

# GLA comments on DLUHC Levelling Up metrics

November 2022

## Purpose

This note summarises the analytical framework of the 2022 Levelling Up White Paper, and provides GLA analysis of the missions and supporting metrics. The supporting spreadsheet provides detailed technical comments on the metrics. This note does not take a policy position on what the Government's approach to levelling up should be.

## Levelling Up White Paper analytical framework

In February 2022, the Department of Levelling Up Housing and Communities (DLUHC) published the Levelling Up White Paper<sup>1</sup>. The paper sets out an ambition, "to end the geographic inequality which is a such a striking feature of the UK. It needs to begin by improving economic dynamism and innovation to drive growth across the whole country". It notes that, "While talent is spread equally across our country, opportunity is not. Levelling up is a mission to challenge, and change, that unfairness."

To support the development of the strategy, implementation, and assessment of progress the Government developed an analytical framework. It argued for the development of six capitals, which should be working in combination:

- Physical capital – infrastructure, machines and housing
- Human capital – the skills, health and experience of the workforce
- Intangible capital – innovation, ideas and patents
- Financial capital – resources supporting the financing of companies
- Social capital – the strength of communities, relationships and trust
- Institutional capital – local leadership, capacity and capability

"Levelling up is about aspiring for every place in the UK to have a rich endowment of all six capitals." There are four objectives and twelve medium-term missions to provide policy direction, provided at Appendix A, with an accompanying set of metrics to monitor progress.

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<sup>1</sup> DLUHC (2022), [Levelling Up the United Kingdom](#)

## GLA analysis of missions and metrics

The supporting spreadsheet provides the GLA's detailed comments on the metrics following Figures 15 and 16 of the White Paper. This section provides some overarching comments.

### Levelling up will not be achieved by levelling down

The White Paper is a deep analysis of why previous attempts to level up have not worked, and provides a broad and comprehensive way forward which supports the development of all parts of the country – there are, though, a couple of metrics which might be interpreted as presuming that London should not develop further, those around transport infrastructure and devolution. London has deep economic links with the rest of the UK in terms of trade, people, finance and ideas. Rebalancing the UK economy cannot be achieved by constraining London growth<sup>2</sup>. London contributes in normal times through taxes paid (and after public spending on the capital) to public spending in other parts of the country<sup>3</sup>.

### The coverage of the missions

One noticeable gap is that the missions and metrics do not mention the contribution of the welfare system in providing a safety net, and maintaining living standards. There is no explicit mention of poverty, and the one associated metric on household income does not reflect that housing costs in London are higher than elsewhere. Inequality and poverty are still rife in London – average household incomes are no higher than the rest of the UK after London's high housing costs are taken into account. On the same basis, the number of adults and children living in relative poverty is higher in London than anywhere else<sup>4</sup>.

One consequence of this is that the mission on pay, employment and productivity has metrics on improving productivity, and metrics on tackling disadvantage. While people is one of the foundations of productivity, others such as the development of the business environment, infrastructure and ideas would not primarily tackle disadvantage. The fifth pillar of place recognises differences in performance across areas<sup>5</sup>. Measures to support people and places would not necessarily support productivity growth. It would be better to have separate missions on the themes of productivity and disadvantage to recognise that policy remedies do not necessarily address both themes.

### Alignment with local strategies

The Mayor of London develops a number of strategies and plans to support the development of the capital<sup>6</sup>. There are strategies on transport, the environment, health inequalities, housing, economic development, culture, food, 'sport for all of us', and a skills roadmap. The London Plan sets out an economic, environmental, transport and social framework for development. There is also a London Recovery Board<sup>7</sup>, which brings together leaders from across London's government, business and civil society, and is jointly chaired by the Mayor of London and the Chair of London Councils, which brings together London local authorities. The aims of this board are to:

<sup>2</sup> GLA (2019), [London and the UK, a declaration of interdependence](#)

<sup>3</sup> Hope M et al (2022), [London's Economy Today](#), Editorial, June

<sup>4</sup> GLA (2019), [London and the UK, a declaration of interdependence](#)

<sup>5</sup> GLA Economics (2020), [The Evidence Base for London's Local Industrial Strategy – final report](#)

<sup>6</sup> [Mayor of London Strategies and Plans](#)

<sup>7</sup> [The London Recovery Board](#)

- Reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of COVID-19
- Support our communities, including those most impacted by the virus
- Help young people to flourish with access to support and opportunities
- Narrow social, economic and health inequalities
- Accelerate delivery of a cleaner, greener London

Analysis has not indicated tensions between GLA activity and that of the White Paper Missions although the coverage is not the same. There is also more of a focus on disadvantaged groups in GLA activity, such as in education and health, and there is no explicit mention of this in the metrics. A comprehensive analysis of the extent of alignment of activity across central and local government has not been done, and it is not clear if the current division of responsibilities supports strengthening of regional activity<sup>8</sup>.

Further, there may be differences around the interpretation of a metric. For example, London relies more on public transport than other regions, deriving in large part from the nature of its geography<sup>9</sup>. The comparator for the metric on public transport use should be the requirement of the local area, and not just relative to other areas. The Mayor of London has set an ambition for 80% of all trips in London to be made on foot, by cycle or using public transport by 2041<sup>10</sup>. so the interpretation of the White Paper metrics might be different in a London context. This may be indicative of a broader point that strategy and policy development, and supporting measures and analysis should reflect local needs.

### **Spatial level of reporting**

One important issue is the spatial level of reporting, and to capture nuances between regions. London is the only region which is completely urban, and provides more employment for residents of other regions than elsewhere in the country. It is more appropriate to compare it with other large metropolitan areas and Combined Authorities than with other regions. There are also significant intra-regional disparities within London<sup>11</sup>, which would not be captured by reporting at a London level.

### **Design of metrics**

There is also a risk of perverse effects from the chosen metrics. In a couple of instances, such as on skills policy and R&D investment, the chosen indicators only capture part of an activity, which may lead to an undue focus on these at the expense of other activity to support the mission. The choice of metric is important, as it could lead to different conclusions being reached, for example on achieving a level of 4G coverage versus reducing the presence of 'not-spots'.

### **Data reporting**

There is work to do to consider the form of data reporting and understanding the limitations of the metrics suggested. There are a number of comments in the supporting spreadsheet that the availability of more granular data is important to enable analysis by important characteristics needed for careful policy development, such as on education and health inequalities.

### **Data availability**

Encouragingly, GLA analysis indicates that the data for the metrics as specified is mostly available to support reporting, although there are some places where there will need to be data development.

<sup>8</sup> GLA Economics (2022), [Devolution and economic growth in London – a rapid evidence review](#)

<sup>9</sup> Hope M (2020), [Transport expenditure in London 2020](#), GLA Economics

<sup>10</sup> Transport for London (2018), [Mayor's Transport Strategy 2018](#)

<sup>11</sup> GLA Economics (2020), [The Evidence Base for London's Local Industrial Strategy – final report](#)

The availability of a broad range of data beyond that of the metrics, and what is currently available, will be necessary to understand developments, and how to make progress. In support, the Government Statistical Service (GSS) has developed a subnational data strategy<sup>12</sup>. Subnational by default in data provision will be critical to the achievement of levelling up.

## Data analysis

Finally, there is a recognition in the missions of the need for increased public spending to meet levelling up objectives by 2030. The White Paper came out before the invasion of Ukraine. Since then, Bank of England forecasts for the UK economy have weakened<sup>13</sup>, and the public finances have worsened significantly<sup>14</sup>. It is not clear what this will mean for the levelling up agenda – there is a concern that where London is doing comparatively well now but less well than government aspirations, such as in educational attainment, that it will lose its share of funding. This will take attainment further away from government aspirations, and may bring about levelling down.

More broadly, there might be a number of factors which impact on progress towards a mission. It will be important to have an evidence base which supports a rich understanding of developments. Tracking the metrics regularly is likely to be insufficient to determine progress towards the missions and supplementary project-level measures of performance may be needed. In order to assess the true impact of Levelling Up activities, individual projects will need to be evaluated against a robust counterfactual.

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<sup>12</sup> [GSS subnational data strategy](#)

<sup>13</sup> Bank of England (2022), [Monetary Policy Report](#), November

<sup>14</sup> Hope M et al (2022), London's Economy Today, Editorial, October

## Appendix A – Levelling Up Missions

**Table 1: Levelling Up Missions**

Focus Area	Mission
<i>Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging</i>	
Productivity	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing
Public Investment	By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth
Public Transport	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population
<i>Spread opportunities and improve public services, especially in those places where they are weakest</i>	
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training

	annually, driven by 80,000 more people completing courses in the lowest skilled areas
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years
Well-being	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing
<i>Restore a sense of community, local pride and belonging, especially in those places where they have been lost</i>	
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest-performing areas
Crime	By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst-affected areas
<i>Empower local leaders and communities, especially in those places lacking local agency</i>	
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement