



Will the levelling up missions help reduce regional inequality?

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Introduction

Levelling up is the government's flagship agenda to reduce regional inequality and address the fact that "while talent is spread equally across our country, opportunity is not".¹ The *Levelling Up the United Kingdom* white paper published in February outlines a new approach that focuses on specific and measurable targets across a range of policy areas. This is a positive step. The government must now settle on the right objectives and the right indicators to measure progress, for which accountability is clear, to ensure this new approach really does drive lasting change.

The white paper rightly acknowledges that regional inequality in the UK is a complex, multi-faceted problem. It does not have a single cause, cannot be solved by a single policy, and progress in tackling it cannot be distilled to a single metric. Instead, the government has set out 12 "missions" to be achieved by 2030 across a range of areas from health to productivity, each supported by metrics to measure progress.

These missions form part of the government's vision for reform. Levelling up is a long-term project that will take time to achieve. Echoing previous Institute for Government research,² the white paper notes that past attempts to change the UK's economic geography have not lasted long, and the missions are part of an attempt to embed levelling up as an objective for the long term. There is much to be welcomed in this approach, from the recognition of the harms of policy churn to the effort to make levelling up a more defined and measurable concept – something the IfG has called for.³ However, the design of the missions will be key to their success, and not easy.

This paper considers whether the missions are well formulated, whether the government has chosen the right metrics for each, and whether the right systems are in place to hold the UK's central and sub-national governments accountable for achieving them. Its main findings are:

- **Most of the missions are poorly calibrated because they do not set the right objectives, provide clear direction, or show the right level of ambition.** The missions are designed to set ambitious but realistic targets to inspire action across government, the private sector and civil society. At present, most do not do this:
 - Five are not ambitious enough, meaning that little or no change would be needed to meet them. But another three are too ambitious to be realistic.
 - Four do not define what success really looks like, making it hard for those within and outside government to assess progress.
 - Two are too narrowly focused, and risk diverting attention and resources away from other outcomes that would contribute to levelling up.
 - One does not align with the overall objective of levelling up to reduce regional disparities.
- **The proposed metrics miss out crucial aspects of the missions, and do not always reflect the highly localised nature of regional inequality.** Some metrics are not applied to key objectives, including on funding for local government or simplifying fares on local public transport. And others, such as those on pay and productivity, are applied to large geographic regions even though the white paper acknowledges there can be large inequalities within such regions. Sub-national data is insufficiently granular and timely to capture all of the levelling up objectives at a local level, and improving data collection at this scale will be a huge task.
- **The suggestions for improving transparency and accountability in the white paper do not go far enough.** A statutory obligation to report annually on progress towards meeting the missions will not in itself ensure that government is held accountable or that people within and outside government will change course if things are off track. The proposed Levelling Up Advisory Council cannot provide rigorous expert analysis and scrutiny when it operates only at the discretion of the Levelling Up Cabinet Committee.

The paper concludes with eight recommendations for how to address these problems.

Most missions are not clear and realistic

As the levelling up white paper makes clear, regional disparities in the UK are long-standing. They have complex roots and are manifest in different ways, from local health outcomes and average pay to crime levels. This makes the missions approach an attractive one: rather than trying to find a single solution or focus on a single public service or policy area, the missions take a more cross-cutting approach that can in theory inspire action across a range of people inside and outside government. Table 1 summarises the missions, showing the breadth of the government’s ambition for levelling up.

Table 1 **The 12 levelling up missions**

| Focus area | Mission |
|---|--|
| Living standards | By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing. |
| Research & development (R&D) | 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. |
| Transport infrastructure | 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. |
| 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. |
| Wellbeing | By 2030, wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing. |
| 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. |
| 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. |

Source: HM Government, *Levelling Up the United Kingdom* white paper, 2022.

The missions also attempt to address what the white paper diagnoses as the weaknesses in previous policy attempts to address regional disparities in the UK. By setting out medium-term ambitions, they are supposed to avoid the policy churn that has blighted those efforts.

The missions can also play a co-ordinating role. Because levelling up covers so many policy areas, it requires a 'whole system' approach, but government policy can be siloed when individual departments focus only on their own area and do not consider the links between different domains.⁴ The missions hope to offer a clarity of purpose to support better co-ordination across government while also offering a unifying vision for those outside government.

For the missions to succeed they need to be carefully formulated. If they do not set a clear direction, people and groups inside and outside government will not know what steps they need to take to contribute to levelling up. Without the right level of ambition, they could either fail to inspire innovative approaches because a target is too easy to meet, or they could set an impossible target that actors spend time and resources trying to meet rather than focusing on other more attainable wins, or do not bother trying to meet at all because it is clearly unattainable. And if they fail to capture the complex and multi-dimensional nature of the problems they are seeking to address, they could even incentivise the wrong behaviour, putting a focus on a narrow set of outcomes rather than the broader goal.

Narrow missions will not incentivise the right behaviour

The white paper draws a distinction between missions and “delivery targets”, arguing that the latter are shorter term and sit entirely within the control of individual public services or government itself.⁵ But both are ways of focusing attention and resources on particular outcomes to drive change. Given how closely the missions align with existing government policy areas – including health, crime, education, R&D and infrastructure – delivering on them will depend heavily on incentivising the right behaviour from decision makers. Here, the government can learn useful lessons from other attempts to set targets. Previous IfG research has highlighted the risks that targets can distort behaviour and divert attention and resources away from other priorities.⁶

For example, in 1998 the Blair government set a target for 50% of GCSE students in England to leave school with five or more GCSEs at grades A*–C. This target meant that schools focused on pupils at the C/D grade boundary, at the expense of students far above or below this threshold.⁷ There is also some evidence that Blair-era targets for hospital performance encouraged disproportionate funding of hospitals over other approaches to improving public health (such as primary care).⁸

Some of the levelling up missions are well designed to avoid these kinds of unintended consequences. Those on housing and crime, for example, involve tracking multiple metrics so that responsible departments and public bodies cannot focus narrowly on a single outcome. However, the missions on skills and on education are more vulnerable to distortion.

The skills mission – to have more people completing skills training in every area of the UK by 2030 – focuses on qualifications rather than other types of learning such as Skills Bootcamps, shorter courses for adults aged 19 and over who are either in work or recently unemployed that do not lead to a formal qualification. This is despite an Institute for Employment Studies evaluation of bootcamps – commissioned by the Department for Education – judging their greater flexibility as an asset, as without being tied to particular qualifications or training standards they could better respond to employer needs.⁹ The skills mission could therefore, as currently formulated, divert attention away from such models.

The education target’s focus on primary schooling may similarly lead to a focus on attainment at Key Stage 2 (KS2) rather than, for example, early years. Experts have criticised the white paper for being mostly silent on the issue,¹⁰ despite evidence that it can help reduce disparities and that gaps between students at that level become harder to close later.¹¹ This mission should be reformulated to have a broader range of educational attainment and funding goals that would encourage change and innovation across the whole education sector.

Four missions do not set a clear direction

Missions work best if they make it unambiguous what success would look like, which means they should either be formulated in a binary way or clearly quantified as a percentage increase or reduction.¹² Most of the missions are well formulated in terms of clarity – for example, the health mission sets a clear target to close the gap in healthy life expectancy (HLE) between the areas where it is highest and lowest by 2030, and to raise HLE nationally by five years by 2035. However, four missions lack such clarity.

The missions on wellbeing and pride in place are exploratory, meaning that the government expects to do further work to set credible, quantifiable targets for these.¹³ This will involve developing additional metrics, as well as understanding more about what government policy can actually do to improve these two areas. Until this is done, it will be hard to define success for these missions in unambiguous terms.

The missions on living standards and public transport are also ill-defined. The former sets a goal for every region of the UK to have a “globally competitive” city by 2030, but the white paper gives little detail on what the government thinks constitutes a globally competitive city. The latter states that “local public transport connectivity across the country will be significantly closer to the standards of London” but does not fully explain which elements of London’s public transport are desirable and replicable. In fact, while the technical annex offers a set of criteria around reliability, capacity and integration, it also rows back on the headline pledge somewhat, acknowledging that for some cities London will not, in fact, be the relevant comparator but rather similarly-sized European cities;¹⁴ it also notes it will be difficult to compare London standards to rural areas.¹⁵

It is good to take a nuanced view of the challenges in improving public transport, but this means that – as currently formulated – the mission does not set a clear direction of travel. Without a clearer idea of what success would look like in terms of public transport improvements, it will be much harder for officials in central and local government and other relevant stakeholders to know what they should devote time and resource to. It will also be impossible to track progress and say whether this mission has been achieved by 2030.

The mission on R&D does not align with the objectives of levelling up

The white paper describes the aim of the mission on R&D as “reducing spatial disparities in R&D investment and activity”.¹⁶ This fits with the broader aim of levelling up as an agenda to reduce regional disparities. But the mission currently does not actually meet this objective. It sets a target to increase government spending on R&D outside the Greater South East (GSE, which consists of London, the South East and the East of England) by at least 40% by 2030, and at least a third by the end of the spending review period. However, this increase would simply be in line with the planned increase of around 30% by 2025 set at the last spending review.¹⁷ As such, this might prevent a further concentration of R&D funding in the GSE but does not reduce the existing disparity with the rest of the UK. Given this is an explicit goal of levelling up, this mission should be reformulated so that it aims to reverse, not maintain, the concentration of R&D funding in the GSE.

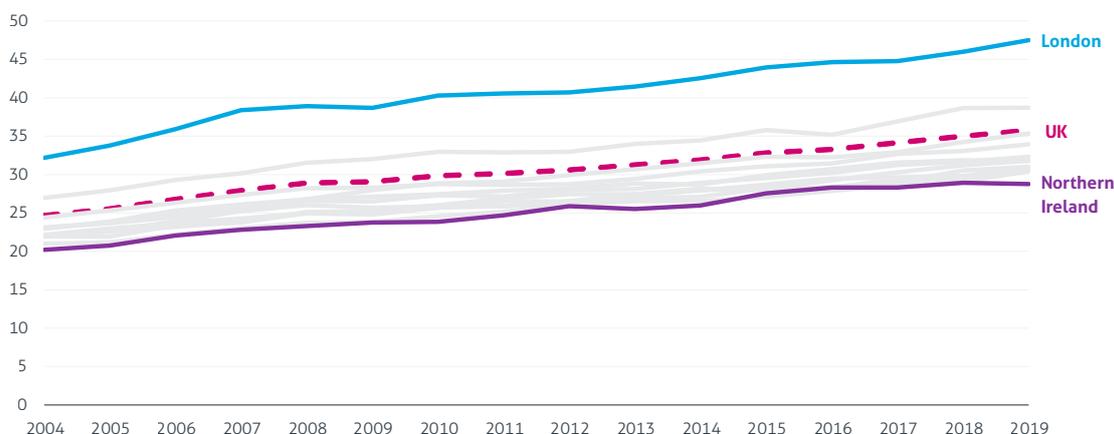
Five missions are not ambitious enough and three are too ambitious to be realistic

The 12 missions need to strike the right balance between being ambitious enough to generate innovation and change, but not so ambitious that they are unrealistic.¹⁸ Our analysis of the missions (summarised in the annex to this report) suggests that only three achieve this balance.

Five are not ambitious enough – they set targets that could reasonably be expected to be met without any change in the government’s approach. This risks a failure to drive the sort of focus the government is aiming for because their targets can be met without any major change of approach or additional policy development.

The targets for R&D and for pay and productivity are the least ambitious. As noted above, the continued concentration of funding in the GSE will do little to tackle spatial UK-wide disparities in R&D spending. On pay and productivity, the white paper says that both should rise everywhere by 2030, but this would be expected to happen anyway – especially if (and the wording is currently unclear) this target is in nominal terms. Figure 1 shows that nominal output per hour worked has been growing in all areas since 2004, and, barring exceptional economic events, we would expect to see this trend continue.

Figure 1 **Nominal output per hour worked by region**



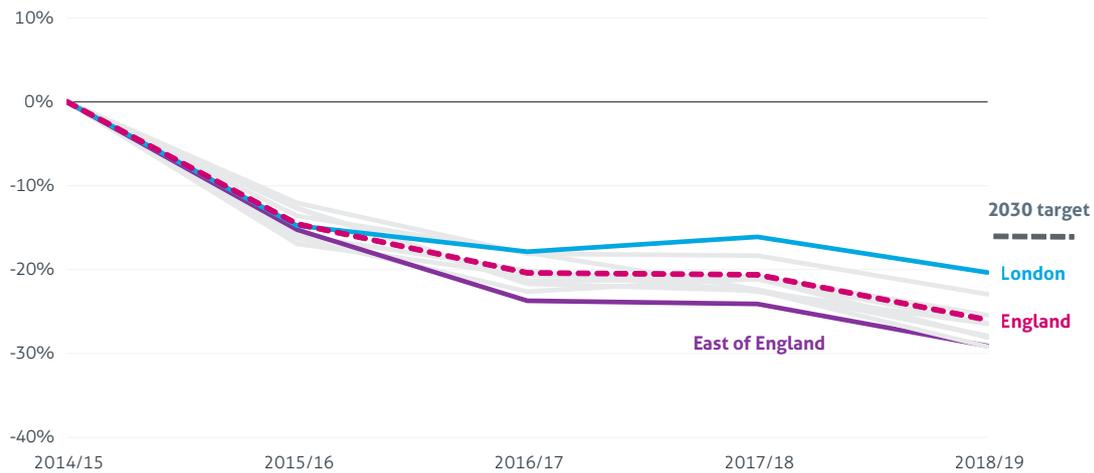
Source: Office for National Statistics, Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions, July 2021.

The missions on wellbeing and crime only require each to rise or fall respectively in all areas by 2030. Based on historic trends, it is not guaranteed that this will occur, but it is likely. Wellbeing was rising before the pandemic, while homicide, neighbourhood crime and violent crime (the three that the crime mission is specifically focused on) have been falling from a peak in 2017/18. Specific reduction or improvement targets for these missions would help make them more stretching and encourage greater policy innovation.

The skills mission sets a specific target: 200,000 more people in England completing training annually by 2030, with 80,000 of those in the lowest skilled areas. But this is not an ambitious target compared to historic trends. As shown in Figure 2, the number

of people completing skills qualifications in England has been declining since at least 2014/15 – even if completed, this mission would not even restore numbers back to where they were then. A more ambitious target should be set that tries to make skills training in the UK better than it has been historically to achieve the scale of social and economic change that the government wants for the levelling up agenda.

Figure 2 **Percentage change in the number of 19+ further education and skills achievements since 2014/15**



Source: Department for Education, Further education and skills geography tool 2014/15 to 2018/19, July 2020.

At the other end of the scale, the missions on devolution and educational attainment are too ambitious, as is part of the mission on living standards.

The devolution mission states that every region of the UK that wants one should have a devolution deal with powers at or approaching the highest level of devolution by 2030. The white paper identifies 11 areas that will initially be considered for a new or deeper devolution deal. Even just to finalise those 11 deals by 2030 will be difficult. Precedent shows that it takes time and resources to negotiate these deals, and the UK government has only limited capacity to do so – between 2014 and 2020 the government negotiated nine deals with mayoral combined authorities and two non-mayoral devolution deals, but not all of these were to devolve powers to the levels put forward in the white paper.¹⁹

Furthermore, rushing the process does not give local areas enough time to build trusting and effective local partnerships, engage in detail with the complex negotiations and involve the public in discussions.²⁰ This target will then become even less achievable if much of the rest of England that is not covered by existing or new deals (around 50% of the population) also want to negotiate a deal of their own.

The mission on education sets a target for 90% of pupils in England to achieve the expected standard in reading, writing and maths at KS2. The standard was introduced in 2016, so there is not a lot of data on previous trends, but there is a huge gap to be made up in only eight years, without any known approaches that have been effective

in producing the scale of improvement needed.²¹ The proportion of pupils meeting the expected standard increased by 13 percentage points between 2016 and 2019, but most of that came in the first year that the standard was introduced – going from 52% of pupils across all state-funded schools in England meeting the standard in 2016 to 62% in 2017. It has since levelled off, with only 65% meeting the expected standard by 2019. Meeting this target would mean not only bucking this trend of diminishing improvements, but also contending with the disruptive effect that the pandemic has had on early years education and childcare. Children born in the last two years will be 8–10 years old by 2030 and sitting KS2 assessments.

Finally, part of the mission on living standards is to have a globally competitive city in every region by 2030. Although more information is needed on what exactly should be considered a globally competitive city, by most reasonable definitions this target will be difficult to achieve within only eight years. Analysis by the Centre for Cities that defines a globally competitive city in terms of size and productivity suggests the UK currently has only one globally competitive city (London).²² It has eight other cities large enough to be globally competitive, if they improved their productivity, but no other country in the world can say that all of its large cities have high enough levels of productivity to be globally competitive. Using the Centre for Cities' definition, only half of Germany's large cities, and a third of France's, would be deemed globally competitive. This analysis suggests that the UK would have to make unprecedented improvements to the productivity of almost all its large cities to see this mission met.

The metrics lack detail on the mission objectives

The 12 missions each come with headline and supporting metrics by which the government proposes to track progress. Before the publication of the white paper, the IfG called for the government to be more specific about how it would measure success in levelling up,²³ so this focus on measurement is welcome.

Getting the metrics right is important because they underpin monitoring and evaluation of the missions. To meet the mission objectives, those within and outside government will need to know what outcomes they should be measuring, and to judge the success of their policies and innovations against whether those outcomes are moving in the right direction. The metrics need to align with the objectives of the missions, and track outcomes at the right regional level. There will also need to be new initiatives to support further data collection – properly resourced, including at the sub-national level – which should be designed to align with the existing priorities of the Office for National Statistics (ONS).

The proposed metrics miss out crucial aspects of the missions

In two cases, the metrics supporting a mission do not actually capture its objectives. On public transport, there is more work that should be done to clarify what exactly the important elements of success are, as outlined above. But even where the white paper gives examples of what London public transport has that other areas should replicate – three it gives are better services, simpler fares and integrated ticketing – two (on fares

and ticketing) are not captured in the proposed metrics. This means the government will not actually be tracking whether, for example, integrated ticketing is becoming more widespread outside London. A feasible metric would, for example, be the number of journeys made using smart ticketing, which the Scottish government measured as part of its Smart Ticketing Payments and Delivery Strategy.²⁴

This same gaps are seen on devolution. That mission includes a commitment to a simplified, long-term funding settlement for every part of England that wants a devolution deal. But there is no metric to accompany this pledge, even though it would be relatively easy to track proxies such as the number of separate grants local authorities receive or the percentage of funding for local authorities that is ring-fenced.

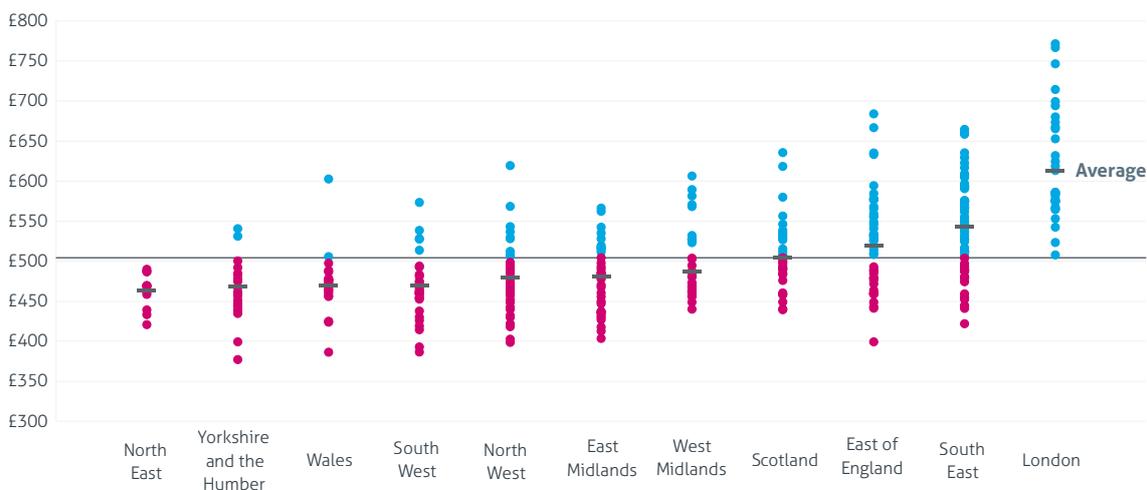
Not all of the metrics are being measured at the right regional level

The technical annex to the white paper specifies the level at which each metric will be tracked. Choosing the most appropriate unit to compare spatial disparities is not easy. At the highest level – the so-called ITL1 classification, which breaks the UK into 12 regions – it is easy to miss more localised inequalities, such as between urban and rural areas within the same region. But it is not always appropriate to measure progress at such a highly localised level either. For R&D investment, for example, it is established practice to consider innovation systems at the regional rather than local level, because while proximity matters for the effects of R&D to be felt, firms do not have to be within the same local authority to see benefits.²⁵ As such, finding the right balance will differ for different metrics.

There are 22 headline metrics that focus on the most important outcomes for each mission. Most track progress at the right level – for example, it is good that wellbeing and healthy life expectancy are tracked at the local authority level to capture the variation of these measures within broader geographical regions. However, six headline metrics are poorly divided among the UK's regions and communities.

Productivity, pay and employment all show considerable variation within regions – for example, Figure 3 shows that there are several local authorities in the South East and the East of England well below the UK average for earnings, despite these regions having the second and third highest levels of average gross weekly pay. Measuring this at the local authority level as well as at the regional level would avoid places in otherwise affluent regions getting 'left behind'. Attention should also be given to differences between measures of pay and employment that focus on residents as well as employees, who may live elsewhere, to give the fullest picture of localised inequalities. As the IfG has noted in previous research, some areas with high productivity or well-paid employment still have high levels of income deprivation,²⁶ and these pockets of deprivation should not be lost in the measurement of levelling up.

Figure 3 **Median gross weekly earnings of employees by home-base local authority in England, Wales and Scotland (2021)**



Source: Office for National Statistics, Earnings and hours worked, place of residence by local authority, October 2021.

The government also proposes to measure public transport use at the ITL1 level. However, this means comparing one region (London) with others that are very different in terms of geography and transport needs. Data on modes of travel are already available for some regions with a split between metropolitan areas and the rest of the region, and developing this split further to measure by upper-tier local authority would be a better way of comparing like with like – for example, comparing how London authorities fare against regional cities, or comparing how rural areas in the South East compare with those elsewhere.

Finally, the two metrics on first-time buyers and on 'non-decent homes' both need to be measured at a more local level. First-time buyer numbers are currently only broken down into London and the rest of England (though the white paper commits to developing a public metric for annual first-time buyer numbers at the sub-national level within the next year).²⁷ The number of non-decent homes is currently only available at the ITL1 level. The government should also aim for a more local breakdown of this metric to identify pockets of poor housing within each region.

Success according to each metric will look different for different regions

The government has often stated that it does not believe levelling up can be achieved by 'levelling down' – in other words, it does not want to see progress stall in the highest-performing areas.²⁸ The best way to avoid this would be to quantify what success looks like in areas currently performing well.

Five missions do specify that their underlying metrics should improve in every area of the UK, and a further three set UK-wide or England-wide targets (such as healthy life expectancy increasing by 2035) that would also be hard to meet if higher-performing areas regress. However, avoiding 'levelling down' does not just mean areas like London and the South East not going backwards. These higher-performing

areas could all see their growth stall significantly but still meet the target to see some increase by 2030. For example, in the eight years between 2011 and 2019, productivity in London increased by 2% per year on average, and the requirement to see the gap between London and other regions close by 2030 could be met by accepting a slowdown of this growth rate. If the government wants to avoid 'levelling down', it should therefore also set out what success looks like for top-performing areas, based on their historic performance.

Data on all the missions is not yet available – but targets can help improve data collection

The white paper acknowledges that good spatial data will be crucial for levelling up, but the data government currently has is insufficiently granular and timely.²⁹ For example, data on first-time buyers only covers the past three years rather than annually, and cannot be broken down to a regional level. For the two exploratory missions on pride in place and wellbeing, the government identifies a further data gap – needing a wider range of indicators, at the national as well as sub-national level.

The lack of immediate data on the missions might not be a problem – and might even help. Previous IfG work has found that setting a target can itself incentivise better data collection.³⁰ However, the scale of improvement in data collection required in this case is considerable, covering multiple tiers of government and public services.

The Government Statistical Service (GSS, based within the ONS) has recently published a sub-national data strategy that targets improvements in statistics at ITL1 geographies and below and this aligns with the general ambitions set out in the white paper.³¹ However, several of the areas relevant for the levelling up missions – such as business and employment, crime and justice, health, housing, income and quality of life – are not going to be a focus for the GSS until at least next year.³²

If the government is to have the data needed to track progress against levelling up, these metrics need to be prioritised more highly by the ONS and GSS. To enable this, the government must either give the ONS more resource or indicate which other areas of work should be deprioritised – at the moment, the priority areas are ethnicity, disability, mental health, and sex and gender identity, many of which will intersect with levelling up and spatial inequalities but are not all directly related to the missions.

Developing new statistics will also take time. The ONS has precedent for developing and rolling out new statistics relatively quickly if those are survey-based – such as the Business Insights and Impact on the UK Economy Survey designed during the pandemic,³³ and the subjective measures of wellbeing rolled out within a year of David Cameron announcing his ambition to measure quality of life in 2010.³⁴ However, harmonisation of these new metrics takes time, especially surveys that require careful examination of how sampling affects the assumptions that can be made about the population as a whole. Realistically, the government may not be able to fill all the data gaps it identifies in terms of new measures around wellbeing, pride in place and the subjective effects of devolution, especially without any additional funding for data collection.

The white paper also suggests that data collection and sharing could be supported by a new body that would track local government data to support better monitoring and evaluation of policy. Such a body could be a good way to track local inputs and outcomes across the mission areas, and help make good on the promises of devolution as a way of supporting experimentation and learning across different sub-national governments. But government should ensure any such body is set up in the spirit of the white paper, as an opportunity for collaboration between central and local government, rather than a top-down way for central government to monitor the performance of local authorities – something that would undermine the ambition for devolution to give greater flexibility to local areas to meet their own needs.

The proposed accountability mechanisms do not go far enough

The white paper identifies a lack of transparency and accountability as one of the reasons for previous failure to address regional inequality in the UK. The paper proposes two main changes to ensure that the missions-based approach will not suffer the same fate:

- A **statutory obligation to report annually** on progress towards meeting the missions
- An **independent advisory council** to provide advice on the design and delivery of levelling up.

However, these measures will not go far enough in ensuring that government is held accountable for progress on levelling up.

The advisory council needs proper independence and responsibility for reporting

The white paper rightly highlights the important role that expert advice and scrutiny has played in addressing other complex, long-term policy challenges such as infrastructure or fiscal policy.³⁵ However, the new Levelling Up Advisory Council will not have anything like the independence or responsibilities of the external bodies discussed in the white paper, which include the Office for Budget Responsibility (OBR), the National Infrastructure Commission (NIC) and the Climate Change Committee (CCC).

The Levelling Up Advisory Council will only produce analysis when commissioned to do so by the government's Levelling Up Cabinet Committee. A body that operates only at the discretion of the government will not be able to provide rigorous scrutiny of the levelling up agenda on par with the independent watchdogs listed above. The government should strengthen the council by allowing it to conduct its own research without needing to be commissioned to do so.

The council should also be given responsibility for meeting the statutory obligation to produce an annual report on progress towards levelling up, to be laid before parliament. This again would be more in line with the successful case studies featured in the white paper, such as the NIC, which has responsibility for producing regular reports

on infrastructure, and the OBR, which produces a regular economic and fiscal outlook. Without this rigorous scrutiny, it will be hard to dismiss claims of the government 'marking its own homework'.

Reporting on progress will not in itself ensure success

Annual reporting will help improve transparency and accountability around levelling up but will not on its own ensure success, even if delivered by an independent body. The IfG has previously analysed the work of the CCC, for example, and found that the main weakness of the Climate Change Act was the failure to support delivery of the policies that would help reduce emissions.³⁶ The 2050 net zero target set a long-term trajectory and the CCC provided independent analysis of how to get there, but there was no real cost to government for failure. As one interviewee described it:

"The Climate Change Committee can say every year 'you're off track, you need to raise your game, there needs to be a step change', as they have done for the last seven reports. But it doesn't make any political impact; there's no pain in avoiding having stronger delivery policies."³⁷

There is a risk this is repeated with levelling up. To guard against this, the government should establish stronger accountability mechanisms than proposed currently, specifically including clear lines of responsibility to enable parliament and others to apply pressure if progress stalls.

Specific departments should lead on co-ordinating each mission and measuring progress

The white paper is right to recognise the cross-cutting nature of the levelling up agenda, and the importance of the role that groups outside government will play in meeting the missions. However, central government will make a significant contribution to achieving the missions, not least because many of the objectives overlap with the outcomes and metrics set for departments as part of the 2021 spending review and in the outcome delivery plans (ODPs) also from 2021. Of the 50 headline and supporting metrics in the white paper, more than half (29) also feature in the spending review metrics.

ODPs are part of a new planning and performance framework to help the centre hold departments to account, and the government has committed to updating them to outline how departments will contribute to meeting the 12 levelling up missions.³⁸ This is a welcome commitment that would help strengthen accountability for delivery and avoid some of the issues outlined above. It is also positive that the government is working within existing accountability structures for departments rather than trying to invent additional layers of bureaucracy. But there are no details as yet of *how* exactly the government is proposing to change the ODPs.

The process of aligning the ODPs with the missions will work best if it gives a single department responsibility for co-ordinating each mission, even though the missions are cross-cutting. For example, the Department of Health and Social Care should lead on the mission on improving healthy life expectancy, and the Department for Education

on improving primary school attainment. In practice, lead departments would track policies that contribute to their mission across government and submit evidence of progress to the Levelling Up Advisory Council for the annual reports. Assigning lead departments would improve delivery by making it clear which parts of central government would be expected to step up and change course if reporting showed the missions were not on track.

Interim targets would help show whether the government was on track

Institute for Government research on successful long-term policy making found that revisiting, renewing and re-setting targets can be opportunities to raise the salience of an issue that might otherwise fall down the political agenda.³⁹ Interim targets would be an opportunity to do this on levelling up.

As part of the process of amending the ODPs to better fit with the levelling up missions, the government should set interim targets for the missions that run over the spending review period to 2024/25. This would make it clear whether the government was on track to make its 2030 targets, and would catalyse further action if it missed the mark.

Sub-national governments will need to be involved in tracking progress

Most of the policy areas covered by the levelling up missions are devolved, including health, skills, education and transport. Meeting the targets will therefore require input from the devolved administrations and mayoral combined authorities (MCAs), as well as local authorities who are often at the forefront of delivering services in these areas.

Getting sufficient buy-in from sub-national governments will mean working collaboratively with them to develop and refine the missions, something the Johnson government has not always shown itself particularly willing to do.⁴⁰ The white paper commits to a period of consultation with the devolved administrations on the missions,⁴¹ and the UK government should also speak to the MCAs and local government as part of this process.

Greater funding flexibility for sub-national governments will also help build a greater sense of accountability for the missions. If MCAs' and other local authorities' spending is controlled centrally – especially if they have to bid into an array of funding pots, with conditions attached – they are not meaningfully responsible for the outcomes in their area. This disincentivises policy innovation in local government to contribute towards the missions. It is welcome that the white paper recognises the need for a simplified financial settlement for sub-national governments as part of the mission on devolution, and this will be important for improving accountability.

Recommendations

It is good that the government has tried to define what success in levelling up will look like. As the Institute argued last September, it is important that ministers and officials know whether they are on track to meet the government's objectives, rather than just guessing at the best way to tackle a problem as cross-cutting and complex as ingrained regional inequality.⁴² As well as supporting delivery, defining success also supports better accountability, with parliament and voters better able to judge whether the government is doing a good job at working towards this aim.

The missions-based approach is promising, but needs refinement. To help the missions drive meaningful change the government should:

- **Focus all the missions on broad outcomes that require multiple solutions.** Some missions are too narrow. The skills and education missions, for example, risk focusing attention and resources on outcomes that are not the right proxies for the state of skills or education inequality more broadly. The health mission is a good model for these, measuring a broad outcome that better reflects people leading healthy and fulfilling lives wherever they happen to live.
- **Clarify ambiguous concepts in the missions.** Ambiguous missions cannot act as unifying objectives and a target for various parties within and outside government to rally their efforts around. Terms like 'globally competitive city' need to be more clearly defined, or it will be hard to know what success looks like and what sorts of actions they should be taking.
- **Update the missions to make them appropriately ambitious.** Missions like those on living standards, wellbeing and skills should set more stretching targets, while the missions on devolution and education need to be more realistic.
- **Measure progress at the local authority level where appropriate, and set targets for high-performing areas to avoid 'levelling down'.** The white paper correctly notes that inequalities in pay, productivity and employment can be highly localised and could be missed when measured only across large geographical regions. And while many of the missions set targets for the lowest-performing areas, these should also be set for top-performing areas to ensure their growth does not stall.
- **Support and provide appropriate resource for better sub-national data collection.** Setting ambitious targets can in itself incentivise better data collection, but this needs to be backed up with resources to build capacity. Existing plans for better sub-national data also need to be aligned with the priorities in the levelling up white paper to ensure new statistics get developed in time to effectively measure progress before 2030.

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- **Set interim targets to track progress.** This will help government and the public know if the missions are on track, and help catalyse further policy innovation if they are not. These targets should be set over the spending review period to 2024/25, and in assessing progress once this interim period has expired, the government should also examine whether any of the targets are leading to perverse or unintended consequences. Setting targets in complex systems is hard, and the government should not expect to get it right first time.⁴³
 - **Make the Levelling Up Advisory Council a fully independent body with responsibility for annual reporting.** If the council can only operate at the discretion of the Levelling Up Cabinet Committee, its ability to provide rigorous expert advice and scrutiny will be severely limited. It should be able to operate independently of government, and take responsibility for annual reporting to give regular impartial updates on government's performance.
 - **Give specific departments the lead on co-ordinating each mission.** Having a lead department would recognise the cross-cutting nature of the levelling up agenda while still offering a mechanism for accountability, with that department responsible for co-ordinating efforts to meet the mission while also encouraging innovation and changes of direction if off track.

Annex: How ambitious are the levelling up missions?



Boosting productivity, pay, jobs and living standards by growing the private sector

| Mission | Headline metrics | Ambition |
|---|---|---|
| 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. | GVA per hour worked Gross median weekly pay Employment rate for 16–64 year olds | We would expect pay and productivity to rise by 2030 anyway, especially in nominal terms. Closing the gap between top-performing and other areas is more ambitious, but could be achieved by 'levelling down'. |
| | | Having a globally competitive city in every region is too ambitious to achieve in eight years – though this does depend on the exact definition. |
| By 2030, domestic public investment in R&D outside the Greater South East (GSE) 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. | Business expenditure on R&D Government funding for R&D | <p>The target for government funding would mean an increase of around £400m in nominal terms over eight years. This hasn't been done outside the GSE before, but has precedent in the GSE over a similar time frame (e.g. between 2001 and 2010).</p> <p>However, the aim of levelling up is to reduce spatial disparities, which this target does not do. Total government R&D spending is due to rise by a third in the spending review period anyway, so this target merely stops the GSE from increasing its share of R&D spending rather than reversing the trend.</p> |

| Mission | Headline metrics | Ambition |
|---|--|---|
| <p>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.</p> | <p>Usual method of travel to work by region of workplace</p> <p>Average travel time in minutes to reach nearest large employment centre (500+ employees)</p> | <p>MORE INFORMATION NEEDED</p> <p>Not clear what success looks like on, for example, proportion of journeys made by public transport or reduction in average travel times.</p> |
| <p>By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.</p> | <p>Percentage of premises with gigabit-capable broadband</p> <p>Percentage of 4G (and 5G) coverage by at least one mobile network operator</p> | <p>This is an appropriately ambitious target. It has already been pushed back from 2025 in the 2019 Conservative Party manifesto to 2030. The Public Accounts Committee has also suggested that current approaches will be insufficient, and the government needs to move away from reliance on commercial contractors and develop a clear plan for hard-to-reach areas.⁴⁴ So a stretching target is a good way to spur needed policy innovations.</p> <p>But in its most recent progress review, the National Infrastructure Commission was positive about progress towards this goal,⁴⁵ so this target is not overly ambitious.</p> |

Spreading opportunity and improving public services

| Mission | Headline metrics | Ambition |
|---|--|--|
| <p>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.</p> | <p>Percentage of pupils meeting the expected standard in reading, writing and maths by end of primary school</p> | <p>This metric increased by 13 percentage points between 2016 and 2019, though most of that came in the first year that the standard was introduced – going from 52% of pupils across all state-funded schools in England meeting the standard in 2016 to 62% in 2017. It has since levelled off, with only 65% meeting the expected standard by 2019. It would need to increase by 25 percentage points over the next eight years to meet the 90% target. This is without any known policy approaches that could produce the scale of improvement needed and buck the trend of improvements levelling off from 2017–19. The government has announced new education investment areas, but only 40% of children not meeting the standard live in these areas.⁴⁶</p> <p>Also a factor will be the disruptions to early years childcare and education during the pandemic, which may have an influence on the cohort of children taking the test in 2030, who will have been born between 2020 and 2022.</p> |

| | | |
|--|---|---|
| <p>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.</p> | <p>19+ further education and skills achievements (qualifications) excluding community learning, Multiply and bootcamps</p> | <p>Numbers completing qualifications have been declining since at least 2014/15, and the target to increase by 200,000 (around a 13% increase) would not even reverse this decline.</p> |
| <p>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.</p> | <p>Healthy life expectancy (HLE)</p> | <p>Though the government is not currently on track to meet this target, this is another case of a stretching goal being a good way to spur policy innovations. There is a precedent for cross-government strategies reducing health inequality: from 1997 to 2010 the government had a strategy to reduce health inequalities in England that did successfully reduce the gap between local authorities where life expectancy was highest and lowest.⁴⁷</p> |
| <p>By 2030, wellbeing will have improved in every area of the UK, with the gap between top-performing and other areas closing.</p> | <p>Average life satisfaction ratings</p> <p>Average feeling that things done in life are worthwhile ratings</p> <p>Average happiness ratings</p> <p>Average anxiety ratings</p> | <p>Pre-pandemic, many measures of wellbeing were gradually trending upwards and the gap between the top- and bottom-performing areas was closing. The pandemic did lead to a drop in wellbeing, but we might well expect to see improvement over the next eight years anyway.</p> <p>A more stretching target would commit to specific improvements, or specific reductions in the proportion of people with very low reported levels of wellbeing (0–4 out of 10).</p> |

Restoring a sense of community, local pride and belonging

| Mission | Headline metrics | Ambition |
|---|---|--|
| <p>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.</p> | <p>None (only exploratory ones given)</p> | <p>MORE INFORMATION NEEDED</p> <p>The government has committed to developing further measures for pride in place. The Community Life Survey measures given as supporting metrics are very noisy, with big swings year on year and without much of a clear trend.</p> |
| <p>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.</p> | <p>Proportion of non-decent rented homes</p> <p>Number of first-time buyers</p> | <p>The number of recent first-time buyers overall has been increasing since its 2010/11 low of 523,000. But we do not know the area profile, as this is only reported separately for London and the rest of England. However, we do know that home ownership overall is lowest in London (50% in 2020) and the North East (61%), and highest in the East of England and the South East (both 68%).</p> <p>The number of non-decent homes almost halved in the 14 years between 2006 and 2020, so this target seems ambitious yet achievable.</p> |
| <p>By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst-affected areas.</p> | <p>Neighbourhood crime</p> <p>Homicide</p> <p>Hospital admissions for assault with a sharp object among under-25s</p> | <p>Rates of homicide and serious violence have both been declining in the worst-affected areas from a 2017/18 peak but remain above 2014/15 levels.</p> <p>Neighbourhood crime has also generally been falling in recent years. We might expect crime to keep falling, but a more stretching target with commitments to specific reductions would spur further action.</p> |

Empowering local leaders and communities

| Mission | Headline metrics | Ambition |
|---|---|--|
| 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. | Percentage of the population living in an area covered by the highest level of devolution | Doing even the initial set of 11 new and extended deals is a big ask given these take time to negotiate and central government is working with limited capacity. Once all 11 are concluded, around 50% of England by population would still not be covered by a deal, so it would be a further challenge to cover much of that additional population if they do want devolution. |

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