

## Written evidence submitted by The Local London Partnership

### Summary

- In Local London, one of the most economically disadvantaged sub-regions of the UK, only a very limited number of bids were approved in 2021 under Levelling Up (round 1) and the Community Renewal Fund.
- Officers reported that the process was bureaucratic, costly and onerous in terms of the detail requested. Furthermore, the bid process and timetable prevented boroughs from shaping bids locally or developing larger strategic bids.
- On particular concern highlight by boroughs was the short timescale given to successful applicants to deliver and evaluate their CRF projects. Learning from interventions is vital to ensure that successful approaches can be identified and replicated and conversely that approaches that failed to add value are understood.
- Lessons need to be learnt so that the SPF takes the best from the previous EU programme approach, it avoids unwieldy approaches used with the CRF
- In the skills sector, 1 year DfE funding settlements inhibit innovation and break down continuity of approaches for adult education and FE colleges
- Digital vouchers, available outside of London and major cities to boost digital infrastructure investment, is vital to address the proliferation of digital 'not spots' which is exacerbating digital exclusion.

### About Local London

Local London is one of four sub-regional partnerships in our Capital City.

Founded in 2016, we are a group of eight Conservative and Labour councils in the North East and South East of London representing around 2.3 million residents and 100,000 businesses. Our population makes us larger than Birmingham, Manchester and Liverpool combined.

Through our three-year Local London Plan, we work collectively to enable growth. Residents and businesses in this part of London do not benefit from the advantages of living and operating in the Capital City so we seek to remedy that in two specific ways.

1. Firstly, we deliver a £60 million set of 'soft growth' programmes and projects targeted at specific groups of our population and businesses. For example:

- The DWP Local London Work and Health Programme - which helps people with disabilities and long-term unemployment back into work through bespoke support.

- The DWL Local London Job Entry Targeted Support (JETS) Programme - which supports people made unemployed by the pandemic to re-enter work.
- London East Careers Hub - which provides careers provisions to schools, colleges and PRUs in this region.
- E-business programme – which supports SME businesses to capitalise on digital marketing and emerging technologies.
- We also deliver initiatives around improvements to digital infrastructure and are developing a new Green partnership which will focus on the emerging net zero economy.

2. Secondly, we champion, influence and advocate for our region by bidding for new funding, lobbying for change and improvement, and seeking devolution opportunities. The Local London sub-region is at the confluence of two nationally important growth corridors (The UK Innovation Corridor and Thames Estuary) and we work practically with both of those to generate growth and capitalise upon opportunity.

Local London is an area of both massive opportunity and need. The density of major brownfield sites combined with the range of tangible, large-scale opportunities put it in a strong position to be able to partner proactively with Government to overcome challenges, unleash potential and help underpin the post-pandemic national recovery and the ‘levelling up’ process across the nation.

For the UK’s economic future is not ‘zero sum’. Local London is not separate from and in competition with our national economy -- it is an inextricable and crucial part of it, and our success is the UK’s success too.

### **Levelling Up for the most deprived parts of the UK**

Levelling Up is an opportunity to develop an ambitious vision for regional development that will unlock the potential of UK regions to be the drivers of inclusive growth.

While we acknowledge that many parts of the UK contain areas in need of levelling up, it is imperative that a different approach is used to address the structural inequalities which result in the largest output gap with the rest of the UK. East and North East London was previously categorised for the purpose of EU funding as a ‘less-developed’ region and would have expected to receive €1.1bn for the period 2021-2027<sup>1</sup>.

We are concerned that the new UK Shared Prosperity Fund (SPF) is not adequately funded and its start has been delayed interrupting the flow of investment. The Chancellor announced the UK Shared Prosperity Fund would match EU structural funding but only £2.6bn until 2025 nationally and with a top slice for the ‘Multiply’ programme, this falls far short of the £13bn nationally the UK would have received for 2021-27. Although we do not yet know the allocation for the Local London sub-region, it is likely to fall short of the €1.1bn we would have expected to receive. Therefore, we renew our call for a penny-for-penny allocation which is devolved to the local level.

Devolution of funding is crucial to ensure that the investment is targeted at the greatest need and can unlock growth potential. We urge the government to work in partnership with local leaders and to trust us to use our local knowledge and experience to direct the funding. It is welcome in the pre-publication guidance that a formula approach will be taken, avoiding need for the most the most

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<sup>1</sup> <https://cpmr.org/cohesion/cpmr-analysis-uk-to-lose-e13bn-regional-funding-post-brexit/20525/>

economically disadvantaged areas to compete against each other for government funding. But we are concerned that the budget will be too thinly spread and not concentrated where it can have most impact.

### **Questions for the enquiry**

#### **1 *Whether government understands what has been effective in supporting local economic growth;***

We welcome much needed investment in Newham under LU round 1 (£40m) and success for Barking and Dagenham (£782k) and Newham (£500k) under the Community Renewal Fund, but disappointed that other key investments for deprived parts of Local London not prioritised. Analysis of the data by the Centre for Inequality and Levelling Up at the University of West London shows that less than half (47%) of funds allocated to projects in England were allocated to areas ranking in the bottom 20% of the country in terms of the Index of Multiple Deprivation (IMD). London overall received just 4% of LUF and 2% of CRF in the 2021 calls.

Officers report a deterioration of the approach of government departments in recent years. This can be summarised by high profile announcements, followed by scant detail, delays to calls and contracting, short bidding and ultimately short delivery deadlines. Due account is not taken of the capacity of local partners to bid. Local London boroughs do not have large teams of staff able to dedicate weeks of staff time to project development. Many boroughs reported spending around £20k per bid on consultants to support the development of large bids.

Consequently, many partners are choosing to not bid due to the capacity constraints of local government. Some concluded that the value for money ratio didn't stack up, for example with annuality restrictions. Some expressed strong concern with delivery windows being too tight, particularly when government delays to the outcomes in November had a knock on effect to the programme start

Often it isn't simply a matter of cost but instead the structure of the government approach can be detrimental to local investments having impact: This has been particularly noted in the skills sector where DfE only receives one year funding settlements. Consequently, the Education, Skills and Funding Agency can only provide funding a year at a time. In London, the adult education budget is devolved to the GLA is also only one year at a time. This puts colleges and other training providers in a difficult position in terms of future planning and investment in new curriculum areas, and the industry-ready equipment and staff that will be needed to train future workforces in emerging employment sectors, such as green. A few years ago, it was recognised that one year funding was inhibiting colleges from innovating and developing, and 3-year funding settlements were being given to DfE, which could then be fed through to colleges to give them 3 years certainty. This was stopped in more recent years, and the DfE is only given one-year settlements again by Treasury.

Turning to funding for digital, an area of particular focus for Local London which is typified by large numbers of digital 'not spots' impacting on digital exclusion and economic growth. Government funding for broadband infrastructure is overwhelmingly focused on rural initiatives (project gigabit). Cities are excluded but they are the engines of the economy and have the greatest need for world class services. This is constraining investment in cities and initiatives such as digital vouchers should be available to all.

#### **2 *Whether current plans for supporting local economic recovery apply lessons learned from previous programmes;***

Local London has gathered evidence from Local London boroughs who bid for the Community Renewal Fund and Levelling Up Round 1 in 2021. Officers reported that the process bureaucratic, costly and onerous in terms of the detail requested. The announcements were delayed but the spending deadlines were not extended leaving a very short delivery window. The bid process and timetable prevented boroughs from shaping bids locally or developing larger strategic bids.

Lessons need to be learnt so that the SPF takes the best from the previous EU programme approach and it avoids unwieldy approaches as used with the CRF

### ***3 Whether government is putting in place effective plans for monitoring, overseeing and evaluating its new local growth interventions.***

On particular concern highlight by boroughs was the short timescale given to successful applicants to deliver and evaluate their CRF projects. Despite the delayed announcement of the list of successful projects, the deadline to deliver, conclude and evaluate CRF was June 2022.

Learning from interventions is vital to ensure that successful approaches can be identified and replicated and conversely that approaches that failed to add value are understood.

Acknowledgement by Government of the lack of a systematic analysis of programmes and their impact was welcomed in the White Paper on Levelling Up. The lack of systematic analysis of the geographical impact of policy is compounded by poor institutional memory in central government on what has

(and has not) worked in the past. We welcome the commitment to spatial evaluation and impact of policies and programmes as set out in the White Paper. Local partners understand that levers required to generate systemic change in their localities and we urge government to work with them as a new approach is being developed to ensure that this local insight is harnessed and bolstered by the best spatial data analysis and data visualisation tools.

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