to local government. In order to unlock positive change quickly, the place prosperity and national productivity elements of the strategy and funds should be better separated, with the Levelling Up Fund focused on those infrastructure interventions that can improve business conditions and a devolution mechanism for small, ringfenced funding for placemaking.

Placemaking and levelling up the hyperlocal

Increasing productivity and placemaking are two interrelated but different aspects of levelling up that require separate approaches. Throughout the Plan for Growth, there is reference to local community, community prosperity and civic identity. These are all central components of placemaking. However, measures announced to these ends approach the issue through the lens of increasing productivity via top-down decision making. Given the objective to create "places that local people can be proud to live in", what is missing from the Plan for Growth is an holistic framework for community autonomy. While investment in regional economic growth and local infrastructure is a necessary start, how localities guide this toward their own unique circumstances is the other vital part of the framework.

The Community Ownership Fund is a great step in this direction. The £150m fund has been set up for community groups with formal governance structures to bid up to £250,000 to buy local community assets at the verge of being lost. Going further, Localis' report *Renewing Neighbourhood Democracy – Creating Powerful Communities*[1] looked at various initiatives to increase the power of communities and found that, despite the resilience demonstrated by communities throughout the pandemic, neighbourhood democracy continues to face a number of barriers. Changing this will require a relational approach to governance by both central and local government that allows for decision making to be more participatory for communities. To remedy this, there is a chance for the Levelling Up White Paper to codify the role of councils in a facilitative local state by creating pathways to community autonomy.

There are multiple models available to extend this autonomy and provide small-scale finance at the hyperlocal level to help build place prosperity. The idea of

1 Localis (2020) – Renewing Neighbourhood Democracy: creating powerful communities

'Community Improvement Districts' (CIDs) is one originally advocated by Prof Tony Travers from the London School of Economics. At its core, it is a way for community stakeholders to have more control over their high streets and town centres. Power to Change[2] argues that CIDs could provide a mechanism - whether that be a loose set of guiding principles for local people to apply, or a more structured system - that would allow community members to develop their area according to their own priorities.

Furthermore, community involvement in saving the nation's high streets and transforming them to thrive post COVID-19 is crucial. The task of building back our highstreets is simply too vast to be dictated from Westminster. This is a central message running through the Grimsey Review COVID-19 Supplement Report: Build Back Better[3]. To allow town centres and high streets to survive and thrive post COVID-19, the review singles out three factors that must be addressed. The first relates to localism and a shift away from central government to local communities. Secondly, there is a need for local leadership that is recognised and valued in the same way that mayors are viewed in countries across Europe. And thirdly, focus must be placed on creating an expansion of green spaces within town centres. Codifying a localist framework, with real power placed in the hands of communities, will be key to rebuilding our nations high streets in accordance with the lessons learnt from the pandemic.

The role of place in building skills for levelling up

A strong recovery from the pandemic rests on creating opportunities across all regions of the UK to skill up in line with the new and emerging needs of the national economy as we emerge from COVID-19. This is something the government recognises when they say, 'improving our skills is also central to levelling up opportunity as differences in skills levels provide a key part of the explanation for differing output and wages across regions'. A particular challenge addressed in the Plan for Growth relates to technical and basic adult skills, which are two areas where the UK skills system is lagging internationally. According to the Industrial Strategy Council, five million workers are at risk of being under-skilled in basic digital skills by 2030[4]. It is important to highlight how 'left behind' areas are most at risk of being disadvantaged by the mismatch between job requirements and skill levels. If the government is serious about levelling up all corners of the UK through reforming our skills system, then targeted measures for place are needed.

2 Power to Change (2020) – Community Improvement Districts: A Discussion Paper

3 Grimsey Review (2020) – Build Back Better: Covid-19 Supplement for town centres

4 Industrial Strategy Council (2019) – UK Skills Mismatch in 2030

The government's *Skills for Jobs: Lifelong Learning for Opportunity and Growth*[5] sets out reforms to further education in England to support people developing suitable skills wherever they live in the country. While the reforms announced in the Skills for Jobs are a promising start, there is a missed opportunity to tackle the skills mismatch and levelling up agenda in a coherent and connected manner within the Plan for Growth. The commitment to placing employers at the heart of the skills system is the right approach to take. Yet there is also a need to extend and support capacity for collaboration at the level of the local state. Specifically, the institutional architecture of further education colleges needs to be reformed to promote trust and collaboration with local and strategic authorities, key industries and employers. Currently, there is no such joined-up approach on working together between central government bodies such as the Jobcentre Plus, the National Careers Service, and the Education and Skills Funding Agency. This is on top of government skills funding being managed centrally across several different departments and agencies.

Reforming the Apprenticeship Levy so that it has a focus on place priorities could aid creative and effective collaboration across the local state. Measures announced to this end in the Plan for Growth are promising. Particularly the new pledge function that would allow employers to transfer unspent levy funds to SMEs that share similar business priorities. Building on this, local employers should be allowed to pool their apprenticeship levy contributions with upper tier strategic education authorities, while also working together with the local further education sector. This could be facilitated through expanding Skills Advisory Panels (SAPs) to include the local education authority, as well as allowing SAPs to oversee the provision of the Apprenticeship Levy.

The Local Government Association's Work Local vision[6] is one where combined authorities and councils have the power and funding to manage joined up services regarding skills and education. The vision was first introduced in December 2019, therefore the impact that COVID-19 may have on it has not been taken into consideration. However, analysis at the time suggested Work Local can result in 8,500 more people in work with 6,000 increasing their skills. Similar proposals have been put forward since the pandemic by the LEP Network in their 5-Step Recovery Plan[7], demonstrating the ongoing appetite for greater local involvement in facilitating skills collaboration. Building this kind of activity into the strategy going forward, and facilitating it through devolution in the upcoming

5 GOV.UK (2021) – Skills for jobs: lifelong learning for opportunity and growth

6 LGA – Work Local: Our vision for employment and skills

7 LEP Network (2020) – 5 Point Plan for Recovery

white paper, will be crucial in augmenting the current Plan for Growth to a more complete vision.

Clean growth – the role of the local state

Alongside levelling up, transitioning to a net zero economy by 2050 is an equally important 'people's priority' forming the basis of government objectives in the Plan for Growth. In November 2020, the Ten Point Plan for a Green Industrial Revolution was released, setting out government plans for how the UK can make the most of opportunities presented by the shift to net-zero, and the steps needed to tackle the UK's contribution to climate change. In delivering it, some of the steps government has laid out in the Plan for Growth include creating the 250,000 green high skilled jobs through the production of offshore wind, generating 5GW of low carbon hydrogen production capacity by 2030, building the technology to capture and store harmful emissions away from the atmosphere, deliver 600,000 heat pump installations per year by 2028, and end the sale of new petrol and diesel cars by 2030.

The government recognises the need for actionable plans to meet the targets set out in the Ten Point Plan. Therefore, the Plan for Growth announces the different deliverable plans for each sector that will be published over the course of 2021. While promises of strategies, reviews, and white papers are encouraging, it is difficult to make any meaningful assessment unless and until the details emerge. Experience of government promises of a social care green paper which never materialised shows how quickly ambition can get derailed with an absence of much needed political momentum and capital[8]. Elsewhere, the connection between the clean growth and skills agendas is a prime opportunity through which to level up the UK, in terms of increasing regional productivity, and in ensuring we have a workforce fit for the future demands of a zero-carbon economy.

The Plan for Growth discusses how the Green Jobs Taskforce, formed as part of the Ten Point Plan, and government will work with businesses, skill providers and unions to develop plans during the transition to net zero. In the face of such a seismic shift to the way our economy works, and the positive impact this could potentially bring about, a commitment to developing vague plans is simply not good enough. The labour markets found in each region of the UK will be different from the next. Therefore, a focus on the needs of individual local labour markets is necessary. Addressing this disparity will be vital to the success of levelling up.

8 The Guardian (2021) – Lack of social care strategy left system weakened when Covid struck - report

Offshore wind, and the jobs this sector can create for coastal communities, would have a tremendous impact on levels of productive growth if training and reskilling provisions were to be targeted correctly. It is vital that forthcoming policy creates clear roles and responsibilities for councils - as part of the wider labour market and skills issue - to target net zero.

The future of devolution

Overall, the Plan for Growth is a centralist strategy. With regard to devolution and decentralisation, the government's approach to delivering on local priorities is based more on the latter than it is on the former. The question of devolution is not given much emphasis in the Plan for Growth. However, the government maintains its desire 'to give more power to local communities'. The preferred path in doing this is through a further roll out of devolution deals across England. The commitment of £7.5bn of un-ringfenced gain share investments over 30 years for the nine existing Mayoral Combined Authorities, to be spent on local priorities, gives an indication of how any such devolution arrangements would be funded.

Creating a new Treasury campus in the North will go a long way in bringing government decision-making closer to the people of the UK. However, actually giving 'more power to local communities' requires the devolution of decision-making and transfer of fiscal powers to the local state. This is a distinct process from decentralisation of central power and warrants a bigger discussion than touched upon in the Plan for Growth. At a time when communities across the country will need to direct efforts on recovery and improving place prosperity, attention needs to be focused on finding appropriate mechanisms that give the local state proper governance and financial powers, for both decision-making and revenue-raising.

Finding these appropriate mechanisms does not mean creating new ones through which to devolve powers to. Given the urgent task at hand of pandemic recovery, efforts would be better spent in using existing mechanisms. This is something that has also been recognised in the All-Party Parliamentary Group for Devolution's report 'Levelling up Devo – The role of national government in making a success of devolution in England'[9]. In the report, central government's fixed obsession on structural changes and governance arrangements has been identified as a barrier to devolution in England. It is within this context that what is stated in the White Paper, which began with a devolution focus, regarding powers vested to the local

9 The Devolution All Party Parliamentary Group (2020) – Levelling-up Devo: The role of national government in making a success of devolution in England

state, will be so important. Councils across the country have played a huge and instrumental role in developing and executing strategies for recovery, while putting forward their place-based visions for the 'new normal'. This has demonstrated the twin track of the economic role local councils play: addressing the immediate challenges facing their local economy and then building a longer-term vision of its future.

Any government plans to move forward with devolution need to prioritise the task of restoring the nation's economic and social fortunes and should not be fixated by the view that doing so inevitably means ringing in the changes to the governance structures of the local state. These arrangements are not of huge concern to everyday people. What matters more is how well the local state can provide the services communities need. And addressing this can be done without changing the form of local government. Ultimately, if an English devolution settlement is to achieve success, we will need a central government that does not micromanage every last line of local public expenditure or devise strategies that affect the destinies of places in the abstract, without consultation or deep understanding of local context.

Key points for the Levelling Up White Paper

To build on the foundations laid in the Plan for Growth and ensure a multifaceted, dynamic recovery, the Levelling Up White Paper must:

- Create pathways to community autonomy as a vehicle for hyperlocal, small-scale and patient financing of regeneration.
- Build a framework for devolution to Skills Advisory Panels to facilitate local collaboration between employers, providers and education authorities to further accelerate the push to improve skill levels.
- As part of the above, create a clear role for the local state in driving towards the skills for net zero.
- Clarify and codify the role for existing institutions of the local state – particularly local authorities in LEPs – in driving economic development.

CHAPTER ONE

Introduction.

The Plan for Growth, released in March 2021, is the UK Government's new plan setting out its view on how to recover from the pandemic through 'building back better' and 'levelling up' across the UK.

Specifically, it sets out government objectives to 'support economic growth through investment in infrastructure, skills, and innovation'. Considering the many changes the UK has gone through since the publication of the Industrial Strategy White Paper in November 2017, the government believes a new framework is needed to reflect how best to build back better. This new framework promises not to 'pursue growth at the expense of the government's wider objectives', the 'people's priorities' that were key to the Conservative's Party's resounding victory in the 2019 general election:

- Levelling Up across the UK;
- Reaching net zero emissions by 2050;
- Seizing the opportunities of Global Britain in light of our departure from the EU.

Understanding the need for a transformational approach to recovering from the economic scarring and social fallout of the pandemic, the plan promises to deliver on the people's priorities through building on three core pillars of growth: infrastructure, skills, and innovation. Within each pillar there are a number of targets and metrics set by government to measure progress:

- Regarding **infrastructure**, a chief commitment is to connect people to opportunity through the UK Shared Prosperity Fund (UKSPF), the Levelling Up Fund, the Towns Fund and the High Street Fund to invest in local areas.
- For **skills**, government has pledged to introduce a Lifetime Skills Guarantee to enable lifelong learning through free fully-funded Level 3 courses and introducing the Lifelong Loan Entitlement.
- While for **innovation**, government is rolling out two new schemes to boost SME productivity; Help to Grow: Management and Help to Grow: Digital.

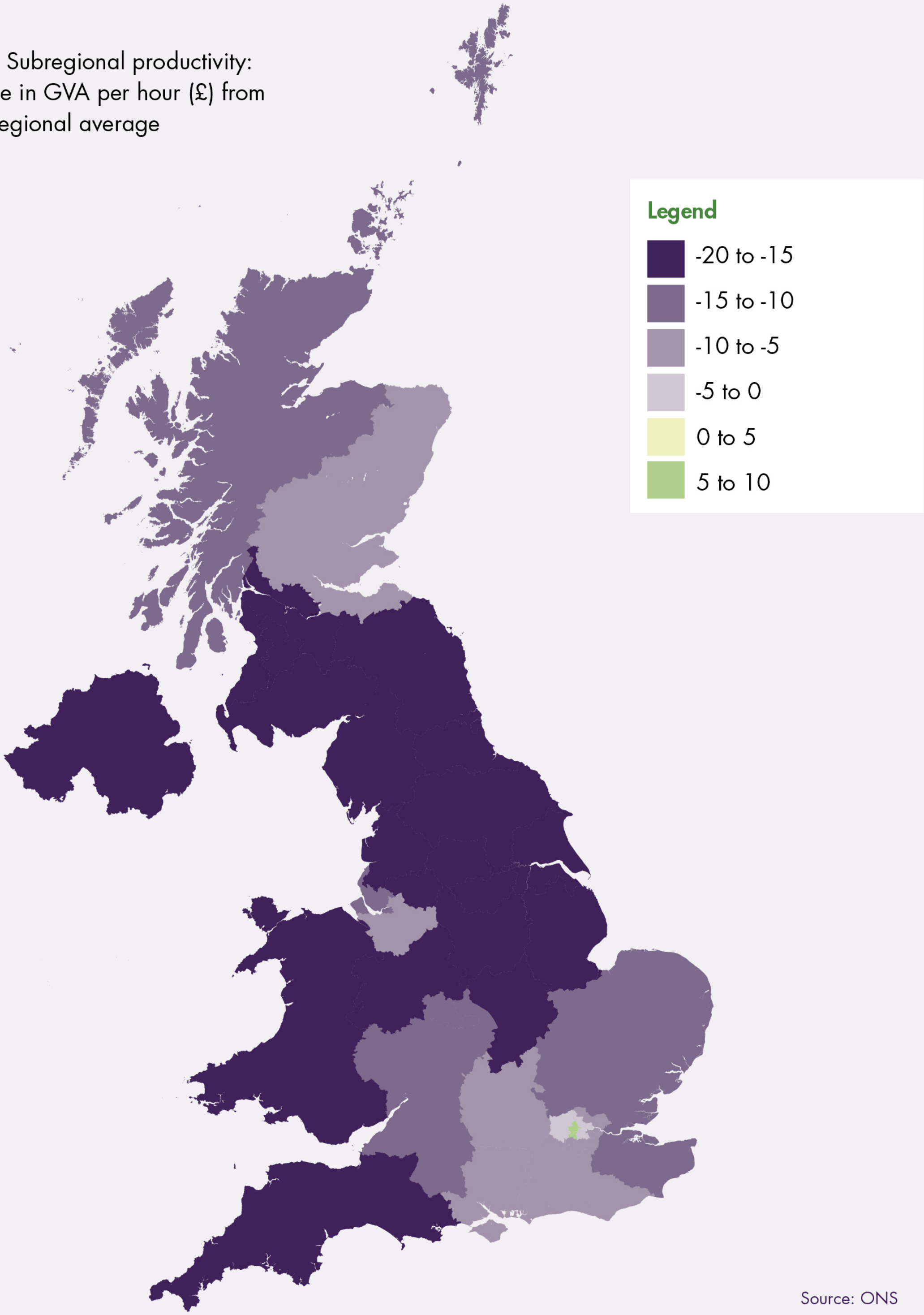
These steps, along with other measures being taken, are designed to boost productivity and generate growth, allowing for a targeted approach to delivering on the three 'people's priorities'. Levelling up is to be achieved using the UKSPF and Levelling Up funds to regenerate towns across the UK. In supporting the transition to net zero, government has pledged to invest in it to create economic growth and job opportunities across the UK in sectors such as offshore wind and hydrogen. Finally, government has committed to using the upcoming COP26 and its G7 Presidency to lead the international community and galvanise action on its domestic priorities and carve out a new role for Global Britain on the world stage.

1.1 Defining Levelling Up

The 'Levelling Up' agenda is the top priority for this government and is something that informs all the themes of the Plan for Growth. Therefore, it is important to gain a clear definition of what levelling up means for it not to become a catch-all term shrouded in cloudy confusion. Localis is one of many research and policy institutions who have highlighted the urgent need to close the productivity gap between regions of England and London and the South East – something that is especially true in light of COVID-19 and the need for a robust economic recovery from the pandemic.

Understanding levelling up as an agenda targeted at solving what has been called the UK's 'productivity puzzle' allows for a targeted approach to assessing and addressing its goals. Equally, addressing the productivity gap should be carried out with an understanding of the symbiotic and interdependent relationship between every part of the UK. Levelling up should not be seen as preferring one region of the country over another.

Figure 1. Subregional productivity: Difference in GVA per hour (£) from London regional average



Source: ONS

It should mean recognising the inherent place potential held within each of our regions and their respective local economies, attempting to maximise this potential, and getting regions working with one another in order to boost productivity nationwide.

The Funds and their purpose

Fund	Purpose	Amount
Levelling Up Fund[10]	This fund is aimed at investing in infrastructure that improves everyday life across the UK. Areas include local transport, town centre and high street regeneration and cultural heritage investment.	£4.8bn (£4bn in England – the remaining £800m shared across devolved governments according to the Barnett Formula)
UK Shared Prosperity Fund[11]	The purpose of the UKSPF will be to reduce inequalities between communities across the four nations of the UK. It will replace EU Structural Funding to the UK.	TBD Although it has been noted that 'The amount of funding … will be a balancing act between trying to maintain economic development in the countries and regions of the UK and trying to keep control of public spending'.
Towns Fund [12]	This fund has been designed to drive the economic regeneration of deprived towns and deliver long term growth in productivity.	£3.6bn
Community Ownership Fund[13]	This fund will empower communities to protect community assets by providing the funding needed to take ownership of them	£150m

10 HM Treasury, MHCLG, Department for Transport (2021) – Levelling Up Fund: Prospectus
11 House of Commons Library (2021) – The UK Shared Prosperity Fund
12 GOV.UK (2021) – Towns Fund
13 GOV.UK (2021) – Community Ownership Fund

Fund	Purpose	Amount
Community Renewal Fund[14]	This fund will provide local areas across the UK access to additional funding in preparation for the introduction of the UKSPF in 2022. Its aim is to support people most in need through pilot programmes, new approaches and investment in skills, places, local businesses and helping people into employment.	220£m
Transforming Cities Fund[15]	This fund is aimed at improving access to good jobs within English cities and support increased journeys with low carbon modes of transport. It is part of the National Productivity Investment Fund. Cross cutting priorities include: • tackling air pollution • delivering more homes • delivering apprenticeships	£2.45bn
National Skills Fund[16]	This fund is aimed at helping adults gain skills needed to enhance job prospects. It will boost the supply of skills needed by employers and support immediate economic recovery. Specifically, it will allow adults aged 19 or over wanting to achieve their first level 3 qualification access to funded courses as a part of the Lifetime Skills Guarantee.	£2.5bn
National Home Building Fund[17]	This fund is a part of government's long-term housing strategy and aimed to build 860,000 homes across England and will be spread out across four years	£7.1bn

14 GOV.UK (2021) – Community Renewal Fund: prospectus
15 GOV.UK (2019) – Transforming Cities Fund
16 GOV.UK (2021) – National Skills Fund
17 HM Treasury (2020) – Spending Review 2020

Fund	Purpose	Amount
Green Recovery Challenge Fund[18]	This has been designed as a short-term competitive fund to kickstart environmental renewal post COVID-19. Its aim is to support projects aimed at delivering natural restoration delivered in line with government's 25 Year Environment Plan	£80m[19]
Nature for Climate Fund	This fund is aimed at supporting the government's pledge to plant 40 million trees and restore 30,000 hectares of peatland in England by 2025, while harnessing the power of nature to support net zero.	£640m[20]

1.2 A two-sided coin

A guiding priority for the government in delivering on levelling up is town centre and high street regeneration[21]. The decline of both has not only led to communities missing out on economic growth opportunities but also a significant loss of pride in place. Therefore, investing in this regeneration goes hand in hand with investing in the steps needed to close the productivity gap. Equal focus must be given to both and one should not take precedence at the expense of the other.

It is also important to bear in mind the different outcomes, funding scales and delivery timeframes between investing to raise national productivity and investing to increase place prosperity. While the latter will have a shorter-term focus, it is vital to improving social infrastructure, raising quality of life and making places people are proud to live in. On the other hand, the former will have a longer-term focus aimed at unlocking the nation's existing potential in driving forward economic growth, requiring major capital works over many years, to bring the underdeveloped regions of the UK closer into line with the highly-developed capital. Place lies at the heart of both sides of the levelling up coin, but the role of 'bottom-up' decision-making is far more important to the short-term goal of raising place prosperity and the role of 'top-down' strategy far better suited for the long-term goal of raising productivity.

18 Heritage Fund – Green Recovery Challenge Fund round 1
19 edie (2020) – Defra doubles £40m green recovery fund for nature after huge demand
20 Defra (2020) – New funding for tree planting as National Tree Week comes to a close
21 HM Treasury, MHCLG, Department for Transport (2021) – Levelling Up Fund: Prioritisation of places methodology note

The need for more local control over levelling up has also been recognised by the Industrial Strategy Council[22], who highlight that current plans for levelling up rely too heavily on the long-term infrastructure spending, at the expense of letting the local state guide place prosperity from the bottom up and 'allowing for communities to benefit from more local spending decisions'[23]. It is vital that central and local government work together in order to effectively level up the entire nation and for the benefits of this to be felt in every locality across the country. This will require an understanding of where the correct intervention will be needed at the right level by either central or local government. Levelling up through reducing regional inequality and driving productivity will necessitate central government interventions through long term investments in infrastructure, skills, and innovation. On the other hand, the process of levelling up through creating places that communities can be proud of will need to be guided by the local state. Drawing out the uniqueness of each locality in this way is something too big to be driven from Westminster.

Distinguishing between national productivity and place prosperity

The government, recognising levelling up as its most important mission, has broadly understood it to be about improving people's everyday life *in place*. Particularly, ensuring people are proud of their local community and do not have to move out in order to reach their individual potential. Therefore, it is no surprise that boosting infrastructure investment via the funds announced in March 2021 has been seen as a key route to helping areas level up. Infrastructure investment is key to making it easier for businesses to flourish in places outside of London and the South East, and, therefore, to ensuring people do not need to migrate inwardly to London in such significant numbers from elsewhere in the country as they have in recent decades. However, infrastructure investment alone will not deliver the kind of hyperlocal, micro-scale improvements that are entirely lost amid Treasury balance sheets, but which make huge material differences to people's quality of life and perspective on the place they live.

Government has stated that they want to demonstrate their ability to deliver on local priorities - including local infrastructure, transport, and housing needs. The new funds, including the Towns Fund, play an important role in this. The UK Shared Prosperity Fund will be used to target particular challenges confronting communities in struggling towns. This will be done in collaboration with local authorities in a manner that 'empowers local areas and strengthens local public

22 Industrial Strategy Council (2021) – Annual Report

23 The Guardian (2021) – Boris Johnson's 'levelling up' plans unlikely to succeed, says watchdog

services'. This is intended to be part of a 'step change' in the way in which government supports struggling towns through working with local institutions to invest in local priorities concerning the local economy and quality of life. Government claims that the Levelling Up Fund would allow places to plan for their future. It will 'consolidate local growth funding streams, reduce the burden on places' and break down siloes between governmental departments. However, local areas will still have to bid for funding to invest in priorities relating to local infrastructure. Additionally, the Towns Fund will play a part in regeneration efforts, and at Budget 2021, government announced 44 new Town Deals.

Yet in terms of unlocking the kind of placemaking funding that might help make more people in the country proud of where they live, the mechanisms of the fund will resemble more of the same to local government. The hope that these funds bring for place are of course welcome at a pivotal moment of national renewal. But for place to be at the forefront of this renewal, we cannot afford to go back to a system of localities bidding against one another for a piece of the centrally-controlled fiscal pie. In order to unlock positive change quickly, the place prosperity and national productivity elements of the strategy and funds should be better separated, with the Levelling Up Fund focused on those infrastructure interventions that can best improve business conditions and a separate devolution mechanism for small-scale, ringfenced funding for placemaking.

The following analysis of some key elements in the Plan for Growth has been carried out with a two-sided approach – of national productivity and place prosperity – as a guiding thought, highlighting areas where encouraging steps in this direction have been taken, while pointing out where the essential localist focus is missing and what more is needed. The supporting evidence and material used in the analysis derives from the research Localis has carried out over the last few years, as well as some of the innumerable stakeholders that we have worked with in advancing the case for the local state. Ultimately, the potential of the levelling up agenda in rebuilding the UK to be a prosperous global economy that works for every part of the nation is boundless. However, for it to truly work, a clear targeted approach which works with and for place is needed. Localism has to be its driving force.

CHAPTER TWO

Placemaking and levelling up the hyperlocal.

Increasing productivity across every region of the UK through investing in skills, infrastructure, and innovation is one part of levelling up. The other element, raising prosperity and pride in place, involves the establishment of greater placemaking powers at the local levels. While the involvement of localities is necessary in both aspects of levelling up, placemaking is something that can only succeed through a bottom-up drive which sees government giving communities the funding and freedom to draw on their own strengths and uniqueness in developing place pride.

Throughout the Plan for Growth, there is reference to local community, community prosperity, and civic identity. These are all central components of placemaking. However, measures announced to these ends approach the issue through the lens of increasing productivity via top-down decision making. What is lacking are the measures needed which would give communities the ability to deliver on their local priorities and increase place prosperity. This is a particular issue given that the government's main aim is to create "places people are proud to call home, with access to the services and the jobs they need to thrive". And while infrastructure investments aimed at increasing productivity will be a part of this, placemaking in this sense will require a bigger focus and acknowledgement of community empowerment.

At the same time, to reiterate, increasing productivity and placemaking are two interrelated but different aspects of levelling up that require distinct approaches. Specifically, with the latter, placemaking needs to be led by the community in question. Viewed in this way, while investments in intra-city transport settlements will increase regional productivity through better connectivity, it will not address everyday community concerns or add to place prosperity directly.

The government has acknowledged pervasive feelings that local priorities do not get delivered. To this end, they have pledged to work with local authorities through the UKSPF, the Community Renewal Fund, the Community Ownership Fund, and the Levelling Up Fund, to 'strengthen the connection between central government and citizens'. Plans for levelling up and placemaking through the regeneration of struggling towns are three pronged:

- Firstly, focus will be placed on helping individuals by improving outcomes in education, skills, and health. Through using the UKSPF in partnership with local authorities, local challenges will be targeted 'in a way that empowers local areas and strengthens public services'.
- Secondly, government pledge to work with local institutions to invest in local priorities for the support of economic growth and an improved quality of life. The Levelling Up Fund will play a large role in this.
- Thirdly, private sector investment in struggling places to create new jobs will be encouraged. This will include finding investment opportunities for emerging sectors including green industries.

It is important to understand the economic impact that these funds could have if properly and transparently allocated. Looking at the Levelling Up Fund prospectus, we see key focus areas including transport investments, town centre regeneration and cultural investment. The What Works Centre for Local Economic Growth analysed the likely impact of the interventions supported by the Levelling Up Fund[24]. According to the study, the evidence on economic outcomes of transport projects are the most positive. At the same time, any impact is going to be context-dependent. In already successful areas, investment will be needed to combat the cost of growing demand that may be acting as a barrier for future growth. Whereas in struggling places, investment may attract new employment and heightened productivity, but will have little impact if other factors, including skills, are a bigger determinant of poor local economic performance.

When it comes to regeneration, while redevelopment can help local economic outcomes as a whole through attracting new business and residents, there is little evidence that it can improve outcomes for existing residents. To do this, parallel investment to target factors including low education and skills would be required alongside larger regeneration projects. Having said this, physical regeneration of public spaces can lead to a better quality of life for new and existing residents through, for example reducing social isolation. The analysis recommended that if funding were ringfenced for regeneration projects, then funding interventions dedicated to improving quality of life would better serve resident outcomes and ultimately placemaking.

2.1 Of pots and politics

The commitments relating to building back better for place will largely be met through these central government single pot funds. However, past experience has taught us to be only cautiously optimistic regarding these types of funding. Already, shortly after the Levelling Up Fund's announcement, government were accused of political bias in the metric for its allocation[25]. The chancellor's own constituency of Richmondshire in North Yorkshire, which is among the top fifth of most prosperous places in England by the average deprivation score, was placed in the uppermost level of funding. On the other hand, Salford was placed in the second tier of funding. This despite it being the 18th most deprived area in the country according to the government itself.

Seen in this light, the allocation of the Levelling Up Fund, as well as other single pot funds announced, appears to be done in a way to consolidate the government's hold on newly-won former Red Wall seats in the 2019 general election. This impression is reinforced when looking at the controversy surrounding

24 What works centre for local economic growth (2021) – Evidence briefing: Levelling Up Fund interventions and impacts

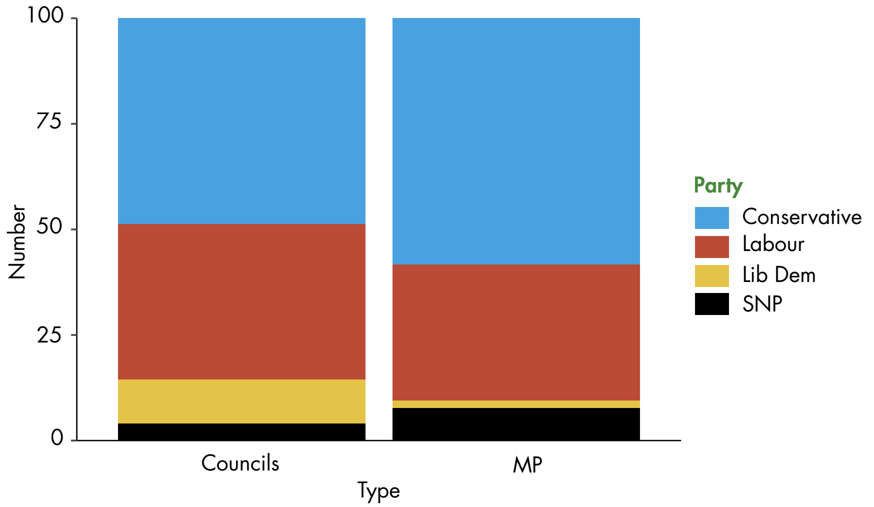
25 The Guardian (2021) – Tories accused of levelling up 'stitch up' over regional deprivation fund

the Towns Fund for England[26]. Of the 45 areas confirmed to receive £1bn in cash from it, 40 have a Conservative MP many of whom were newly-elected in former Labour voting seats.

Whilst ministers have defended the fund's allocation by pointing to the later-published methodology for area selection[27], the optics have undoubtedly damaged perceptions of the levelling up agenda. Furthermore, the lack of inclusion of several key metrics that might be thought to represent a need for greater place investment, for example the Indices of Multiple Deprivation, raises further questions.

If, as ministers have since claimed, the Levelling Up fund is purely concerned with connectivity, then its prospectus should not make the general claim that the fund is for "high-value local infrastructure" and reference such examples as regenerating town centres or local cultural investment in doing so. In the Indices of Multiple Deprivation, the Ministry of Housing, Communities and Local Government have a longstanding metric for regeneration demand with far more nuance than the chosen metrics of dwelling vacancy rates. The methodology's chosen indicators do not provide any insight into need for cultural investment.

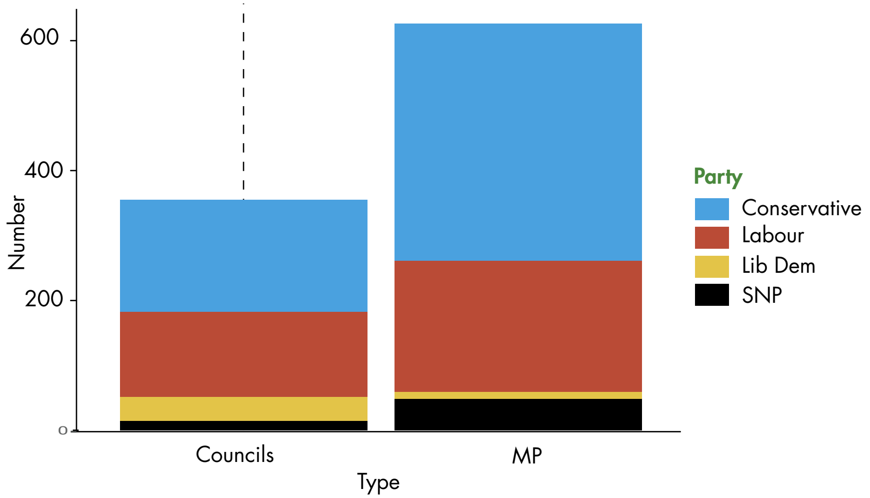
Figure 2. Political control of councils and constituencies
Four largest parties only - percentage



Source: Commons Library/Open Council Data

26 Financial Times (2021) – UK chancellor accused of playing politics over 'levelling up' fund
27 Public Finance (2021) - Government criticised over Levelling Up Fund priorities

Figure 3. Political control of councils and constituencies
Four largest parties only - total number



Source: Commons Library/Open Council Data

It is a point of democratic principle that central government funding decisions should not be made to reward or punish people for their political choices. But it is far more than this. In multiple studies, clientelist decision-making has been shown to inhibit efforts at economic development and degrade public institutions[28] as well as damage the overall credibility of democracy[29]. Patronage is not an efficient means to distribute public money. The increased role given to constituency MPs in the Levelling Up Fund prospectus further creates the impression of national party politics colonising the local, absorbing everyday life in places across the country into the mephitic swampland of Westminster feuds. When announcing the fund, the chancellor took pause from his delivery of the budget speech to heartily endorse the Conservative candidate in an upcoming regional mayoral election, just as, weeks later, the prime minister would deliver a damning indictment of the Mayor of London's management of Transport for London during the election period itself. This kind of politics does not in any way aid the goal of levelling up the country.

28 Berenschot W (2018) – The Political Economy of Clientelism: A Comparative Study of Indonesia's Patronage Democracy & Medina LF et al (2002) – Clientelism as Political Monopoly

29 Keefer P et al (2007) – Democracy, Credibility, and Clientelism

If the government remains serious about delivering on local priorities, they need to move past the current system of single pot funding allocated via controversial data tables and allow places to take the lead in creating their own prosperity. That is not to say that local infrastructure needs, such as transport connectivity and housing, are not important for placemaking. They are a crucial half of the whole picture. However, it is vital not to focus overly on them at the expense of the hyperlocal community-based aspect of creating place prosperity.

2.2 Policy proposals for community autonomy

Given the objective to create places that local communities can be proud of, what is missing from the Plan for Growth is an holistic framework for community autonomy. While investment in regional economic growth and local infrastructure is a much-needed start, how localities guide this toward meeting their own unique circumstances and challenges is the other vital part of the framework.

This is something that Localis, along with a number of different stakeholders, have been addressing over the last few years. Recognising the central role of physical assets in community life, *Local Delivery*[30] examined how communities protect their social infrastructure when faced with a multitude of socio-economic challenges. It advanced the argument that central government needs to set the conditions for community institutions to increase their capacity and ability to take on devolved power to tackle new challenges. A key policy recommendation was for government to make available secured funding for community bids. Specifically, extra support and resources should be allocated to community organisations in less affluent areas.

The Community Ownership Fund is a strong and positive step in this direction. The £150m fund has been set up for community groups with formal governance structures to bid up to £250,000 to buy local community assets on the verge of being lost. Importantly, government has stated it will not publish a definitive list of eligible assets because 'it is important for communities to set out what matters most to them'[31]. The first bidding round opens in June 2021 and it is yet to be seen how this fund will pan out for communities across the UK. However, it demonstrates government's willingness to allow communities to lead on placemaking and act on local priorities concerning themselves.

Going further, Localis' report *Renewing Neighbourhood Democracy – Creating Powerful Communities*[32] looked at various initiatives to increase the power of

30 Localis (2020) – Local Delivery: protecting social infrastructure

31 MHCLG (2021) – Community Ownership Fund

32 Localis (2020) – Renewing Neighbourhood Democracy: creating powerful communities

communities and strengthen neighbourhood level democracy. It emerged from the recognition that despite the resilience demonstrated by communities throughout the pandemic, neighbourhood democracy continues to face a number of barriers. Changing this will require a relational approach to governance by both central and local government that would allow for decision making to be more participatory for communities. One of the core recommendations argued for the Levelling Up White Paper to codify the role of councils in a facilitative local state by creating pathways to community autonomy. In particular, the Community Improvement District (CID) model should be extended as a statutory community right alongside others established in the Localism Act 2011.

The idea of the CID model is one originally advocated by Prof Tony Travers from the London School of Economics. Others, including Danny Kruger MP[33] and Power to Change[34], have started to advocate it as a means to increase community participation in local decision making. At its core, it is a way for community stakeholders to have more control over their high streets and town centres. Power to Change argues that CIDs could provide a mechanism - whether that be a loose set of guiding principles for local people to apply, or a more structured system - that would allow community members to develop their area according to their own priorities. And while they remain largely undefined, Power to Change has provided a basic set of principles for them as being[35]:

- Non-political, democratic and inclusive;
- Concerned with the economic, social and environmental development of neighbourhoods;
- Open to residents, businesses, and other local stakeholders;
- Designed to complement other local mechanisms where they exist;
- Non-profit distributing bodies.

Danny Kruger MP, in *Levelling Up Our Communities*, recommended government should work with local areas in identifying places that might benefit from the model. Doing so would enable the levelling up agenda to take root at the hyperlocal level. According to Danny Kruger, CIDs could provide greater flexibility in planning and urban design, while also adopting various initiatives aimed at community empowerment, including the ‘Keep Local’ procurement campaign[36].

33 Danny Kruger MP (2020) – Levelling up our communities: proposals for a new social covenant
34 Power to Change (2020) – Community Improvement Districts: A Discussion Paper
35 Power to Change (2020) – Community Improvement Districts: A Discussion Paper
36 Danny Kruger MP (2020) – Levelling up our communities: proposals for a new social covenant

In making CIDs a functioning reality with impact, the different single pot funds for local development such as the UKSPF could be 'top sliced' with money being given to the community without any strings attached.

Adopting the CID model could go a long way in the regeneration of left behind towns and highstreets across the UK. These potential benefits have been picked up and discussed by Power to Change in their discussion of CIDs[37]. The model serves as a practical way through which to involve local communities in the regeneration of their town centres and highstreets, allowing them to guide related efforts to meet their own circumstances and priorities. The importance of community involvement in saving the high street and transforming them to thrive post-COVID-19 is a central message running through the *Grimsey Review COVID-19 Supplement Report: Build Back Better*[38].

To allow town centres and high streets to survive and thrive post COVID-19, the review singles out three factors that must be addressed. The first relates to localism and a shift away from central government to local communities. Particularly, local people must be empowered to re-design their high streets with a say on the businesses, services and amenities that occupy it. Secondly, there is a need for local leadership that is recognised and valued in the same way that mayors are viewed in countries across Europe. And thirdly, focus must be placed on creating an expansion of green spaces within town centres[39].

Regarding localism, the review highlights how the challenge of rebuilding our high streets in accordance with the lessons learnt from the pandemic necessitates putting communities at the forefront of such efforts. These lessons include 'an appreciation of spending less money, breathing cleaner air, noticing more wildlife and sharing a stronger sense of community'. With this in mind, the task of building back our high streets is simply too vast to be dictated from Westminster. Amongst the recommendations to actualise this shift to community empowerment, the review recommends local authorities should establish 'high street citizens' assemblies' in order to involve local people in re-design efforts. Another recommendation endorses Localis' call for the establishment of Community Value Charters to give communities a bigger say in the benefits received through the commissioning of local services.

The importance of a vibrant and healthy high street for our mental and physical health cannot be underestimated. Recognising the pivotal role of the high street

37 Power to Change (2020) – Community Improvement Districts: A Discussion Paper

38 Grimsey Review (2020) – Build Back Better: Covid-19 Supplement for town centres

39 Grimsey Review (2020) – Build Back Better: Covid-19 Supplement for town centres

in communities across the country, and the devastating impact the pandemic has had on them, the NHS Confederation and Power to Change's *Health on the High Street*[40] report argues for the NHS' role in saving them. A key point highlights immediate opportunities for the NHS to become directly involved in saving the high street. The three opportunities addressed include:

- Running health services, including vaccination programmes, from vacant properties.
- Broadening the range of services provided within communities.
- Supporting and participating in the design of healthy communities and places.

The public health element raised here brings a fresh dynamic to the discussion and highlights the impact that social infrastructure has as a determinant of people's health and wellbeing. It raises awareness of the need to view the regeneration of our towns and high streets through the prism of public health and the role that local health bodies have in building sustainable communities.

Fiscal devolution for placemaking?

The necessity for community involvement in placemaking and building back better our localities is glaringly obvious if we are to ensure that no place is left behind in the drive to recover and level up the UK. This also raises the long-ignored question of fiscal devolution. In order to successfully recover, all places across the nation will require robust and properly-funded local services and infrastructure. Ensuring long term and continued funding for these services will require far more than piecemeal funding from central government. This current moment of national renewal is the perfect opportunity for government to give local authorities greater powers to raise the revenues they need to fund the kind of placemaking interventions that require relatively small amounts of funding and make a big difference to local life – from small scale hyperlocal regeneration projects to renewing social infrastructure and cultural heritage. As demonstrated in Localis' comparative study on fiscal devolution in Europe[41], councils across England already possess many of the qualities required for its success. Chief amongst these include local trust, collaboration, and democratic accountability. Moreover, as Localis has recently pointed out[42] fiscal devolution circumvents delay caused by Westminster feuds or Whitehall gridlock by allowing councils to focus directly on their core task of placemaking.

40 NHS Confederation (2020) – Health on the High Street

41 Localis (2020) – Fiscal Devolution: Adopting an international approach

42 The MJ (2021) – Fiscal devo 'would avoid need' for legal challenges to levelling up fund

CHAPTER THREE

Skills, places & levelling up.

Government ambitions to boost productivity and keep the UK internationally competitive demand a focus on addressing the issues of skills shortages and the regional skills gap. A strong recovery from the pandemic will rely on creating opportunities across all regions of the UK to skill-up in line with the new and emerging needs of the national economy in the aftermath of COVID-19 enforced lockdowns. Doing this through harnessing the unique potential of each local area will be key to a successful recovery and developing a global-facing economy that works for everyone. The focus on skills as a pillar for growth in the Plan for Growth is also intertwined with the levelling up agenda.

The UK hosts four of the world's top twenty universities, and 52 percent of 25–34-year-olds are educated to tertiary level. Within this context, the government acknowledges that the contribution of skills to productive growth is largely down to higher-skilled cohorts. A particular challenge addressed in the Plan for Growth relates to technical and basic adult skills, which are two areas where the UK skills system is lagging internationally. There is a large disparity between young people training for technical qualifications and obtaining a degree. While only four per-cent of young people have a higher technical qualification by the age of 25, some 33 percent are degree qualified.

Adding to this, the low levels of basic adult skills in the UK workforce has been identified by government and the Industrial Strategy Council as an issue requiring immediate focus. According to the Council, five million workers are at risk of being under-skilled in basic digital skills by 2030[43]. This is compounded by the fact that, according to the Learning & Work Institute (LWI), 'the number of young people taking IT subjects at GCSE has dropped 40 percent since 2015'[44]. According to research by the LWI, 'only 48 percent of employers thought young people were leaving full-time education with sufficient digital skills and 76 percent believed a lack of [these] skills would hit profitability'[45].

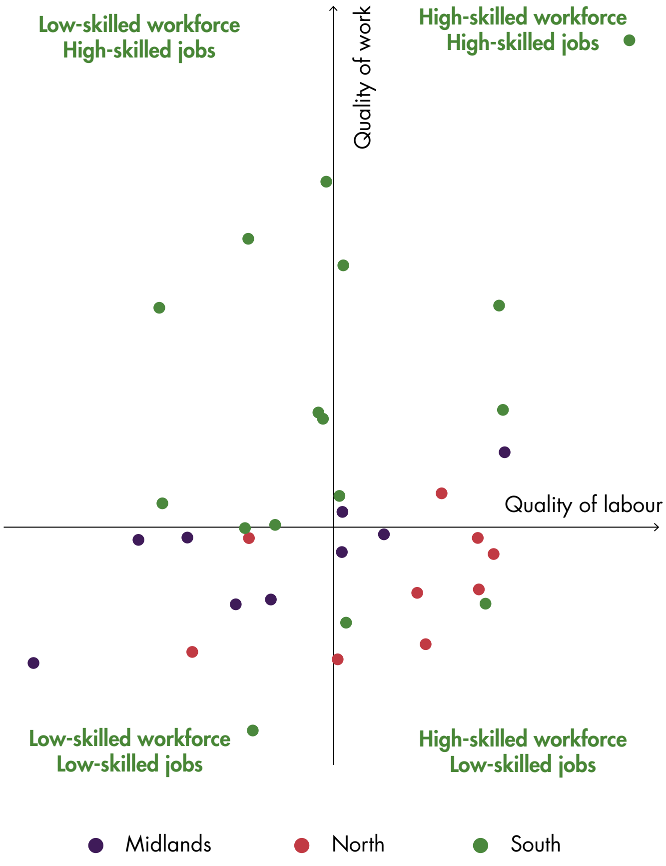
The rapid adoption of digital technology to facilitate homeworking by organisations as a result of the pandemic is something that is set to continue and deepen in one way or another[46]. On this basis, digital skills will become increasingly important in the functioning and overall growth of our economy. And as the government recognises, a workforce under-skilled in this important area 'holds back those people from employment, limits their ability to progress … and makes the UK a less attractive place to invest'.

The current state of the UK's skills system and the evolving skills demands of the economy have created a mismatch. The Industrial Strategy Council has forecast that the UK's projected demand for skills, especially in technology and people skills, will continue to increase over this decade while their supply will be constrained[47]. Accordingly, this will result in stunted economic growth and adversely impact productivity. It is important to highlight how 'left behind' areas,

43 Industrial Strategy Council (2019) – UK Skills Mismatch in 2030
44 BBC (2021) – UK 'heading towards digital skills shortage disaster'
45 The Guardian (2021) – UK digital skills shortage risks Covid recovery as young people shun IT courses
46 The Telegraph (2021) – Why office work will never be the same again
47 Industrial Strategy Council (2019) – UK Skills Mismatch in 2030

defined by low levels of social mobility and skills[48], are most at risk of being disadvantaged by this mismatch. If the government is serious about levelling up all corners of the UK through reforming our skills system, then targeted measures for place are needed. Moreover, measures already in place should consider and reflect the differing needs and circumstances of regional economies and their stakeholders.

Figure 4. Skills equilibrium among LEPs in England



Note: Four LEPs unavailable due to lack of data

Source: 'High Skill Jobs' composite index made up of: % of employment in high-skilled occupations (SOC2010 groups 3-4) - Annual Population Survey, Median gross weekly pay - Annual Survey or Hours and Earnings. 'High Skill Workforce' composite index made up of: % of 16-64 population with post-secondary education (NVQ3+) - Annual Population Survey, % of 16-64 population with recent (last 13 weeks) job-related training - Annual Population Survey, % of population aged 16-64 - ONS Population Estimates

48 Local Trust (2019) – What does being "left behind" mean in practice?

3.1 Fixing the skills mismatch

Government has announced a number of steps being taken to redress this mismatch. For example, a key aspect of the government's Plan for Jobs includes expanding Department for Work and Pensions' Jobcentre support, a part of which entails additional investment into the Flexible Support Fund to provide direct support at the local level. This is something Localis previously called for in *Hitting Reset*[49].

Alongside this are the two funds targeted at the unemployed or those at risk of unemployment. The £2bn Kickstart scheme is aimed at helping young people at risk of long-term unemployment, while the £2.9bn Restart programme is aimed at providing direct and personalised support for Universal Credit claimants for a period of one year. These measures sit alongside wider support aimed at expanding the number of traineeships and sector-based work academy placements amongst other things.

Within the Plan for Growth itself, the government's focus on fixing the skills mismatch is through transforming further education. Measures already taken include £375m in funding for technical education for adults, which is the first step in a £2.5bn investment in adult skills over this parliament through the National Skills Fund. This is in addition to £268m to support the roll out of the new T-levels, £270m for establishing 20 Institutes of Technology, and £1.5bn over six years to raise the condition of FE colleges. The roll out of T-levels and establishment of Institutes of Technology are a part of government plans to make technical education a 'true alternative to a degree by delivering the training and education that employers want'.

As part of its commitment to encourage lifelong learning, government announced the Lifetime Skills Guarantee in September 2020. This reflects the fact that 80 percent of the workforce of 2030 are already in work today and ensuring that they have the right skill set and opportunity to upskill and reskill will be a vital aspect of stimulating economic growth and levelling up. This new guarantee will enable adults to achieve their first full advanced level three qualification, equivalent to two a-levels. The courses are in key areas central to productive growth including business, engineering, health and social care, and digital. Alongside this, with regard to funding for adult skills, in addition to the £2.5bn National Skills Fund, a portion of the UKSPF will be targeted at skills support tailored to local need.

Elsewhere, government has committed to improve the English apprenticeship system

49 Localis (2018) – Hitting Reset

as part of their ambition to build on the apprenticeships revolution. Through Spending Review 2020 a few of the steps taken in this direction include employers being able to transfer unspent levy funds, from the Apprenticeship Levy, in bulk to SMEs from August 2021. In addition to this, English employers in construction, health and social care will be able to front load apprenticeship training. Budget 2021 earmarked £7m from July 2021 for employers in England to set up portable apprenticeships. The aim of this is to help those working across multiple different projects with different employers to continue benefiting from long-term training through doing an apprenticeship. Moreover, English employers who hire an apprenticeship between 1st April and 1st September 2021 will get £3,000 per hire.

It is right that central government should direct the overall skills strategy for the country, targeting increased productivity through improving the value of employment. However, just because a policy is best directed from the top-down, it does not mean that it should not leave room for variation in local labour markets, providing an optimisation role at the sub-regional level for strategic authorities working in concert with the local private sector.

3.2 The missing local element

The government's *Skills for Jobs: Lifelong Learning for Opportunity and Growth*[50] sets out reforms to further education in England to support people developing necessary skills wherever they live in the country. Specifically, key measures include 'putting employers at the heart of [the] skills system' and 'reforming funding and accountability to ensure a focus on the needs of local labour markets'. The success of these reforms will play a vital part in ensuring that skills provisions meet employer needs within local economies and that the skills system is harnessing the unique potential of each locality. While announcements around extra funding is encouraging, without streamlining this support to identify and meet specific local need, government run the risk of not seeing the benefit of their investment. Looking ahead, stakeholders need to keep a close eye on how these reforms pan out.

Overall, while the measures announced on skills reform in the Plan for Growth are a step in the right direction in redressing the skills mismatch, the lack of a local lens through which to analyse the challenge is a cause for concern. While the reforms announced in the Skills for Jobs are a promising start, the government missed an opportunity to tackle the skills mismatch and levelling up agenda in a cohesive and connected manner within the Plan for Growth. The government's own recognition of the differences in skills levels being a key explanation for

50 GOV.UK (2021) – Skills for jobs: lifelong learning for opportunity and growth

differing outputs and wages across regions is indicative of the need for a place-focused approach to meeting the challenge.

Taking such an approach is something that Localis and others have called for a number of times in the past few years. The commitment to placing employers at the heart of the skills system is the right approach to take. A section of *Hitting Reset* focused on local leadership in skills and training, encompassing every part of the local state including local authorities, employers, and further education providers. In it, emphasis was placed on the adjustments needed at the national and local level to enhance the capacity of the local state in skills provision.

One of the key arguments advanced was for the need to extend and support capacity for collaboration. Specifically, the institutional architecture of further education colleges needs to be reformed to promote trust and collaboration with the wider business industry and employers. A part of this would involve further devolution of the education budget similar to how the Adult Education Budget was devolved to Mayoral Combined Authorities. Doing this would allow targeted focus on the needs of local economies in light of funding shortfalls experienced by FE colleges in the recent past.

Reforming the Apprenticeship Levy so that it has a focus on place priorities could aid creative and effective collaboration amongst the local state. Measures announced to this end in the Plan for Growth are promising. Particularly the new pledge function that will allow employers to transfer unspent levy funds to SMEs that share similar business priorities. This is being modelled on the West Midlands Levy Transfer Fund, which was set up by the West Midlands Combined Authority in 2018 to facilitate the transfer and supercharge apprenticeships in the region. Importantly, local employers and anchors including Lloyds Banking Group and the University of Birmingham have partnered with the WMCA to transfer their unspent levy to smaller employers offering apprenticeships in key skills areas. This proves the collaborative capacity of the local state in honing skills provision to local economic need when given the flexibility to do so.

Building on this, local employers should be allowed to pool their apprenticeship levy contributions with upper tier strategic education authorities, while also working together with the local further education sector. Allowing for both of these things to happen would truly boost the local leadership needed in skills provision in light of both Brexit and COVID-19. As argued in *Hitting Reset*, this could be facilitated through expanding Skills Advisory Panels (SAPs) to include the local education authority, as well as allowing SAPs to oversee the provision of the Apprenticeship Levy. Devolving the collection and management of the Levy to SAPs would result in the local education authority making funding decisions in partnership with local FE providers and businesses, leading to more effective local state collaboration needed in skills provision. Furthermore, this is the ideal tool through which to facilitate the transfer of unspent levy funds to SMEs, as proposed by government in their reforms to the Apprenticeship Levy.

Elsewhere, the Local Government Association has been advocating a Work Local[51] vision for a devolved and integrated employment and skills service. This is in recognition of the fact that the UK has 'one of the most centralised employment and skills system in the developed world'[52], while local areas have little to no power to influence priorities, funding, or delivery. Currently, there is no joined-up approach on working together between central government bodies such as the Jobcentre Plus, the National Careers Service, and the Education and Skills Funding Agency. This is on top of government funding being managed centrally across several different departments and agencies. The LGA notes that despite this investment, these agencies fail to have reach in local areas in a manner capable of meeting their needs.

To rectify this, the Work Local vision is one where combined authorities and councils have the power and funding to manage joined-up services for skills and education. Working in partnership with local and national stakeholders, this joined-up service would bring together guidance, employment, apprenticeships, skills, and business support for individuals and employers. Key principles underpinning this vision include[53]:

- a 'one stop' service, rooted in place, flexible to local needs;
- clear and responsive local leadership;
- driven by local opportunities and needs;
- a common national framework for devolution;
- improved offer for individuals and employers;
- governed by Labour Market Agreements (LLMAs).

The vision was first introduced in December 2019, therefore the impact that COVID-19 may have had on it has not been taken into consideration. However, analysis at the time suggested Work Local could result in 8,500 more people in work with 6,000 people increasing their skills. For a medium-sized combined authority, this would result in £280m extra for the public purse and a £420m overall boost to the local economy.

51 LGA – Work Local

52 LGA – Work Local: Our vision for employment and skills

53 LGA – Work Local

CHAPTER FOUR

Clean Growth and the Low Carbon Economy.

Alongside levelling up, transitioning to a net zero economy by 2050 is an equally important 'people's priority' forming the basis of government objectives in the Plan for Growth. This is important because despite the pandemic continuing to stall economies, incomes, and mobility across the globe, clean growth and the low carbon economy provide an opportunity to re-imagine our collective future. A re-imagining which takes on board the universal call to act to reverse climate degradation, translates this into actionable policy, and grounds it in the UK's national economic renewal and recovery.

For their part, government appears to recognise this through their commitment to 'building back better, greener, and faster'. In November 2020, it released the Ten Point Plan for a Green Industrial Revolution and, in the Plan for Growth, has committed to delivering on it by leveraging private sector investment and supporting up to 250,000 high-skilled jobs. The ten focus areas include:

- Offshore wind
- Hydrogen
- Nuclear energy
- Electric vehicles
- Public transport, cycling and walking
- Jet Zero and greener maritime
- Homes and public buildings
- Carbon capture
- Protecting the natural environment
- Innovation and finance to make the City of London the global centre of green finance.

The Ten Point Plan sets out government plans for how the UK can make the most of opportunities presented by the shift to net zero, and the steps needed to tackle the UK's contribution to climate change. It announced £12bn of planned government investment in areas around renewable energy, nuclear power, and countryside restoration.

In delivering it, some of the steps the government has laid out in the Plan for Growth include creating the 250,000 green high skilled jobs through the production of offshore wind, generating 5GW of low-carbon hydrogen production capacity by 2030, building the technology to capture and store harmful emissions away from the atmosphere, replacing 600,000 heat pump installations per year by 2028, and end the sale of new petrol and diesel cars by 2030.

4.1 Localis analysis of Ten Point Plan

Shortly after its release, Localis published an analysis of the Ten Point Plan[54]. It stated that the most favourable aspect of the plan is the decision to ban diesel and petrol cars by 2030, which would reduce carbon emissions and minimise

54 Localis (2020) - Localis Analysis 10 Point Green Plan

air pollution. Additionally, through the ban there is potential to increase GDP by £4.2bn compared with phasing out by 2035. Alongside this, the focus on electric vehicles is encouraging. Equally, it raises questions of who and how the necessary national roll out of electric vehicle charging infrastructure will be funded. This is something that should not be placed at the door of local authorities who are already cash-strapped and struggling from the financial hit of last year's pandemic. The associated infrastructure demands of electric vehicles remains an area of opportunity for the government and the skills agenda. The need to retrain and build skills in the assembly and supply chain will be vital to creating new jobs and unleashing the potential of the Green Industrial Revolution on levelling up the UK.

There are aspects where the plan falls short. While it sets out actionable steps for the green industrial revolution, it also looks to raise spending on fossil fuel produced hydrogen for home heating to the tune of £785m. Doing this would make the transition to net zero more difficult in the near future and prove to be a retrograde step in reaching the national goal by 2050.

It must also be pointed out that of the £12bn announced, only £3bn will be new public money, with the remaining £9bn assumed to be delivered by the private sector. This in itself would not be a problem were it not for the fact that there is no clear path set out to encourage this. Compounding this, recent findings that 60 of the world's biggest banks have provided $3.8tn of financing to the fossil fuel sector since the Paris climate agreement is disheartening[55].

Overall, analysis of the Ten Point Plan shows that current government investment allocated for it is a small fraction of what is needed to facilitate an economy-wide revolution in green investment, skills, and jobs across the UK's regions. While the plan has a good balance of supply, demand and infrastructure interventions, a more holistic and whole systems approach is required in fully realising the net zero economy government is aiming for in 2050.

Delivering on the Ten Point Plan

The Plan for Growth sets out steps the government has taken to date in fulfilling the vision of the Ten Point Plan. In recognising the role that Carbon Capture Usage and Storage (CCUS) will play in the UK's journey to net zero by 2050, the government announced the aim of capturing 10 metric tonnes CO2/year by 2030. In order to achieve this, the size of the CCUS Infrastructure Fund was increased at the Spending Review 2020 – money that will support the deployment

55 The Guardian (2021) – Big banks' trillion-dollar financing for fossil fuels 'shocking', says report

of four CCUS clusters. According to the government, this will help support 50,000 jobs.

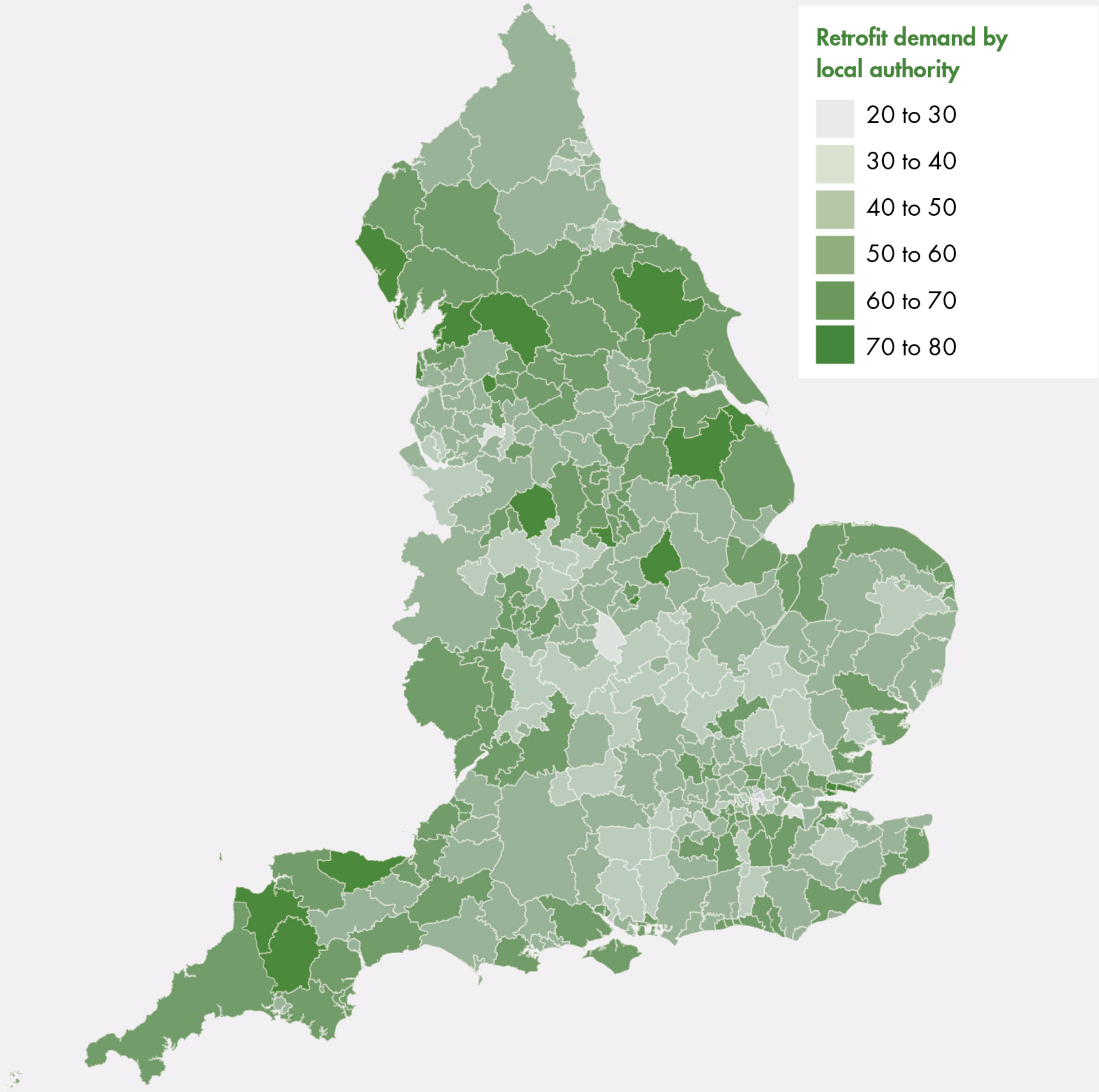
To ensure that the financial sector can play a strong role in the transition to net zero, the Plan for Growth lays out government ambition to implement a 'Green Taxonomy' that will provide a common standard for measuring a firms environmental impact, while also obliging them to disclose any climate risks they face in line with climate related financial disclosures (TCFD). Additionally, work is being done to ensure the remits of both the Monetary Policy Committee and Financial Policy Committee reflect the government's economic strategy for delivering an environmentally-sustainable net zero economy.

The government recognises the need for actionable plans to meet the targets set out in the Ten Point Plan. Therefore, the Plan for Growth sets out the different deliverable plans for each sector that will be published over the course of 2021. These include the Heat and Building Strategy, Transport Decarbonisation Plan, Industrial Decarbonisation Strategy, and the Treasury's Net Zero Review. The latter will look at how the UK can maximise economic benefit from the transition while ensuring 'an equitable balance of contributions from households, businesses and taxpayers'. While promises of strategies, reviews, and white papers are encouraging, it is difficult to make any meaningful assessment unless and until the details come out. Experience of government promises of a social care green paper which never materialised shows how quickly ambition can get derailed with an absence of much needed political capital and momentum[56].

Elsewhere, the connection between the clean growth and skills agenda is a prime opportunity through which to level up the UK, in terms of increasing regional productivity, and ensuring we have a workforce fit for the future demands of a zero-carbon economy. It is essential that strong focus is given to retraining and upskilling the British workforce so that the transition to the zero-carbon economy reaches its full productivity potential. Within the Plan for Growth, the government acknowledges that 'access to high quality training is vital to levelling up' and has accordingly announced a number of measures to help people get the right skills they need. However, very little is said regarding the possibilities that are available when viewing the skills agenda through the lens of clean growth and what is needed to ensure full adaptability of the British labour market.

56 The Guardian (2021) – Lack of social care strategy left system weakened when Covid struck - report

Figure 5. Percentage of buildings with energy-efficiency bands lower than C



When discussing labour markets, it is said that "the net impact of the transition on local labour markets will depend on the cost of decarbonisation for individual firms and the flexibility of the labour market to match vacancies with the necessary skills". The labour market found in each region of the UK will be different from the next. Therefore, focusing on the needs of local labour markets is necessary. For example, between 2009 and 2018, 71 percent of coastal towns experienced slower population and employment growth than the English and Welsh average[57]. In fact, in the same period 50 percent of coastal towns had a decline in employment compared with 37 percent of non-coastal towns. At the same time, residents in these towns are less likely to have a degree or equivalent level of qualification. Addressing this disparity will be vital to the success of levelling up. Offshore wind, and the jobs this sector can create for coastal communities, would have a tremendous impact on levels of productive growth if training and reskilling provisions were to be targeted correctly.

The Plan for Growth discusses how the Green Jobs Taskforce, formed as part of the Ten Point Plan, and government will work with businesses, skill providers and unions to develop plans during the transition to net zero. In the face of such a seismic shift to the way our economy works, and the positive impact this could potentially bring, committing to developing vague plans simply is not good enough. There needs to be an understanding of the exact purpose of such plans and the deliverable steps needed to actualise them. Ultimately, there needs to be a core focus that centres such plans to make them workable. And that focus is place.

This highlights a bigger issue found within the Plan for Growth; it does not address the potential of action that is being taken on at the level of place to accelerate the transition to net zero and achieve the objectives of the clean growth agenda. Decarbonising our economy is one area of policy that requires a careful balance of central-local action and robust engagement between both levels of government. In 'The Route to Clean Growth'[58], Localis and Green Alliance highlighted how, although there will be common themes, clean growth will look different across England. Basic action that will continue to be needed include in areas such as integrated transport.

Through the intra-city transport settlements being rolled out by government, this is something being addressed. Budget 2020 invested £4.2bn in them from 2022-23 allocating them to eight city regions across England. In Budget 2021, government confirmed capacity funding in 2021-22 for those city regions with the appropriate

57 ONS (2020) – Coastal towns in England and Wales: October 2020

58 Localis (2019) - The route to clean growth: using local industrial strategies to drive change

governance arrangements. Through this funding, eligible city regions will be able to develop integrated transport plans based on local priorities.

This step, while selective in its nature of working with local government, is an encouraging one in the right direction. Building on this, local areas will need to be afforded the powers to act with pace on the agenda. Consultations carried out as a part of 'The Route to Clean Growth' found that England's largest mayoral regions – many of which qualify for the intra-city transport settlement – have barely half the powers needed to adequately transform their local economies in the way needed to meet the challenges of climate change. Areas where powers are lacking and required include manufacturing and land management. Overall, local bodies that have made considerable progress on clean growth will justifiably want further powers devolved to them to continue their work on the level of place.

Clean local growth in Oxford

Working with regional partners across the county and Arc, Oxford City Council has made considerable progress in addressing climate change concerns since declaring a climate emergency in 2019. Oxford was the first city to hold a citizens' assembly on climate change, which resulted in a report - the recommendations of which the council are actively working on[59]. One such commitment is for the council to become carbon neutral in all public buildings by 2030. The city council has also appointed an independent scientific advisor to consult on decisions around climate change[60]. And most recently, in February 2021 the city council coordinated 21 local stakeholders to sign a Zero Carbon Oxford Charter galvanising action within local business to act on the climate change agenda[61]. However, there are areas where decisions by central government are hampering the local state's ability to act at pace. A recent example is the proposed changes to energy efficiency standards in the Future Homes Standard 2025 as a national minimum. Setting these standards on a national level impedes action on a local level. In Oxford's case this will directly impact their ability to reach carbon neutrality city wide by 2040.

59 Oxford City Council (2020) - Oxford Citizens Assembly on Climate Change report published

60 University of Oxford (2020) - Professor Nick Eyre appointed Oxford City Council scientific advisor

61 Oxford City Council (2021) - Leaders across Oxford support 2040 net zero carbon emissions pledge

This closely relates to infrastructure. The Plan for Growth reiterates the Ten Point Plan's recognition of 'infrastructure investment [being] fundamental to delivering net zero emissions by 2050'. It goes on to discuss how private sector investment will be unlocked to 'accelerate the deployment if existing technologies, such as retrofitting building stock and electrification of vehicles, while advancing newer technologies such as carbon capture and low hydrogen'. Again, while this all sounds exciting and very promising, what is missing is any indication of how this private sector investment will be unlocked.

Elsewhere, the commitment to use COP26 as a stage to show the UK Government's commitment to the Paris Agreement is at odds with the government's decision to ignore it 'when deciding on major infrastructure projects'[62]. A few of the decisions to have caused concern relate to the expansion of Heathrow Airport, plans for a new coal mine in Cumbria, licences being granted in March 2021 for oil and gas exploration in the North Sea, and the recent scrapping of the Green Homes Grant for low-carbon heating. At a time when the local state has demonstrated its eagerness to act at pace in decarbonising local economies, the fact they are being held back owing to regulations set by a government that is making decisions which set back work done to transition to a net zero economy by 2050 is counterproductive.

62 The Guardian (2021) – UK criticised for ignoring Paris climate goals in infrastructure decisions

CHAPTER FIVE

Devolution & Decentralisation

This year the bumper crop of May local government elections – including the strategic mayoral elections held over from last year – and the anticipated publication of the delayed English Devolution and Local Recovery White Paper, renamed as the Levelling Up White Paper - will focus attention on the transfer of powers, finance and funding from Whitehall. As highlighted throughout this analysis, this transfer to the local state will be critical in the success of the levelling up agenda, especially in developing places that communities can be proud of.

The government understands that delivering growth across the UK will require a new approach to working with local institutions. The Plan for Growth states how empowered local institutions can enact change in their area through partnership working with local communities and businesses. This recognition of the power of the local state to deliver for place is an encouraging sign for future central-local relations. Furthermore, government's ambition includes a re-write of how support is delivered for place 'to ensure it better reflects the communities it serves'. Within this context, a number of measures have been announced to reflect this ambition. These include:

- Relocating 22,000 Civil Service roles outside of London and the South East by 2030 through the Places for Growth programme
- HM Treasury establishing a new economic campus in the North of England.
- Relocating Civil Service jobs into Scotland, including into Queen Elizabeth House, which will serve as the UK Edinburgh Hub
- The creation of a new UK Infrastructure Bank in the North of England to catalyse private investment in infrastructure projects

The question of devolution is not a major focus in the Plan for Growth. However, the government maintains its desire 'to give more power to local communities'. The preferred path in doing this is through a further roll out of devolution deals across England. They have also committed to releasing the Levelling Up White Paper in 2021, which will set out how these devolution arrangements will work and it will be based on the directly-elected mayoral model. The commitment of £7.5bn of un-ringfenced gain share investments over 30 years for the nine existing Mayoral Combined Authorities, to be spent on local priorities, gives an indication of how any such devolution arrangements would be funded. While allowing for more fiscal flexibility, funding for local priorities would still be coming from central government.

Overall, the Plan for Growth is a centralist strategy. With regard to devolution and decentralisation, the government's approach to delivering on local priorities is based more on the latter than it is on the former. Measures announced to ensure government support reflects community need, and to give power to local communities, are a decentralisation of central government power away from Whitehall to other parts of the UK. This does not mean that power is transferred away from the centre.

For example, the creation of a new economic campus in the North of England is to be carried out in order to shift policy making away from Whitehall. It is hard to see how this will help tailor government support to better reflect community needs.

This is not to say that there will not be positive effects coming from the measure. Economic policy covering the entire UK must be conducted at the level of central government. Therefore, creating a new Treasury campus in the North will go a long way in bringing government decision-making closer to the people of the UK.

However, actually giving 'more power to local communities' requires the devolution of decision making and fiscal powers to the local state. This is a distinct process from decentralisation of central power and warrants a bigger discussion than touched upon in the Plan for Growth. Of particular interest in the government's preferred path of devolution deals is the un-ringfenced gain share investment model for funding. Gain share is a grant-based investment fund and is a part of single pot fiscal agreements within devolution deals[63]. Gain share allows for greater flexibility on the local level, yet fiscally binds the local state to central government. Furthermore, doubt has been raised as to whether the roughly £30m a year handed to each MCA is enough to meet local challenges. In 2020, before the South Yorkshire devolution deal came into effect, it was pointed out that the £30m a year figure would not be enough on its own to 'deliver the recognised scale of transformation required in the region'[64]. At a time when communities across the country will need to direct efforts on recovery and improving place prosperity, attention needs to be focused on finding appropriate mechanisms that give the local state proper governance and financial powers, for both decision-making and revenue-raising.

5.1 Devolving power to the local state

Finding these appropriate mechanisms does not mean creating new ones through which to devolve powers to. Given the urgent task at hand of pandemic recovery, efforts would be better spent in using existing mechanisms. Especially when considering how the government themselves recognises that 'the existing local institutional framework is complex and fragmented', it is in no one's interest to start reconfiguring the local state in the name of devolution. Doing so at this moment would only add to increased fragmentation and complexity. This is something that has also been recognised in the All-Party Parliamentary Group for Devolution's report 'Levelling up Devo – The role of national government in making a success of devolution in England'[65]. In the report, central government's

63 MHCLG (2019) – National Growth Assurance Framework: The Framework for Mayoral Combined Authorities with a Single Pot funding arrangement and Local Enterprise Partnerships

64 The Yorkshire Post (2020) – Why £30m a year from devolution won't be enough to transform South Yorkshire

65 The Devolution All Party Parliamentary Group (2020) – Levelling-up Devo: The role of national government in making a success of devolution in England

consistent obsession with structural changes and governance arrangements has been identified as a barrier to devolution in England.

Over the last year, Localis' work has been focused on what will be needed to build regional economic resilience in the COVID-19 age. Here it is important to bear in mind how a constantly changing landscape of regional policy in the UK[66] has inhibited any initiative from reaching its full potential. Most recently, this is the case for Local Industrial Strategies, devised to drive local economic growth. While progress had been made with them, issues including Brexit, Theresa May's resignation, the subsequent General Election, and now COVID-19, had all led to LIS being put on the back burner. And while, early on in the pandemic, the Industrial Strategy Council urged government to place them at the heart of economic recovery[67] this call was ignored. And now, concern has been raised at the apparent shelving of LIS prompting 'dismay … over the wasted resources that have gone into drawing up the plans'[68]. It is not overly pessimistic to say that continually changing regional policy from the centre in this way will result in increased regional inequality, the productivity gap never being rectified and worsening pre-existing problems.

It is within this context that what is stated within the white paper, regarding powers vested to the local state, will be so important. Councils across the country have played a huge and instrumental role in developing and executing strategies for recovery, while putting forward their place-based visions for the 'new normal'. This has demonstrated the twin track of the economic role local councils play: addressing the immediate challenges facing their local economy and then building a longer-term vision of its future.

The latter is particularly important within the context of placemaking and plays a key part of the strategic side of local governance. What the white paper says about the ability to exercise the powers needed in actualising this vision will be a central focus for local government. There is a need for the roles and responsibilities of existing local institutions to be defined and made substantive.

The APPG report called on the government to widen its approach to devolution through considering new models suited for the differing circumstances faced by localities in their recovery. It notes that the objectives of the devolution agenda have never been properly articulated with regards to its scope, process or the timescale involved. While the Plan for Growth has given some indication as to the

66 UK 2070 Commission (2019) – Fairer and Stronger: Rebalancing the UK Economy
67 The MJ (2020) – Government told to recommit to local industrial strategies
68 LGC (2021) – Exclusive: Concern over apparent shelving of local industrial strategies

scope of the Levelling Up White Paper, the report urged government to 'include a clear statement of purpose and principles' within it as well as a clear timeframe within which to deliver changes.

With regard to widening its approach to devolution, the report further argues that the white paper should 'make clear that powers may be devolved to any existing unit of local government without the requirement to undergo structural changes'. At the same time allowing for councils to come together in facing shared challenges through the combined authority model if this would be their preference. Ultimately, the devolution of power should not be restricted as only occurring through a centrally-mandated model, as this model may not be appropriate for every locality. Rather, increased involvement from the local state as to how devolution should occur in their area needs to be encouraged. This could occur, as recommended in the report, through the creation of a National Devolution Baseline for England that would clearly set out a list of powers available to councils independent of the need to enter a devolution deal.

Any government plans to move forward with devolution need to prioritise the task of restoring the nation's economic and social fortunes and should not be fixated by the view that doing so inevitably means ringing in changes to the governance structures of the local state. These arrangements are not of huge concern to everyday people. What matters more is how well the local state can provide the services communities need. And addressing this can be done without changing the form of local government.

Ultimately, if an English devolution settlement is to achieve success, we will need a central government that does not micromanage every last line of local public expenditure or devise strategies that affect the destinies of places in the abstract without consultation or deep understanding of local context[69].

Despite this, it appears that government, whenever discussion of it does take place, are prioritising form over function in the matter of devolution. And recent interventions give cause to believe that even the current preferred form of Mayoral Combined Authorities are dependent on the success of the governing party in the May local elections. Of particular note has been the chancellor taking time in the middle of delivering Budget 2021 to sing praise for Tees Valley Mayor. As well as the prime minister levelling accusations[70] against the current Mayor of London over TfL finances during a live COVID-19 briefing in the middle of election purdah.

69 Conservative Home (2021) – Jonathan Werran: The Union and the English question. The answer is to let a hundred localist flowers blossom

70 The Guardian (2021) – Boris Johnson broke rules by criticising Saqid Khan, says Labour

Relatedly, in keeping with the arguments advanced in 'Renewing Neighbourhood Democracy – Creating Powerful Communities', widening the approach to devolution must entail a government commitment to double devolution in the white paper. Particularly, in giving local councils a statutory role so they act as a point of contact for community groups looking to establish forms of local control and increase their stake in placemaking[71].

Another significant barrier to devolution identified in the APPG report was the lack of adequate fiscal devolution and long-term financial certainty that limits the ability of local government to properly deliver place prosperity for their areas. In addressing this challenge, the APPG report advanced an argument Localis has previously championed in considering new tax-setting powers for local government. Doing this would allow a way to move away from 'inefficient and expensive competitive bidding processes' that local authorities have to engage in when trying to deliver for place.

Taking together government policy to date on devolution and the funding mechanism that underpins it, which takes a preference for the single pot bidding system, highlights one of the biggest challenges facing levelling up through tackling regional inequality. A lack of adequate revenue-raising powers for the local state directly impacts the ability to carry out strategies for local growth more broadly. Local Enterprise Partnerships have been responsible for leading on Local Industrial Strategies. However, this has created significant pressures due to the availability and sufficiency of central government funding to actually implement them. This is something particularly true for more rural LEPs that face competing with their urban counterparts for the same funding, which can go on to adversely impact the scope of sub-regional strategies and the ability to deliver them on the ground. While LEPs need to work with central government on funding for large scale infrastructure projects that are of national significance, there is still scope for projects of local significance to be carried out without waiting on the same funding. This is something that will only be possible with greater fiscal autonomy on the local level. And this returns us back to the argument for fiscal devolution for the local state in raising revenues needed to invest in place priorities.

Coupled with the evolving national challenges the country has been facing, the lack of fiscal autonomy for the local state is an obstacle in the face of local growth and recovery. Despite this, there has been significant progress with the LIS with seven of the planned 36 being published as of 2020. Once again, at a time where local institutions are most needed in guiding national recovery and growth

71 LGC (2021) – Jonathan Werran: One year on – learning the lessons of the pandemic

at the right level, the last thing recovery needs is for more obstacles to be thrown in its path by attempting to reconfigure the local state.

When the decision was made in 2017 to put LEPs, instead of local authorities, in charge of devising LIS there were many, including Localis[72], who were initially against the idea. However, the way in which many LEPs have led on their strategies, and the manner in which they sprang into action during the pandemic, proves the integral role they play in local growth and recovery. During the initial phases of the pandemic, LEPs released a 5 Point Plan for Recovery in July 2020 aimed at boosting local economies and getting them on the path to recovery[73]. This has subsequently been followed by a five-year blueprint to rebuild the local economy with a bottom-up approach in the LEP Network's representation to the 2020 Comprehensive Spending Review[74].

This blueprint focuses on five core areas that happen to interlink with ambitions for growth and recovery the government has set out in the Plan for Growth. The focus of the blueprint is on 'creat[ing] a business-led, local response to recover and rebuild the economy, seizing the opportunities of the UK's new global position and working towards net zero carbon emissions'. Alongside this, work to date on LIS are based along the geographic lines of their LEPs. Taking these factors together, there is a strong argument to be made for their continued leadership in completing LIS and seeing them implemented with continued government support.

72 Localis (2017) – LEPs not suited for growth role, Localis warns

73 LEP Network (2020) – 5 Point Plan for Recovery

74 LEP Network (2020) – LEP Representation: 2020 Comprehensive Spending Review

Key points for the Levelling Up White Paper

To build on the foundations laid in the Plan for Growth and ensure a multifaceted, dynamic recovery, the Levelling Up White Paper must:

- Create pathways to community autonomy as a vehicle for hyperlocal, small-scale and patient financing of regeneration.
- Build a framework for devolution to Skills Advisory Panels to facilitate local collaboration between employers, providers and education authorities to further accelerate the push to improve skill levels.
- As part of the above, create a clear role for the local state in driving towards the skills for net zero.
- Clarify and codify the role for existing institutions of the local state – particularly local authorities in LEPs – in driving economic development.

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