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change

business in
community
hands



WORK IN PROGRESS:

LEVELLING UP
PERSPECTIVES FROM
THE COMMUNITY TO
THE NATIONAL LEVEL

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Carbon Co-op, Manchester

About Power to Change

Power to Change is the independent trust that strengthens communities through community business. We use our experience to bring partners together to fund, grow and back community business to make places thrive. We are curious and rigorous; we do, test and learn. And we are here to support community business, whatever the challenge.

We know community business works to create thriving places. Our 2021- 25 strategy sets out how, using strategic funding, trusted partnerships, rigorous research, policy insight, and a strong network of remarkable community businesses we will back the sector, creating the ideas, evidence, and exemplars that make the case for others to back them too. Ultimately, we will amplify the efforts of community businesses and put them at the heart of a fair economy.

About this report

A year on from the publication of the Levelling Up White Paper, this report reviews the progress of the levelling up agenda from the perspective of communities and community businesses, and nationally. It includes insight from new interviews with community business leaders and new public polling. The report concludes by making recommendations for policymakers, based on our analysis of progress in four key areas: levelling up funding; devolution and community power; high streets and pride in place; and community ownership.

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Foreword

Tim Davies-Pugh – Chief Executive, Power to Change

More than a year on from the publication of the Levelling Up White Paper and with the next general election coming into view, it is an opportune moment to assess the progress that has been made on levelling up. Much has changed since the phrase 'levelling up' was coined in the run up to the 2019 general election. Our society has been rocked by the Covid-19 pandemic. Our politics reached a crescendo of volatility in 2022. Our economy and our sense of security have been hit hard by the war in Ukraine. These national and global events have all had an impact on communities.

Power to Change's view is that, despite all this, levelling up matters. We know that communities and community businesses have an important role to play in creating a fairer economy. We last looked at levelling up before the White Paper was published, with two reports in 2021: [Backing our Neighbourhoods](#)¹ and [Building Our Social Infrastructure](#)², in partnership with The Cares Family. Across these two papers we explored the role community organisations can play in levelling up and the importance of social infrastructure.

Since then, the Levelling Up White Paper has been produced, the Levelling Up and Regeneration Bill has been making a slow journey through Parliament, and we have been through numerous rounds of levelling up funding.

Indeed, there is now cross-party consensus that levelling up matters, after initial trepidation from the Labour Party in engaging fully in the debate. Labour has begun to set out how it would tackle levelling up differently and how this would inform the party's approach to governing should it win the next general election.

This report is a fresh assessment of levelling up that evaluates the agenda's current impact and looks at progress that can be made into the future. It combines the national and community level perspective to give a rounded picture, combining public attitudes research, interviews with community business leaders, and our own perspective at Power to Change.

This report is not a comprehensive review of the entire levelling up agenda. We will be focusing on specific areas that are relevant to Power to Change and the community businesses we work with, namely: levelling up funding, devolution and community power, high streets and pride in place, and community ownership.

1 Plumb, N. et al. (2021). *Backing Our Neighbourhoods*. Available at: https://www.powertochange.org.uk/wp-content/uploads/2021/08/PTC_3822_Backing_our_Neighbourhoods_DR3-1.pdf

2 Bell, R and Plumb, N. (2021). *Building Our Social Infrastructure*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2021/10/XX-Building-our-social-infrastructure-FINAL.pdf>

We have reviewed these policy areas, making an assessment of the progress that has been made by the government and the direction that the Labour Party is taking. Opinium has conducted new polling on behalf of Power to Change that looks at the public's attitude to levelling up, both in terms of its current impact and hopes for the future. This is supplemented by a thematic analysis of interviews with community business leaders with direct experience of levelling up that intends to bring life, informed insight, and the voice of community business to our wider assessment of levelling up.

Tentative interest in the communities aspect of levelling up has characterised both main parties' approaches to the agenda since 2019. Conservative MP Michael Gove, the Secretary of State for Levelling Up, in a speech this February³, reaffirmed a central principle of the agenda. *"It [levelling up] looks to empower civil society: self-organising groups who can both solve local problems and thicken social capital, by giving a sense of purpose, control and achievement to communities which have been overlooked and undervalued in the past."* Sir Keir Starmer MP, leader of the Labour Party, in his 2023 New Year's speech⁴ promised both to modernise central government and to shift power out of Westminster, *"so decisions which create wealth in our communities should be taken by local people with skin in the game."*

But our research has found that, so far, this rhetorical commitment to community empowerment is not being felt by people and communities 'on the ground'. This report discusses the reasons for this, examines the political implications of this analysis and sets out a route that both main parties can take to realise the full potential of levelling up through community empowerment.

Over the coming months we'll continue – with others across the sector – to make this case. For a resilient community business sector. For expanded community ownership. For strengthened community power. And for all of this playing a central role in the policy debate on the horizon, as the next general election looms into view.



3 Gove, M (2023) *The Next Moves Forward: What should Conservatism address in the future?* Available at: <https://www.ukonward.com/wp-content/uploads/2023/02/Gove-Speech.pdf>

4 Labour (2023) 'Keir Starmer's New Year's speech'. Available at: <https://labour.org.uk/press/keir-starmer-new-years-speech/>

Executive Summary

Since the phrase ‘levelling up’ appeared in the Conservative Party’s general election manifesto in 2019, it has been an agenda that has attracted significant interest from the community sector. In previous reports, *Backing Our Neighbourhoods*⁵ and *Building Our Social Infrastructure*⁶, in partnership with The Cares Family, Power to Change examined the role that community organisations can play in levelling up and the role of community spaces in building connection and resilience. Since then, the Levelling Up White Paper has been published, the Levelling Up and Regeneration Bill has begun to move through Parliament, and there have been several rounds of different levelling up funds awarded by central government.

This report is a fresh assessment of levelling up that evaluates the current impact of the agenda on communities and looks at progress that can be made into the future. It combines the national and community level perspective to give a rounded picture, drawing on public attitudes research, interviews with community business leaders, and our own perspective at Power to Change.

We find that there has been progress in some areas but despite this, new polling by Opinium for Power to Change shows that this is not having an impact in the minds of the public nor in those of community business leaders. There are risks to both major parties in not making further progress on levelling up and we recommend steps forward that should be taken.

Progress scorecard

We have made an assessment of the progress that has been made on levelling up in the areas that are most relevant to our focus on communities and community business: levelling up funding, devolution and community power, high streets and pride in place, and community ownership.

Our analysis finds that progress has been made in each of these areas to varying extents but that there is scope for more progress in each area.

On levelling up funding we find, through our own analysis and interviews with community business leaders, that the various funds amounting to over £11 billion have been hampered by complex and resource-intensive bidding processes, delays in funding allocation and the short-term and fragmented nature of the funding pots. Significant change is needed to reform funding to ensure it reaches and is accessed by communities that need it most.

5 Plumb, N. et al. (2021). *Backing Our Neighbourhoods*. Available at: https://www.powertochange.org.uk/wp-content/uploads/2021/08/PTC_3822_Backing_our_Neighbourhoods_DR3-1.pdf

6 Bell, R and Plumb, N. (2021). *Building Our Social Infrastructure*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2021/10/XX-Building-our-social-infrastructure-FINAL.pdf>

The government has made progress on expanding devolution to England's regions. At the time of writing, settlements with 14 areas have been agreed, with six of these agreed in late 2022 that have not yet been implemented. Enhanced devolution settlements are being pursued with the Greater Manchester and West Midlands Combined Authorities. Continued progress is needed to ensure power reaches communities, which should be explored in the commitment to review neighbourhood governance.

There has been a strong commitment to revitalising high streets, with tangible policy change in high street rental auctions. Modest change is needed so that the clear commitment to tackle high street decline is matched by the need for communities to play a central role in this.

The launch of the Community Ownership Fund in 2021, to help communities take control of vital assets, was a positive step. The recent changes that Government has made to the fund, for example through introducing early-stage support, are also welcome. Continued progress is needed elsewhere, for example through producing the Community Spaces and Relationships Strategy.



The Annexe, Hartlepool

Our assessment of progress is summarised below.

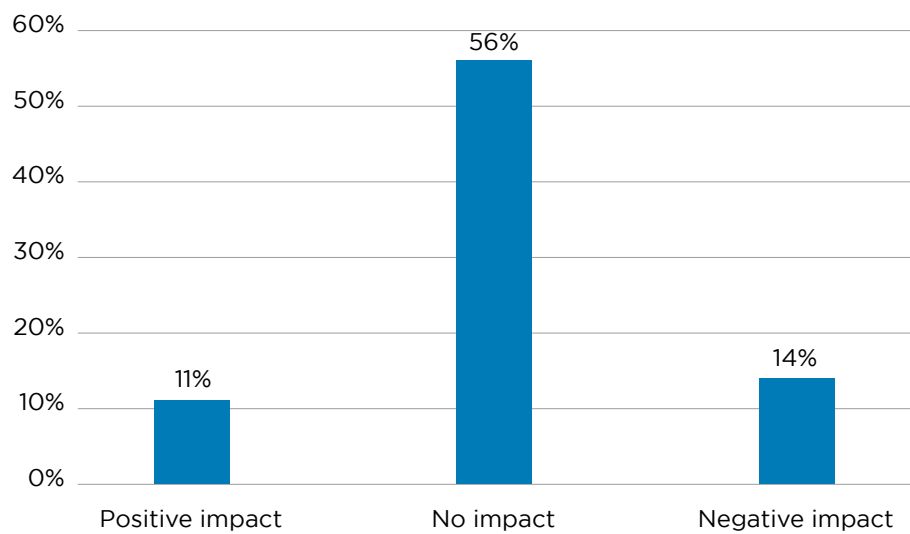
Key area	Progress	Verdict
Levelling up funding	Over £11 billion earmarked for place-based regeneration and promoting pride in place, including a fund designated specifically to enable community ownership.	Significant change needed: There is still much to be done to meet Government's commitments to reform funding and ensure it reaches the places that need it most, including reducing barriers to community involvement in funding bids.
Devolution and community power	Expansion and deepening of the devolution agenda, with new mayoral and county deals and trailblazer deals. Commitment in the White Paper to undertake a review of neighbourhood governance and pilot structures.	Continued progress needed: While the levelling up agenda means that regional devolution is progressing at pace, more work is needed to bring power to communities, including meeting the white paper commitment to a neighbourhood governance review.
High streets and pride in place	Strong commitment to regeneration and tackling high street vacancies. Progression of high street rental auctions through the Levelling Up and Regeneration Bill.	Modest changes needed: There is a clear commitment to tackling the decline of high streets, and government should ensure communities play a central role in this.
Community ownership	Community Ownership Fund launched to help communities take control of valued local assets. Commitment in the White Paper to develop a new Strategy for Community Spaces and Relationships, including reviewing the Assets of Community Value and Community Asset Transfer mechanisms.	Continued progress needed: The establishment of a fund for community ownership is a positive step, and the changes Government has made, such as introducing early-stage support and flexing match funding, are welcome. Elsewhere government must follow through on its commitment to a new Community Spaces and Relationships Strategy and create a policy environment that enables greater community ownership.

Attitudes to levelling up

New polling conducted for Power to Change by Opinium in February 2023 shows that the level of progress the government has made has not translated into impact in the minds of the public. 56% of people think that levelling up is having no impact locally, with 14% thinking it is having a negative impact, and only 11% seeing it having a positive impact.⁷

Public perception of levelling up's impact on local areas

Do you think the government's levelling up agenda is having a positive or negative impact on your local area, or do you think it has had no impact either way?



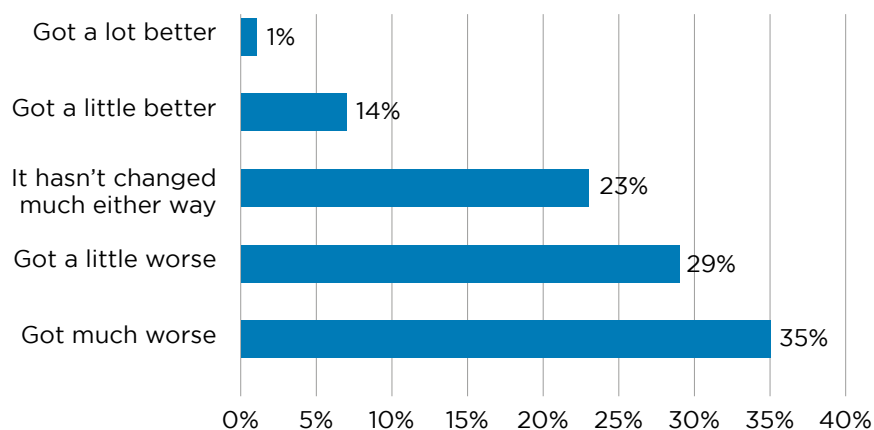
Base: all respondents (2,000); fieldwork dates 8th - 10th February 2023

⁷ A methodology section is appended to this report, setting out details of the polling conducted for Power to Change.

The local high street is key prism through which people experience their local area and therefore how the impact of levelling up is perceived. Our polling found that 64% of respondents perceive the local high street to have declined since 2019 when levelling up first entered the political debate.

Perception of changes to the high street since 2019

Has your local high street or town centre got better or worse since 2019, or has it not changed much either way?

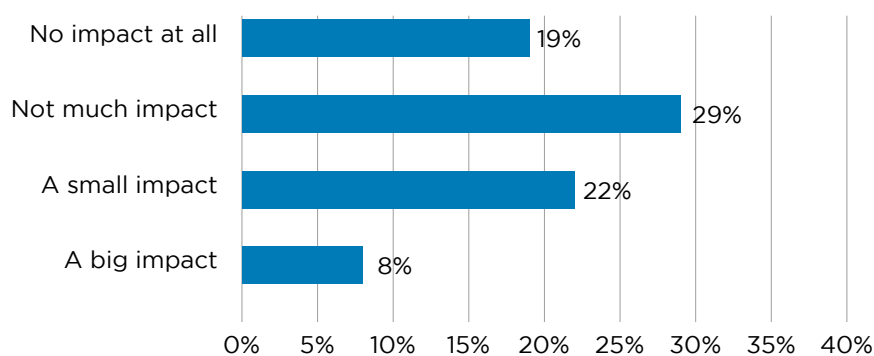


Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

Looking ahead to the future, the majority of those polled have low expectations of the potential future impact of levelling up. 48% think it will have no or not much impact by 2030, in contrast to 30% who think it will have a small or big impact in that timeframe.

Expected impact of levelling up by 2030

Overall, how much impact, if any, do you expect leveling up to have had on Britain by 2030?



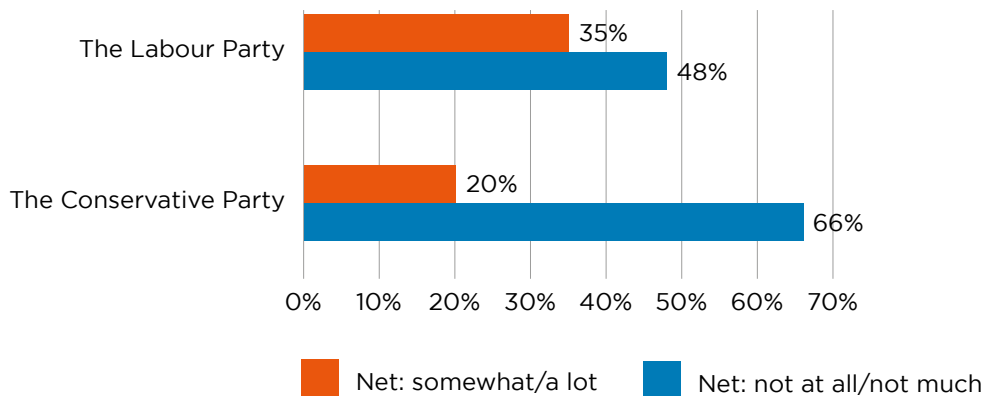
Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

The key takeaway from our polling is that the public is profoundly negative about levelling up. The public is not seeing an impact locally or nationally and it does not think levelling up is tackling the most important issues locally either. Alongside this, the public is perceiving the decline of the high street and does not hold much hope for levelling up having an impact looking ahead to 2030.

It is not surprising then that the public has little trust in either of the main political parties to level up local areas, though the Conservatives are significantly less trusted than Labour.

Trust in main parties to level up

How much, if at all, do you trust each of the following to level up your area?



Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

Our interviews with four community business leaders provided a community-level perspective on levelling up, which is viewed as an agenda primarily about improving places but linked to post-Brexit politics and not widely understood by people in the local area.

Levelling up was seen as too focused on capital investment and disconnected from the people it is supposed to benefit. Similarly, a time lag between investment and perceived benefits was identified. This combination meant that people could not see the impact of levelling up.

On specific policy areas, the view was that devolution was positive but needed to go further to reach communities, and that levelling up funding was too focused on ‘shovel ready’ initiatives and had been hampered by timelines for applications and projects.

The changes people wanted to see, were they in a room with someone from the government, flowed from this. On devolution, power needed to go beyond the regional level. Timescales needed to be more flexible and to be consistent. And there needed to be a greater focus on place and metrics beyond the economic, for real impact to be shown, and for this work to be given the time it needs.

Recommendations

Our research has identified that, despite good progress on a number of policy areas, levelling up as an agenda is not having the impact it could have either in the minds of the public or in shifting the dial on regional inequality. There is much more progress to be made, and there is an urgency needed to make that demonstrable progress before voters make their assessments at the next general election. There are opportunities for both main parties to build on their current positions in order to deliver the impact that communities are expecting from levelling up.

To deliver on levelling up, the government should:

- 1) Produce the Strategy for Community Spaces and Relationships and complete a comprehensive review of neighbourhood governance before the next election.
- 2) Implement changes to levelling up funding to move decision-making out of Whitehall, remove competition in funding pots, ensure timely approval of funds, and allow flexibility to accommodate increased costs.
- 3) Introduce a Community Right to Buy and/or a High Street Buyout Fund alongside supporting the development of town centre partnerships which give communities a central role in high street renewal, alongside the private and public sectors, learning from our Community Improvement District pilots.

To demonstrate a commitment to levelling up, the Labour Party should:

- 1) Consider how existing proposals such as the Community Power Act offer a practical means to deliver on its rhetoric of 'taking back control' that can provide substance to the mooted Take Back Control Bill.
- 2) Continue to explore innovative solutions to secure funding for communities and community business.

A review and assessment of levelling up

Of particular interest to Power to Change are the aspects of the levelling up agenda that are most relevant to our focus on communities and community business. We will therefore be primarily considering progress made on levelling up funding, devolution and community power, high streets and pride in place, and community ownership. To do so we will make an assessment of the progress made on each of these areas, based on existing policy and analysis of its effectiveness in achieving the government's levelling up missions, considering impact today and further progress to be made.

We will also assess where the Labour Party stands on levelling up. To do so we will take publicly announced policy as 'party policy' in lieu of a manifesto and make a judgement on the direction this indicates the party will go in, should it enter government in the future.

Progress from the government

Since 2019, the government has set out its commitment to tackling regional inequality through levelling up with a number of large funding programmes, administered by the Department for Levelling Up, Housing and Communities (DLUHC), as well as the Levelling Up White Paper published in 2022 and the Levelling Up and Regeneration Bill, which is currently progressing through Parliament. The White Paper outlines the government's ambitions to level up across the UK and sets out twelve medium-term 'missions' to be achieved by 2030 to tackle the most pressing economic and societal challenges facing the UK. These missions include boosting pride in place – increasing people's satisfaction and engagement with their town centre and their community – and promoting local leadership through devolution to move decision-making out of Westminster and closer to communities.⁸

8 HM Government (2022). 'Levelling Up the United Kingdom', pp. 120-121. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf

Levelling up funding

Several of the funding streams associated with levelling up aim to revitalise the UK's high streets and promote local growth, through investment in regeneration and town infrastructure, while the UK Shared Prosperity Fund (UKSPF) aims to promote a sense of pride in place. A summary of the relevant levelling up funds and their uses is outlined below.

The White Paper also outlined the potential for additional funds to be made available for communities and the social sector. The Dormant Assets Act 2022 made provisions to expand the dormant assets scheme to include assets in the investment sector, potentially unlocking around £880 million for good causes (£738 million in England).⁹ In March 2023, in response to a consultation on the uses of the English portion of dormant assets funding, government announced that community wealth funds would receive a portion of the expanded Dormant Assets Scheme, alongside the three areas already benefiting from the scheme – social investment, youth and financial inclusion.¹⁰ This will provide long-term funding for resident-led investment and improvement in some of the most deprived areas of the country.

Devolution and community power

Enhancing devolution and moving power out of Westminster forms a significant part of the levelling up policy programme. Government has demonstrated a favourable view towards enhancing devolution – including beyond metropolitan areas – since 2019, with commitments to publish a devolution white paper (which later became the Levelling Up White Paper) appearing in the 2019 Conservative Party manifesto and Queen's Speech. The 2022 Levelling Up White Paper highlights the power of local leadership and accountability, as demonstrated by mayors, to promote economic opportunity and reverse decline.¹¹ Devolution is at the core of one of the twelve levelling up 'missions' – to promote local leadership by ensuring that every part of England that wants a devolution deal can have one by 2030, with powers at or approaching the highest level of devolution and a long-term funding settlement.¹² As of 2023, deals with fourteen areas have been agreed, with six of those agreed in late 2022 and yet to be implemented.¹³ Government is also pursuing 'trailblazer' enhanced devolution settlements with the Greater Manchester and West Midlands Combined Authorities.

9 Department for Digital, Culture, Media and Sport (2022). 'Consultation launched to decide on future good causes to benefit from £738 million Dormant Asset Fund in England'. Available at: <https://www.gov.uk/government/news/consultation-launched-to-decide-on-future-good-causes-to-benefit-from-738-million-dormant-asset-fund-in-england>

10 Department for Culture, Media and Sport (2023) 'Consultation outcome: Consultation on the English portion of dormant assets funding' Available at: <https://www.gov.uk/government/consultations/consultation-on-the-english-portion-of-dormant-assets-funding/consultation-on-the-english-portion-of-dormant-assets-funding>.

11 'Levelling Up the United Kingdom', p. xxvii.

12 *Ibid.*, p. xviii.

13 Sandford, M. (2023) 'Devolution to local government in England', House of Commons Library. Available at: <https://researchbriefings.files.parliament.uk/documents/SN07029/SN07029.pdf> .

Government has also made commitments to explore other mechanisms for more localised decision making as part of levelling up. The White Paper proposes ‘a bold new approach to community empowerment’, committing to the launch of a review of neighbourhood governance in England, including into the role and function of parish councils.¹⁴ It also commits to testing new models for community partnership, including piloting Community Covenants, agreements between councils, public bodies and local communities, enabling them to share power and resources. New mechanisms for neighbourhood governance would make it easier for local people to come together, make decisions about their place and to control a share of the powers and resources devolved down to local and regional government through the expansion of devolution. If established, covenants could become the mechanism for devolution of powers and funding to the neighbourhood level, including the UKSPF.

High streets and pride in place

The White Paper outlines Government’s intention to ‘make high streets and town centres the thriving hearts of our communities again’ and restore pride in place.¹⁵ It acknowledges that changes in consumer habits and the decline of institutional investment in property on our high streets have contributed to dilapidation and a sense of decline, undermining both local economies and communities’ sense of pride in their place. The Build Back Better High Streets Strategy (2021) set out government’s long-term plans to ‘support the evolution of high streets into thriving places to work, visit and live’, by bringing empty retail units back into use (including by community organisations), supporting high street businesses, and making improvements to the public realm to improve the appearance and vitality of high streets.¹⁶ Government has also recently explored the potential for high street rental auctions to help in tackling high levels of vacancy of high street property. The White Paper trailed a proposal for new powers for local authorities to require landlords to rent out long-term vacant properties to tenants such as local businesses or community groups, which has now been included in the Levelling Up and Regeneration Bill. High street rental auctions would enable local authorities to identify vacant commercial properties in high street areas where occupation would be ‘beneficial to the local economy, society or environment’ and trigger a rental auction of the premises.¹⁷

14 ‘Levelling Up the United Kingdom’, p. 215.

15 Ibid., p. xxiv.

16 HM Government (2021) ‘Build Back Better High Streets’. Available at: <https://www.gov.uk/government/publications/build-back-better-high-streets>

17 Department of Levelling Up, Housing and Communities (2022) *Draft Bill ‘Levelling-up and Regeneration Bill’* Available at: <https://bills.parliament.uk/publications/49177/documents/2671>

Community ownership

Government is also seeking to strengthen social infrastructure and secure community assets through levelling up. A £150 million Community Ownership Fund offers match funding to communities to purchase or take over an asset at risk of being lost from community use. The White Paper also set out plans for a new Strategy for Community Spaces and Relationships to ensure places have the community infrastructure needed to build social capital. Underpinned by community power, the new Strategy would engage communities in identifying their priorities and most important assets, to build their role in shaping social infrastructure locally. It would also evaluate how the existing Asset of Community Value and Community Asset Transfer mechanisms could be strengthened to better support community ownership.¹⁸

Summary of Levelling Up funding streams

Fund	Period	Value	Detail
Towns Fund	2019-2025	£3.6 billion awarded to 101 places (list of Town Deals)	The Towns Fund allocated investment to 101 towns to design and deliver a 'Town Deal', a growth strategy bespoke to each town and its assets, building on the learning of the Greater Grimsby Town Deal. The Fund aimed to drive economic regeneration, long-term economic and productivity growth of towns through urban regeneration, planning and land use, skills and enterprise infrastructure and developing local transport schemes and digital strategies to improve connectivity. ¹⁹
Community Renewal Fund	2021-2022	£220 million for 225 projects (list of successful bids)	The Community Renewal Fund aimed to help places to prepare for the launch of the larger UK Shared Prosperity Fund (UKSPF) by piloting imaginative approaches across the investment priorities of supporting skills, local businesses, communities and place, and supporting people into employment. Bids from 100 'priority places' were prioritised for investment, with additional capacity funding made available in these areas. ²⁰ Community organisations were among those invited to apply to their lead local authority for consideration for funding.

18 HM Government (2022). 'Levelling Up the United Kingdom'. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf

19 HM Government (2019) 'Towns Fund: Prospectus'. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/924503/20191031_Towns_Fund_prospectus.pdf

20 HM Government (2021) 'UK Community Renewal Fund: prospectus 2021-22' Available at: <https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus/uk-community-renewal-fund-prospectus-2021-22#uk-community-renewal-fund-investment-priorities>

Fund	Period	Value	Detail
UK Shared Prosperity Fund (UKSPF)	2022-2025	£2.6 billion	The successor to EU structural funds for local investment, the UKSPF aims to improve pride in place and increase life chances across the UK, with investment focused on communities and place, supporting local businesses and people and skills. The UKSPF is allocated by a funding formula, rather than competitive bidding and comprises a mix of capital and revenue funding. Spending plans must be developed by each lead local authority in collaboration with local partners, including community organisations. ²¹
Levelling Up Fund	2021-2025	£4.8 billion (Successful bidders in Round 1 and Round 2)	The Levelling Up Fund supports investment in town centre and high street regeneration, local transport projects, and cultural and heritage assets. It is focused on capital investment in local infrastructure and builds on previous funding programmes such as the Local Growth Fund and the Towns Fund. As part of the culture and heritage investment priority, funding applications can support new, upgraded or protected community assets, such as community hubs, village halls and important green spaces. Funding has been targeted towards 'priority places' using the Index of Priority Places, with category 1 places receiving additional capacity funding to support the preparation of bids. ²²
Community Ownership Fund	2021-2025	£150 million	The Community Ownership Fund supports communities to purchase or take over local community assets which are at risk of being lost from community use. Communities can access matched capital grants of up to £250,000 (or up to £1 million in the case of sports clubs or facilities). The Fund will provide up to 50% of total capital costs, matching other funds raised by the applicant, and must be in a position to acquire their community asset by sale or transfer within twelve months of application. ²³

21 HM Government (2022). 'UK Shared Prosperity Fund: prospectus'. Available at: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

22 HM Government (2022). 'Levelling Up Fund Round 2: prospectus'. Available at: <https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus/levelling-up-fund-round-2-prospectus>

23 HM Government (2023) 'Community Ownership Fund: prospectus'. Available at: <https://www.gov.uk/government/publications/community-ownership-fund-prospectus/community-ownership-fund-prospectus--2>

Assessment of progress

The White Paper and wider levelling up policy programme recognise the importance of social capital and social infrastructure to addressing inequalities and building community resilience, with measures to strengthen social infrastructure, renew the physical aspect of places and promote a sense of pride in place embedded within government's ambitions for levelling up. This is significant, as research suggests that those places identified by Government as most in need of levelling up have lower social capital and a lack of social infrastructure.²⁴ However, there are evident shortcomings in the delivery of levelling up so far, and it is clear that much of the levelling up agenda is not yet reaching community level.

Levelling up funding

Funding delivery has been a source of controversy within the levelling up agenda, characterised by short-term and fragmented funding pots, complex and resource-intensive bidding processes and delays in funding allocations. The Levelling Up White Paper acknowledged the need for funding reform in regeneration policy: 'community-led regeneration cannot be achieved with a stop-start funding stream that first builds hope, then destroys it, leaving people less optimistic and trusting, and feeling more disempowered than ever.'²⁵ However, little has been achieved so far to resolve these issues.

Delays in the allocation of funding may substantially limit the impact of the levelling up funds. The late approval of UKSPF investment plans left many councils with only three months to spend their allocations, making it more difficult for local authorities to get this money to the communities that need it most. Some councils have also been forced to freeze levelling up projects due to rising inflation and costs of delivering infrastructure-based projects since the bids were made. Research by the Institute for Public Policy Research estimates that £560 million will be lost from the Levelling Up Fund and UKSPF by 2025/26 due to the failure to inflation-proof these funds.²⁶ However, government has insisted that it will enable councils to resize their plans to adjust for these rising costs, if necessary, which would provide some much-needed flexibility to the funds.

24 The Cares Family (2023) '*Building Connection: The Promise of a Strategy for Community Spaces and Relationships*'. Available at: <https://files.thecaresfamily.org.uk/thecaresfamily/images/The-Promise-of-a-Strategy-for-Community-Spaces-and-Relationships.pdf>; All-Party Parliamentary Group for Left Behind Neighbourhoods (2020) '*Communities of trust: why we must invest in the social infrastructure of 'left behind' neighbourhoods*'. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/03/8118-APPG-Communities-Report-NEW.pdf>

25 '*Levelling Up the United Kingdom*', p. xxv.

26 Shaw, J., and Johns, M. (2022) '*£560 million in levelling up funding lost to inflation*'. Available at: <https://www.ippr.org/blog/560-million-in-levelling-up-funding-lost-to-inflation>

Concerns have been repeatedly raised over the ability of the levelling up funds to achieve the objective of addressing regional inequality. The announcement in early January of successful bids for the second round of the Levelling Up Fund attracted criticism after it emerged that the South East would receive a larger share of the £2.1 billion regeneration funding than the North East, Yorkshire, and the East and West Midlands, appearing to contradict the levelling up ambition of addressing inequality between the regions.²⁷ In October, the Levelling Up, Housing and Communities Select Committee launched an inquiry to examine whether the many different funds available for levelling up are effectively contributing to the objectives of levelling up and directing resources to areas in greatest need.²⁸ And in February it was reported that the Treasury will now sign-off any spending decisions on new capital projects delivered by DLUHC.

Devolution and community power

The current funding mechanisms also distance communities, who are intended to be the beneficiaries of levelling up. Community organisations must advocate to their local council to be included in a funding bid, and communities with lower levels of social infrastructure (who are among those most in need of support) are less likely to possess the skills and capacity to make representations for a share of funding, or to bid themselves in the case of the Community Ownership Fund. This results in their deep local knowledge and connections being lost from plans to level up, inhibiting Government's ability to succeed in addressing the economic and social issues at the heart of the levelling up agenda. In its review of regeneration initiatives, the think tank Onward outlines how community participation is essential to the long-term success of government regeneration schemes, and that the best government approaches to regeneration all have elements which are community led.²⁹

The design of the UKSPF appears to attempt to overcome this limitation of other funds. The prospectus for the Shared Prosperity Fund recognises the need to access local insight and expertise to identify need and opportunity in every place and respond with the right solutions.³⁰ The requirement for lead local authorities to engage with the expertise of local actors such as business, skills and voluntary-sector partners and community organisations through local partnership groups provides a useful structure for local engagement in developing and delivering the local investment plans, and could provide a useful structure for ensuring the right local partners are engaged in future funds.

27 Department for Levelling Up, Housing and Communities (2023) 'Levelling Up Fund Round 2: successful bidders'. Available at: <https://www.gov.uk/government/publications/levelling-up-fund-round-2-successful-bidders>

28 UK Parliament (2022) 'Funding for Levelling-Up inquiry launched by Levelling Up Committee'. Available at: <https://committees.parliament.uk/committee/17/levelling-up-housing-and-communities-committee/news/173698/funding-for-levellingup-inquiry-launched-by-levelling-up-committee/>

29 Tanner et al. (2021) 'Turnaround: Learning from 60 Years of Regeneration Policy'. Available at: <https://www.ukonward.com/reports/turnaround-regeneration-neighbourhood/>

30 Department for Levelling Up, Housing and Communities (2022) 'UK Shared Prosperity Fund: prospectus' Available at: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#who-should-be-involved-in-the-fund>

Progress has been made on the expansion of devolution, a key commitment of the Levelling Up White Paper and one which Government evidently sees as key to addressing regional inequality. However, the government's devolution agenda remains limited to the regional level. There appears to have been little progress against the White Paper commitments to pursue subsidiarity and community empowerment, as the promised review of neighbourhood governance has yet to come to fruition. Strengthening neighbourhood governance will be vital to ensuring communities can benefit from the increasing transfer of powers and funding from central to local government.

High streets and pride in place

The government has taken positive steps to regenerate high streets and tackle high vacancy rates. The progression of the Levelling Up and Regeneration Bill to the House of Lords means that councils could soon be given the power to conduct compulsory high street rental auctions, though it will take time to finalise the detail of the regulations to implement this policy. However, rental auctions alone will not be sufficient to address the decline of high streets as it does not address the fundamental issue of property ownership that drives vacancy rates. Proposals to enable and enhance community ownership will be vital to achieving Government's commitment to restore pride in place.

Community ownership

Government is fulfilling its White Paper commitment to implement learning from previous rounds of the Community Ownership Fund. Changes to the prospectus for the second funding round appeared to be designed to overcome challenges of community capacity to engage with levelling up. The prospectus introduced a two-stage application process, enabling organisations to complete an initial expression of interest to receive feedback quickly on the likely success of their proposal, before investing significant time and resources in the formal application.²⁵ The deadline for project completion (the point at which the asset is transferred or purchased) has also been extended from six to twelve months, giving communities more time to raise funds and plan for how to manage their asset. The Fund has recently opened to its third round of applications.

While the Community Ownership Fund is supporting more communities to take control of valued local assets and bring them into uses which benefit local people, there has not been visible progress towards a new Strategy for Community Spaces and Relationships – meaning that the issue of reviewing and improving the Asset of Community Value and Community Asset Transfer mechanisms remains on hold. Reviewing these mechanisms will be a significant step towards improving the low conversion rate of Assets of Community Value into community ownership and reducing some of the time and resource burden faced by both communities and councils in transferring an asset to community ownership.³¹

31 Archer, T. et al. (2019) *'Our assets, our future: the economics, outcomes and sustainability of assets in community ownership'*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2019/07/Assets-Report-DIGITAL-1.pdf>

Summary

One year on from the publication of the Levelling Up White Paper and more than three years on from its first manifesto commitments to levelling up, government's progress on levelling up for communities remains mixed and there is still much to be done to fulfill its existing policy commitments. While the government has set a target of achieving its medium term levelling up missions by 2030, with a general election approaching, it should take stock of what levelling up has achieved so far, and where it is falling behind ambitions. In the next chapter, we explore public opinion on levelling up, which suggests that Government's levelling up agenda has so far yet to produce a visible and positive impact for much of the public. Beyond its headline devolution and funding commitments, Government must make sure that promises in the White Paper to empower communities and enable opportunities for community ownership are followed through, and soon.



B-inspired, Leicester

Summary of assessment of progress

Key area	Progress	Verdict
Levelling up funding	Over £11 billion earmarked for place-based regeneration and promoting pride in place, including a fund designated specifically to enable community ownership.	Significant change needed: There is still much to be done to meet Government's commitments to reform funding and ensure it reaches the places that need it most, including reducing barriers to community involvement in funding bids.
Devolution and community power	Expansion and deepening of the devolution agenda, with new mayoral and county deals and trailblazer deals. Commitment in the White Paper to undertake a review of neighbourhood governance and pilot structures.	Continued progress needed: While the levelling up agenda is progressing regional devolution at pace, more work is needed to bring power to communities, including meeting the White Paper commitment to neighbourhood governance review.
High streets and pride in place	Strong commitment to regeneration and tackling high street vacancies. Progression of high street rental auctions through the Levelling Up and Regeneration Bill.	Modest changes needed: There is a clear commitment to tackling the decline of high streets, and government should ensure communities play a central role in this.
Community ownership	Community Ownership Fund to help communities take control of valued local assets. Commitment in the White Paper to develop a new Strategy for Community Spaces and Relationships, including reviewing the Assets of Community Value and Community Asset Transfer mechanisms.	Continued progress needed: The establishment of a fund for community ownership is a positive step, and the changes government has made, such as introducing early-stage support and flexing match funding are welcome. Elsewhere government must follow through on its commitment to bring about a new Community Spaces and Relationships Strategy and create a policy environment that enables greater community ownership.

How would Labour level up for communities?

In the year since the current government published its White Paper, the Labour Party has made steady progress in formulating its own answer to levelling up to address regional inequality. Shadow Levelling Up Secretary Lisa Nandy MP has set out Labour's 'five-point levelling up plan' which features commitments to reinvigorate high streets and grow local economies by supporting small local businesses and handing more power and money to communities to make decisions for themselves.³² Nandy has also made it clear that Labour would abandon the government's 12 levelling up missions, to be replaced by an independent advisory council to monitor progress.³³

Among the Labour Party's current policy commitments is a focus on further devolution of powers and funding out of Westminster. The constitutional Commission on the UK's Future, chaired by former Prime Minister Gordon Brown, has put forward a similar view to the Levelling Up White Paper on the importance of decentralisation to addressing regional inequality.³⁴ The Commission's final report outlines recommendations such as strengthening and standardising the powers of metro mayors, introducing new powers for towns and cities to drive local growth, more local partnerships with a footprint defined by local leadership (as opposed to Whitehall) and more regional coordination in areas such as transport, skills, industrial strategy, trade and investment.

The report promotes 'double devolution' to bring powers closer to communities and recommends that the principle of subsidiarity be made a constitutional principle to guide devolution, making it a legal requirement for decisions to be taken 'as close as meaningfully possible' to the people affected by them.³⁵ It also advocates for more support for community wealth building and cooperative business models, more services to be delivered at the neighbourhood level, with greater public involvement in shaping them, as well as greater use of deliberative and participatory processes at the local level.³⁶

In promising a 'Take Back Control' Bill, Labour leader Keir Starmer MP is furthering the party's commitments to devolve power out of Westminster and to communities. The Bill would devolve new powers to local government in areas such as energy, transport, housing and employment support, and give communities a new right to request powers beyond this.³⁷ Elsewhere, Labour has pledged to introduce a Community Right to Buy. Replacing the existing Community Right to Bid, this would offer communities a right of first refusal when assets of local importance are listed for sale and would increase the time available for them to raise funds from six to 12 months.³⁸ With a focus on devolution and some promises on community power, the Labour leadership has given a strong indication of the direction it may take in government.

32 Nandy, L. (2022) 'Here is Labour's five-point levelling up plan'. Available at: <https://www.yorkshirepost.co.uk/news/opinion/columnists/here-is-labours-five-point-levelling-up-plan-lisa-nandy-3550700>

33 Neame, K. (2023) 'Nandy announces Labour would scrap government levelling up missions'. Available at: <https://labourlist.org/2023/01/nandy-announces-labour-would-scrap-government-levelling-up-missions/>

34 White, H. et al. (2022) 'Five things we've learned about the Brown Commission on the UK's future'. Available at: <https://www.instituteforgovernment.org.uk/article/comment/brown-commission-constitutional-reform>

35 Brown, G. (2022). 'A new Britain: Renewing our democracy and rebuilding our economy, Report of the Commission on the UK's Future'. Available at: <https://labour.org.uk/wp-content/uploads/2022/12/Commission-on-the-UKs-Future.pdf>

36 Ibid.

37 Labour (2023) 'Keir Starmer's New Year's speech'. Available at: <https://labour.org.uk/press/keir-starmer-new-years-speech/>

38 Neame, K. (2022) 'The Conservative Party commitment to levelling up is "dead", Nandy declares'. Available at: <https://labourlist.org/2022/07/nandy-declares-the-conservative-party-commitment-to-levelling-up-dead/>

Attitudes to levelling up

The progress and the commitments that both the current government and the Labour Party have made with regard to levelling up make clear it certainly is a live agenda, no matter how critical one might be of it. It has entered the political lexicon and will likely remain there for the near future. But the agenda is contested. There is policy competition, and our own assessment of existing government policy is that there is more to do for there to be effective delivery that is felt by ordinary people.

It is therefore important that we examine attitudes towards levelling up. This chapter begins with an overview of new polling for Power to Change by Opinium³⁹, looking into public attitudes to levelling up. There follows an analysis of interviews with community business leaders to supplement the polling and provide a community-level perspective informed by experience of levelling up policy.



Spacious Place, Burnley

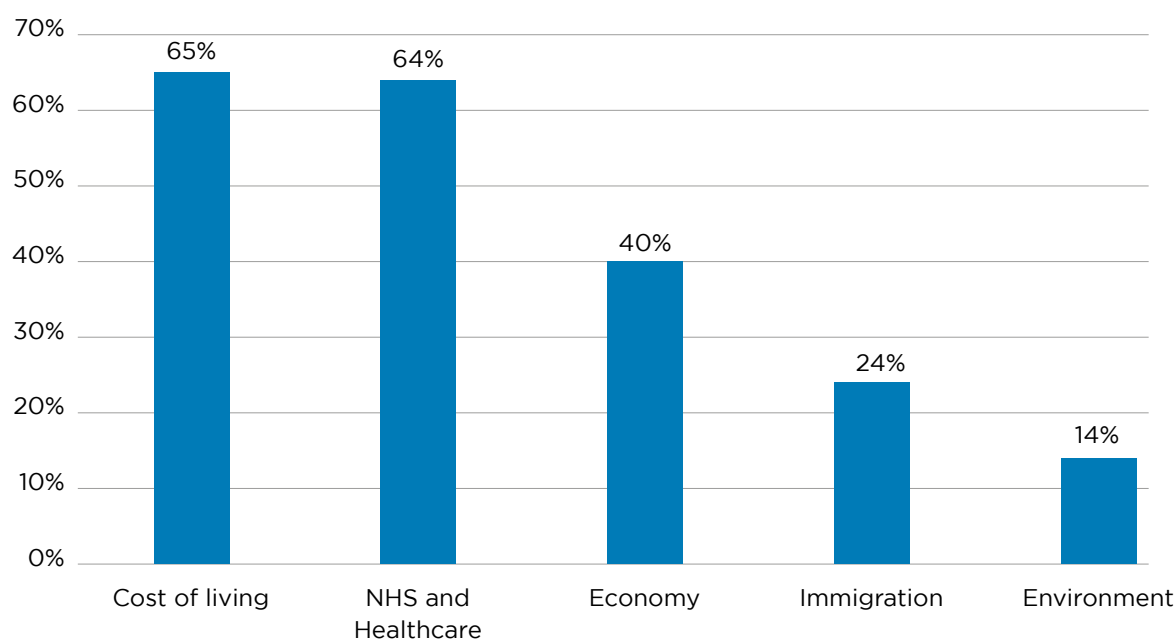
39 A methodology section is appended to this report, setting out details of the polling conducted for Power to Change.

Public opinion

When Boris Johnson went into the 2019 general election pledging to ‘level up’ the country, it was quite a different country than the one we live in today. The pandemic had not yet happened, Russia had not invaded Ukraine, inflation sat at just 0.2%. Fast forward four years and it’s a substantially different picture, as polling by Opinium for Power to Change shows. This is reflected in the public’s priorities outlined in Figure 1.

Figure 1. Public perception of most important issues facing the country

What are the most important issues facing the country today?



Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

The cost of living (65%) and the NHS and healthcare (64%) are the two issues identified by the public as the most important facing the country today, unsurprisingly given the persistently high rate of inflation outstripping wage rises damaging real terms earnings⁴⁰, alongside continued pressure on the health service, despite some improvements in areas such as ambulance response times.⁴¹ With ongoing industrial action and the economic malaise felt through much of the country, the economy is a top concern for 40% of the public. Immigration has renewed salience of late and is a top concern for just under a quarter of the public (24%), while the environment ranks fifth, as an important issue for 14% of the public.

40 The Office for National Statistics. (2023). *Labour Market Overview, UK: January 2023*. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2023>

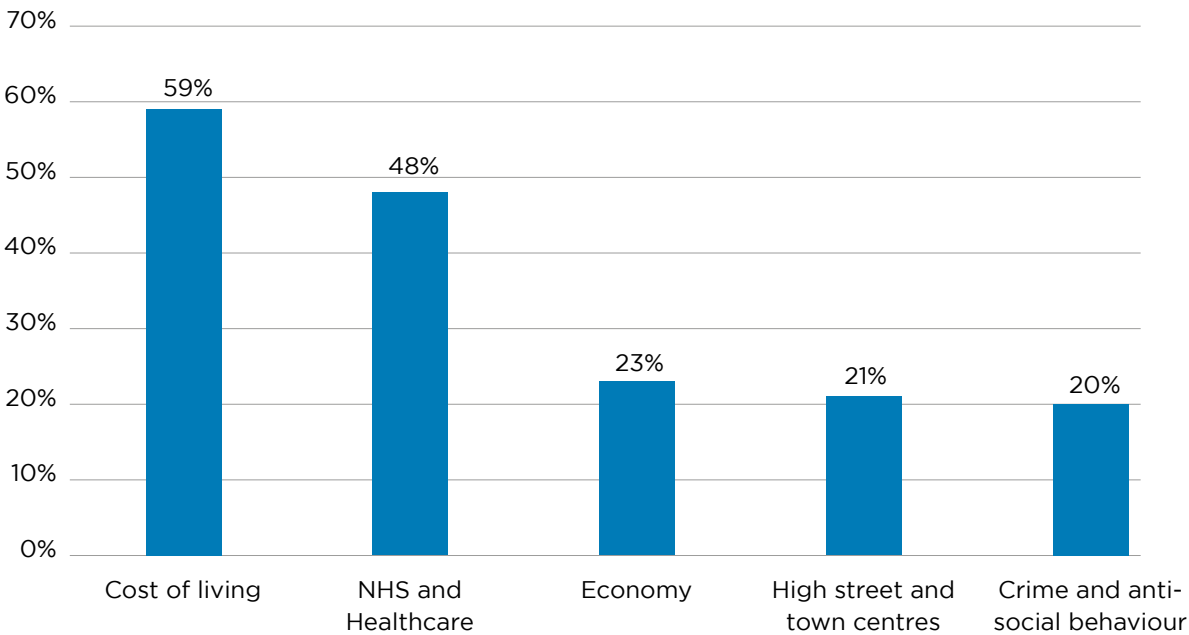
41 NHS England. (2023). Ambulance response times improve in face of ongoing winter pressures. Available at: <https://www.england.nhs.uk/2023/02/ambulance-response-times-improve-in-face-of-ongoing-winter-pressure/>

Although the cost of living and the NHS are top priorities for the public at the moment, our polling shows that levelling up and related issues have continued electoral salience. We also delve into the public’s view of the impact the agenda is having so far, and what impact they expect it to have in the future.

Asking the public to think about the top issues affecting *their* local area – shown in Figure 2 – rather than the country writ large, we find that while the top three issues (cost of living, NHS and healthcare, and the economy) remain the same, levelling-up related issues enter the minds of the public. High streets and town centres (21%) and crime and anti-social behaviour (20%) are the public’s fourth and fifth priorities, respectively. These bread-and-butter issues at the local level often inform people’s sense of how well things are going. Vacancy on high streets and noticeable crime and anti-social behaviour can drive a sense that an area is declining. It is even more the case for 2019 Conservative voters, voters whose approval both parties will be chasing at the next election. High streets and town centres are the third most important issue to these voters when thinking about their local area.

Figure 2. Public perception of the most important issues facing local communities

What are the most important issues facing your local community today?



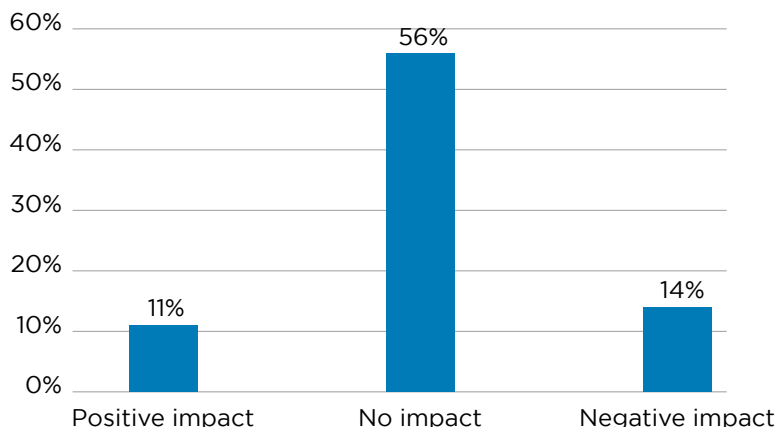
Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

These issues are rooted in pride in place, something that formed a large chunk of the Levelling Up White Paper. In our view it is these issues that will shape the public’s perception of the impact of levelling up and so far, in the minds of the public, there is little sign that levelling up is having an impact.

Impact of levelling up

Figure 3. Public perception of levelling up's impact on local areas

Do you think the government's levelling up agenda is having a positive or negative impact on your local area, or do you think it has had no impact either way?

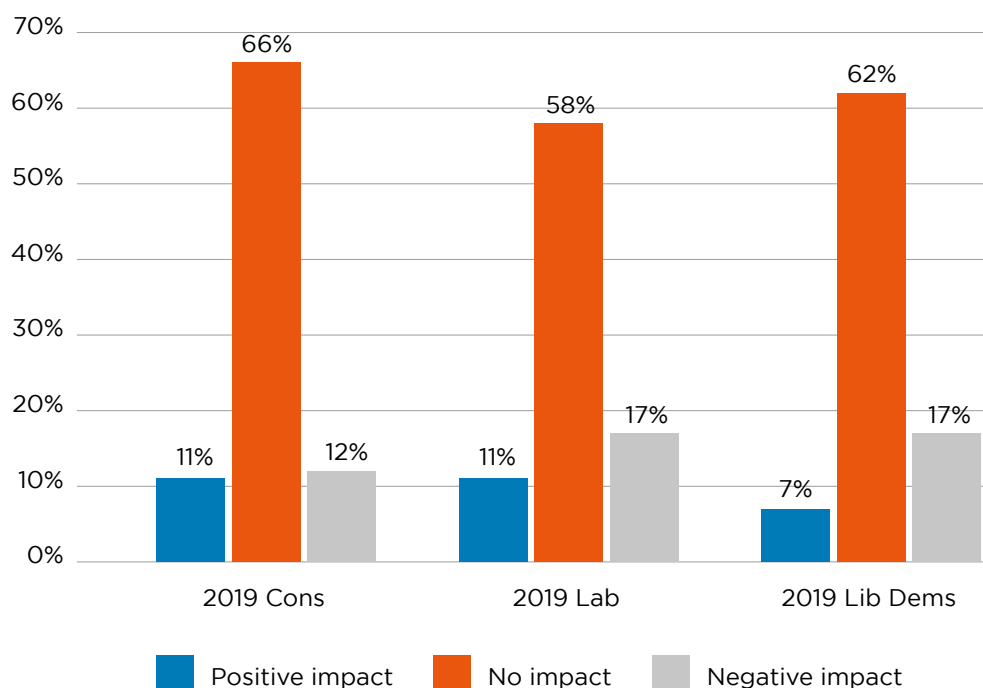


Base: all respondents (2,000); fieldwork dates 8th - 10th February 2023

When asked about their local area, only 11% of the public think levelling up is having a positive impact. This is in contrast to the majority (56%) thinking it is having no impact, and 14% of people thinking it is actively having a negative impact. When broken down, we find that two thirds of Conservative 2019 voters think levelling up is having no impact.

Figure 4. Public perception of levelling up's impact on local areas by 2019 vote

Do you think the government's levelling up agenda is having a positive or negative impact on your local area, or do you think it has had no impact either way?

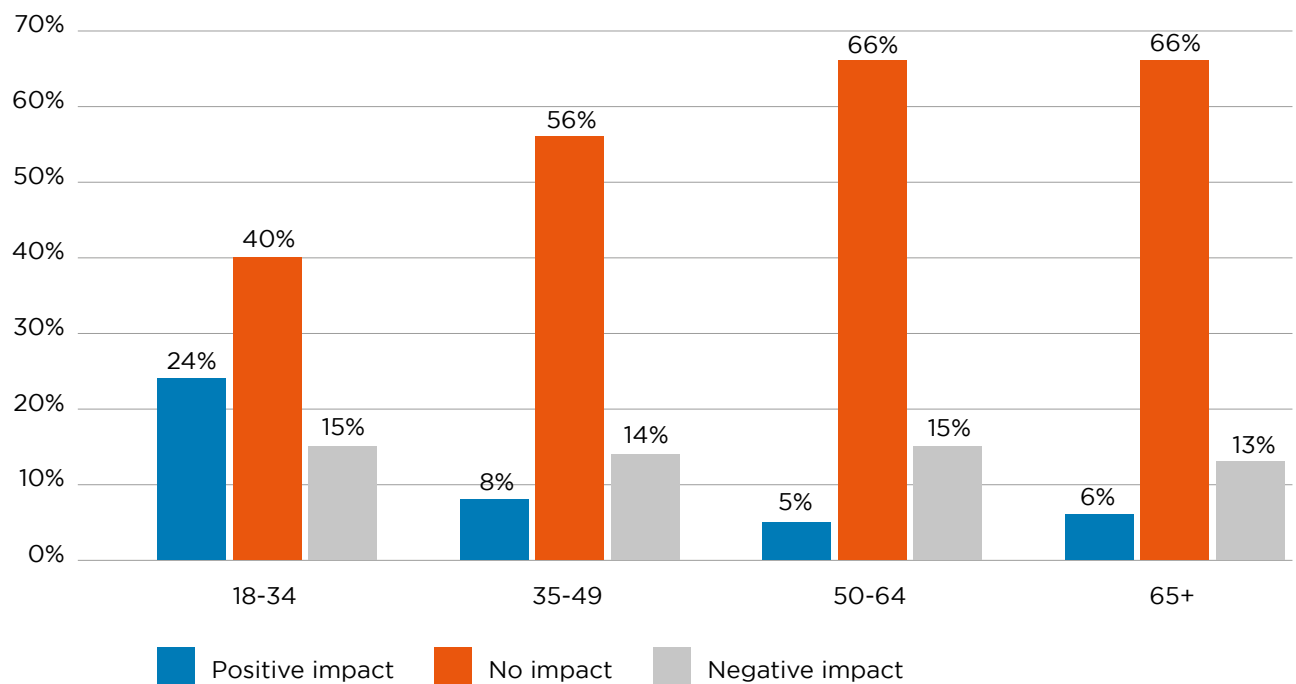


Base: respondents who voted Conservative, Labour or Lib Dem in the 2019 General Election (1,252); fieldwork dates 8th - 10th February 2023

Across age groups, older people are the most negative about levelling up, with 66% of over 50s saying it is having no impact, compared to 56% of 35-49 year olds, and 40% of 18-34 year olds. A significantly higher proportion of the youngest age group, 18-34s, believe levelling up is having a positive impact at 24%, which is 15-20 percentage points higher than all the other age groups polled.

Figure 5. Perception of levelling up's impact on local areas by age of respondents

Do you think the government's levelling up agenda is having a positive or negative impact on your local area, or do you think it has had no impact either way?

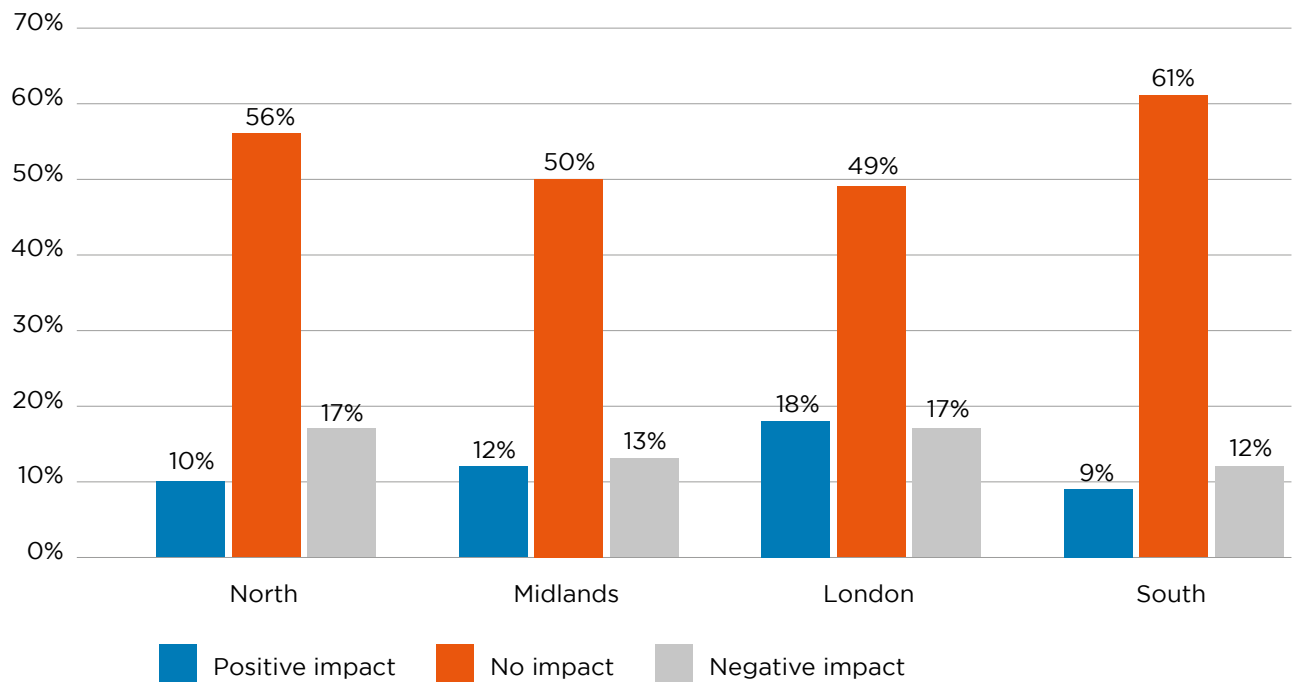


Base: all respondents (2,000); fieldwork 8 - 10th February 2023

By region we also find broad negativity, outlined below. Though it should be noted that nearly a fifth (18%) of Londoners see levelling up as having a positive impact, perhaps due to fact that the economic performance of the capital tends to be greater than other regions of England.

Figure 6. Perception of levelling up's impact on local areas by regions of England

Do you think the government's levelling up agenda is having a positive or negative impact on your local area, or do you think it has had no impact either way?



Base: respondents in regions of England (1,736); fieldwork 8th - 10th February

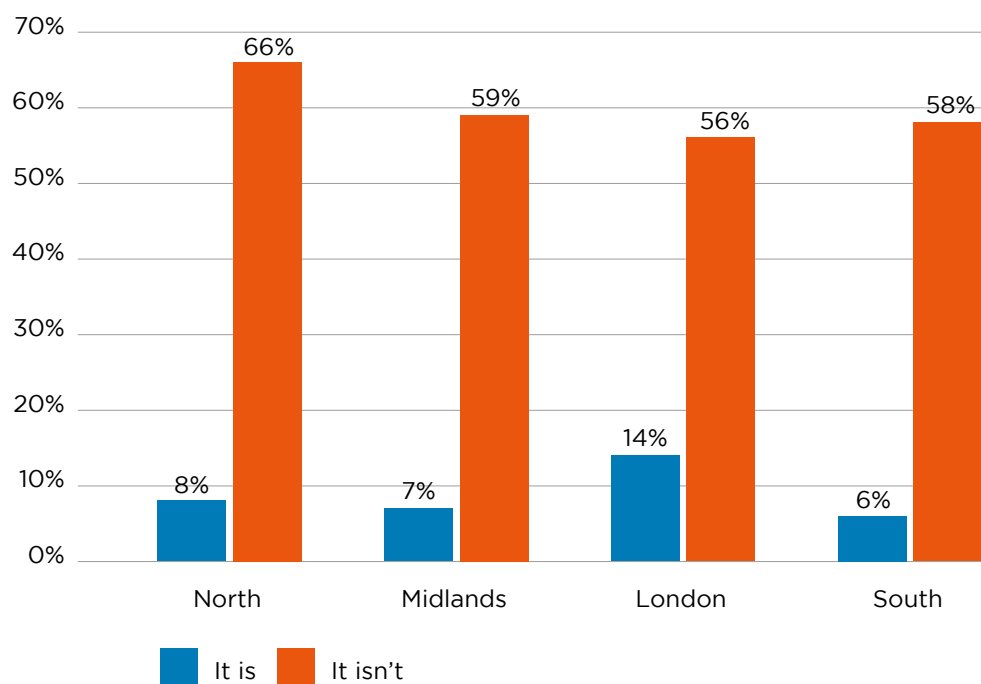
This negativity translates to the national level, where the picture is much the same as when thinking about their local area, though slightly less pessimistic. Only 11% of people think levelling up is having a positive impact on the country, while 16% think it having a negative impact and 49% think it is having no impact. The slightly lower level of pessimism is likely due to a sense that changes are happening, just not in a way that can be perceived in people's local areas.

Tackling key issues

The pessimism around levelling up is not surprising when you consider the relevance the public feel it has to the key issues locally. Overall, 60% of the public think levelling up is not tackling the key issues in their local area. Looking by region, we find that the north is the region where the highest proportion of people think levelling up is not tackling key issues locally – as many as two thirds – with no region feeling it is tackling key issues locally.

Figure 7. Perception of levelling up's relevance to key issues in local areas by regions of England

Do you think the government's levelling up agenda is or is not tackling the key issues in your local area?



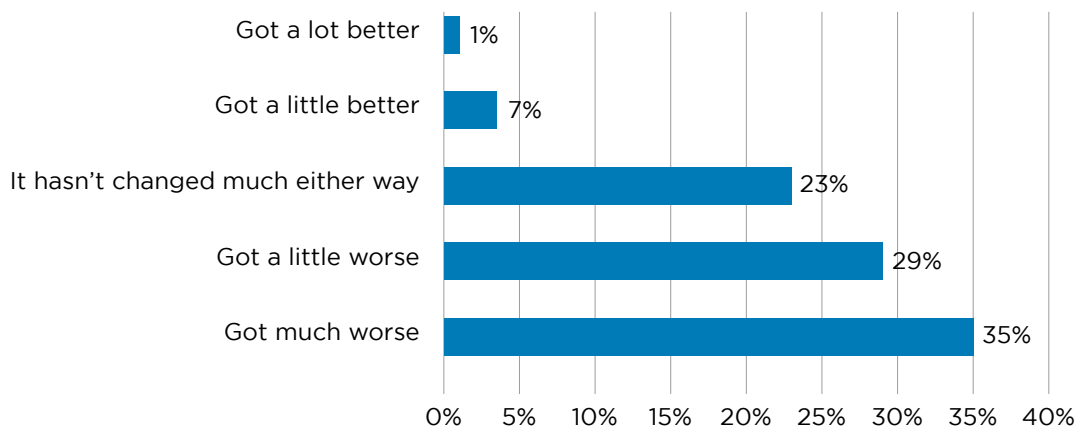
Base: respondents in regions of England (1,736); fieldwork 8th – 10th February

High streets

On top of this is the perceived state of our high streets and town centres – a key prism through which the public view levelling up and experience their local area. 64% of people believe their high street or town centre has declined since 2019. Strikingly, over a third believe it has gotten ‘much worse’ since then.

Figure 8. Perception of changes to the high street since 2019

Has your local high street or town centre got better or worse since 2019, or has it not changed much either way?

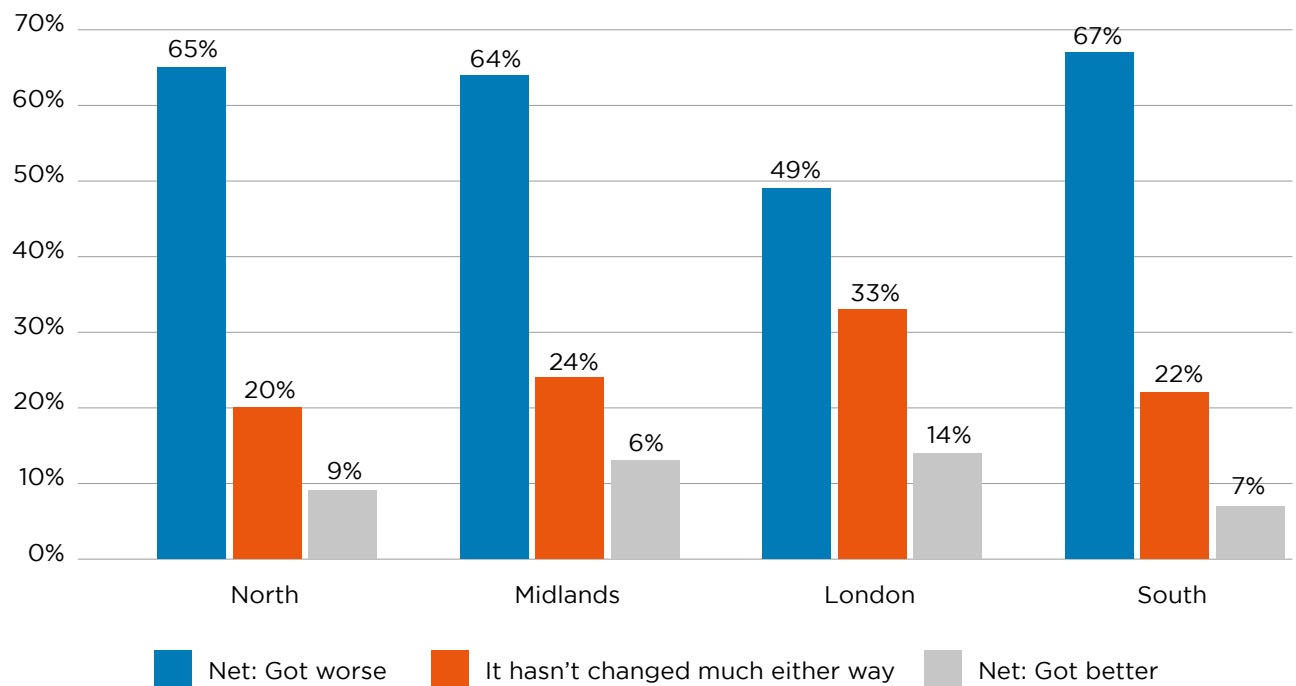


Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

Looking below we find that London is the only region where fewer than 50% of people believe their high street has gotten worse since 2019, again an indicator of the performance of London relative to other English regions. Likewise, younger people are the sole age group where fewer than half of respondents think the high street has gotten worse, with over 50s being the most negative.

Figure 9. Perception of changes to the high street since 2019 by regions of England

Has your local high street or town centre got better or worse since 2019, or has it not changed much either way?



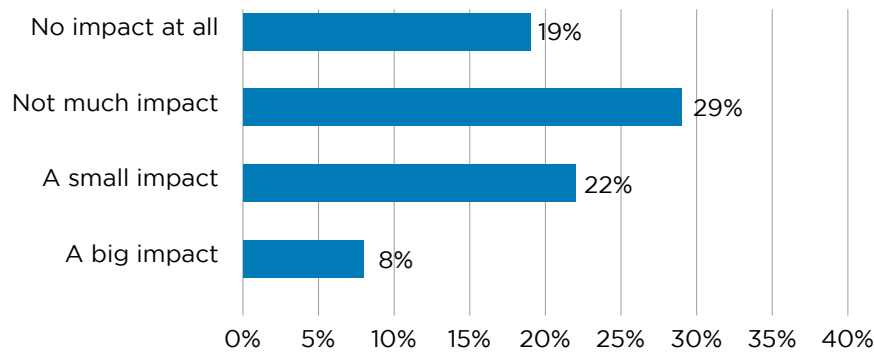
Base: respondents in regions of England (1,736); fieldwork 8th – 10th February

By 2030

Looking ahead to the future, there is continued pessimism. By 2030, 30% of people think levelling up will have made either a big or small impact on the country, compared to 49% who think levelling up will have had no or not much impact. Only 8% see levelling up as having a 'big impact' by 2030, while a fifth believe it will have no impact at all.

Figure 10. Expected impact of levelling up by 2030

Overall, how much impact, if any, do you expect leveling up to have had on Britain by 2030?

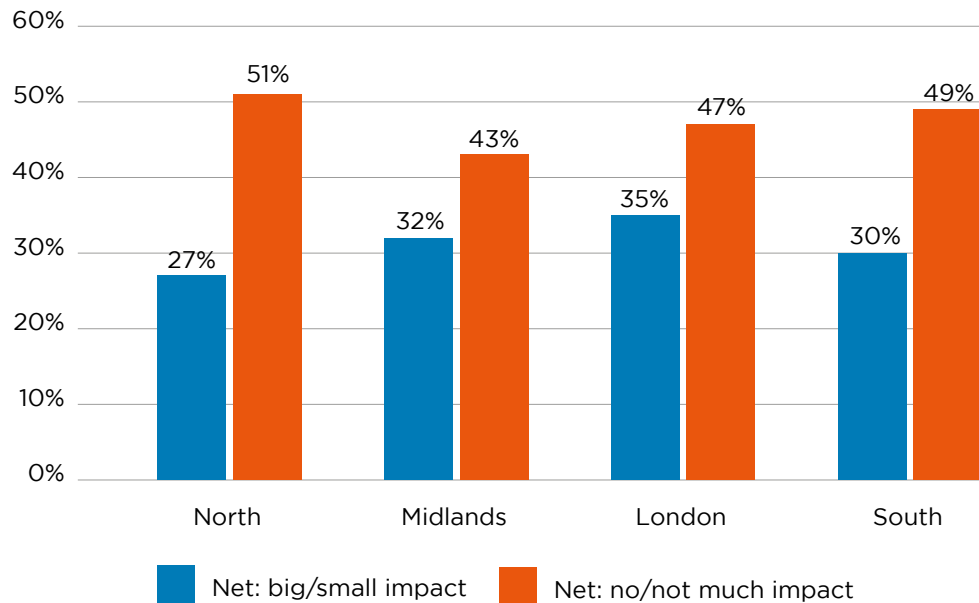


Base: all respondents (2,000); fieldwork dates 8th - 10th February 2023

Worryingly, given the focus of the agenda on spreading opportunity to all parts of the country, it is the north that is the least optimistic about levelling up having an impact by 2030, where 51% think it will have had no or not much impact, while 27% think it will have a big or small impact. In each of the remaining regions there are clear majorities believing levelling up will have no or not much impact.

Figure 11. Expected impact of levelling up by 2030 by region of England

Overall, how much impact, if any, do you expect leveling up to have had on Britain by 2030?

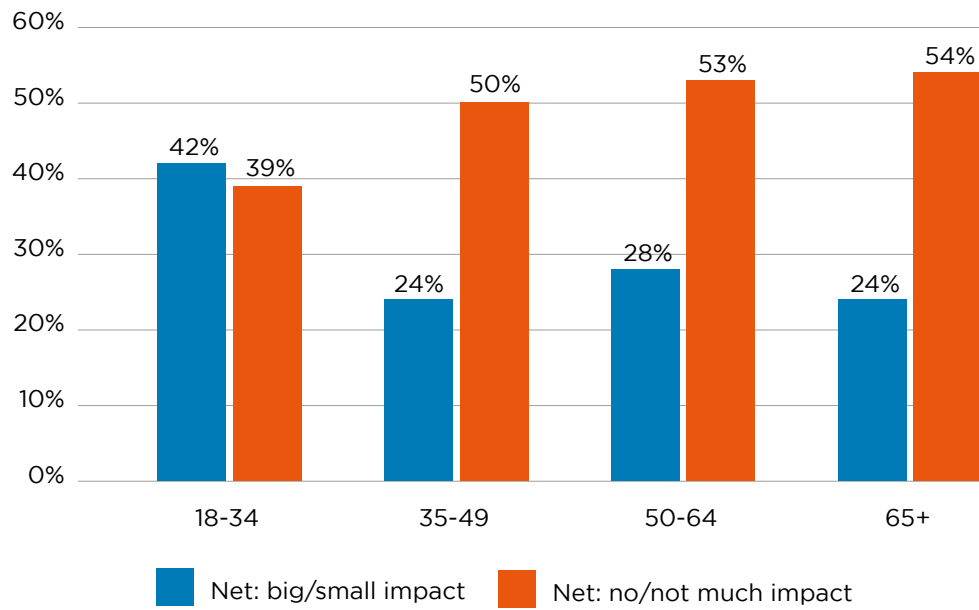


Base: respondents in regions of England (1,736); fieldwork 8th - 10th February

Interestingly, we find again that younger people are more optimistic. Those aged 18-34 are the only cohort where a greater proportion believe that levelling up will have a big or small impact by 2030, bucking the trend with other age groups.

Figure 12. Expected impact of levelling up by 2030 by age of respondents

Overall, how much impact, if any, do you expect leveling up to have had on Britain by 2030?

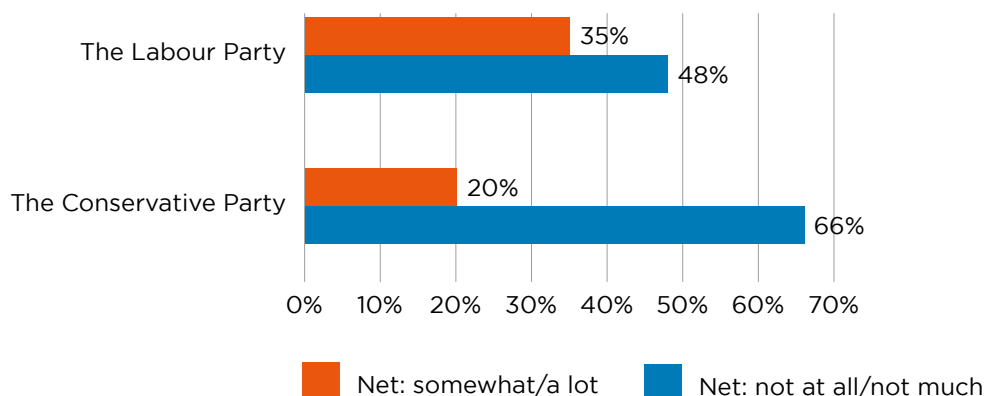


Base: all respondents (2,000); fieldwork 8th - 10th February

But nevertheless, the key takeaway from our polling is that the public is profoundly negative about levelling up. The public is not seeing an impact locally or nationally and do not think levelling up is tackling the key issues locally. Alongside this the public's perceptions is that the high street is declining and do not hold much hope for levelling up having an impact looking ahead to 2030.

Figure 13. Trust in main parties to level up

How much, if at all, do you trust each of the following to level up your area?



Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

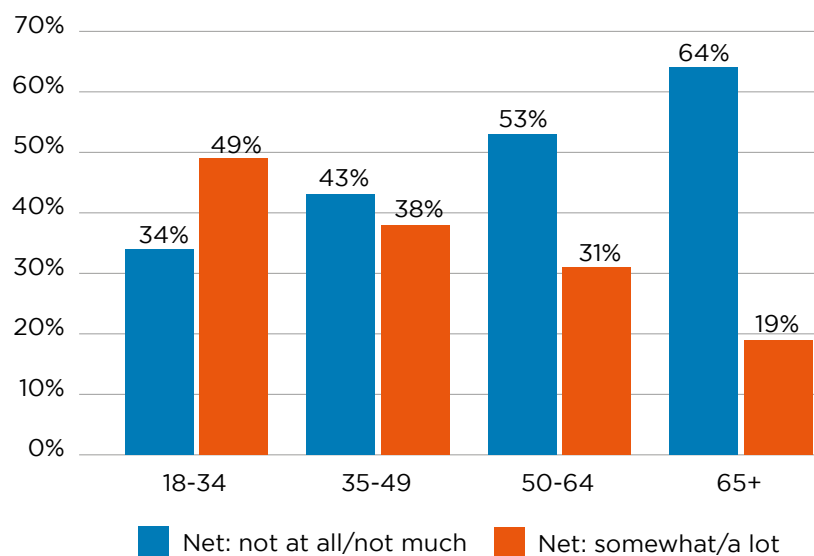
It is not a surprise then that neither of the two main parties is trusted to level up local areas. Figure 13 shows the respective levels of trust in each party when thinking about levelling up. It is clear that, while neither party is trusted on levelling up, the Conservatives are significantly less trusted on this issue.

Looking at the trust ratings for each party an interesting picture emerges. The Labour Party is trusted on levelling up by only 16% of 2019 Conservative voters – arguably those most important to the party at the next election.

Figure 14. Trust in Labour Party to level up by age of respondents

How much, if at all, do you trust each of the following to level up your area?

The Labour Party



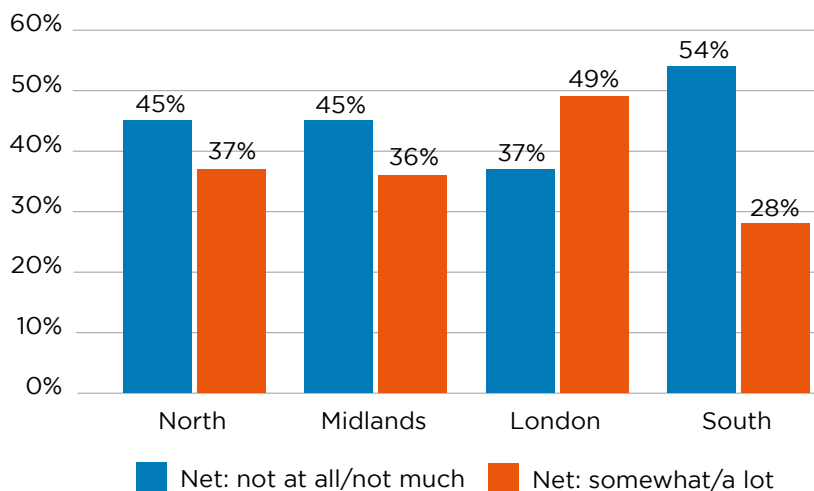
Base: all respondents (2,000); fieldwork dates 8th – 10th February 2023

Unsurprisingly, Labour is trusted on levelling up by sections of the population that it is known the party performs well with. People aged 18-34 are the only age group who net trust Labour to level up their local area, and London is the only region where this is also true. This means that there is scope for the Labour Party to improve wider public trust in the party's ability to deliver on levelling up.

Figure 15. Trust in Labour Party to level up by region of England

How much, if at all, do you trust each of the following to level up your area?

The Labour Party



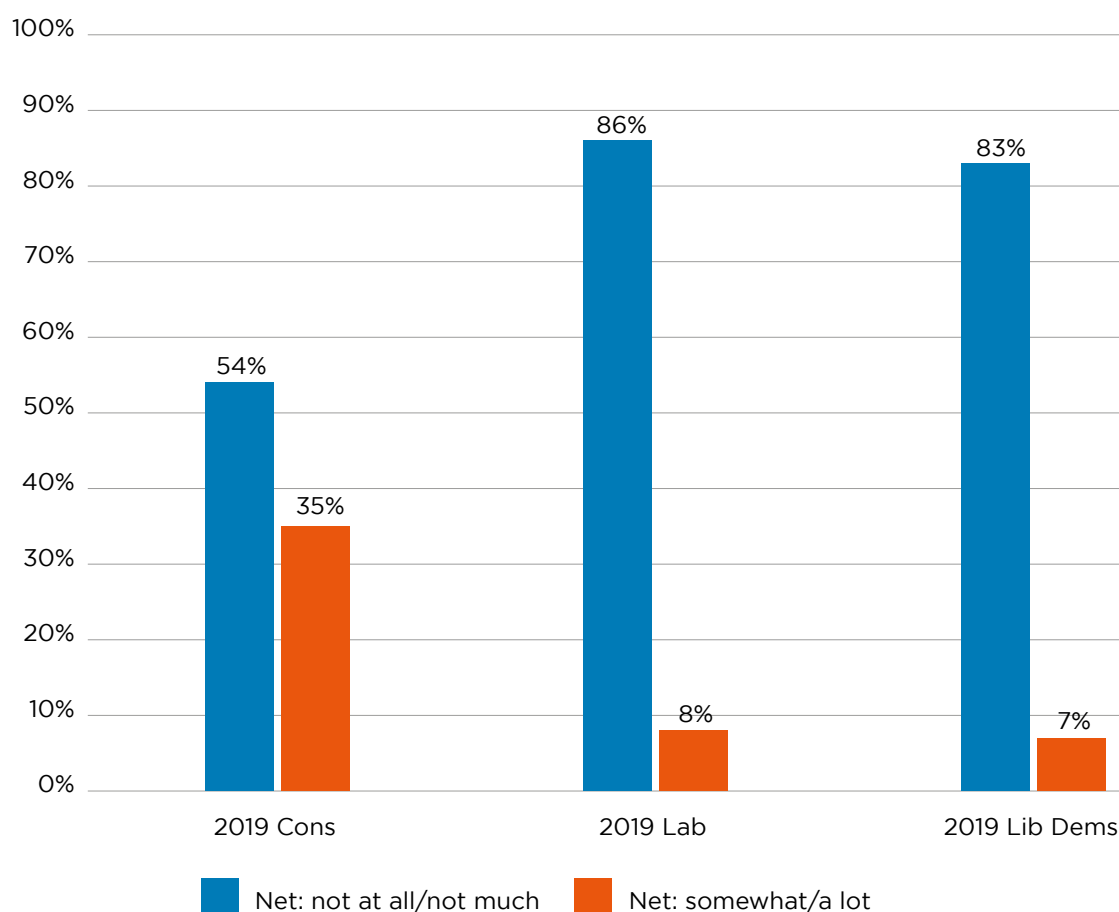
Base: respondents in regions of England (1,736); fieldwork 8th – 10th February

The picture is even more worrying for the Conservatives. Even amongst those who voted for the Conservatives in 2019, 54% have no or not much trust in them to level up their area. Across all age groups and regions there is pervasive distrust on this agenda, with no sub-group within any category trusting the Conservatives on levelling up.

Figure 16. Trust in Conservative Party to level up by 2019 vote

How much, if at all, do you trust each of the following to level up your area?

The Conservative Party



Base: respondents who voted Conservative, Labour or Lib Dem in the 2019 General Election (1,252); fieldwork dates 8th - 10th February 2023

In the following chapter we will elaborate on what this means politically for both parties and areas where they could make progress.



Barnsley Community Build,
Barnsley

Community perspectives

But before considering the implications for our politics, we need to bring in the community perspective, of people who have directly experienced levelling up policy.

In preparation for this report, Power to Change interviewed four community business leaders – Sacha Bedding, Jo Cooper, Ed Whitelaw, and Angie Wright – who have with decades of experience between them and who are working across the country, with different experiences and perspectives of levelling up drawn from bidding for funding and leading community activity in their local area. This allowed us to draw out key themes that emerged to paint an insightful picture into levelling up ‘on the ground’, as policymakers are fond of saying. In doing so we touched on the meaning of levelling up, whether it had the right focus, the politics of it, progress made on issues like funding and devolution, and changes that could be made in the future.

From a community perspective, levelling up itself was viewed by interviewees as something that should be about improving places, particularly those that need it most, and that it is linked to politics. However, it is seen as something that the average person is not aware of and that does not always focus on the right places.

“It’s [levelling up] about creating equity in place...equity of opportunity is one of our [Back on the Map’s] big things, it’s not about giving everyone the same. It’s about, you know, creating a level playing field and those that need a bigger step up, get that.”

Jo Cooper, [Back on the Map](#), Sunderland

There was a view that levelling up was about recognising areas that have been overlooked by politics but have become more relevant due to the 2016 EU referendum, which resulted in a shift in political focus to certain parts of the country.

“What it [levelling up] speaks to is places which have been taken for granted for a long time...I think the only reason why we [Hartlepool] are political relevant now is as a result of the 2016 referendum to leave the EU.”

Sacha Bedding, [The Wharton Trust](#), Hartlepool

In one sense this was positive as these areas are now receiving attention after being neglected, but in others meant that certain areas with lower political salience had been overlooked by levelling up policy. Comparisons were drawn with London as an example of somewhere that interviewees felt did not need more investment compared to other areas.

“Plymouth again, very...underserved. I think we have...two parliamentary constituencies. One is safe Labour, one is pretty safe Tory. It’s not a massive battleground...it’s not Red Wall territory.”

Ed Whitelaw, [Real Ideas](#), Plymouth

“[Levelling up] is a recognition that places have been, I wouldn’t say left behind because I hate the term because they weren’t left behind it was totally ignored.”

Sacha Bedding, The Wharton Trust, Hartlepool

It was felt that people were aware of the phrase ‘levelling up’ but did not grasp what it means, in part because it has not translated into something that feels relevant to people, and because other priorities have become more pressing. It is possible that this lack of understanding is feeding pessimism towards the agenda as a whole, that is not understood and does not feel relevant. There was more awareness amongst people working in sectors related to levelling up, but often this did not align with the focus many areas have experienced on physical infrastructure.

“For most citizens in Leicester, it’s [levelling up] completely passed them by if I were to stop anybody on the street.”

Angie Wright, B Inspired, Leicester

“I think everyone’s heard the words. I think people have no idea what it means... it sounds wonderful in political speeches, but what does it mean in people’s everyday life?”

Jo Cooper, Back on the Map, Sunderland

This was connected to the focus of levelling up, which was viewed as disconnected from the people it is supposed to benefit as well as the lag between investment and perceivable benefits – which combined mean that people couldn’t see the impact of levelling up.

The focus on capital investment – though it was noted that any investment is welcome – was seen as either not enough or the wrong priority, that would not translate to positive change for that place. Meanwhile, for other projects the impact was more distant and would be felt in the future, but not now.

“People might be aware that there’s some sort of idea that there’s a free port...that might get some investment... and while they aren’t against it, I can’t see that it will connect to their lives, certainly not in the short medium term. And the point that it might connect and have some benefit or impact is years down the line.”

Ed Whitelaw, Real Ideas, Plymouth

On specific policy areas, interviewees discussed devolution and levelling up funding.

Devolution was seen as positive, with the caveat that power and resources must reach communities. There was recognition of some of the difficulties devolution can create, particularly at first, with new structures combining with cultures of how things have functioned hitherto causing these difficulties. Specific leaders of combined authorities were mentioned as examples of the model working, to some extent, and to providing a more local form of accountability but this is still regarded as too distant from those affected by decisions that are made at a regional level.

“I think devolution of power and resources is always a good thing. But not when it sticks there [at the regional level]...because the transparency and accountability is still too far away.”

Sacha Bedding, The Wharton Trust, Hartlepool

On levelling up funding there was near unanimity from interviewees on the issues: a preference for large scale ‘shovel ready’ projects, and timelines for applications and projects that caused substantial difficulty. Many community organisations favoured longer term projects that were sustainable and less resource intensive over time and felt the various levelling up funds were not suited to this.

“Within the sector, people have a view about it, which is it’s not really investing in...communities that they feel need investment in order to help them leveling up...there’s not neighbourhood-based funding here, there’s no community-based funding.

Angie Wright, B Inspired, Leicester

The timescales were viewed as too short for some funds, particularly given the amount of information needed. Comparisons were also drawn between the level of investment under EU Structural Funds and the UK Shared Prosperity Fund, which had reduced in the areas of the interviewees we spoke to. Similarly, there was more positive experience of the Community Ownership Fund compared to the UKSPF due to more favourable timelines. In some cases, the work required for UKSPF applications was enough to put community organisations off taking part in an application. There was also a view expressed that levelling up funding was being used to fund existing projects or plug gaps in already planned activity.

“The Community Ownership Fund is probably the most positive out of all of those... we’re in the middle of submitting the full application now but the UK Shared Prosperity [Fund] we looked at, we spent days and days of our leadership time trying to gather the information in the depth and that was required to the point that we took a decision that actually the capacity was taken for a small organisation... we took at view that perhaps it was intentionally difficult, it wasn’t unlocking capacity or potential, it was just creating burdensome amounts of work.”

Jo Cooper, Back on the Map, Sunderland

The changes people wanted to see, were they in a room with someone from the government, flowed from this. On devolution, power needed to go beyond the regional level. On funding, timescales needed to be more flexible and to be consistent. And there needed to be a greater focus on place and metrics beyond the economic, for real impact to be shown, and for this work to be given time.

“Our point of view is just to say, this is our model, and it’s working here. And if it can work somewhere else, wonderful, but really listen to the people that you’re trying to help in the community...people know what they need where they live...stop doing to people and do with people. I think that is fundamentally my view on it. It can’t all be centralised.”

Jo Cooper, [Back on the Map](#), Sunderland

“There needs to be recognition, and we’ve got the example through the work Local Trust have done with Big Local areas...we are seeing the impact of work we started 10 years ago...it has taken a decade to get to the point where the groundwork, the deep relational work has succeeded.”

Sacha Bedding, [The Wharton Trust](#), Hartlepool

Summary

We have found that public attitudes toward levelling up are predominantly negative. The public do not see it having an impact locally or nationally and it does not feel relevant to the key issues locally either. High streets are perceived to be declining and there is pessimism towards the agenda making an impact by 2030.

This sense of disconnection and lack of relevance to local priorities was reflected in interviews with a selection of experienced community business leaders. These local leaders felt that there has been welcome progress in terms of devolution, but felt that this needed to go further, and thought changes needed to be made both to funding and what is being funded for levelling up to have a real impact. In sum, the combined national and community-level perspective shows minimal impact if any in the short term, but that there is scope to make progress into the future, though there is pessimism that this will happen.



What does this all mean for our politics?

Our review of progress made on levelling up, the new polling conducted for Power to Change and the interviews with community leaders paint a mixed picture for levelling up. It is clear that the impact of levelling up is not being felt at a local level and in part this reflects the current state of play in terms of policy which is not delivering tangible change in the short term.

Power to Change is of the view that levelling up matters, and our research has reinforced this view. Levelling up matters to communities and individuals. This means that there are risks and opportunities for both main parties on levelling-up related issues. In this section we set out our view of the risks and opportunities presented by the levelling up agenda and make recommendations that would be more impactful for communities.

Conservatives

State of play

As set out in previous chapters, the government has made progress on levelling up since 2019. Across the various levelling up funds there is over £11 billion earmarked for levelling up projects up to 2025. The Levelling Up White Paper was ambitious and correctly identified many of the key issues that need to be tackled for levelling up to succeed, for example, recognising the value of social infrastructure in reducing inequalities. Good progress is being made on regional devolution where 14 areas have agreed devolution deals and enhanced 'trailblazer' deals are being negotiated with Greater Manchester and West Midlands Combined Authorities. On high streets and town centres, there will soon be new powers for local authorities to trigger high street rental auctions on vacant properties.

Yet overall, the agenda has been disappointing. Delivery of the various funding pots has been defined by short-termism, fragmentation, and complex, resource intensive bidding processes. The promising Strategy for Community Spaces and Relationships has not yet come to light. Devolution of power has stopped at the regional level and there is no sign of community covenants, a neighbourhood governance structure that could genuinely empower communities. High street rental auctions, while welcome in many ways, will not change the nature of ownership on the high street that drives vacancy rates. Our polling and interviews with community business leaders demonstrate the lack of impact the existing policy agenda is having.

Risks

The risk for the Conservatives is relatively simple. The party entered the 2019 General Election promising to level up the country as part of its bid to win over voters in seats that had traditionally voted Labour. And it worked. The party won its largest majority for years. **The risk now is that having made these promises, failing to deliver on them will lose the trust of voters who placed it in the Conservatives' hands for the first time.**

Our polling shows that voters are not seeing a positive impact from levelling up and are not confident they will see any impact by 2030. On local high streets, where the impact of levelling up is made visible for many, our polling found that the perception is of decline and that levelling up is not addressing people's priorities in their local area. Most concerningly for the government, our polling shows low trust in the Conservatives to deliver on levelling up. The public, especially those 2019 Conservative voters, will expect to see some form of delivery in their local area.

Opportunities

Fortunately for the government, time has not completely run out to make greater progress on levelling up. First and foremost, the government must not lose sight of the ambition it showed with the Levelling Up White Paper. While we recognise there are urgent issues that the government must also address, it should be conscious of the risks of failing to deliver that we outlined above and the electoral consequences this may hold. Michael Gove's recent speech to Onward launching their new project, The Future of Conservatism, contained a welcome reminder of the importance of levelling up and of restoring pride in place.⁴²

Second, to demonstrate this commitment, the government needs to act to deliver where it can and get the ball rolling where it cannot deliver short term. On high streets there is scope for delivery. The government needs to go further than high street rental auctions that won't change the nature of ownership on the high street, which is at the root of vacancy on the high street.⁴³ A Community Right to Buy, advocated by Power to Change since 2019 and recently supported by Lisa Nandy on Labour's frontbench, might be something that Michael Gove could embrace in order to drive down high street vacancy. Going even further, establishing a High Street Buyout Fund⁴⁴ would represent a strong commitment to revitalising the high street by creating a fairer playing field, where community organisations can compete with private investors to take over high street assets. Additionally, the government should support the development of town centre partnerships which give communities a central role in high street renewal, alongside the private and public sectors, learning from our Community Improvement District pilots.⁴⁵

42 Gove, M. (2023) *The Next Moves Forward*. Available at: <https://www.ukonward.com/reports/future-of-conservatism/>

43 Plumb, N et al. (2022) *Why now is the time for a High Street Buyout Fund*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2022/03/Take-Back-the-High-Street-report.pdf>

44 As proposed by Power to Change in *Why now is the time for a High Street Buyout Fund*

45 For more information, see this page on the Power to Change website: <https://www.powertochange.org.uk/news/five-new-community-improvement-districts/>

On devolution, continuing the steady progress government has made since 2019 would be welcome. Six of the fourteen devolution deals were agreed in late 2022 and have not yet been implemented. Doing so would signal the government's commitment to promoting local leadership. Similarly agreeing the 'trailblazer' deals with Greater Manchester and the West Midlands would be significant in setting the trend for English devolution outside of Greater London.

Where progress has not yet been made, government should get the ball rolling.

Producing a Strategy for Community Spaces and Relationships would provide more heft to the government's positive recognition of the importance of social infrastructure in the White Paper. Power to Change's reports with the Cares Family from 2021⁴⁶ and with the British Academy this year⁴⁷ should be required reading for ministers and civil servants working on the strategy.

Similarly, the government needs to make progress on neighbourhood governance so that more resources can reach the neighbourhood level and so that decisions can be made there too. A comprehensive review of neighbourhood governance and/or the piloting of governance models such as Community Covenants should take place prior to the next election.

Levelling up funding is overly-centralised, overly-competitive, and hampered by delays. A number of changes to how the current government approaches regeneration funding would deliver welcome impact for communities:

- 1) Move decision-making on funding out of Whitehall.
- 2) Remove competition in funding pots except for in exceptional circumstances where it is necessary.
- 3) Ensure timely approval of funds allowing recipients time to spend their allocations.
- 4) Allow flexibility in existing plans to accommodate increased costs due to inflation.

Time has not yet run out for the government to show it can still make progress on levelling up, but the clock is certainly ticking. The risk of failing to do so is clear and should give the government enough impetus to demonstrate some delivery before the next election.

46 Power to Change and The Cares Family (2021). *Building Our Social Infrastructure*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2021/10/XX-Building-our-social-infrastructure-FINAL.pdf>

47 Power to Change and The British Academy (2023). *Space for Community*. Available at: https://www.thebritishacademy.ac.uk/documents/4536/Space_for_community_strengthening_our_social_infrastructure_vSUYmgW.pdf

Summary of recommendations:

- 1) The government should produce the Strategy for Community Spaces and Relationships and complete a comprehensive review of neighbourhood governance before the next election.
- 2) The government should implement the changes to levelling up funding outlined above.
- 3) The government should introduce a Community Right to Buy and/or a High Street Buyout Fund and support the development of town centre partnerships which give communities a central role in high street renewal, alongside the private and public sectors, learning from our Community Improvement District pilots.



Labour

The state of play

The appointment of Lisa Nandy as Shadow Secretary of State for Levelling Up, Housing and Communities, alongside the publication of the Levelling Up White Paper, brought definition to Labour's plans for levelling up, which had previously been unclear. And since then, the party has made good progress.

We have seen Lisa Nandy outline a five-point plan focusing on jobs, high streets, connectivity, power, and safety.⁴⁸ Last year, Nandy announced a Community Right to Buy as party policy⁴⁹ and recently announced that Labour would replace the government's existing levelling up missions with an independent advisory council to monitor progress made by a future Labour government.⁵⁰ Taken together, one can begin to see the immediate changes a Labour government would make on levelling up.

On top of this the party has put devolution at the heart of its offer on levelling up.

Gordon Brown's Report of the Commission on the UK's Future was a bold and expansive document advocating for significant constitutional change. Of particular interest were recommendations two and fifteen which propose that there should be *"a legal requirement for decisions to be taken as close as meaningfully and practicably possible to the people affected by them"* and that *"there should be "double devolution" that pushes power close to people – giving them and their community the right to have more of a say on the issues that affect them, the services they use and the places they live"*.⁵¹ If put into practice these recommendations would represent the genuine empowerment of communities and devolution beyond the regional level that goes further than the current government's plans.

In his New Year's speech in January 2023, Keir Starmer affirmed the direction of Brown's report, criticising centralisation in Westminster and linking this to the malaise the country finds itself in. Starmer promised both to modernise central government and to shift power out of Westminster, so *"decisions which create wealth in our communities should be taken by local people with skin in the game"*.⁵² He indicated that a proposed Take Back Control Bill would encapsulate this and be at the forefront of a future Labour government's first King's Speech.⁵³ Since then, Keir Starmer has outlined his five missions for a future Labour government.⁵⁴ Our view is that effective devolution will be vital to achieving this.

48 Nandy, L. (2022) 'Here is Labour's five-point levelling up plan'. Available at: <https://www.yorkshirepost.co.uk/news/opinion/columnists/here-is-labours-five-point-levelling-up-plan-lisa-nandy-3550700>

49 Neame, K. (2022) 'The Conservative Party commitment to levelling up is "dead", Nandy declares'. Available at: <https://labourlist.org/2022/07/nandy-declares-the-conservative-party-commitment-to-levelling-up-dead/>

50 Neame, K. (2023) 'Nandy announces Labour would scrap government levelling up missions'. Available at: <https://labourlist.org/2023/01/nandy-announces-labour-would-scrap-government-levelling-up-missions/>

51 Brown, G (2022). *A New Britain: Renewing our democracy and rebuilding our economy*. Available at: <https://labour.org.uk/wp-content/uploads/2022/12/Commission-on-the-UKs-Future.pdf>

52 Keir Starmer's New Year's speech (2023). Available at: <https://labour.org.uk/press/keir-starmer-new-years-speech/>

53 Ibid.

54 Labour Party. (2023). 5 Missions for a Better Britain. Available at: <https://labour.org.uk/missions/>

Risks

There is a twofold challenge facing Labour. First, **the party must ensure that the community-level, ‘beyond the town hall’ devolution is not lost amongst devolution to the local and regional level.** Labour can look back to its own history and know how important this is. The New Deal for Communities (NDC) is one of the most successful regeneration initiatives of recent years, and research has shown that this was precisely because it had community-led elements to it.⁵⁵ Similarly, speaking on the legacy of the last Labour government, Lisa Nandy put it well when she said, “*The Sure Start conceived and funded from Whitehall doesn’t survive while the energy cooperative owned and run by hundreds of local people does*”.⁵⁶

At Power to Change we hope to see Labour engage with the question of how to provide the legitimacy and accountability for power to be devolved to the community level. We know that there are issues with existing structures of neighbourhood governance. Parish councils, for example, cover only 40% of the population and are far less common in urban areas⁵⁷, while neighbourhood planning uptake continues this pattern, being ‘disproportionately skewed towards rural, parished and affluent communities’.⁵⁸ This means there are significant swathes of the country that are disempowered and are missing out on policies intended to benefit the neighbourhood level.

Most recently this was seen with the government’s proposal to pass 25% of the Infrastructure Levy to parish councils or areas with neighbourhood plans, with areas without these structures – often the least affluent – missing out on a valuable source of funding. Labour could explore how existing community institutions – such as community businesses – can be empowered on a statutory basis so that structures of neighbourhood governance are more evenly spread throughout England. We know that while more deprived communities may lack neighbourhood forums and parish councils, they are comparatively rich in community anchor organisations which are already being empowered by local authorities to address local challenges. It is time that these partnerships were formalised and spread to all areas of England.

Secondly, in a tight and uncertain fiscal environment, **Labour needs to ensure powers are backed up by support.** Confronting the above challenges will be a core part of this, but so too will ensuring that the powers that do reach communities are strong and can make a genuine difference. This will go some way to addressing the limitations of the Localism Act 2011. Added to this, for devolution to communities to work effectively and to be exercised by communities in all parts of the country – not just the most affluent – Labour will need to consider the capacity building support available so there is equal opportunity for all communities to take back control.

55 Tanner et al. (2021) ‘Turnaround: Learning from 60 Years of Regeneration Policy’. Available at: <https://www.ukonward.com/reports/turnaround-regeneration-neighbourhood/>

56 Nandy, L (2022). *Speech at The Forum Music Centre, Darlington*. Available at: <https://labourlist.org/2022/07/nandy-declares-the-conservative-party-commitment-to-levelling-up-dead/>

57 House of Commons Library. (2021). *Parish and town council: recent issues*. Available at: <https://researchbriefings.files.parliament.uk/documents/SN04827/SN04827.pdf>

58 Report to MHCLG. (2020). *Impact of Neighbourhood Planning in England*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929422/Impacts_of_Neighbourhood_Planning_in_England.pdf

Opportunities

On the first challenge, we would hope to see Labour continuing to push for devolution to the neighbourhood level as both an answer to the lack of control the public and communities feel over their own lives and as a solution to the over-centralisation that is at the root of many of the problems the country faces today. Starmer's New Year's speech was a strong step in the right direction on this narrative, and there is scope for this to continue, tying this agenda into people's everyday experiences.

But to make this rhetoric a reality, Labour should look to existing policy proposals for guidance about how to meet these challenges, should the party form the next government, and work with organisations including Power to Change who will be tackling these issues in 2023.

One existing proposal is the Community Power Act put forward by the campaign We're Right Here⁵⁹, which is supported by Power to Change. Labour, through its Community Right to Buy policy, has already adopted aspects of the Act, and the party should look closely at Community Covenants, a new form of powering sharing partnership between local authorities and community organisations, that would help spread power equally throughout the country.

On the second challenge, there are clear signs the party is interested in finding innovative solutions to support communities to make use of new powers. The Community Wealth Commission, headed up by former Ernst and Young Chief Economist Mark Gregory, is looking into how funding and support can complement new rights, for example, to take control of assets.

Summary of recommendations:

- 1) Labour should consider existing proposals such as the Community Power Act as a practical means to deliver on its rhetoric of 'taking back control' that can provide substance to the mooted Take Back Control Bill.
- 2) Labour should continue to explore innovative solutions to secure funding for communities and community business.

59 We're Right Here. (2022). Introducing the Community Power Act. Available at: <http://right-here.org/wp-content/uploads/2022/05/The-Community-Power-Act-Were-Right-Here.pdf>



Conclusion

Our review of the progress made on levelling up shows that progress has been made, if not to the extent that we need for it to deliver for communities. Levelling up is an agenda that is here to stay, though whether the moniker survives is another question.

But the incremental progress that has been made has not been felt by the wider public nor by communities, both of whom are profoundly negative about levelling up. The public do not see it having an impact locally or nationally. It is not felt to be tackling relevant local issues, and there is a strong sense that local high streets are declining. Looking ahead to 2030, the public remains pessimistic that there will be any impact. Community business leaders share much of this negativity from their firsthand experience of levelling up policy, particularly in relation to the way levelling up funding has been administered and what its focus has been.

The risk to the Conservative Party, if they do not make further progress on levelling up, is clear. Levelling up was a key component of the electoral coalition forged at the last election. It will be hard to build a similar coalition again if levelling up is not delivering in a way that is tangible for communities. That being said, we have identified areas, particularly on high streets, where we think the government can make demonstrable and impactful progress. The pace needs to pick up.

This is not to say that the Labour Party has captured the public imagination on levelling up either. Though, over the last year, the party has made significant progress and its emerging answer to levelling up is a strong one. We hope that the Labour Party will listen to the voices of communities and community businesses in continuing to develop the detail of its ambitions.

In bringing together the national and community-level perspective we have found that levelling up has not been all that we hoped for thus far. Some progress has been made on the communities aspects of the agenda, but there is little impact being made currently and there is pessimism from the public looking to the future. With an election coming into view, there is a short-term need to demonstrate impact. Longer term changes will also be needed for the agenda to deliver by 2030. Continued pressure must be put on both parties to convince them to stay the course so that levelling up delivers today and in the future, for communities and for the country.

AH MORE'S ARNING MPIONS



Appendix

Methodology

Desk research

Power to Change undertook desk research, reviewing relevant policy announcements and policy documents from the government and the Labour Party, to make an assessment of progress of levelling up policy.

Polling

Opinium conducted polling on behalf of Power to Change, examining public attitudes to levelling up. Fieldwork was conducted between 8th – 10th February 2023. The sample was 2,000 adults based in Great Britain and the sample was weighted to be politically and nationally representative.

Full data tables are available on request.

Please contact josh.westerling@powertochange.org.uk to request data tables.

Interviews

Members of the Power to Change staff team conducted semi-structured interviews with leaders of community businesses. The individuals chosen are based in differing geographies in England, and have decades of experience of working from the neighbourhood level up, addressing inequality and strengthening community capacity.

Sacha Bedding

- Sacha is Chief Executive at a pioneering community anchor organisation called The Wharton Trust, which is situated in the Dyke House area of Hartlepool. This is built on a community organising approach, working with local people to support them to take action on the things that they care about.

Jo Cooper

- Jo is Chief Executive Officer at Back on the Map, a charity born out of the New Deal for Communities programme which focuses on enhancing the quality of life for people living and visiting Hendon and the East End of Sunderland.

Ed Whitelaw

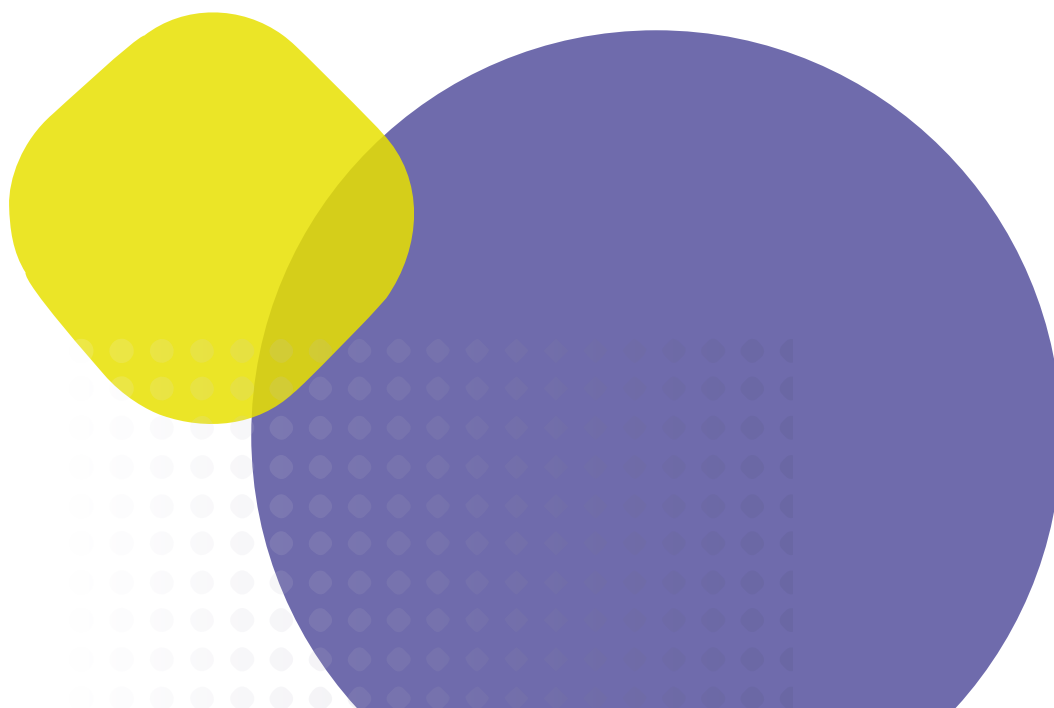
- Ed is Director of Nature and Neighbourhood at the Real Ideas Organisation in Plymouth. Real Ideas is a Community Interest Company that finds solutions to social problems, creating and supporting real and lasting change for individuals, communities, and organisations.

Angie Wright

- Angie is Chief Officer at B-inspired, a neighbourhood-based charity in Leicester that was established in 2010 to carry forward the legacy created by the Braunstone Community Association – existing for 23 years in total. B-inspired works with the community to identify issues, build relationships and deliver products and services for local people.

The interview questions we used to structure the interview are as follows:

- Please could you tell us a little bit about you, your organisation and its background?
- Please could you tell us a bit about what 'levelling up' means to you?
- Could you tell us about what levelling up means to people in your local area who you work with?
- From your perspective, how much progress has been made on levelling up?
- What has your experience of different levelling up funds such as the Levelling Up Fund, UK Shared Prosperity Fund, Community Ownership Fund, been?
- If you could ask the government, or a future government, to change something about levelling up funding, what would it be?





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