

3.3 Levelling Up By Devolving Down: A ‘Least First’ Approach

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It needs a ‘least first’ approach and to level up by devolving down

Along with words like ‘lockdown’ and ‘super-spreader’ – in daily use as a result of the pandemic - ‘levelling up’ and ‘left behind’ must surely be contenders for the English dictionary’s new entrants in 2022. This is so despite the uncertainty about what ‘levelling up’ and ‘left behind’ actually mean, even among Westminster-watchers familiar with the evolving political lexicon of our rapidly changing times.

For Local Trust, secretariat to the All-Party Parliamentary Group for ‘left behind’ neighbourhoods (APPG) and manager of the Big Local programme – a radical social experiment in community power and governance - there is a shared and evolving understanding of what these terms mean. And it is no accident that ‘level up’ and ‘left behind’ are so often juxtaposed; when it comes to definitions, it is critical to take them together.

Our understanding of this relationship is not theoretical. It has been gleaned through practical work supporting local community leadership in the 150 deprived areas across England that had historically missed out on National Lottery and other public spending. Through the Big Local programme, each of these areas was capitalised with over £1.1 million to spend on a ‘no strings attached’ basis to meet the needs and priorities identified by local residents. The starting point of Big Local is that the people who live in a locality know best what is needed to improve outcomes across the local area. This has proved true, not only in the Big Local partnerships and other community-led projects that are working to revitalise the places they call home, but also in recent studies into what works when it comes to place-based regeneration.

Research for Local Trust by the University of Cambridge⁸⁴ into the efficacy of 40 years of regeneration initiatives found that those that took a strategic, holistic, hyper-local, and long-term approach with place-based funding achieved positive change in the local area. The most successful interventions were those that offered the greatest opportunity and support for residents to influence the decision-making process, such as through community-led partnerships, with the New Deal for Communities cited as

a solid model for this approach. Recent research by Onward has also highlighted the value of these key elements in underpinning successful local regeneration⁸⁵.

A useful way to illustrate how to level up is through asking and answering the 5 Ws: where, who, what, why and when – and for a practical policy solution we can also add an H: how. This approach draws on Local Trust’s experience of working with a diverse range of communities on the frontline and is rooted in a core set of principles amounting to the key ingredients in our recipe for levelling up.

Where? Prioritising the most deprived and ‘left behind’⁸⁶ communities

Government’s levelling up focus should be at the hyper-local neighbourhood level, the most effective scale at which to focus regeneration activity. Lessons learned from the Big Local programme and from foundational research that underpinned the creation of the APPG suggest the need for a ‘least first’ approach, prioritising those communities most at risk of falling even further behind, the most severely disadvantaged neighbourhoods with the weakest social fabric.

Residents of the 10% most deprived neighbourhoods across England according to the Index of Multiple Deprivation (IMD) and with high levels of community need as measured by the Community Needs Index (CNI) experience worse outcomes across a range of socio-economic indicators compared not only to the national average but also to other, similarly deprived areas⁸⁷. This is despite decades of investment in area-based regeneration programmes. Given the elements assessed by the CNI – the essential civic assets, community engagement and connectivity, both physical and digital, that many of us take for granted – it underscores how important a strong foundation of social infrastructure is to improving outcomes.

The APPG advocates on behalf of the most ‘left behind’ wards in England, identified using the framework of the CNI. All lack social infrastructure. They are often places on the periphery: former colliery and post-industrial communities in the north and Midlands; council estates on the edges of our towns and cities; and communities isolated along the English coastline. They are communities for whom the nearest town centre may seem a world away.

84 University of Cambridge (2019). Achieving local economic change: what works? Local Trust. Available at: https://localtrust.org.uk/wp-content/uploads/2019/10/Achieving-local-economic-change_Oct_2019.pdf

85 Tanner et al. (2021). Turnaround: Learning from 60 years of regeneration policy. Onward. Available at: <https://www.ukonward.com/reports/turnaround-regeneration-Neighbourhood/>

86 We recognise that the term ‘left behind’ is contested, and do not use it to imply that the areas so described lack people with skills and commitment or a rich heritage. Experience of the Big Local programme indicates that the reverse is generally the case. However, such areas have tended not to receive their fair share of available investment and they therefore lack the services and facilities (social infrastructure) that many of us take for granted. It is these services and facilities that help to connect people in a community and bind them together, providing the opportunity for residents to develop and prosper. It is in this sense that they are ‘left behind’.

87 OCSI and Local Trust (2019). Left Behind? Understanding Communities on the edge. Available at: <https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge>

These communities are likely to be bypassed by support through initiatives such as the Towns Fund, whilst big physical infrastructure projects, though often welcome, miss the need to invest in people's capacity, skills, and confidence. At the same time, 'left behind' areas have historically received low levels of funding – on average £7.77 in national charitable grant funding per head from 2004 to May 2021 - less than half the amount received in other equally deprived areas (£19.31) and below the average across England as a whole (£12.23)⁸⁸. Competitive funding pots are also more difficult for these communities to access, when compared to areas with lower levels of community need where residents may be more adept at making funding applications and bids.

Who? Investing in community leadership capabilities as the primary agent of change

Investment in people as well as place is a key arbiter of success in local regeneration programmes, with a growing body of evidence pointing to the value of community leadership in achieving improved local outcomes⁸⁹. Endowing local people with trust and responsibility for the levelling up process should not be an add-on, a consultation tick box exercise or an optional extra – it must be intrinsic to any future area-based regeneration programme. In order to level up, it is necessary to devolve down. As the co-chairs of the APPG say in the preface to this publication: *'For levelling up to be a success, it must be a bottom-up process that is led by communities themselves, rather than a top-down exercise.'*

It is not just a commitment to localism and community power that underpins the ambition to place trust and responsibility with local people. As the APPG has heard, enabling communities themselves to take the lead in driving local change brings results across a range of issues important to local residents as well politicians and public policy makers. We know that residents are ambitious for their local areas, that they know best about what is needed, and that there is an untapped wealth of experience that we need to find a way of unlocking and resourcing. As the lessons from past initiatives show us, regeneration – or levelling up – cannot be something that is done to people and communities.

For change to be sustainable, the people that live in a local area must feel part of it, own it and lead it. The value in this approach is clear, as seen through the case of the Big Local partnership Ambition Lawrence Weston in Bristol. Community-led action has built trust among residents, providing the opportunity for initiatives that span service delivery to influencing, which are often accompanied by additional co-benefits to other policy areas. A project initially designed to tackle fuel poverty within the community has led to household energy audits and a plan for community-owned and generated clean electricity, placing Lawrence Weston in good stead for the national transition to net zero. Examples such as this highlight why local people themselves hold the key to improving their communities, why they need to be supported and resourced to be the primary change agents, and why to level up we need to devolve down.

What? Investing in social infrastructure to ensure equality of opportunity

Access to functioning local social infrastructure plays a key role in levelling up. From strengthening social capital and the ties that bind us together⁹⁰ to enabling people to take advantage of opportunities for a meaningful life, social infrastructure is increasingly recognised to be as important as economic infrastructure in its contribution to our health, wealth, and wellbeing. Neighbourhoods without access to the social infrastructure that provides the foundations for healthy, vibrant, and inclusive communities and underpins strong community leadership find themselves at a considerable disadvantage.

Our approach to levelling up is therefore one that is predicated on investment in foundational social infrastructure:

- **Civic assets:** the places in a community where people can regularly meet and interact, helping build meaningful relationships and a sense of community, and supporting social action;
- **Community engagement:** supporting the organisations active in a neighbourhood that provide services and bring people together, vital to developing common ground and a shared understanding between groups and individuals;
- **Connectivity:** those physical and digital connections that link people across geographical boundaries, connecting them to services and opportunities.

88 OCSI (2021). 'Left behind' neighbourhoods: community data dive. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/06/APPG-Community-Data-Dive-Report-for-APPG-S7.pdf>

89 New Local (2021) Community Power: the evidence. New Local and Local Trust. Available at: <https://www.newlocal.org.uk/wp-content/uploads/2021/02/Community-Power-The-Evidence.pdf>

90 APPG 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>

There is an urgent need to invest in local social infrastructure to ensure 'left behind' neighbourhoods do not fall even further behind. Not only do these communities lack local civic institutions – 'left behind' neighbourhoods have fewer than half the local charities (1.1 per 100,000 population) found in the English average (2.8 per 100,000 population) or in other deprived neighbourhoods (2 per 100,000 population), but they also have fewer civic assets (73 % of 'left behind' areas have less dedicated community space than the national average)⁹¹. It is investment in an area's strong social foundations that will help secure the sustainability and success of other targeted interventions aimed at levelling up a broader range of outcomes, for example supporting local economic development.

Why? The human and financial costs of leaving communities 'left behind'

'Left behind' communities were more impacted by the pandemic, due to higher levels of clinical vulnerability, whilst their depleted social infrastructure meant that they lacked community resilience when compared to other areas. This was reflected in lower concentrations of mutual aid groups formed in response to the pandemic, and less success in obtaining COVID-19-specific funding from charitable foundations, compared to the national average and other deprived areas (i.e., those in the 10 % most deprived as measured by the IMD)⁹².

A weak social fabric and lack of resilience mean that 'left behind' areas are also more likely to be vulnerable to future external shocks. For example, 'left behind' neighbourhoods are likely to be more exposed to the impacts of climate change, with around a quarter of 'left behind' areas on the coast, having less access to green assets, and being more at risk of flooding than the average for England⁹³. In addition, their economic profile, including a lower skills base and educational attainment at every stage from primary school to post-16 than other deprived areas, means that without targeted support and investment they are likely to lose out in the transition to net zero. This risks a repeat of the damage caused by previous economic restructuring.

Targeting investment in 'left behind' neighbourhoods has the potential not only to improve outcomes for local residents and the community as a whole – and help ensure that other levelling up interventions are successful – but also to increase productivity and generate fiscal and economic returns. For example, research for the APPG found that tackling the health inequalities between local authorities that contain left-behind neighbourhoods and bringing them up to England's average could add an extra £29.8 billion to the country's economy each year⁹⁴. Modelling by Frontier Economics for Local Trust estimated that investment in community led social infrastructure in a 'left behind' neighbourhood could generate approximately £3.2 million in economic benefits over a ten-year period – £1.2 million in fiscal benefits, including tax and benefit savings, and £2 million through improved employment, health and wellbeing outcomes and reduced crime⁹⁵.

When? Levelling up is a long-term process

It is clear that many of the issues facing 'left behind' areas are deep-rooted and longstanding. For example, 2021 was the 20th anniversary of the National Strategy for Neighbourhood Renewal, which had the vision that '*within 10 to 20 years, no-one should be seriously disadvantaged by where they live*'. Whilst clearly not achieved, this vision recognised that regenerating disadvantaged communities is a long-term project, requiring engagement with systemic, complex, and multi-dimensional issues, which often have a generational effect.

That is why levelling up requires a strategic, long-term, and targeted approach to improving local outcomes, particularly for those communities with the highest levels of deprivation. Levelling up spending should therefore be guided by investment principles that reflect the sort of time-horizon needed, e.g., 10-15 years, that are patient and for the long-term, and not at the mercy of electoral cycles or subject to the limitations imposed by the short-term funding of traditional approaches to public sector budgeting and spending.

91 OCSI (2021). 'Left behind' neighbourhoods: community data dive. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/06/APPG-Community-Data-Dive-Report-for-APPG-S7.pdf>

92 APPG for 'left behind' neighbourhoods (2020). Communities at risk: the early impact of COVID-19 on 'left behind' neighbourhoods. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/publication/communities-at-risk/>

93 APPG for 'left behind' neighbourhoods (2021). Levelling up through climate action: a once in a lifetime opportunity to make sure no neighbourhood is 'left behind. Available at: https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/11/APPG_LBN_Levelling-up-through-climate-action.pdf

94 Munford et al. (2022) Overcoming health inequalities in 'left behind' neighbourhoods. Northern Health Science Alliance and the APPG for 'left behind' neighbourhoods. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2022/01/Overcoming-Health-Inequalities.pdf>

95 Frontier Economics (2021) The impacts of social infrastructure investment. Available at: https://localtrust.org.uk/wp-content/uploads/2021/07/Frontier-Economics_the-impacts-of-social-infrastructure-investment.pdf

How? The Community Wealth Fund – a sovereign wealth fund for local communities

The Community Wealth Fund (CWF) is a practical policy response to the issues faced by disadvantaged and ‘left behind’ areas. Backed by the Community Wealth Fund Alliance (CWFA), a group of over 460 public, private and civic organisations, and supported by members of the APPG, the CWF proposes to level up communities by investing in the structures, assets, infrastructure and processes that support the formation of social capital in neighbourhoods.

This new endowment would be governed and operated according to a set of principles developed and informed by the lessons from past approaches to regeneration outlined in this essay, including the Big Local programme. Financed initially through accessing the new tranche of dormant assets that are due to come onstream following the enactment of new legislation, as set out in the CWFA’s detailed implementation plan⁹⁶, the CWF would enable:

- Long term funding (well beyond usual public sector funding cycles);
- Secure funding, not dependent on public fundraising or grants;
- An approach which is collaborative and allows for learning;
- A secure basis to attract additional funding from the private sector and philanthropists.

Conclusion

With evidence from past regeneration programmes and Local Trust research, more recent experience of the Big Local programme, and the APPG’s evidence sessions, we know which communities are most in need of urgent and targeted action to help them level up. We understand that there are no short-cuts to levelling up, and that for regeneration to be successful and sustainable communities will require support and resourcing over the long-term. We appreciate that to be successful levelling up has to fully involve local people – and be led by the local community. We know that we therefore need to begin by investing in the people that live in a local area and in their foundational social infrastructure, to build community capacity and confidence, so that the community itself can be the key player and primary change agent in the levelling up process.

Levelling up can’t simply be a top-down government project – if it isn’t about levelling up from the bottom up it won’t work, as the history of past local area-based regeneration has shown. It is the investment at the grassroots, over the long-term, that will contribute to driving real, lasting change. This is what is needed to level up the ‘left behind’.

96 Community Wealth Fund Alliance (2021). Community Wealth Fund – Implementation. Available at: <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/12/Community-Wealth-Fund-Implementation-Guide.pdf>