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**GK Insights:**

# Levelling up White Paper

*Analysis by Jack **Sansum***

The Government published its long-awaited *Levelling Up the United Kingdom white paper* on 2 February. Running at over 300 pages, it's an extensive document, providing a strong analysis of the causes of economic and social disparities across the UK.

The plans to address and narrow these disparities are certainly ambitious, with the white paper arguing that a "fundamental rewiring" of the system of decision-making, locally and nationally, is required. As such, the Government has set out a new approach on 12 targets, or "missions" linked to policy objectives. While the targets all have a 2030 end date, the Government says that policies "will begin to have visible effects" in the "next few years".

## **Delivery, delivery, delivery**

For the Johnson Government, delivery will be key, with the next election fast approaching. The Government quite simply has to make real progress within the next 18 months to have any hope of holding onto the Red Wall. At present that looks like a tough task, with a cost of living crisis, pandemic hangover and general government chaos.

For the Government, levelling up is synonymous with allowing people to "take back control of their lives", harnessing civic and community pride – neither of which is tangible or easy to measure and implement. However, with the levelling up agenda "the defining mission" of the Johnson Government, the white paper is a serious attempt to address the United Kingdom's economic and social divides, seen first hand in the 2016 European Union referendum and again at the 2019 election. Yet, with no additional funding or new resources, if the Government is truly serious about levelling up, a lot more money is needed.

## **Next steps**

The Government intends to introduce legislation to put into statute some aspects of the agenda. This is likely to include an obligation "to report annually on progress towards meeting the Levelling Up missions". A new Levelling Up Advisory Council will also be created, chaired by the Secretary of State of Levelling Up Michael Gove and made up of leaders of industry, academic and civil society.



The GK team explore further a number of the key targets and policies outlined in the white paper.

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## What does the **Levelling Up** White Paper mean for

# Devolution

By **Natasha Pinnington**

A cornerstone of the levelling up strategy is the government's devolution plans, and the success of the white paper will in part be how far the UK Government intend to go in delivering devolution – a term up until now largely relevant to power sharing across the four countries of the union. The white paper outlines that regions of the UK are – in theory – being invited to share in their own devolution deals. Specifically, the white paper sets up details of a new devolution framework, a new Levelling Up Advisory Council and the establishment of a new body focusing on local government data.

In terms of devolution, the white paper, on first reading, appears to invite all areas of the UK who want a devolution deal to apply for one; in reality, only hand-picked areas including Cornwall, Durham,

Devon, Nottinghamshire and Hull have been invited to apply for such a deal. Each deal comes with a capital investment fund of between £450 million and £1.1 billion. Meanwhile, it also seeks to address the complications of local government decision-making processes, as well as streamlining regional differences. It will consult on the establishment of a new devolution framework, which would legislate to introduce a new form of combined authority to provide a single, accountable institution across a functional economic area/whole county geography. It also allows for a three-tiered approach to devolution, opportunities to renegotiate existing deals and even to change public sector administrative boundaries in order to make the deals more locally effective.

While these moves have been largely welcomed, the paper is light on the detail of fiscal autonomy. Until true fiscal autonomy is established, and local governments can set their own taxes and budgets, many regions will continue to feel that devolution happens in name only.

The white paper also announced an intention to establish a new Mayoral Combined Authority (MCA) for York and North Yorkshire. This means the

establishment of a new North Yorkshire Metro Mayor, joining figures like Tracy Brabin, Andy Burnham and Steve Rotherham. England currently has 8 metro mayors, 6 of which are Labour, and 2 Conservatives.

*Metro mayors* have been growing in the public consciousness after Burnham and Rotherham's well publicised pushbacks to the Government's coronavirus lockdown measures and will continue to be interesting roles within and beyond this white paper. Indeed, they relate back to David Cameron's system of 'super mayors' in 2012 - plans turned down by nine English cities. Only Bristol assented to the plans, with the city due to hold another referendum in May 2022 on whether to retain the position, or whether to return to decision-making by councillors and the existing system of governance, which was in place prior to the election of George Ferguson as the city's first directly elected Mayor in November 2012.

The popularity of the northern mayors aside, it seems that the country-wide opinion about mayoral structures, their governance and functions, may be more mixed. In the meantime, certainly more devolution (rather than less) and efforts in this white paper to simplify the complicated strata of local government represents some steps in the right direction.

## What does the **Levelling Up** White Paper mean for

# Health

By **Daniele Schmidt-Fischer**

Whilst there is strong focus on tackling health inequalities as part of the Government's Levelling Up agenda, the commitments in the white paper do not meet the enormous challenge of poor-health and health disparities, which COVID-19 has not only highlighted, but exacerbated.

The key novel policy is the commitment to publish a white paper on Health Disparities in England this year, focusing on prevention and disparities by ethnicity, socioeconomic background, and geography. This forthcoming paper, alongside the recently published Integration *white paper*, are designed to facilitate the goal of the health-related missions, narrowing the gap in healthy life expectancy between the richest and poorest parts of the country and raising it by five years by 2035.

The Health Disparities white paper will seek to learn from experiences during the pandemic response about how best to mobilise industry and social care leaders to address shared health challenges. This will include new ways to ensure that business plays a part in improving health, proposals for place-based solutions and ways in which Government can work more effectively to improve health.

However, although these missions are ambitious, the white paper fails to address the deeply entrenched and complex factors influencing poor health, including obesity, which the Government highlighted to be "one of the greatest long-term health challenges this country faces". The latest available *data* found that 36.2% of adults in England are overweight, and that in the most deprived areas in England, prevalence of excess weight (overweight or obese) is 9 percentage points higher than the least deprived areas. Furthermore, whilst the impact of the pandemic on adult obesity levels is still unknown, Public Health England have *argued* that "it is possible we will see an increase and a widening of inequalities."

The white paper makes welcome new announcements on school food and social prescribing of fruit and vegetables, but it is unclear how the initiatives will address a growing and unequal issue.

The upcoming Food Strategy white paper and Health Disparities white paper provide an opportunity for the Government to significantly capitalise on the ambition of last year's *National Food Strategy* - which

found that diet is the leading cause of avoidable harm to our health - and to deliver the food system transformation that is urgently needed for the success of the levelling up agenda.

Overall, the levelling up white paper demonstrates ambition to reduce the gap in healthy life expectancy and highlights the areas of the NHS and wider society. However, this will not happen without addressing the core determinants of ill-health, such as obesity, which disproportionately affect the most deprived in our society. Indeed, effectively combatting the deeply entrenched and complex factors influencing poor health will be the ultimate indicator of whether levelling up the nation's health has worked. Ultimately this will take cross-sector and cross-organisational coordination in pursuit of this mission.

## What does the **Levelling Up White Paper** mean for

# Education

By **Nicole Wyatt**

Given the impact of the coronavirus pandemic on education, it is no surprise that two of the 12 missions in the white paper focus on educating children and adults across the UK. Amongst the headline announcements, the *Education Investment Areas* and new Pathfinder areas for skills are some of the direct ways the Government commits to focus investment in the areas that need it the most.

While there has been a plethora of policies unveiled by the Department for Education, importantly there has been no new funding announced. The latest round of funding for schools announced at the *latest Spending Review* still puts the education budget way below its *highest point in 2009-2010*.

The education "national mission" is to ensure 90% of children leaving primary school are reaching the expected standard in reading, writing, and maths by 2030. For context, in 2019, just 65% of pupils met all three standards. Some of the key announcements that directly impact schools in reaching the goal include: new *free 16-19 schools* and *specialist 16-19 maths schools*; a new UK National Academy for online teacher resources dedicated to working with devolved nations; and pilot inspections into schools' food quality. The white paper also provides a teaser of the forthcoming schools white paper, expected to address the issue of school structures, outlining that the document will "set out a vision for a system in which schools are in strong MATs that are able to drive improvement for all their pupils".

Interestingly, there is an increased focus on skills. The Government promises to increase the number of people successfully completing high-quality skills training by 2030. *Local Skills Improvement Plans* will be employer-led and therefore, less centralised than previous attempts. More funding is announced for *Skills Bootcamps* to reskill and upskill people. The Department also plans to create a new Unit for Future Skills, which will attempt to keep skills on the agenda. A new *Institutes of Technology* will be created, so more regions can participate in modernising and greening the economy.

It's welcome to see ambitious targets related to education, given the substantial knock-on effects of educational attainment. However, as ever, the proof of levelling up is in the pudding.

## What does the **Levelling Up** White Paper mean for

# Infrastructure

By **Milo Boyd**

Infrastructure underpins almost every "mission" of the white paper, from health to education, to transport, to digital connectivity and beyond, meaning that it will be a crucial factor in ensuring that all missions can reach their lofty ambitions. It provides a thorough diagnosis of the UK's current infrastructure, rightly highlighting the yawning gaps between the Southeast, London and the rest of the country, but does not explicitly provide a roadmap to successful delivery. Encouragingly, however, there are some details provided on the 'final destination'.

Industry experts will no doubt be pondering exactly what it 'means' to bring infrastructure closer to the standard of London. Improving services to include an extensive, expensive underground metro system? A barely used cable car system? There is little information available to indicate what this will mean in practicality, aside from commitments to improved services.

The Government makes clear its ambition to support 'King's Cross-style regeneration projects' for transport and housing infrastructure, and although there is no questioning that King's Cross is an urban regeneration success story, that process has taken place over the course of two decades rather than the eight-year timelines put forward in the white paper. Indeed, it's also worth highlighting that in this case, one size does not fit all, and a King's Cross-style regeneration might be wholly inappropriate for large swathes of the country, leaving business leaders confused as to what their own experiences of 'levelling up' will look like.

The picture is slightly clearer for the housing sector, which also benefits from the white paper's breadth of ambition, but provides some clear targets, specifically like those for regeneration areas – 20 brownfield sites across the UK. This ambition – if delivered on – will go a long way to meeting the unmet need for housing across the UK. It also provides some welcome clarity on where existing funding streams will be directed as well as a focus on social housing, but as with much of the white paper, questions remain about how the proposals will work in practice. This in turn should provide opportunities for industry engagement with the Government to ensure effective implementation.

Infrastructure is a well-documented catalyst for economic growth and will be a crucial determinant of success for the policy, but as has been frequently highlighted following the white paper's release, more detail surrounding implementation will be needed to make a full assessment.

## What does the **Levelling Up** White Paper mean for

# Digital, R&D Investment

By **Josh Owolabi**

The elevation of research and development to key 'mission' within the levelling up agenda will please those within the sector. It marks a shift from the autumn of 2021, when *STEM bodies wrote to the Chancellor*, imploring him to deliver on the pledge to make the United Kingdom a science and technology superpower. Their pleas fell on deaf ears as the *Spending Review 2021 confirmed* that R&D spending would only reach £22 billion by 2027, *two years later*

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*than had been promised originally*, raising the risk that the UK falls even further behind other countries in terms of innovation.

However, the white paper seeks to address this and kickstart regional economic growth. A key pledge is to increase public investment in R&D 'outside the Greater South East, by at least 40%, by 2030. Additionally, investment will be increased by at least one third over the Spending Review period. For instance, Cheshire's Hartree National Centre for Digital Innovation will be an area of focus, supporting the development of digital technologies, such as AI and quantum computing.

Interestingly, there is also an acknowledgement of the lack of granular data on R&D investment and the role it plays in preventing efficient tracking and measuring of R&D spending. The Office for National Statistics (ONS) and the Government Office for Science are due to collaborate with all departments to collect and publish regional data. Currently, there are no clear details on how this will be done. The collection of R&D data will be worth following, given the size and scale of this undertaking, as it could be pivotal in determining how well-targeted future spending is in the long-term.

Another key provision is the investment of £100 million in three new Innovation Accelerators in the West Midlands, Greater Manchester, and Glasgow. Researchers, developers and start-ups will focus on areas such as health innovation, advanced materials, artificial intelligence and machine learning, in an attempt to create clusters where 'private-public' partnerships, similar to the Stanford-Silicon Valley relationship, can develop.

These Innovation Accelerators could potentially help the Government team up with local founders, as well as researchers, to harness local skills more effectively and possibly scout for the next generation of market solutions. From the perspective of local founders, not only could these measures alleviate high R&D expenses that usually act as a barrier to entry for start-ups, but it could encourage more joint ventures between larger companies and start-ups, as larger companies would be exposed to less risk in these situations than they were in previous ventures.

However, in order to maximise the long-term potential of these measures, the Treasury will need to adopt a more entrepreneurial mindset and work with the Department for Levelling Up, Housing and Communities (DLUHC), as well as the Department for Business, Energy and Industrial Strategy (BEIS) to create an ecosystem conducive to open innovation – where numerous partners can collaborate to develop new technologies that solve common problems. The white paper does not set out the ways in which the private sector could boost R&D and innovation, but it is imperative that the Government devises a strategy for the involvement of multiple players if its R&D plans are to deliver long-lasting change.

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