



# Select Committee on Public Services

## Oral evidence: "Levelling up" and public services

Wednesday 24 February 2021

4 pm

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Members present: Baroness Armstrong of Hill Top (The Chair); Lord Bichard; Lord Bourne of Aberystwyth; Lord Davies of Gower; Lord Filkin; Lord Hogan-Howe; Lord Hunt of Kings Heath; Baroness Pitkeathley; Baroness Tyler of Enfield; Baroness Wyld; Lord Young of Cookham.

Evidence Session No. 1

Heard in Public

Questions 1 - 8

### Witnesses

[I](#): Rt Hon Justine Greening, Chair, Levelling Up Goals Campaign; Jonathan Webb, Senior Policy Fellow, IPPR North; Professor Michael Kenny, Inaugural Director, Bennett Institute for Public Policy, University of Cambridge.

## Examination of witnesses

Justine Greening, Jonathan Webb and Professor Michael Kenny.

Q1 **The Chair:** Good afternoon, everyone. Welcome to this first public session of the committee for some time. We are having a very short, sharp look at what levelling up means and what the role of public services might be in that. As I say, it is a fairly short inquiry but one that has elicited a lot of interest, and I have had several letters and messages from people. For anybody looking at it today, if you feel like contacting us afterwards, please do.

We are very interested today in our panel. It is just one session but we have three very interesting contributors. Justine Greening is chair of the Levelling Up Goals campaign. Justine, of course, was a colleague in the Commons and had several very senior roles in government before the last election. Jonathan Webb is senior policy fellow at IPPR North. As my colleagues know, I always like to have one or two northern voices in the midst of our evidence. Professor Michael Kenny is the director of the Bennett Institute for Public Policy at Cambridge University. He is based at Fitzwilliam College, of which Sally Morgan is the master—ridiculous title—as my colleagues will know. Professor Kenny comes well recommended.

Welcome to all the people who are going to give evidence today. I remind Members, as this is the first meeting on levelling up, if you have any interests to declare, to do that when you first come in. We have allocated questions but, if colleagues have not been allocated a question and want to ask a supplementary, I will bring them in. I cannot guarantee that you will have seen all the questions that you will be asked, but we are a friendly lot. We want to make sure that we get the best out of everyone and can think our way through what levelling up means.

As we ask the questions, can you to introduce yourself and tell the committee what you think it is relevant for us to hear from you? I am going to open the questions, as ever; it is the Chair's privilege.

What role do social infrastructure and the reform of public services have in the levelling-up agenda? Are they part of what the Government think levelling up should be about?

**Justine Greening:** I am really honoured to be able to give evidence to the committee, so it is fantastic to have this opportunity. You asked what levelling up means. It is a phrase we used while I was Secretary of State for Education. I have an insight that comes from having run three departments: transport, international development and education. They are all spending departments. I have also spent time as a Treasury Minister, so I have seen this debate within government and taken decisions on both sides of that fence. To me, levelling up means everyone having the same opportunities to get on in life, whoever they are, wherever they are and whatever their circumstances. It was absolutely about equality of opportunity.

The challenge is how to break down that very broad concept of equality of opportunity and the same chance to get on in life into its constituent

parts, so that we can take action on it. I launched the levelling-up goals because, during my time in international development, I had seen how galvanising the sustainable development goals were. They took a very complex problem of development and broke it down into constituent parts, in a way that enabled very different actors to work collaboratively in partnership. Whether it was Governments investing, businesses or civil society, they were all able to be part of that overall push. It was very inclusive.

The levelling-up goals involve me working with businesses as well as universities, which I have been campaigning with for some time now, to break down levelling up into what we have judged to be 14 key goals that we have to address if we are to shift the dial. Within that is social infrastructure and investment. The goals are necessary but not sufficient on their own to deliver a levelled-up Britain, but they are a key part of that. They demonstrate that, if we are going to succeed in levelling up this country, we need very new ways of doing things across the board in all those 14 levelling-up goal areas, not just some of them.

Above all, we had already, as a country, decided during the debate at the last election and the run-up to it that levelling up has to be at the top of this country's agenda. It is no longer acceptable that where you start in life so shapes what happens in your future. If we bought into that before, after Covid it will become even more crucial. Covid has taken all those inequalities that we were already concerned about and made them a lot wider.

This is a moment for change. We now have a chance not only to come at these issues completely fresh, but to put that reform and those new solutions in place. We have seen so many solutions on the ground over recent years of what businesses, universities and community groups are doing. It is now time to take what works, scale it up and get change that way.

**Jonathan Webb:** Good afternoon, Baroness Armstrong. Your question hits the nail on the head. Levelling up cannot be about just investment in hard infrastructure and improving transport. It has to be investment in social infrastructure. What is levelling up about? If it is about addressing regional inequalities and creating prosperity right across the country, you fundamentally need to target public services as part of that. You cannot have a well-educated, well-skilled and prosperous workforce if you are not investing in skills and education. Likewise, you cannot have a productive economy if you are not investing in people's health. The relationship between health and good work is very strong. It is important, first, to think about how these public services are connected to one another when we are thinking about investing in that social infrastructure.

Secondly, it is also really important to consider how we might deliver this investment in social infrastructure. IPPR's research has shown that, when you compare the United Kingdom to other countries in western Europe, we have one of the most centralised forms of governing. Levelling up has

to be coupled with devolution. Devolution is really important, because it gives areas a say in what levelling up should be about, but fundamentally, if levelling up is going to be about what is best for communities and places beyond the centre in which we have not previously invested the money that we need to, it needs to include those people. Levelling up and devolution are fundamentally connected in that regard. We need strong local government and strong regional leaders to give those areas and those people a voice.

**Professor Michael Kenny:** Thank you very much for the invitation, which is greatly appreciated. I am coming to this with quite a long-standing interest in the idea of place as a focus for public policy, which has been gathering momentum in different places for some years. In the UK, through the levelling-up agenda, it has become a major area of interest and focus.

Following on from Justine Greening's very interesting interpretation of it, it is striking that, if you listen to government at the moment, we get a range of answers to the question of what levelling up is about and what the core ambitions are. They range from quite ambitious goals, the kinds of things Justine is talking about, to more narrowly conceived ideas that this is about regional productivity and evening out regional economic performance. There are a range of things between those two ends of the spectrum. I welcome your inquiry. It is very important and much needed to give a greater sense of definition to this quite amorphous concept.

On social infrastructure and public services, the focus has often been, as was said previously, on physical infrastructure projects such as railways and roads. We have tended to forget that public services are also forms of infrastructure, and that they are key to generating the kinds of social relationships and community resilience that create the conditions in which prosperity and growth can happen. It is important to have that shift in mindset, because we have become very used to seeing public services as costs that need to be controlled rather than investments in the fabric of places.

Thinking of the sustainable development goals, it is quite striking that, when we talk about these issues in developing countries, we tend to recognise that health and education are integral to economic development. When we look at the UK, we tend to push those issues to the side. An important change of focus is needed, along with a focus on the kinds of infrastructure that can be brought into play together.

How can we have infrastructure investments that complement each other from physical across to social infrastructure? I can give an obvious example of why that is important. Making, say, Oldham better connected to Manchester is a very important thing in its own right as a transport goal. But it is not going to do much for levelling up if the kids who are educated in Oldham do not have the skills that will enable them to get jobs in central Manchester. It is always about more than just one type of infrastructure.

In the context of Covid, there is an additional reason to think about public services in relation to levelling up. There is some really interesting, important research, mostly conducted in other countries, suggesting that places that have a strong civic infrastructure and good levels of social capital in them tend to be more resilient. There is evidence that, at times of crisis, those places do better than other places that have very similar demographics. The American academic Eric Klinenberg has done some interesting work there. In the context of the challenges we now face as a country, as we move out of Covid, that is a very important focus to consider.

**Q2 Lord Young of Cookham:** Many thanks for those really interesting opening remarks. It is good to see you again, Justine. You mentioned 14 goals. Perhaps you could let us have them, offline if that is easiest. When it comes to measuring how well we are doing on levelling up, it is important to have goals such as the ones that you have mentioned.

Professor Kenny, you basically said that capital investment was regarded as a good and that running costs were regarded as something that needed to be controlled. Are you suggesting that we need to redefine public accounts in order to overcome the objection that you have just raised?

**Justine Greening:** It is great to see you as well. We have a website, [levellingupgoals.org](http://levellingupgoals.org). Effectively, the goals break down into two to three groups. Some goals relate to lifecycles, so during education and the gaps that open up then. Some relate to people's life moving into business, getting the right advice and experience, and then businesses having open recruitment and fair progression. Some relate to the fact that there are other elements of our lives that either help or hinder us in making the most of our potential. That might be good housing, the digital divide or, as Professor Kenny mentioned, infrastructure that connects you up to opportunity, so that opportunity can be invested in on your doorstep. The goals represent an attempt to break down those parts of levelling up.

They demonstrate that we need to shift away from looking at a "money in" investment-style frame of debate. As you know, Lord Young, if it was as easy as spending money or rediverting money to regeneration schemes, politicians would have fixed this a long time ago. We need to start from the basis that doing what we have just done in the past de facto is not going to work. We have to understand why it has not worked well enough, and then learn from the models of success that are already there on the ground and that are already shifting the dial on levelling up.

**Professor Michael Kenny:** I just have a quick answer to Lord Young's question: potentially, yes. At the local government level, a number of different authorities are starting to think about undertaking audits of the different kinds of assets that fall within their jurisdiction. Those could be buildings for civic purposes or, increasingly, assets that promote a healthy social life as well as natural assets. We are coming to realise the value of those. That is quite an interesting development. It relates to work we are doing at the Bennett Institute on natural capital and whether

it ought to be considered on balance sheets That movement is of great interest in the private sector and various Governments are looking at that. The potential implication of my argument is indeed in the direction that you suggest.

**Q3 Lord Filkin:** I do not wish to sound in any way cynical, but it is very hard not to feel, given what one has heard, that this phrase can mean anything you want it to. Justine has mentioned 14 goals. The goal of trying to open up the equality of opportunity is a completely laudable objective that most Governments for the last 50 years have had. Even if you narrow it, it takes decades of work and usually eye-watering amounts of public money. If you are being hard-nosed, which I would not wish to be, you usually need some sort of analytic that asks, "Which is the element that is most critical to drive the others? Which is the change that matters most?" If you had to pick one lever, which I think you have to if you are going to be serious about this, which lever would that be and why?

Secondly, why do you think the Government have not given any articulation of what this means to date?

**Lord Hogan-Howe:** I really enjoyed the description that each of the witnesses gave to this issue. This problem seems to be conflated sometimes if you look at the northern powerhouse discussion, the north-south divide and the red wall discussion, which is more of a political divide. It made me wonder what exactly the geographies are that we are talking about and what the link might be to super-output areas, which have been on the agenda for quite a long time and have guided a lot of public policy. That is one of the building blocks that may be interesting. I would be interested to hear the experts' views on that as a connection to geography.

**The Chair:** You might want to hold on to the thing that Lord Filkin asked about the Government, because we can come back to that at the end of the discussion. It is a very important area and we are trying to work out how on earth we get there.

**Jonathan Webb:** That question about geography is really interesting and important. It links to the point of what levelling up is and the risk that it becomes a rather nebulous concept, which then results in it being applied quite vaguely to chosen geographies. It cannot be just about the north. The levelling up debate has often been defined in relation to the north. The north matters when you look at a lot of the things that we want to fix through levelling up, such as regional productivity, education provision and life outcomes, but I do not think it has to be confined to the north.

There are a couple of measures that you can use to think about which specific geographies need to be targeted. The first is connectivity. Generally speaking, more isolated, less connected regions are far more likely to suffer worse outcomes, have less productive economies and be less integrated into the opportunities on offer from economic hubs. There

are areas in the south-west of England, for example, that are very isolated from a major town or city.

The second is to think about which areas have typically had more or less of a voice in the policy-making process. Generally speaking, there is a relationship between the areas that have been focused on by policymakers in the last couple of decades and the areas that have slipped out of that debate. It is important to think not just about urban areas but about rural areas. At the minute, levelling up is often synonymous with the idea of investing in urban areas, raising up left-behind towns and those types of places in the north of England. Actually, a lot of rural areas, in terms of the outcomes that we want to address, such as improving connectivity, raising education and creating jobs in the local area, can benefit from the levelling-up agenda too.

**Professor Michael Kenny:** I will try to give an answer to both questions in one. First, on priorities, there is a risk that, if there are too many priorities, in a sense there are no priorities. The Government need to make their mind up on what their core objectives are under this pretty big heading. In doing that, and this goes to the geography question, they need to figure out what the biggest problem is that they are trying to tackle. That takes you to the need to consider different geographies.

One view, if we think about productivity in the context of the UK, is that the real weakness is what some people call the second-tier cities: cities outside London that, compared to similar cities, certainly in Europe, have underperformed significantly in economic terms. One view says that if that is the problem, we should focus levelling up on those cities and they will in turn ensure better connectivity to their hinterlands, which will help dynamise those regions.

There is a second view which says that says that we need a different geography, because the problem lies beneath that level. It is about smaller cities on the edges of big cities, as well as many towns, particularly large towns and towns in former industrial regions. If that is the problem, you are thinking of a different geographical scale, and I suspect a different policy mix comes to the fore. In those places, social infrastructure might make more of a difference than in the first kind of place. There are subsets within that category. Coastal towns and regions, arguably, have their own incredibly significant entrenched problems as well. It is about establishing a sense of priority and, in turn, having an account of what the real problems are.

**Justine Greening:** I will give a different reflection. Lord Filkin, the answer to your question is not easy, because this is complex. The reason Governments fail to tackle it is because they find it hard to tackle complex long-term generational change. Climate change is another good example of that. It is a problem, because weak social mobility and inequality of opportunity is complicated. The answer to your question is probably to take the levelling-up goals architecture and recognise that different communities and regions have different challenges. Therefore, they will have different priorities.

There are different social mobility ecosystems that we need to reflect on. As has been said, some are rural and therefore the issue is connectivity. Look at the work of the University of Lincoln in Holbeach. This university took over a school that was failing and helped to improve it. It then complemented it with setting up the National Centre for Food Manufacturing, which took that talent base and upskilled the agritech roles that were in that community. In a sense, not only did they improve the talent base; they also improved and scaled up the opportunities in that locality so the whole ecosystem shifted to a better level.

That is very different from the solutions you might deploy for example in my hometown of Rotherham, which is on the fringes of Sheffield and will arguably always have an issue with a bigger city having more opportunity and diverting talent from that town. That is different, again, from the Scarboroughs of this world, where some of the challenges may be upstream on education, in that for a very long time there has been a real issue in attracting the teachers they need. They have solved that, in part, through deploying an opportunity area. This is something I put in place while I was at the Department for Education. It brought local stakeholders, the education system, businesses and communities, around a tailored set of priorities.

The answer to this is to have a national architecture, which you are allowed to tailor at a local level. That gets you into the discussion on devolution. It is not one size fits all. That is the challenge to grapple with and to make sure that you have solutions to. But the solutions are out there and it is a question of having the right solutions for the right challenges. Even when you have identified different communities with different priorities, how you then tackle them may be very different again. The barriers to the digital divide in Bradford, for example, may be very different from the digital divide challenges in Holbeach in Lincolnshire. One is probably poor connectivity; the other may be less poor connectivity and more a lack of confidence on skills and connecting up to infrastructure that is there.

That starts to get you into some of the challenges, but there are solutions. Much of this comes down to having a smart diagnosis of the problem at a local level that can then be a plan against which to direct action.

**Q4** **Baroness Wyld:** Good afternoon to all the panellists. I am going to ask about education, so I declare my interest as a non-executive of the board of Ofsted. I am also a non-executive of DCMS.

It has been a fascinating discussion so far. Thank you. In different ways, you have all talked about closing gaps. Justine, I was particularly interested in closing the early years development gaps. In closing gaps and deciding where the Government focus their attention to solve the problems we have been talking about, how far would it be helpful to use educational and health outcomes as a guiding light for where to target investment, but also policy decisions, taking on board the point that it is not just about money? Specifically on your goals, Justine, how far do you



feel that early years has been taken seriously enough by successive Governments?

**Justine Greening:** Health and education are crucial. We know that it particularly matters in some parts of the country and some communities that have inequalities on both fronts. It is a good example of how you can put all the physical infrastructure in there you like but, if you do not have the human capital and the human infrastructure invested in, and you have not built that pipeline of talent and maybe removed the barriers around mental health or other health inequalities, it will be very hard to get it connected up with opportunity or, indeed, to encourage opportunity to be created through investment in that area.

Often, they connect up. Look at the work that has been done in Bradford, for example, where you have a university that has been very involved in the opportunity area there. One of the first things the opportunity area did was to work with the NHS. They found that one of the literacy issues was that too many children did not have the right prescription for glasses. This was a really simple solution that came from simply connecting them up properly with a common agenda of how we improve educational outcomes. You have a sense that, for every one of those solutions, there are five, six, seven, eight or nine that can come from having a more connected approach at a local level.

You asked about the focus on early years. You are absolutely right. All the evidence is that many of the gaps have opened up before our children even arrive at the school gates for the first time. One of the focuses we had while I was at the Department for Education was on the word count; in other words, the gap in vocabulary between the most and least privileged children. In the first levelling-up goal we have of strong foundations in early years, closing that gap is one of the crucial metrics you would measure against. Others might be school readiness and numeracy. It is easy to forget that that is a core skill that we come on to in successive school years, but it has featured a lot less when we have looked at early years.

We have the University of York leading a measurement taskforce on the levelling-up goals that will look across the piece and draw in academic input, as well as input from businesses, universities and civil society to look at a common set of metrics. Ultimately, the Government cannot do this all on their own. That is one of the other challenges and mistakes that have been made. The more we can be clear with businesses about the gaps they can be involved in closing, and the more we can speak a common language on levelling up, the more we will be pulling in the same direction and we will be able to get those quite disparate actors with common interests working together and brought together at a more local level.

**Jonathan Webb:** I will not talk too much about the early years, because Justine has covered that quite well. It is important in the context of education and skills to think not just about early years but about FE, adult education and lifelong learning in particular. Quite rightly, the

pandemic has shone a spotlight, given some of its effects, on early years, but it is really important to think about the skills that adults and people in the workforce are potentially getting for the jobs they might need tomorrow. If we think about how the levelling-up agenda speaks to the Government's ambition to create a low-carbon economy, the reality is that we cannot do any of those things if we do not have the workforce of tomorrow being educated today. We need to get better at that, in thinking about lifelong learning.

The further education skills for jobs White Paper makes moves in the right direction. In particular, the local skills improvement plans could be a bit of a gamechanger in better linking the skills people need throughout their working life with the needs of the local job market. But more effort still needs to be placed on that in better connecting the skills, the jobs and the local economy.

I would emphasise a point I made at the start of this inquiry about the importance of the relationship between health and productivity. We need well-paid jobs to support good health, because good work keeps people healthy and allows them to keep working. Similarly, we need investment in health services to avoid preventable conditions and ensure that people can participate actively in the job market. It is no coincidence that some of the places with the highest rates of preventable diseases, such as Hartlepool in the north of England, have some of the worst levels of productivity and participation in the job market. It is really important to think about that relationship and the interconnectedness of those two areas, and ensure that there is investment in both. Ultimately, they reinforce each other, and you cannot really do one unless you have the other in place.

**Professor Michael Kenny:** My answer builds on what Jonathan just said. Going back to the question about the overarching purpose, even if the Government go for something fairly narrow—even though it would be broad in its own right—about the economy and levelling up to improve the relative performance of different regions economically, there are still really good reasons to care about health and education. There is increasingly firm evidence that there are strong links between the health outcomes of a population, educational attainment and different levels of productivity. There is still good reason to widen the range of indicators that we should be looking at, and that strikes me as an important step forward.

I am mindful of whether we would just be looking at different outcomes, rather than trying to get to the root causes. The latest Marmot review is very interesting on this, because of his emphasis on the need to look at a range of drivers if we want to understand the health outcomes that you are talking about. That takes us, as Jonathan says, into questions about the nature of work, precarious employment and the physical environment in which people live. A whole range of causes begin to emerge and it seems to me that it is unavoidable to look beyond the health and education provision in a public service sense to get at those.

**Justine Greening:** I want to reinforce what Jonathan and Michael have said. We have lessons from the past on this. In the 1980s, we saw, in my own part of the country where I was growing up, steel and coal disappearing with no economy to take its place and no jobs. That ended up cascading into huge mental health issues because of a lack of dignity of work for people. You can contrast that to some extent with the north-east, where jobs went but there was investment from Nissan. Skills and people were able to transition from one industry that was departing to another that was building up.

Jonathan talked about net-zero and low-carbon jobs. As we see an economy shift from one basis to a new basis, that is a moment of change that we can use to level up, so we have those jobs and those careers in the right communities to make a big difference. It means working back upstream from that to have an education system that is preparing those young people to get those jobs as they come through. It also means mitigating risks.

I am sat in London. London will quite probably be profoundly affected by the change in working habits that results from Covid. It is driven as a city by its centre. We already need to be thinking ahead to understand how to transition the London economy to where it is going and what that means for people, jobs and opportunities, especially for young people. It is about tackling the issues we failed to tackle in the past but also getting ahead of the ones that are coming down the track that we already know about.

**Baroness Wyld:** That was massively helpful. Thank you all.

Q5 **Lord Bichard:** I want to come back to this issue of metrics. My experience is that, if you do not measure it, it tends not to happen. I am still not clear exactly how we are saying we will measure the Government's progress in levelling up. Is it relative? In other words, are we looking at the ways in which different geographical areas improve compared to London, for example? Is it absolute? Are we looking at particular service areas? If we are, we have talked already this afternoon about health, education, employment, earnings, economy, skills, social investment and capital investment. Where is the focus? What are the priorities? What is the timeframe? How exactly are we going to measure progress? We have talked about some of that stuff.

I was reading, before I came in today, the Runnymede Trust report, *Facts Don't Lie*, which points out that the Government have not yet activated Section 1 of the Equality Act 2010. That seems to me to be relevant to levelling up, because that section talks about ensuring that public service providers seek outcomes that level up across the country. Yet it has not been activated. Does that rather suggest that levelling up is becoming a form of art? It is almost as if that should be the first step if we are serious about levelling up. Can you say a little more about the metric framework? As a codicil, would you activate Section 1?

**Professor Michael Kenny:** There are a number of questions there. Let me land on measurement first and just unpick that a bit. Part of your

question links to the question of goals. What are we trying to measure? There is another aspect of that question that I want to bring into the conversation, which is whether we have the resources that would enable us to measure what we are trying to do.

One real challenge is about the quality and nature of the data available in relation to a number of the goals we are talking about. As anyone who has worked on this area knows, there is a lot of data out there but it is incredibly difficult to bring it together, particularly at a single level that would mean that we can look at education, health, employment, earnings and various other things. We might want to look at indicators of well-being that we might want to look at as well. There are very few pieces of data that can be readily brought together at a granular scale. Some of that data works at a macro region level, some works at the city level, and there is less of it that you can use at a more local level.

That is a real problem, because if we are trying to pursue a number of objectives, we have to think about trade-offs. If we are thinking about trade-offs, we need a number of variables to look at. This is a very big issue. It is not a side issue; it ought to be an integral part of what the Government are thinking about doing on this. There is an urgent need to create some sort of data infrastructure that can call upon ONS data, faces into government and has access to government data. That is crucial.

On measurement more generally, the risk is that we fall into the pattern of valuing the things that we can measure rather than measuring what we decide to value. The Government are used to measuring GDP and productivity, and those are things that operate at that very big geographical scale. They are important, undoubtedly, and it may be that the Government set their priorities around those, as I said earlier. But, if we think that levelling up means some of these other objectives as well, because they relate to things such as productivity and boosting economic growth, we need to think about how we measure these other kinds of objectives. I am not confident at the moment that we can do that in a terribly robust way. There are a number of practical empirical problems there.

There is a question about timeframe, which links to this but also opens up a different issue. There is a history of attempts by different Governments—Justine referenced some of these—to develop regeneration programmes. We have had a focus on regional economic inequality for several decades in this country. Different Governments have attempted it and there is very little evidence to suggest that much can be done quickly in any of these areas. There needs to be realism about the timeframe that would be relevant to these sorts of interventions and the funding programmes that the Government are developing.

That raises the particular question about what can feasibly be done in one electoral cycle. What can the current Government credibly do in this area? A calibration of objectives is needed, finding the data, making that rigorous and then trying to measure those objectives as we go along.

**Justine Greening:** I am optimistic, and I think you absolutely can measure progress. We have broken down levelling up into 14 levelling-up goals. All of them can have some quite hard nitty-gritty metrics against them and then we can track our progress. You can track it at a national level. You can track it if you are a region or a town. A lot of the data, as Professor Kenny says, is already out there. This is eminently possible. It is vital, as has been said, because, unless we have the right metrics to target ourselves against, it is very hard to track any progress.

This also comes down to having a proper plan. In a sense, you need the metrics that measure progress against a plan, and that has to be a specific plan. In effect, you need the metrics and they then need to inform within government how government acts. For example, we have a consultation under way on a national procurement policy statement. If the Government truly want to drive levelling up, they need to look at levelling up metrics and how businesses that want to deliver services to government, such as Compass or Sodexo, are acting, or not, to deliver on levelling up.

Are they able to extend opportunities into the communities that we feel do not have enough? Are they delivering on open recruitment? Are they delivering fair progression? What are they doing to help close the digital divide, for example? What are all those businesses that are involved in delivering infrastructure doing on apprenticeships? Are they offering apprenticeships to those furthest away from a level playing field of opportunity, such as care leavers? You can start to dig into the specifics of impact. Whatever you do on measurement and whatever the metrics are, they have to be focused on impacts on the ground and the change that is being made.

I would make a final point on the Civil Service and recruitment. A lot of the businesses that I have worked with and seen have challenged themselves on their recruitment and progression to ask whether they are creating diverse teams that are set up to succeed. We know that diverse teams are better performing teams. The Government need to walk the talk, but all the solutions are out there. So many organisations and employers have already challenged themselves on fair recruitment and how to build talent pipelines within a business, to take perhaps the lowest-skilled person in that business and give them a pathway to get right to the top.

The big challenge for government is to walk the talk, to learn from the best practice that is already out there, and to be prepared to measure themselves. I would like to see government departments putting in place their own action plans on how they are going to shift, in order to make sure that their own recruitment and procurement mirrors that levelling-up agenda, and that every single pound they spend and every single person they recruit has the biggest impact on levelling up possible.

**Jonathan Webb:** I would echo a lot of the points made by the previous speakers. What this really gets at is the difficulty with the levelling-up agenda. The Government have indicated their ambition and their intent to

level up. That is good and we should welcome that ambition and intent. As we all know, when it comes to translating ambition and intent into outcomes, the real challenge is coming up with the strategy to deliver that. I appreciate that it is early days in the process of thinking about levelling up, but it is imperative that we move quickly from a focus on defining what levelling up means to coming up with concrete strategies that can achieve the outcomes we want.

There are ways that you can think about measuring this. Without muddying the waters too much, at IPPR we would use slightly different measures from what Justine was talking about. Broadly speaking, they achieve a lot of the same things. We tend to think about whether we are creating productive low-carbon economies, better work, health and pay in areas. Is there low employment and greater access to opportunity? Is there better democratic decision-making to improve the efficiency and innovation within public services?

You might think those outcomes are quite difficult to measure, but we need to think about working backwards a step. None of these outcomes will be achieved in the short term. Fundamentally, if levelling up is to have meaning and impact, it needs to be about achieving long-term change. If we think about that, we can start to go up stream and target the things we need to address to achieve levelling up. If it is about creating productive low-carbon economies and improving health in the economy, it is about investing in health services. It is about giving people the skills they need in school to participate in the economies of the future. It is about making sure that young people have access to the careers advice and skills services they need to identify the opportunities that are perhaps right for them. It is about ensuring that that opportunity is equally spread, and that people understand that there are different pathways open to them but that all pathways lead to the outcome of good work.

I would push back against that slightly, in that there are ways in which we can think about defining and measuring this. But, crucially, we need the Government to quickly move from the ambition and the intent, in order to come up with a strategy that puts these principles at the heart of it.

**Lord Bichard:** Thank you very much. That is really helpful and interesting. No one addressed the issue of Section 1 of the Equality Act 2010. I appreciate it is slightly unexpected but there is a section there that, if implemented, would place a responsibility on public service authorities to reduce inequalities of outcome that result from social economic disadvantage. That seems to me to be particularly what Justine Greening was talking about. If it is there, why is it not being implemented if there is a serious intention to deal with levelling up?

**The Chair:** I am sure that we will come back to that.

Q6 **Lord Bourne of Aberystwyth:** Thank you to the panel for some very fascinating insights. All members of the panel have indicated how

devolution is important to this. Indeed, it is a sine qua non to a lot of what we have been talking about. The 2019 Conservative manifesto, which seems a lifetime ago now, committed to tying the levelling-up agenda, which was being talked about pre-Covid, to improving the lot of towns and cities, and rural and coastal areas, around the country. I wonder what thoughts the panel has about how we can set the framework of achieving that—the responsibilities of local government—to help deliver some of our public services.

**Jonathan Webb:** Devolution is integral to the levelling-up agenda. It is difficult to think about how you might achieve some of the outcomes that have been set by the levelling-up agenda if you do not address devolution. This pandemic has really shone a light on the importance of local government and the vast array of services that it provides. However, it is important to remember in that context that local government has seen fairly substantial cuts to its budget over the past decade. It has done incredible things over the course of this pandemic, starting from a base of very low resilience. Moving forward, we need not just more devolution, but investment in public services, to ensure that we are never starting from that level of low capacity or resilience again.

Thinking ahead to the English devolution White Paper, that is a really important opportunity to start thinking about a strategy for levelling up and how we might make the most of local government as part of that strategy. Local government is well placed to identify where need is in the local area. Thinking a bit more ambitiously about what local government can do, we can look at the reforms to create combined authorities and directly elected metro mayors in England. That has shown really good outcomes in joining up public services. For example, through devolving health to the Greater Manchester Combined Authority, you have seen better cross-working between various agencies across the Greater Manchester Combined Authority area. If levelling up is, for example, about ensuring health outcomes to support good economic outcomes, regional combined authorities are in a really strong position to lead on that.

I would emphasise that devolution is a really important part of the answer to this. It is pivotal that central government ensures that its English devolution White Paper outlines a clear role for local government, and that any attempts to level up integrally involve local government. That is going to be the best way to deliver this for people and ensure that we get local outcomes.

**Justine Greening:** In a sense, to build on Jonathan's points, local leadership on levelling up is crucial. There is no doubt about that. The solution to this is that you have a national architecture that can be applied and tailored at a local level to what are very different communities with very different levelling-up priorities and challenges. The key to devolution, though, is making sure that it comes with a plan. There is no point handing over powers for the sake of it if you are not clear that the group that is getting those powers will be able to use them to best effect. The devolution has to happen as part of a plan that very

clearly looks at what needs to happen to level up, who is best placed to deliver it and what powers they need to deliver it. But there is no doubt that tailoring works.

We are doing a piece of work in Southampton with Southampton Connect, which is also being led by Solent University, on literally taking the levelling-up goals and asking, "How do they apply to this city? What is the data, where are the priorities, and therefore what does it mean for their local priorities and how they might approach pulling together a plan on levelling up?" We have really just scratched the surface.

Levelling up is not just about places. It is about people, wherever they are. There are people in our BAME communities, for example, sat just down the road from me here in London. They are growing up in Greenwich. They can see the City across the river, yet they will not be able to get those opportunities. We are right to look geographically at levelling up, but let us not forget that there are communities in our country, wherever they live, who face additional challenges on levelling up. It is not just BAME but the white working class. It really matters to have a plan for that aspect and lens of this, which is why the 14th levelling-up goal is about how we can use levelling up to reap the rewards of the diversity that this country has and make sure that it gets right the way through our system into leadership roles within politics, business or civil society.

**Professor Michael Kenny:** I would echo a lot of what has been said already. The starting point is at the level of principle: why might devolution be a good thing in this context? One reason is that it would enable people who are much closer to the areas that are being affected by decisions to make decisions based upon a deeper understanding of those areas, their economies and the communities in them.

There is also something very important here about the kind of information you have if you are working in a council or at a combined authority level, which it is impossible to have if you are sitting in a central department in Whitehall. Picking up on something Justine said, this is a two-way process. There are an awful lot of things happening on the ground that are incredibly important for the Government to know about and build upon. For those two reasons, I think devolution is important.

The third reason goes back to priorities. There is an interesting question here about whether, if we do have a meaningful system of devolution, which arguably we do not yet—we are still waiting for the White Paper—those local leaders would be empowered to determine some of the priorities or whether they are merely enacting the will of those at the centre of government. That is a very big tension in the debate about devolution and levelling up that needs to be played out and debated more fully. Those are two slightly different models. We have already seen, in the context of Covid, some friction in the system as a number of leaders push back against some of the priorities set by central government in the context of regional lockdowns and funding.



It seems to me that the combined authority model—here I echo Jonathan—that has been built in quite a painstaking way, which has taken some while to bed down, as these things do, provides some really important examples of innovation in our governance system. We have some successful authorities with higher-profile leaders who have begun to deliver interesting policy answers to the questions that we are talking about here. It is very important that the Government respect that and build that into any model of devolution that they come up with. The geography of a number of the combined authorities—some of that is debated, but take Greater Manchester—seems to work quite well in delivering more accountable and responsive decision-making.

**Q7 Lord Hunt of Kings Heath:** I want to come in on this latest discussion on so-called devolution. Looking at Greater Manchester, my core interest is in health. It is often called devolution, but nothing has been devolved; it has been delegated. They are using powers that are already given to NHS bodies. The implication of devolution is potentially a very different type of health service. Is it possible to square proper devolution with a fair offer to everyone about the NHS, which essentially is a national service? I have never been able to resolve the tension between the two. We have an expert panel. I just wondered if they could help resolve that for me.

**The Chair:** I am not sure we are going to solve that one today. Do any of the three contributors have anything that they want to finish off with?

**Professor Michael Kenny:** Let me have a very quick go at answering that question. I am sure it will not be a comprehensive answer, but it is an incredibly important point. One of the obstacles to proper devolution has always been the worry about postcode lotteries and the fear that some core services would be delivered very differently to different standards. It is incredibly important to acknowledge the role that central government would have to still play in any system of devolution, and not just in providing guidelines and oversight for devolved policy. Arguably, what would unlock devolution here would be a commitment from central government, whatever colour it is, to some sort of universal service offer, something that is guaranteed for citizens. We are focusing here predominantly on England, but whether that ought to be extended further is an interesting question.

Something like that would enable people to feel more comfortable with a model of devolution that involved more innovation and some differentiation in the way in which services were delivered. That said, often, the argument is that devolution is a risk for that reason. But look at health now. We have a system that is delivered very differently in different parts of the country. There are all sorts of different outcomes and levels of service, as we know. It is not as if the model we currently have is providing uniformity of service. There is something there about rethinking not just the role of devolved authorities but the role of the centre itself in relation to devolution.

**Q8 The Chair:** Geoff Filkin asked earlier whether any of you had any insight

into why the Government have not yet defined what they mean by levelling up. Are you hearing that they are interested in doing that? That is part of what we were hoping we might find out today. That is not just meant for you, Justine. I do not want to be seen as targeting you on what the Government are doing here. I do not expect that to be you, but you just happen to be the next person who is answering a question.

**Justine Greening:** Just on the national and devolution agenda, it is about having this overarching architecture but then having local tailoring. Therefore, you can have some commonality, a decision about what universal standards should be, combined with allowing local regions, local areas and local communities to decide on their particular priorities within that.

The key to this, as someone said, is not just delegating but genuinely having a commonly owned plan. We need to shift away from any model of devolution that is simply Ministers handing over cash and then saying, "Well, it is your responsibility now and, if it goes wrong, that is on your head". That, in a sense, is not good enough for achieving outcomes for people on the ground. There needs to be collective ownership at a national and local level by politicians in delivering impact and outcomes for people. The days of being able to finger point up or down have to go, because the wider public want to see change on the ground and a political system that is prepared to work more collaboratively on a common agenda, if that is what it takes to change things.

In terms of the Government, there is a genuine interest in defining levelling up. I have had my discussions with government departments about what it might look like. There is a sense that it is a complex agenda, but it now needs to be broken down into some constituent parts that can help very different departments work out how they make their contribution to this. We cannot see everybody go into a policy huddle for months on end with no time to deliver on the ground. The British public took a decision at the last election that levelling up matters. They have a clear sense that it means equality of opportunity and doing what it takes to deliver that. They now expect the collective political system, whether in Westminster or at a more local level, to get on and deliver it. That is now what needs to happen.

**The Chair:** Jonathan, IPPR recently did some really interesting work through a citizens' jury, where a lot is being said about local ownership. It is probably appropriate that you are giving us the last word on where you think the Government are and what devolution you think is needed.

**Jonathan Webb:** In terms of where the Government are, it is really good, as I have said, to see the intent and ambition, but we quickly need to move from intent and ambition to identifying what we want to do and where we want to do it.

One good way to think about this, which was echoed in the citizens' juries that we recently ran right across the country, is that people want some form of transformation. They want to see a fairer distribution of the

positive benefits of that transformation. This has all occurred in relation to debates on the climate crisis and how we need to change our economy and our society in response to that.

There is a really good opportunity for the Government to marry two agendas. The first is the need to decarbonise our economy completely by 2050, and the second is to level up. If they can achieve that decarbonisation objective in a fair way, ensuring that the costs and benefits of job creation, improving places and connecting places are shared equally across the country, they could be on to a real winner.

That comes through very strongly in the deliberative citizens' juries that we have run. For a lot of people, that is what it has to be about. You can always have these debates about specific policies and iron out the nuances of that, but these are the fundamental principles that we hear from people in County Durham, Teesside, south Wales, thinking outside of England, and, most recently, Thurrock. These are the things that people thought that transition should be about. A lot of those outcomes can be tied together quite nicely with the levelling-up agenda.

Those juries have also shown that there is a role for other tiers of government beyond the centre. Justine's point is really important. It is not just about saying, "Local government is responsible for this, perhaps a combined authority has a convening role and then central government has responsibility for this". Fundamentally, that is not improving the way that we work and the way that government works together. Yes, it is about thinking about where powers can best be devolved, what might sit best with a combined authority, for example, and what might sit best with a local authority, but it is important that we find better ways for those different tiers of government to work together.

The experience of the pandemic has been quite divisive. We have seen different tiers of government rub up against each other and that tension has manifested in quite a public way. To deliver on levelling up, we need to move past that and find a way to ensure that those different tiers are working together. That is a clear message that I would want to send to all those different tiers of government, to try to think productively and strategically about how they can better work together and how they can ensure that competencies are shared in the most effective way to achieve levelling-up outcomes.

**The Chair:** As you can see, we have lots of things that we would still like to discuss with you, but we have overrun our time. I need to take note of the people who are working with us and make sure that we do not keep them for ever. Thanks very much indeed to our three witnesses. You have provoked a lot of thinking and ideas. Although this is a short inquiry, as a committee we would want to come back in the long term to whether there is anything showing that is really making a difference. Thank you very much indeed.