

How Can Labour Level Up?



About the Centre for Inequality and Levelling Up

The Centre for Inequality and Levelling Up (CEILUP) is a new research centre based at the University of West London. The centre produces policy relevant research that can shape approaches to addressing inequality in the UK. The centre focuses particularly on developing practical solutions to the challenges that face the UK in the early 21st century related to inequality in employment, education, and opportunity.

Professor Graeme Atherton, Head of CEILUP - Graeme has been working in the field of education research and management since 1995. After 6 years leading Aimhigher work in London, he founded AccessHE and NEON in the UK. He now leads both the Centre for Inequality and Levelling Up at the University of West London and NEON. Graeme holds Visiting Professorships at Amity University, London and Sunway University, Kuala Lumpur, Malaysia. He is a member of the board of the National Union of Students (NUS) and has produced over 200 conference papers, and publications.

Marc Le Chevallier. Research and Policy Officer - Prior to joining CEILUP, Marc worked at the Local Trust, focusing on a campaign to create a new independent endowment - the Community Wealth Fund – to support the most left behind neighbourhoods in England. Before that, he interned at the Thomas More Institute, researching local ways to regenerate the small towns and villages of the “France Peripherique”.

To learn more about CEILUP and opportunities for collaboration, visit our website at www.uwl.ac.uk/research/research-centres-and-groups/centre-inequality-and-levelling-ceilup, follow us on Twitter @_CEILUP, or contact Marc Le Chevallier on marc.lechevallier@uwl.ac.uk

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* Average all questions, National Student Survey 2022
** Excluding specialists, National Student Survey 2022
Modern university = A university created in or after 1992.

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Contents

05 Introduction:

Section 1: Devolution and Labour

- 07 **Dan Norris - Mayor of the West of England**
‘Smart devolution’ holds the key to ‘levelling up’
- 08 **Jessica Studdert - Deputy CEO of New Local**
Levelling up’s mission: redistributing power and resources to communities everywhere
- 10 **John Denham - former Labour Secretary of State for Communities and Local Government and Director of the Centre for English Identity and Politics at Southampton University**
Changing the mindset on devolution

Section 2: Levelling up, through education and work

- 12 **Phil Collins - Journalist and Writer-in-Chief of The Draft**
Levelling up, the early years
- 13 **Praful Nargund - Councillor, Islington Council and Labour skills adviser**
There can be no green revolution without green revolutionaries
- 14 **Justine Greening - Former Conservative Secretary of State for Education and Chair of Purpose Coalition**
What gets measured gets done - why a Labour Government should ask employers to track how open their opportunities really are.
- 15 **Janet Williamson - Senior Policy Officer at Trade Union Congress**
Creating an economy based on decent work to level up the UK
- 17 **Daniel Monaghan - Policy Officer at the Co-operative Party**
Putting the co-operative model at the heart of levelling up
- 19 **Lord Bird MBE - co-founder of the Big Issue**
How far can you go – why we need a Department of Poverty

Section 3: The challenges and opportunities of levelling up

- 21 **Professor Peter John CBE - Vice-Chancellor and President of the University of West London**
‘Not only upon an open road, but upon an equal start’: Labour, Levelling up and opportunity hoarding.
- 23 **Danny Dorling - Professor of Geography, University of Oxford**
Growth which makes everyone, not just a few, better off
- 25 **Callum Newton - Senior Researcher at Onward & Jenevieve Treadwell - Senior Researcher at Onward**
Pride of Place: Why Labour Should Care About Restoring Local Pride in Post-Industrial Britain

Summary:

- 27 **‘New Levelling Up’**
Professor Graeme Atherton - Head of the Centre for Inequality and Levelling Up at the University of West London

List of Contributors

Dan Norris	Mayor of the West of England since May 2021; former Labour MP for Wansdyke from 1997 to 2010.
Jessica Studdert	Deputy CEO at New Local; former political adviser to the Labour Group at the Local Government Association
John Denham	Former Labour Secretary of State for Communities and Local Government and Director of the Centre for English Identity and Politics at Southampton University
Phil Collins	Writer-in-Chief of The Draft; Associate Editor of the New Statesman; Columnist on the Evening Standard
Praful Nargund	Councillor Islington Council and Labour skills adviser
Justine Greening	Chair of the Purpose Coalition; Co-founder of the Social Mobility Pledge; former Secretary of State for Education, International Development and Transport; former Minister for Women and Equalities; former Economic Secretary to the Treasury and former MP for Putney
Janet Williamson	Senior Policy Officer at Trade Union Congress (TUC)
Lord John Bird	Co-founder Big Issue
Daniel Monaghan	Policy Officer at the Co-operative Party
Professor Peter John CBE	Vice-Chancellor and President of the University of West London
Danny Dorling	Professor of Geography, University of Oxford
Callum Newton	Senior Researcher at Onward
Jenevieve Treadwell	Senior Researcher at Onward

Introduction

Levelling up was meant be to the centrepiece of Boris Johnson’s government domestic agenda after the Conservatives were elected in 2019. A combination of black swans in the shape of a pandemic and a war on European soil together with a draining away of commitment from the government as its leadership changed has left the levelling up agenda at a far less advanced stage than intended. What the focus on levelling up has done though is throw the gauntlet down to the opposition parties and Labour in particular. Reducing inequality is at the heart of what Labour has stood for since its birth over 100 years ago and the problems that inequality brings is central to voters in many of the seats that Labour needs to win if it is to form the next government.

This collection of short essays brings together contributions from former Ministers, leaders from the higher education and voluntary sectors as well as thinkers and organisations from across the political spectrum. It aims to offer constructive ideas regarding how Labour, or indeed any future government, can re-energise levelling up and address the deep-rooted inequalities that levelling up, whilst not addressing so far, has shone new light on. The contributors do not hold back in presenting the size of the challenge, but they also present solutions equal to it.

The first section looks at the need to shift power. It includes essays from the Mayor of the West of England Dan Norris which outlines plainly the problems he has faced in addressing inequality due to the incomplete nature of devolution at present. Alongside the contribution from Dan are essays from Jessica Studdert who is Deputy Chief Executive at New Local, and John Denham who was once Secretary of State for Communities and Local Government and is now Director of the Centre for English Identity and Politics at Southampton University. These essays talk of the need for a change in mindset regarding devolution in Labour itself as well as the need for devolution that is hard wired into levelling up.

The second section examines how to level up from childhood to work. Phil Collins argues that unless we start at the very earliest age inequality will never be addressed and this needs to be priority focus for Labour. Education beyond 16 was the focus of the ‘Report of the Council of Skills Advisers released in late 2022 and Praful Nargund was one of the Advisors appointed by Labour to produce that report. Praful makes the case for better wages for apprentices and the importance of green investment as underpinning levelling up. The workplace is at the centre of levelling up and the lack of engagement with the nature of work and employment is a surprising weakness in the levelling up agenda so far. Justine Greening, ex Secretary of State for Education and now chair of the Purpose Coalition, Daniel Monaghan Policy Officer of the Co-Operative Party and Janet Williamson from the TUC approach this issue from different angles. Justine argues for the expansion of measurement of socio-economic background of employees by firms; Janet for the sector led Fair Pay Agreements and Daniel presents the case for the growth of the co-operative model pointing to those countries where inequality is lower having adopted the model across a larger part of the economy. Lord John Bird picks up the mantle reagarding the need to address the problems with the present UK economic model. He argues that we need to marshal all our resources working through a new Department of Poverty.

The final section looks again at both the bigger cultural challenge that levelling up presents to Labour but also the opportunity it can bring. Professor Peter John CBE, Vice Chancellor of the University of West London discusses how the more powerful groups in society hoard opportunities for themselves and breaking this stranglehold will require confronting what some people have as well as what some do not. This theme is taken up by Danny Dorling who is Professor of Geography at the University of Oxford. He argues that Labour most forge an approach here that does not echo that of the present government and tackles fundamental beliefs in British society regarding inherent differences. But the final chapter from Callum Newton and Jenevieve Treadwell, both senior researchers at Onward, gives a glimpse of the rewards for Labour if it can cast a compelling vision of levelling up and follow that up with long term commitment as they show how levelling up is a crucial issue for voters in many of the seats that Labour needs to win in 2024.

Section 1

Devolution and Labour

1. 'Smart devolution' holds the key to 'levelling up'

Dan Norris - Mayor of the West of England.

Over-centralisation, ingrained in a 'Whitehall knows best' culture, is as close to a root cause of regional inequality as any. There is a tendency among Metro Mayors like myself, therefore, to be cheerleaders for more devolution so we can level up in our patches.

More regional power is needed but not via the current devolved structures. For clarity, devolution in and of itself, offers no panacea, no magic bullet, and no overnight fix to regional imbalances that explain much of today's fractious and divided politics. I argue instead that a 'smart devolution' framework is essential to get 'levelling up' right, outlining what is needed from the next Labour government.

Regional government is too patchy, confusing, and ineffective:

It is important to highlight the way Mayoral Combined Authorities (MCAs) like mine in the West of England developed over the last decade, and what that means for 'levelling up' as a policy objective.

Most MCAs evolved through 'deals' between two unenthusiastic parties - reluctant Whitehall Departments and equally disinclined local authorities. Some councils were 'bribed' with resources to get their MCA over the line. Others had such a role in writing MCA constitutions as to render them ineffective.

In two years as Metro Mayor, I have done my job securing record levels of national funding, but so far, I have not implemented much of my manifesto. Why? Because mayoral moves too often must be agreed by every council leader. It is like insisting a British Prime Minister must have the sign-off of the Welsh, Northern Ireland and Scottish first ministers before they can act!

This regularly leaves long-term projects vital for 'levelling up', like my region's entire spatial strategy to build thousands of vital new homes, completely sacrificed to the whims of political point-scoring and party-grandstanding. Bluntly, MCAs are unable to make important decisions due to overly complex devolution powers, finances and responsibilities - hard wired into constitutions. It leaves 'levelling up' attempts dead on arrival.

'Smart devolution' holds the key to 'levelling up':

We need a 'smart devolution' approach where we drill-down on fundamentals. Which decisions are best made at which level? I am, in the main, a transport and skills Mayor. So, I need as many of the levers of power as possible on these topics - and give up and say no to new powers in other areas.

Take buses - to flourish, people need equal access to opportunities. That requires a fast, reliable bus network. For that, Whitehall needs to transfer powers on the 'key route network' - but additionally, I desperately need powers from councils on local bus stops and bus lanes. Conversely, if I am not doing housing, do I need spatial planning powers? Smart devolution would cut through the key problem inherent in MCAs, making it much easier to achieve long-held levelling up ambitions.

London, not Manchester:

In devolution discussions, Greater Manchester is portrayed as an exemplar - pushing ahead with radical plans like its new Bee Network transport system.

Making Manchester a national template for future devolution would be unwise. While it has a long history of fantastic cooperation building on the 20-year experience of the Association of Greater Manchester Authorities, it is also very 'Labour' with a high degree of political consensus. Its governance model prioritises joint decision making, joint responsibility and consensus. Unfortunately, these are poor principles for effective governance elsewhere where they are codified in a constitution (as in the West of England) alongside big political differences - the result being rows and stasis.

The London model is more the 'smart devolution' I am talking about. Mayor Sadiq Khan's powers are not infinite; they are much limited compared to those of his US counterparts. But unlike in the West, my friend Sadiq can make key decisions without interference from councils or Assembly members. The London model, codified via the 1998 GLA Act, is better able to deliver effective decision-making on issues best managed at a regional level.

What Labour needs to do:

Keir Starmer understands devolution is central to solving two of our great country's most long-standing problems: severe regional inequalities, and one the most centralised models of government. This shines through in the Brown commission's excellent report. Labour should promote a devolution model that delivers success, not continued underperformance, codified through a new Regional Government Act based on London - but with the GLA's role fulfilled by already elected councillors paid an additional allowance to ensure full and thorough scrutiny of regional mayoral activities.

The ineffectiveness evident in my West of England region should not be replicated elsewhere, hindering progress and opportunities nationwide. Instead, we must learn the lessons from fragmented and marginal MCAs like the West of England and put Mayors in a position to govern effectively. This will make levelling up a reality - not a hollow slogan.

2. Levelling up's mission: redistributing power and resources to communities everywhere

Jessica Studdert - Deputy Chief Executive of New Local.

Our regional inequalities are historic, deep and complex. Levelling them up is a long term endeavour beyond the life of a single Parliament, but decisions made early can begin this shift. Labour should adopt the principle of 'targeted universalism', learning lessons from the limited impact of existing policy. This would seek to stabilise and empower *all* areas, combined with a targeted focus on communities that have been systematically overlooked for decades.

Unless levelling up is recognised as requiring a complete reorientation of how power and investment are distributed nationwide, it will not generate real life impact. Three big shifts can begin to produce tangible and sustainable improvements for communities.

First, levelling up should evolve from being primarily an electoral strategy and drive deeper local resilience. To date it has been largely a 'retail' offer – policy and funding focused in practice on quick wins in marginal seats (Walker et al, 2021). New buildings may well be needed, but capital investment alone is not sufficient. The messier, more complex job of investing in *people* should occur in parallel to *place* investment: for example, in health, skills and welfare, which remain barriers to opportunity often concentrated geographically.

The 'hunger games' approach to levelling up funding through controlled competitive bidding between under-resourced local areas is increasingly recognised as incapable of delivering the step-change required (Nandy, 2022; Levelling Up, Housing and Communities Committee, 2023). The less headline-grabbing but necessary shift is towards stable, long-term local revenue *and* capital funding. On this basis, local government and partners can plan effective, inclusive local growth strategies on their own terms, responsive to communities rather than the latest government call for bids. This should account for different areas' relative starting points and be combined with a transparent formula for targeting more investment in areas of greatest deprivation.

Second, levelling up is more than an individual policy initiative within a single department – it needs cross-Whitehall coordination and commitment. The failure of the Levelling Up White Paper's missions to cut through (Atherton and Le Chevallier, 2022) is instructive for the prospects of mission-led government in practice. The 12 missions (Levelling Up White Paper, 2022) reflect existing policy silos, so are not calibrated to force a more collaborative cross-government approach. Some departments have been completely disengaged. For example, the powerful mission to reduce health inequalities by 2030 has not demonstrably been integrated with the policy priorities of the Department of Health and Social Care.

The Treasury's active participation is crucial for the success of levelling up. Existing Treasury orthodoxy is behind many of the limitations of the approach thus far: including narrow cost benefit business cases which prioritise short term fiscal caution, over longer-term value creation (Geiger, 2023). If regional inequalities are to shift, the Treasury needs to find a way of accounting for upfront investment in preventative approaches which reduce demand on services and support sustainable growth in the medium to longer term (Curtis et al, 2023).

Finally, and most importantly for levelling up to endure beyond the lifetime of a single Parliament, it should be driven from the grassroots, not just the top down. It should be more than a collection of initiatives that government 'does to' local areas and enable sustained change from the ground up. For example, pride in place is a strong theme, but this is a subjective quality that cannot be mandated from the centre. It is intrinsically linked to a sense of purpose and agency within communities, that has been lacking while they have been buffeted by external market forces and distant state decision-making over the years.

Devolution and levelling up should be explicitly fused, with the former shifting from awkward add-on to core route to empowering places. A renewed devolution drive should involve both growth and public services, to create more coherent alignment of economic and social purpose in places. The tools to fulfil Labour's emerging national missions across domains including growth, health and opportunity (Labour Party, 2023) should map directly onto a more ambitious devolution framework.



Building community voice and participation into levelling up is essential. A litmus test for success will be whether communities feel genuinely more empowered. Devolution of power should not stop at the feet of a mayor or the doors of a town hall. It must reach deep into communities, guided by the principle of subsidiarity – shifting decision-making to the closest level possible to where they impact. Labour's proposed Take Back Control Act responds directly to the sense of exclusion from decision-making that persists in areas which voted to leave Europe in 2016 (Starmer, 2023), despite the advent of levelling up policy. This legislation should include a series of rights for communities to participate in local decision-making, to support community asset ownership and to shape the public services they rely on.

There are no quick routes to levelling up. But if it remains a single policy initiative it will always be vulnerable to changing national priorities. For Labour to begin to overcome regional inequalities, levelling up must be a wider governing mission: redistributing power and resource everywhere, for the biggest impact in those areas most marginalised from traditional governing practice.

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3. Changing the mindset on devolution

Professor John Denham - Director of the Centre for English Identity and Politics at Southampton University.

Keir Starmer has not only promised new government missions but also ‘a new way of governing’ (Starmer, 2023a). Labour’s response to ‘an economy that hoards potential and a politics that hoards power’ lies in ‘giving communities the chance to control their economic destiny’ (Starmer, 2023b). So far so good, but we can find similar words in the manifestoes of most of England political parties over the past 15 years.

Labour must appreciate the profound change needed in the culture of Westminster and Whitehall. Whitehall sees devolution as a discretionary policy for central government and, at best, as local government reform. It insists that the rules - what geography, what scale, what governance, what powers, and what resources - are matters for the centre to decide. Accountability is always upwards to the centre. As a result, the current snail-like progress belies the urgency of the levelling-up challenge.

A different mindset would seek a system of devolved English government. Every locality would gain powers as of right. Whitehall’s powers to second guess and overrule local decisions would be strictly limited. In this relationship English local government collectively would co-determine with the centre the powers, resources, and accountability for devolution.

A new mindset would understand that devolved power must operate at more than one level. Some economic development functions such as skills, transport and other infrastructure need to work at larger city region or sub-region level. Others, like the community wealth building that pools public institution purchasing power, tackles issues in the everyday economy, and shapes cultural and place strategies are best be done at a more local level. So is the polling of public service budgets across policing, health, and schools that Labour once championed through ‘Total Place’. Neighbourhoods, villages and small towns also need to be able to shape their own communities. Each level of government contributes to the social capital, networks and resilience on which economic growth depends. A single focus on the larger economic structures of mayoral combined authorities, risks sucking powers up from local people as much as drawing them down from the centre.

England’s complex local government geography might seem to make a coherent nationwide approach impossible. But this is not the case. Across England, county councils, unitary councils and metropolitan boroughs exercise broadly similar powers. It is this level of local government that should be the focus of devolved powers, constitutionally protected. The greater Manchester Combined Authority was created by metropolitan boroughs. Labour should build on this approach in allowing existing CLAs to evolve and to create new ones in areas without. These empowered local councils should have both the right and the duty to form larger combined authorities to exercise economic powers with the right to draw down new powers as a right from the centre. At the same time, they should be subject to a legal duty of subsidiarity to empower districts, parishes and other local democratic institutions. Whether or not to have a directly elected mayor should be a local decision.

The resulting structures might look a little messy, but in England’s diverse geography and economy, Whitehall’s fondness for neatness a curse. If some areas will make bad choices few will be as bad as those Whitehall imposes all the time.

Levelling-up needs a robust and fair system of finance. Taking all sources of income into account – national redistribution, local variation, local taxation and the benefits of growth – each locality must be able to match its ending with need and gain control over a larger share of public money spent in its area. The grip of Whitehall and the treasury over funding formulae must be broken by making it a joint decision of central government and a representative voice of local authorities or combined authorities.

The final must-have is a coherent national government for England. At present no Whitehall structure coordinates English policy. No Minister leads for England. As a result, the UK Treasury micro-meddles incompetently in every department, creating waste and inefficiency.

A critical change of mindset will be needed amongst future Labour ministers who see devolution as nice but not essential. Without devolution, Labour won’t get the growth, the house building, or the best use of scarce resources it has promised.

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Section 2 Levelling up, through education and work

4. Levelling up, the early years

Phil Collins - Writer-in-Chief of The Draft; Associate Editor of the New Statesman; Columnist on the Evening Standard

The idea of levelling up always contained an implicit insult to the political left. You, the left, it seemed to say, are content to level down, while we, the right, want to level up. The claim in levelling up is that there are no trade-offs. We can bring the lowest up to the performance level of the highest without incurring genuine cost along the way. It is not true, of course. A society with more equal outcomes on its important social dimensions faces serious dilemmas on priorities all the time. But the best we can do, the most cost-effective means of spreading the best is to ensure that public service provision is as good as it can be, as early as it can be.

In a speech in July 2021 in which he tried to give more weight to the idea of levelling up, the then Prime Minister Boris Johnson said he did not believe that there was “any basic difference in the potential of babies born across this country”. Talent, energy, and enthusiasm were, he said, evenly spread. It now just required opportunity to be made equal. Perfectly noble words but it is very hard to turn them into policy but if a future Labour government wants to make good on that promise it needs to start early.

Nearly 30 years ago, a wave of American research evidence began to demonstrate the life-long impact of the early years in children’s development. We began to understand that large inequalities in health, educational attainment and income in adulthood could be traced back to what happened in the first few months of life. This inspired the HeadStart programme in the US, which in turn inspired the Blair government’s 1998 Sure Start programme.

Sure Start centres offered health, parenting support, childcare and parental employment services to families with children under 5. Three thousand were opened within a decade (Bate, Foster, 2017). At its peak in 2010, Sure Start received £1.8 billion a year (a third of overall early years spending) (Cattan, Farquharson, 2021). Sure Start had a significant positive impact on health and educational inequalities which have lasted. Sure Start closed half the gap in teen hospitalisations between rich and poor neighbourhoods (Butler, 2019) and the IFS was still recording the effects on 15-year-olds in 2021 (Bate, Foster, 2017) two decades after the programme began.

Austerity, though, was not kind to Sure Start and it is time for a revival. New centres could be located alongside the network of foodbanks that have exploded across the UK. The free childcare and family hub offer made by Jeremy Hunt in the last budget should be developed. The pandemic gives us an instructive example. Nurseries, play groups and children’s centres closed their doors and children were kept at home and away from family and friends. We are only just now understanding the impact of this catastrophic imposed social experiment, Babies born during lockdown in the UK have poorer social and communication skills compared to previous cohorts, measured at 12 months. In the United States, some disturbing early findings suggest that lockdown infants have significantly lower IQ scores and that is particularly so for those from poorer families (Byrne, Sledge, 2022).

We know, from fifty years of evidence, that these children, all of them under the age of 3, will carry this disadvantage throughout their adult lives. Correcting this inequality is the only hope of levelling up life chances. Anything else is after the fact and too late.

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5. There can be no green revolution without green revolutionaries

Praful Nargund - Councillor Islington Council and Labour skills adviser

Labour’s ‘green prosperity plan’ has the potential to be an engine of levelling up. But it will falter without a workforce skills strategy: we will not deliver a green revolution without green revolutionaries.

Labour’s approach

Rachel Reeves has made it clear that Labour would marshal the resources of the state to transition to a post-carbon economy. This green transition is anchored on Labour’s ‘mission’ to secure the highest sustained growth in the G7, with ‘good jobs and productivity growth in every part of the country’. This huge ambition will require strong leadership from Government, both national and local, in partnership with thousands of businesses, and major changes to the ways we work, travel, and consume. Reeves has also laid out the importance of focusing on areas other than London and the South East, ensuring that green growth does not just benefit a few high-tech firms and highly skilled workers.

Labour’s challenge is how to deliver this policy without creating dislocation and disadvantage for communities. Labour must avoid the mistakes of the Conservatives: the closure of the coal mines and other industry through the 1980s and 1990s, without a plan to create new jobs, training, or support for businesses, ripped the heart out of hundreds of communities.

A decade of Conservative failure

The climate crisis has been understood for decades, yet the Government has wasted 13 years refusing to invest in green jobs and skills. Bifab, a Scottish company delivering the technology for wind farms, fell into administration while Conservative ministers stood and watched. This reveals the harsh truth: while countries like Denmark are leading the way, the UK lacks significant capacity to manufacture renewables.

How about the serial failures on home insulation? The Green Homes Grant allocated £1.5 billion for green insulation for our homes, yet £1.2 billion was returned to the Treasury. Ministers failed to understand the challenge of recruiting, training, and deploying the skilled workers to deliver their policy. The Boiler Upgrade Scheme is now repeating history.

We have seen a decade of decline in apprenticeships in every English region, felt strongly across the so-called ‘Red Wall’ of former industrial areas. Far from levelling up, these places are on the way down because of the failure to invest in skills.

Green training and skills

‘New clean energy technology will call on the talents of designers, engineers and scientists. New houses will call on the expertise of plumbers, joiners and electricians’. The words of Rachel Reeves demonstrate that the ambition for green prosperity, and for ‘securonomics’, must be matched by a national plan for skills.

Labour’s Council of Skills Advisers has called for urgent reform, with two key areas now party policy. Firstly, Skills England must lead a national mission setting the direction for training and apprenticeships and bring all stakeholders together. Secondly, we must reform the failing Apprenticeship Levy to open it up for shorter modular training. £2 billion allocated for apprenticeships has been returned to the Treasury between 2017-2021.

Re-skilling our current workforce is essential given an estimated 80 % of 2030’s workforce are already employed. Reformed Apprenticeships offer a route to green growth across the country. But polling I have commissioned shows that the public overwhelmingly agree that the minimum wage for apprenticeships is too low.¹ We must match the apprenticeship minimum wage to the national minimum wage and remove the age-based distinctions.

Our national plan cannot be delivered from Whitehall: it must be decentralised, tailored to local job markets, and involve combined authorities and Mayors.

Despite the limited bureaucratic framework, combined authorities have managed to deliver results. The Greater London Authority has used the 10 % funding flexibility to develop and deliver training responding to local skills needs including creating short courses. During 2020/21, 3,500 such course were funded because of this flexibility, with 57 % provided to learners previously unemployed. Greater Manchester has created the Manchester Baccalaureate scheme to encourage technical routes as a genuine alternative to existing academic options.

A Labour government should empower combined authorities to shape their local skills landscape, especially with technical education. Reviving Individual Learning Accounts, with funding contributions from combined authorities, would encourage lifelong learning. Implementing Learning Passports would legitimise shorter, modular courses needed to adapt to changing technology and industry.

The USA leads the way

Labour can learn from President Biden’s \$400 billion programme of incentives and investment in green jobs. The Inflation Reduction act allows businesses to respond to the challenge with the right balance of leadership, incentives, and partnership with government. A British plan should be no less bold in creating green jobs in every part of the UK, in backing British businesses, driving exports, boosting growth, and hitting Net Zero. But it cannot be done without the skills to do the jobs, and that requires a major national effort and a clear strategy.

1. For more information on the polling please go to: <https://twitter.com/prafulnargund/status/1676142116114759680?s=46>

6. What gets measured gets done - why a Labour Government should ask employers to track how open their opportunities really are

Justine Greening - Chair of the Purpose Coalition; Co-founder of the Social Mobility Pledge; former Secretary of State for Education, International Development and Transport

It's always a challenge for anyone becoming a Minister for the first time in an incoming Government that has been a party that's been in opposition for some time. You're taking over the reins of power, but at the same time you're in a brand-new role you've probably not done before. Public expectations are high and needing to learn on the job - well, that's your problem not theirs.

It means you need to hit the ground running and give civil servants a real sense of your ministerial priorities - not just what outcomes, but why they matter and ideally how you'd like them achieved. Levelling up has to be at the top of those priorities.

Improved social mobility is about a system fix. It means allowing actors inside local and national Government at different tiers across the country to be freed up to work collaboratively. During COVID, the entire political system worked to find solutions. We need that same 'can do' ethos on improving social mobility. Nothing matters more than successful outcomes. An incoming Labour Government should be prepared to work across the political divide if it means Britain can finally achieve equality of opportunity. In fact, I believe it will be imperative. And it's what the public want to see - them put first over political point-scoring.

The public finances aren't going to afford massive spending programmes, so it's about making the system work better in and of itself. We need to change the system to be a better, fairer one, not just make the current bad one work harder.

My other advice is to be honest with the British people that delivering equality of opportunity won't happen overnight. In fact, it's a generational challenge. It starts with education, and it also needs a culture change across business and employers too - that's what my work leading the Purpose Coalition is all about - galvanising employers and the education system to work together on improving social mobility. In the meantime, the Government's culture change is to ask itself: what should we expect of employers in terms of their social mobility footprint, and how can we create an environment that helps them easily shift their approaches.

Perhaps one crucial step would be to either encourage or mandate employers to track the socio-economic background of their employees. If Labour wants social mobility done, then it should make sure employers track how open their opportunities are. As Education Secretary, I had huge amounts of data on the education outcomes of children and young people from lower socio-economic backgrounds. We need to track those outcomes once people leave education and go into employment.

So, an incoming Labour Government should recognise it's time to open up the opportunity black box and get employers tracking to what extent, with their own opportunities, they are engines of social mobility. Can people from all backgrounds get in and get on in their organisations? What does the evidence show? It's a simple question and we have the measures to track it from work by the Cabinet Office and Social Mobility Commission. With real data from employers, we can then see who's moving in the right direction, by removing barriers and recruiting and progressing from the whole of our country's talent pool. We'd also be able to see which businesses and sectors are stuck in the past with excessively closed opportunities, driven by who you know, not what you know. Tracking should be for our biggest companies both in terms of employees and in terms of assets or size - it should include boutique fund managers in the City with elite opportunities, controlling billions of pounds of assets, as much as it should include familiar major employers. Government should take a lead by surveying its own employees across Departments - something last done back in 2019. It should become normal Government practice. Departments could even mirror the BBC and set some targets on widening opportunities to those from all socio-economic backgrounds.

And for a Government that has a tight set of public finances post COVID, it's never been more important to make sure that Government procurement has the maximum social impact possible. It's time to revisit and update the Social Value Act to ensure that taxpayer money is spent through businesses that align with our taxpayer values on wanting equality of opportunity. It means social value not as a niche add-on but as a fundamental premise on which any procurement provider is expected to show impact.

There is lots for an incoming Government to do but asking more employers to up their game on social mobility, mirroring the best practice that's already out there from those in the Purpose Coalition and then Government itself as an employer mirroring that best practice - that would be a powerful start.

7. Creating an economy based on decent work to level up the UK

Janet Williamson - Senior Policy Officer at Trade Union Congress (TUC)

Poor quality work is a major cause of inequality across the country and within all regions and nations, including those seen as the target for levelling up. We can't level up the country without levelling up at work.

Over half of those living in poverty are in working households - and this rises to over 70 % of children living in poverty (ONS, 2023). In-work poverty is endemic across every region and nation of the UK. This predates the current cost of living crisis and is a key reason why the current inflation spikes are causing such severe hardship - so many working people were already struggling.

The prevalence of in-work poverty reflects the fact that low pay and job insecurity are widespread across every part of the country:

- Only the South East and Scotland have less than one in ten workers paid below the Real Living Wage (ONS, 2022); and
- Only Yorkshire and Humber and Scotland have less than one in ten workers in insecure work (TUC, 2022a)

This is because low paying sectors like retail and social care are major employers across every nation and region of the UK. A strategy that ignores these sectors will leave millions of workers suffering from low pay and insecurity at work. Labour's recognition of the importance of the everyday economy, including the care sector, is very welcome.

Low pay and insecurity both reflect and reinforce existing inequalities. BME workers are more likely to be in insecure work; women are more likely to be low paid; and disabled workers are more likely to be unemployed and if in employment to be low paid (TUC 2021). Young workers are over-represented both in insecure work and low paid employment.

Place-based strategies - including infrastructure projects, transport improvements and community wealth-building - have an important role to play. And improving educational opportunities and quality for children from deprived communities is vital. But unless we reduce the numbers of people in jobs that are low-paid, insecure and offer no route to better quality work, little will change in the lived experience of a significant number and proportion of people across every part of the UK.

Attempts to address health inequalities will not work unless poor quality work is addressed. The Marmot review of health inequality (Marmot, 2010) set out five characteristics of work that are linked to serious health conditions: job insecurity, low levels of control, high levels of demand, lack of support and long hours. TUC research has highlighted the stark occupational differences in health outcomes (TUC, 2023). If we leave millions of people in low-paid, insecure work, significant economic and social disparities in health outcomes and life expectancy will remain.

And more and better jobs is the public's top priority for levelling up. TUC polling conducted by YouGov (TUC 2022b) found that increasing the number and quality of jobs is seen as a priority for levelling up by one in two people from right across the political spectrum.

So how can we improve work to level up?

We need to change our economic framework so that growth reflects, and translates into, good jobs.

A Labour government should lead by example, giving public sector workers a proper pay rise and setting out a plan to reverse the devastating cuts that public services have suffered over the last decade. Decent jobs should be a requirement of all government procurement, so that the purchasing power of government is used to drive up employment standards. Labour's plan to use its green energy strategy to create good quality supply chain jobs in the UK is a great example of this.

But 80 % of jobs are in the private sector - and relying on the private sector to level up without changing how it works will fail. So we need find a way to hardwire decent work into business models and economic growth. That means creating an institutional environment that encourages the development of business models based on high-wage, high-skilled and secure jobs, rather than a reliance on low-paid and insecure work.

This requires corporate governance reform to rebalance corporate priorities towards long-term, sustainable growth that benefits all stakeholders - rather our current system that prioritises short-term shareholder interests. We need to reform directors' duties to require directors to prioritise long-term company success and include worker directors on company boards to bring a workforce perspective to company decision-making.



And we need a new skills settlement to give working people access to lifelong learning accounts and a right to retrain. Levelling up at work means addressing the imbalance of power in the workplace. Working people need stronger rights to organise collectively in unions and bargain with their employer. Unions should have access to workplaces to tell people about the benefits of unions, following the New Zealand model.

We must tackle entrenched low pay and conditions within sectors head on. We need a framework for unions and employers to agree Fair Pay Agreements setting minimum standards across sectors, starting with social care and extending to other sectors where there has been a race to the bottom in workforce pay and conditions.

We need to strengthen the floor of employment protection for all workers by raising the minimum wage and tackling zero hours contracts.

We cannot level up the country without levelling up at work. Access to decent, secure work for everyone is a natural Labour ambition and a key test of the levelling up agenda.

For more information on the TUC's proposals for levelling up and why it's needed, please see the TUC's 2021 report 'Levelling up at work Fixing work to level up the UK' (TUC 2021).

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8. Putting the co-operative model at the heart of levelling up'

Daniel Monaghan - Policy Officer at the Co-operative Party

The UK has once again been identified as the 'sick man of Europe' – due to a combination of stagnant wage growth, low productivity, failing public services and entrenched inequality. After a decade of austerity, which initially deprived the UK of a strong recovery from the Financial Crisis, the UK has left the European Union and been hit by the Coronavirus pandemic. Combined with weak and turbulent governance, this has left the UK in a position of potential long-term economic decline – when growth, economic rebalancing, and action to rebuild public services were desperately needed.

As the Labour Party builds towards the forthcoming general election, it will need to confront the key issues of low productivity, low investment, and entrenched inequality if it is to 'level up' Britain. Labour has made attaining the highest sustained growth in the G7 one of its five key missions for government. To achieve this, it will need to strengthen regional and devolved national economies across the UK – improving productivity and output.

In partnership with Labour for over 95 years, the Co-operative Party are committed to helping Labour achieve its vision and believe an expanding co-operative movement should form a key part. This will require a commitment to using the co-operative model as an important tool for economic development and productivity growth. An objective of doubling the size of the co-operative sector and striving to go further should be a government ambition from day one.

Co-operatives are businesses owned by their membership in a democratic model. Membership can include consumers, workers, or multi-stakeholder models. Emerging in the 1840s, co-operatives are present in all sectors of the economy, ranging from retail and finance to agriculture and technology. The co-operative model is closely connected to the everyday economy, providing goods and services which people rely on day-to-day. Approximately 81 % of co-operatives operate in the everyday economy, creating deep roots within the communities they serve and helping to prevent extractive economic practices which take jobs and investment away.

Research shows the co-operative model has many economic advantages compared with other forms of business. Co-operatives have been found to be more productive than other business forms, due to workers having a stake and say in decision-making in their firm (New Economics Foundation 2018). This facilitates greater job satisfaction, the retention of talent and lower levels of staff turnover, all contributing to additional productivity growth (Perotin 2018). Co-operatives are renowned for their resilience, with co-operatives being twice as likely to still be trading after 5 years than other business forms (Co-Operatives UK 2019). Collectively this demonstrates the model's effectiveness in raising productivity and business resilience – two factors which will be key in boosting regional economies and restoring economic opportunity.

Despite being the birthplace of the modern co-operative movement, the UK has fallen behind other comparable advanced economies in co-operative development. While the co-operative sector makes up around 1 % of UK GDP, the co-operative sector equals 20 % of GDP in New Zealand and 18 % in France and The Netherlands (Grace 2014). Regions with high levels of co-operatives tend to have lower levels of inequality and higher levels of GDP per capita, for example in Emilia-Romagna in Italy and Mondragon in Spain (New Economics Foundation 2018).

While the benefits of implementing the co-operative model are clear, there are barriers to growth which remain. Achieving a doubling of the size of the co-operative sector will require building co-operative development capacity in all regions and implementing legal, regulatory and financial changes to facilitate growth.

Scaling up co-operative development capacity should happen on a national, regional and local level. Regionally and locally, there are already emergent examples of co-operative development agencies (CDAs) which have been facilitating growth. On a regional level, Ownership Hubs have been established in several combined authorities, the first in South Yorkshire and the second in Greater London. Ownership Hubs will focus on assisting prospective co-operative entrepreneurs in business development and access to finance – with expert knowledge on the co-operative model.¹ Local co-operative development agencies, such as Preston Co-operative Development Network and Co-operate Islington, have been delivering similar targeted work at local authority level.

1. For more information see: <https://www.scrgrowthhub.co.uk/services/ownership-hub/>



Modernisation of the legislative and financial framework governing co-operatives is required. Increasing the availability of capital into co-operatives is essential and new capital instruments should be established to enable non-member capital investment. This should be accompanied with strengthened protections against demutualisation, which would raise the UK up to the co-operative protection standards of comparable nations with larger co-operative sectors.

Labour's government agenda for levelling up will face many challenges, but with the co-operative model it will have an effective lever for delivering vital productivity growth. The co-operative model's achievements in reducing pay disparities and strengthening local economies will be a significant factor in reducing entrenched inequalities. That is why doubling the size of the co-operative sector should be integral to how Labour levels up.

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9. How far can you go – why we need a Department of Poverty

Lord Bird MBE - co-founder of the Big Issue.

“How deep do you want this levelling up to be?” should be the first question asked by a new administration. Do you want it seismically significant, or do you want it surface and superficial?

This may sound like a strange way to begin but if you look at the history of levelling up you can see why such a question needs to be asked

For levelling up in some form or other can be said to have been in place since the great education acts of the late Victorian period, or the social supports offered by Lloyd George and Winston Churchill in the Liberal government in 1909. The post war Welfare State; council housing, the NHS, secondary education are all attempts at levelling the playing field of life so that those starting with little have the encumbrances removed from them that come with poverty. Let not a lack of savings and prosperity and social position be a bar to a fuller life. That was the thinking of our legislative forefathers. Alas they did not dig or go deep enough.

If a new administration wishes to do something significantly deeper and more long lasting, and more socially just then they have to ask themselves is one main questions: “How do we skill people away from poverty so that the vicissitudes of the market place and interruptions to its supplies do not degrade people into abject penury?”

They also however need to answer these questions:

How do we ensure that the NHS does not have to spend half of its budget on keeping people in poverty as healthy as possible? How do you address the British Medical Association's claim that 50 % of people presenting with cardiac illnesses suffer from food poverty? How do you address the problem that circa 90 % of people who end up in prison did badly at school? How do you address the fact that if you come from social housing your children will have less than a 2 % chance of getting a skilled job, or get to higher education? Social housing seems to guarantee a future for generations of being near, or in poverty, so that when inflation hits you are desperate and often destitute.

Poverty inheritance must be tackled. But that depends on how deep you go. And that is where the problems begin.

Tony Blair said when visiting a school in the early years of this century that “all children should have the chance of a good education, if they have the abilities.” This ruled out a vast group of people like me- who through poverty are crippled educationally, socially and in terms of their aspirations.

How deep you want to go needs to be asked now. The current government combines insight with imbecility - as most attempts at levelling up will suffer from using the current thinking. First, you must establish whether the shape and structure of government, with it's inherited departmental silos, is fit for purpose. NO government has seriously tackled this problem. Why is it for instance that while poverty distorts the budgets of virtually every government department they do not have the budget or resources- or skills- to prevent poverty or cure it?

The Department for Levelling Up, Housing and Communities sketchy attempts at levelling up are entirely understandable if you look at the superficial level at which they aim their programmes. And because of the shape of government, they can do precious little other.

Only by creating a new form of government, allowing government departments to get on with the tasks set them- education, health, social support etc- will levelling up become a reality.

Hence our need to have a Department of Poverty. A department that will tackle the early years deficit that people in poverty have to offer their children. Children who often do not reach the starting line of life because they are encumbered with social and physical and mental problems that impede their development. A ministry of poverty would coalesce all the efforts and skills necessary to tackle poverty. It would search the world for the answers and bring them to the task of ending poverty, interrupting the impact of poverty in people's lives.

At the moment, NO government programme or department has the abilities to go deeper into preventing poverty, turning the tap off, or even curing it. Virtually all the big money goes on the emergency of poverty and helping people cope with it. We rush around trying to make the poorest amongst as comfortable as possible. And when the economic storms hit we see that simply keeping people as comfortable as possible in poverty is a recipe for disaster.

Skilling people away from poverty will not be achieved if the next administration adopts the same corporate structure that the present government has. For seismic change we need the Prime Minister to create and be responsible for a poverty strategy that goes beyond the paucity of thinking of today.

With circa 40 % of government spending going on the collateral damage caused by poverty it's the biggest chunk of government cash spent on anything. A ministry of poverty needs to be discussed, kicked around, argued for and against; for the alternative of 'more of the same' is ugly to contemplate.

Section 3

The challenges and opportunities of levelling up

10. 'Not only upon an open road, but upon an equal start': Labour, Levelling up and opportunity hoarding.

Professor Peter John CBE - Vice-Chancellor and President of the University of West London

Equality has been at the heart of Labour's mission since its inception, however, despite its longevity its meaning and ways of achieving it have been less than precise. If elected, Labour will inherit unprecedented levels of poverty and inequality and will have to act both on its founding principles and its conscience. The UK is now widely recognised as possessing one of the highest levels of inequality of any developed country (McCann, 2017). These persistent discrepancies have haunted the UK for decades. Thirty years ago, the UK was average for the advanced industrial nations in terms of inequality. Today it is second only to the USA. As a result, we have the distinction of being the best emulator of the American socio-economic model (Stiglitz, 2013). Today the wealthiest 10% own 43% of the country's wealth while the poorest 50% own just 9% of the total wealth. When this is placed withing the context of falling living standards, a cost-of-living crisis, early deaths, and massive health inequalities you realise the extent of the task facing any incoming government.

These persistent inequalities have led to deep income disparities and labour market stagnation in many of the 'lagging behind' areas and elsewhere (McNeil, Lee, and Luca, 2022). Research indicates that people's well-being is closely connected to the socio-economic position they hold and the educational attainment they have achieved (Li, 2016). Wilkinson and Pickett (2009) further show that income and educational inequality impact health differences, erode civic engagement, and even shape life-long political preferences (Grasso et al., 2019; McNeil, Lee, and Luca, 2022). Education, and particularly higher education, have been seen as a way to break these cycles where social and cultural inequalities are mitigated by access and greater equal educational opportunity (Sandel, 1998). Sandel adds that for this to happen particular redistributive policies and other socio-economic reforms have to be in place, otherwise as Norman (1987: 103) comments, equality of opportunity essentially becomes an 'opportunity to be unequal'.

Even as massification (Scott, 2016) has taken hold in British universities with just under half the population entering higher education, expansion has not necessarily led to greater equality and radically improved social mobility (Savage, 2015). Universities, we are led to believe, embody the equal opportunity principle where competition for entry is fair and free, and even the most selective of institutions are open to all with the appropriate entry qualifications. The system is therefore supposed to benefit the worst-off members of society as well as others through what John Rawls (1993) called 'the difference principle'. And furthermore, such a system should generate high levels of social mobility as entrance into the higher-level occupations automatically follows. Put simply, individual talent and effort, rather than ascriptive traits or 'accidents of birth' (Mill, 1859; Rawls, 1993) should determine an individual's place in the social and occupational hierarchy. However, this is not the case, and too often variables such as place of birth, aspiration, wealth, ethnicity, school context, family involvement, and social background all 'structure and constrain participation in higher education' (Liu, 2011). As a result, what was viewed as a neutral zone where those with the relevant credentials and qualifications (Robbins, 1963) have an equal opportunity to enter university and compete for the attendant rewards, has become a contested area (Brennan and Naidoo, 2008).

Fair distribution can therefore only come about if educational opportunity is widened in its scope and definition. As R H Tawney commented: 'The existence of such opportunities in fact, and not merely in form, depends not only upon an open road, but upon an equal start.' Put simply, there is too much 'opportunity hoarding' (Tilly, 1998; Friedman and Macmillan, 2017) which happens when 'access to economic, social, and educational resources is limited by exclusivity that regulate who can enjoy such privileges and who are excluded from such opportunities'. This gaining of exclusive access to scarce resource is especially prevalent among parents who want to perpetuate their privilege inter-generationally. As John Rawls (1993) points out, this actually hurts others by reducing their chances of securing a fair share of these opportunities. And, as Brighouse and Swift (2016:56) claim, this conferment of competitive advantage does not leave other children or families untouched but can in fact be 'detrimental to those other children's prospects'. Such micro-preferences do eventually influence macro-behaviours (Schelling, 2006)



The challenge for any incoming government will be to enact real ‘levelling up’, not the sound bite it is and find new ways of restoring long term economic vitality and financial stability to our cities and towns by unlocking the hidden social, human, and economic wealth that lies within them. A focus on public wealth shifts attention and resources from short-term spending to longer-term investments in education and skills that can raise the quality of life for generations to come. And as a recent report from the LSE into the long-term decline of the regions shows, place of birth can have a massive effect on educational and labour market outcomes throughout adulthood (McNeil et al 2022). Which highlights again what John Stuart Mill and John Rawls claim that ‘accidents of birth’ should not define your life-course.

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11. Growth which makes everyone, not just a few, better off

Danny Dorling - Professor of Geography, University of Oxford

In 2023, when discussing what might be possible with levelling up, Peter John quoted the July 2021 words of the Prime Minister said a year before he was forced to resign from office:

‘Johnson elaborated by focusing attention on his belief that potential and talent was spread evenly across the country. He said emphatically: “We don’t want to level down. I don’t believe ... that there is any basic difference in the potential of babies born across this country. Everyone knows that talent and energy and enthusiasm and flair are evenly spread across the UK...it is opportunity that is not...” He also added that such a condition was causing a massive waste of human resource as too many were failing to fulfil their latent ambitions. However, he purposefully did not link inequality in the UK to poor outcomes rather he stuck with the standard Conservative trope – improving opportunity.’ (John, 2022)

Johnson had moved some distance from his ‘top Cornflake’ days, (White 2013) but he, and many like him, hankered after holding onto a belief that some people had greater latent potential or ambitions than others, even if he was now willing to concede that perhaps this distribution was geographically more spread than he had once believed. In his belief in inherent differences between humans being of great consequence, Johnson was far from alone. The British Labour Party embedded eugenic beliefs in both the original fundamental cause IV of its constitution and in the Blair rewrite which contained similar prejudices. The key text simply changed from ‘workers by hand or by brain’ [two types] to ‘to create for each of us the means to realise our true potential’ [a continuity of types with differing potentials].

A belief that chaps, and it was mainly chaps they were worrying about then, were born as babies with differing potentials served the British empire well. Some were born to lead, others to follow. In between a few had the potential to raises up a little in the ranks. Order was maintained and 170-odd current members of the United Nations were invaded or otherwise controlled, as another Prime Minister, Gordon Brown, pointed out. Interestingly, none of the 22 not invaded are included in the long list that Johnson insulted as Foreign Secretary (Jakobs, 2016).

But why does any of this matter when it comes to levelling up? It matters because there is no Empire 2.0 coming. Because Britain is not going to level up by securing more overseas students for ever, or by turning its banks into even risker casino type organisations; the kind that would not be allowed to operate in the EU. Britain will not level up by introducing freeports or enticing car battery companies to come here.

Britain will not level up by spending paltry sums and building a few ill thought-out edifices for sitting MPs to be photographed next to in the hope that that might benefit in the next General Election. None of that will work. None of it is showing any signs of working.

More level, and today far more prosperous countries do not hold to British beliefs of inherent differences to anything like the same extent. Elsewhere, in the actual level sunny uplands, people think their children should go to the same schools, together. They believe that no one should be very badly paid and that it is repulsive to be too greedy. We once thought that too, from 1918 to 1978. But becoming level back then had been easier because of the final spoils of empire. It will be harder now.

The British have an excuse as to why they have reverted again to such weird ideas of inequality being good and ability being concentrated far more in some than others. The excuse is Britain’s unusual history. When controlling the largest empire the world has ever seen, it helps not to see those you control as like you. When you no longer have that empire to control, such thinking can be your greatest weakness. For those at the top, the rules are for the little people – people who can be given scraps. But it won’t wash any more.

Labour needs to stop thinking like this too. From 1945 to 1970 Labour used the receipts of Empire attained advantage to level across. They convinced the Conservatives to copy suit. But when almost all of the last of the colonies gained their independence, the Conservatives shifted back again to promoting inequality, and Labour from 1997-2010 followed suit. Inequality never fell in any single one of the thirteen New Labour years, making it easier for the Conservatives to come up with their duplicitous levelling up slogan.

In this context, the words of Keir Starmer, spoken in February 2023, sound hollow. He wanted: ‘A collective ambition, a partnership – to secure the highest sustained growth in the G7. With good jobs, productivity growth in every part of the country, growth which makes everyone, not just a few, better off’ (Starmer, 2023). If Labour continues to mimic the Conservatives, or try to claim they can be better at being ‘true Conservatives’, they will be ridiculed. The pendulum has shifted again.



People cannot eat growth. They do not believe promises that economic growth will be their salvation anymore. They have heard those promises so many times and know them to be false. Johnson’s 2022 promise that if we stayed close to his chosen path then soon: ‘... we will be the most prosperous in Europe.’ was almost identical to one given by George Osborne seven years earlier.^v The only difference being that Osborne had promised that the UK would soon be the richest of all larger nations in the world. The change over time in these promises is that they have been watered down from over one hundred ‘larger’ countries in the world (Osborne) to less than three dozen in ‘Europe’ (Johnson), to just seven mature slow growing economies – ‘the G7’ (Starmer).

Neither Labour nor the Conservative can level up – but that is not what levelling is. Levelling is to make something more equal or similar, to create a flat and even surface. You do not level by piling on money you do not have to ignite a potential that is not there. You level by making flat that which is most egregious. You level the tax avoiders and evaders, the non-doms, the elite private schools that wish to retain the perks of registering as charities, the people who charge the heating bill for their swimming pools to expenses, and those who employ a household of personal servants.

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12. Pride of Place: Why Labour Should Care About Restoring Local Pride in Post-Industrial Britain

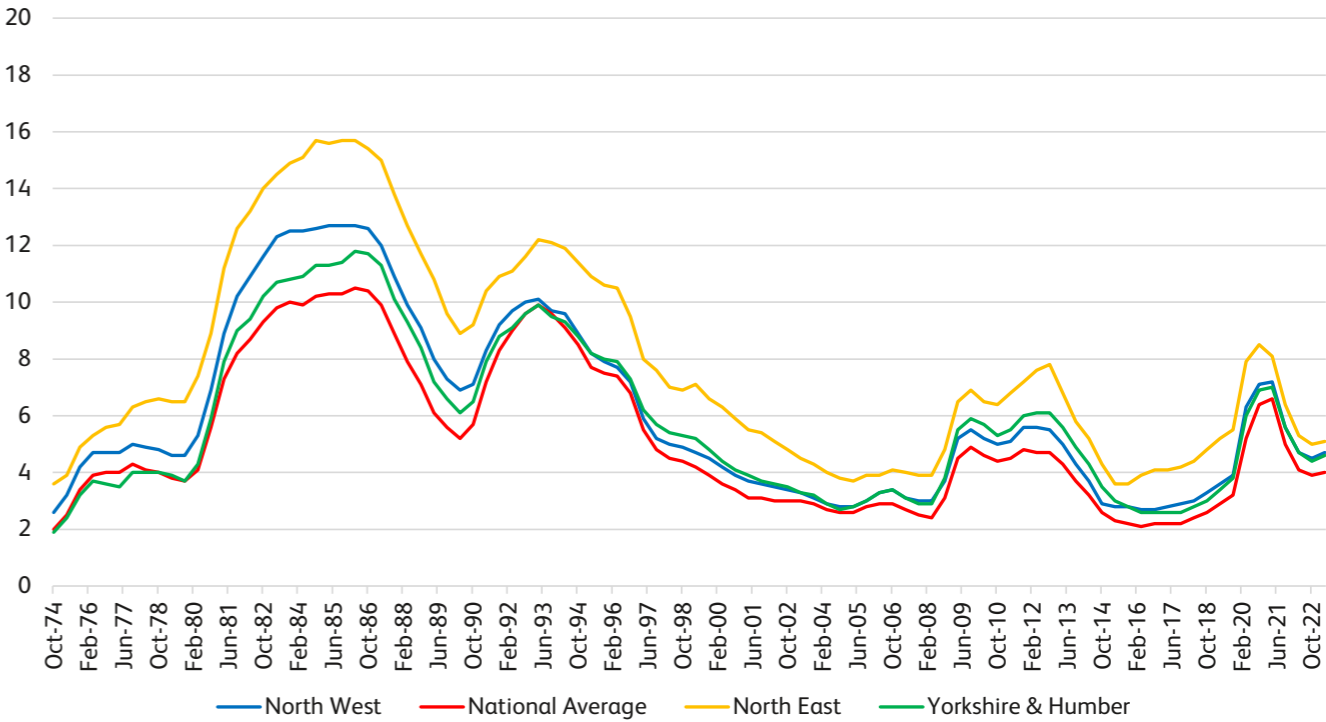
Callum Newton - Senior Researcher at Onward & Jenevieve Treadwell - Senior Researcher at Onward

The Conservatives’ promise to ‘Level Up’ post-industrial communities transformed the UK political landscape. The pledge to ‘take back control’ (Conservative & Unionist Party, 2019) went beyond Brexit, tapping into a swelling demand for change amongst Northern voters. Although Labour succeeded in winning the majority of Northern seats in 2019, the promise of Levelling Up consigned the party to another cycle of opposition. But after years of political and economic turmoil there is relatively little to show for the Levelling Up agenda, presenting Labour with an opportunity.

Deindustrialisation left a permanent scar on many traditional Labour towns and cities. Northern England has consistently experienced comparatively higher levels of unemployment than the national average since the 1980’s as shown in Figure 1 below and their Gross Value Added (GVA) continues to trail behind London and South East England (Office for National Statistics, 2021) While major Northern cities such as Manchester, Leeds and Newcastle began developing into regional economic hubs, much of the hinterland remained disconnected and overlooked.

Figure 1: Unemployment (Claim Count Measure) Regional Distribution (1974 - 2023)

Source: NOMIS Out-Of-Work Benefits Claimant Count North East, North West and Yorkshire and Humber (October 1974 - April 2023)



The damage wasn’t purely economic. Deindustrialisation tore at the social fabric of the northern towns, creating communities that believed their best days were behind them. Over a third of Northerners believe civic pride has decreased over the last 50 years since deindustrialisation, due primarily to rising anti-social behaviour and deteriorating high-streets across the region (Public First, 2021)

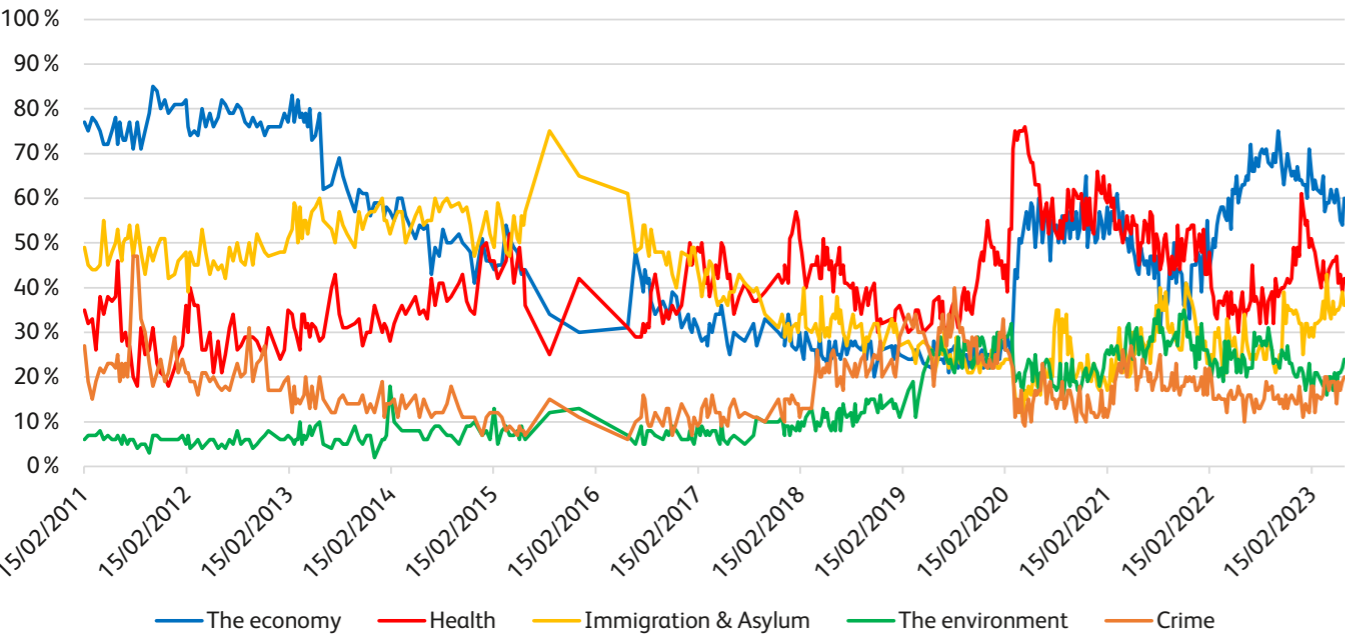
In 2019 the Conservatives recognised that overlooked Red Wall voters were not just interested in economic parity, but also in taking back control of their communities and regaining civic pride. They promised equality of opportunity so that people would not have to ‘get out

to get on’ (Nandy, 2022) but rather ‘stay local but go far’ (Lloyd, 2021) This was an attractive proposition for communities that have huge amounts of pride in their area but often feel left behind by politicians.

Although Boris Johnson promised to ‘repay your trust’ to Northern voters following the 2019 General Election, (Davey, 2019) Levelling Up is struggling to meet expectations. This is in part due to factors outside the Government’s control, like the Covid-19 pandemic and soaring energy prices stemming from Russia’s invasion of Ukraine. However, delivering Levelling Up has also been mired by a series of missteps ranging from the ‘begging bowl’ culture of successive Levelling

Figure 2: Most Important Issues Facing Northern Voters (February 2011 - June 2023)

Source: YouGov 'The most important issues facing the country' Weekly Tracker Northern England (February 2011 - June 2023)



Up Funds (Wingate, 2023) and a lack of political focus in the post-Johnson period as the Government attempts to recover from the ‘Trussonomics’ experiment (Cassidy, 2022).

As a result, the British public are losing faith in Levelling Up. 56 % of the British public believe Levelling Up has had no impact on their local communities (Westerling, 2023). Only four Local Authorities in England believe their community has improved in recent years - all of which are in London (English, et al. 2023) Trust is also being eroded amongst the party faithful, as 90 % of Conservative voters in Northern England believe the region has not received its fair share of Levelling Up spending (Hall, et al 2022).

Current polls suggest the lack of delivery will hurt the Government. The historic results of the last election may be flipped, with the Conservatives’ vote share predicted to fall to 28.3 % according to some polls (Electoral Calculus, 2023) Labour, on the other hand, are expected to collect 44.2 % of the popular vote (Electoral Calculus, 2023) leading to calls for the Conservative Party to make for safer political waters by shoring up the ‘Blue Wall’ in the face of a Liberal Democrat insurgency across Middle England.

Abandoning Levelling Up would be a major mistake for the Conservative Party and present a major opportunity for Labour. Despite the political setbacks the underlying principles of Levelling Up remain popular. Voters both want and expect Levelling Up to be delivered with two thirds of the British public believing the Government should redistribute resources to address regional inequalities (Menon, Stowers, 2022)

By picking up the Levelling Up mantle Labour has an opportunity to fill this vacuum and reconnect with its traditional Northern heartlands. Although ‘Levelling Up’ still carries a degree of Johnsonian baggage, its diagnosis of the sentiments of post-industrial communities was correct.

Labour should learn the lessons of 2019, and place restoring civic pride at the forefront of any new configuration of the Levelling Up agenda. One place to start is a concerted vision towards tackling anti-social behaviour, declining high streets and unemployment which are consistently amongst the top concerns of Northern voters as shown in Figure 2.

Labour is well placed to capitalise on the current turmoil and limited progress of the Levelling Up agenda. However, Labour should not be complacent that the North will permanently return to the party. If a Starmer Government fails to restore local pride, there is a risk Labour’s Northern renaissance will be short-lived.

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Summary - ‘New Levelling Up’

Professor Graeme Atherton - Head of the Centre for Inequality and Levelling Up at the University of West London

The future of levelling up is uncertain, but the future of inequality unfortunately less so. On any measure it is set to increase unless something is done quickly with the UK in course to become the most unequal country in the G7 by 2027.

The contributors are stark in their assessment of the scale of the challenge facing Labour. Justine Greening rightly calls it a ‘generational challenge’ and John Denham argues that a ‘change in mindset’ is needed amongst Labour politicians in order to break the monopoly that Whitehall has on power.

Labour is already outlining its own mission-based approach but for that to be successful if Labour was to be elected then it must have that genuine commitment from across government. This commitment must be long term and accept the need for what Jessica Studdert describes in her essay as ‘a complete reorientation of how power and investment are distributed nationwide’. It will require confronting difficult questions. Dan Norris is right to say that devolution offers no magic bullet for regional inequality. As he argues, for it to be effective the question of which decisions are best made at which level cannot be fudged and must be answered. This question of power and its distribution is not the only difficult question. Danny Dorling makes the point that inequality will only reduce when those who have the most have less. Labour failed to reduce inequality when it was last in government because those at the top continued to accumulate more. Redistribution is the reality of addressing inequality. The job for Labour here is not changing its own mindset as John Denham above argues but the British mindset where redistribution is concerned to normalise this in ways it is normalised in other countries.

However, while the cultural changes are the foundation of ‘new levelling up’, practical policies will make up what it does. This report is not short on these and those suggested in this report are listed below:

- A new regional government act based on the experience of London.
- A doubling of the size of the co-operative sector.
- The distribution of powers to localities by right and a coherent national government for England.
- Fund new early years hubs that bring together education, welfare and care support for families.
- Expansion of participation in higher education to address ‘opportunity hoarding’.

- A commitment to the principle of subsidiarity i.e. shifting decision making to the point closest to where it can have an impact.
- Encourage or mandate employers to track the socio-economic background of their employees.
- Give working people a right to retrain, raise the minimum wage and set minimum fair pay standards across sectors.
- Match the apprenticeship minimum wage to the national minimum wage and remove the age-based distinctions.
- Create a Ministry for Poverty to coalesce efforts across government and find the best solutions from across the world to reducing poverty.

New levelling up

The last time Labour won an election after a long period out of power was on a platform of renewal of its own identity as it presented the electorate with a shift from old to ‘new’ Labour. Something similar is required from Labour where levelling up is concerned. Not necessarily mimicking the policies of that era on inequality or levelling up although as Phil Collins argues a return for Sure Start could be justified. But while progress was made lifting people out of poverty under the last Labour government inequality increased. Rather the parallel between new Labour and levelling up needs to be in terms of approach. As with the shift to new Labour, the existing approach to levelling up has been defunct for many years (well before the phrase levelling up even came along). As the essays in this report show a different approach is needed but it must be one that is willing to confront the present realities – as new Labour did when looking at how the party was perceived by the electorate at the time. ‘New levelling up’ needs to recognize that the reason gross inequalities exist in the UK and so many millions of people’s lives are blighted by it is deeply rooted; in how we view inequality itself, how we are governed and how our economic system works. Replacing the architecture and language of old levelling up will be necessary but not enough. The contributors in this report challenge Labour to look at a more fundamental set of changes spanning education, work, government and the economy which can be the foundations of ‘new levelling up’. We invite others from sectors not covered here to add to them.

Looking back to 1997 the shift to New Labour was crucial to the party winning the election. In 2024 the shift to levelling up will be more important – it will be essential to whether Labour can change the country.

