

Written evidence submitted by Local Government Association

1. About the Local Government Association (LGA)

- The Local Government Association (LGA) is the national voice of local government. We are a politically led, cross-party membership organisation, representing councils from England and Wales. We believe that the Government can only deliver its ambitious levelling up agenda if local leaders are properly engaged in its design and delivery.
- Our role is to support, promote and improve local government, and raise national awareness of the work of councils. We aim to influence and set the political agenda on the issues that matter to councils, so they can deliver local solutions to national problems.¹

2. Key messages

- To better address regional and demographic inequality, councils' and combined authorities' key role in economic growth and prosperity should be recognised and they should be empowered to fairly keep the proceeds of local growth to reinvest according to local need.
- To reduce inefficiency and strengthen the case for investment, competitive funds should be replaced by a single pot of capital funding allocated according to a robust evidence base, allowing councils and combined authorities to invest in social and community infrastructure.
- To strengthen the role of local government and its partners, single budgets for all places that want them should be quickly rolled out under the leadership of local government, enabling better join up of public services, more preventative investment and improved outcomes for communities.
- At its best, local government leaders are representative of the communities they serve. Local and national government should build on existing campaigns to work with communities and partners to develop a talent pipeline of future leaders that better reflect the diversity of need facing people and place.
- To bridge the gap between local and national priorities, policy making can be improved by giving local and community leaders a formal role in ensuring people's experiences are a key part of policy design.
- Progress should also be embedded for those facing the greatest inequalities by working with diverse and underrepresented groups to shape the levelling up metrics and missions and evaluate tangible progress over the longer term.
- The ability of Whitehall to act as a strategic partner to places can be strengthened by

¹ [Who we are and what we do | Local Government Association](#)

creating transparent and targeted cross-departmental plans to accelerate joined up delivery across government.

- The issue of levelling up funding to local government is an important one. We have recently commissioned new research in this area and look forward to sharing our finds with the Committee and others, in the late Spring.

3. Creating the conditions for levelling up locally

3.1 Growth and prosperity

- Local government has a key role to play in getting people to a stage where they have financial stability, can support their wellbeing, and can care for their families, undertake work and be economically active in their local communities.
- With the impact of workforce challenges such as in the social care sector with high vacancy rates, rising demand, low pay and burnout exacerbated by the COVID-19 pandemic, it is therefore more vital than ever to ensure money is spent locally and in communities with the greatest need.
- However, in the UK public spending is concentrated in central government and is uniquely centralised compared with international examples. This centralised funding model means that funding decisions are not able to be taken at the kind of granular level required to ensure funding goes to those places with the greatest need.
- The LGA's [Levelling Up Locally inquiry](#) heard about how maximising the social and economic role of public expenditure in local economies can help support the creation of good quality local jobs, support businesses and help create and support new sectors such as net zero. There is an opportunity to transfer this learning to thinking about expenditure on levelling up funds, particularly on capital schemes to help make the most of the levelling up investment in a time of increasing need.
- Government has recently announced policy changes which will impact councils' ability to contribute to overall growth ambitions. In August, Government confirmed its decision to end funding for Local Enterprise Partnerships (LEPs) and integrate their functions into local government. The LGA is currently working with councils to explore how best to optimise and align these new responsibilities with their existing powers and duties.
- Early in the New Year we expected to publish further research in this area. The initial findings from this work suggest that the roles and responsibilities for delivering future growth and prosperity across different tiers of government are not clearly defined and often overlap. Central government does not place a statutory duty on councils to deliver growth and prosperity; there are confusing signals around the pursuit of inclusive and sustainable growth, and there are significant limitations on what councils can and cannot do.
- Most national political parties have rightly put skills, retraining and job creation front and centre of their plans to kick start the economy. Investment and interventions to achieve this must connect at a local level and for all places if they are to support people of all ages – learners, unemployed people, career changers – as well as businesses and other employers of all sizes – progress to being part of a high skilled economy. A joined up and locally responsive employment and skills offer is critical to this, and local government should be trusted to have lead responsibility for this locally.

- The current skills and employment system is fragmented and unable to adequately address current labour market and productivity challenges including record high vacancy rates or tackle social and economic inequalities like low skills levels. LGA analysis shows that across England, [£20 billion is spent on at least 49 nationally contracted or delivered employment and skills related schemes](#) or services, managed by nine Whitehall departments and agencies, and delivered by multiple providers and over different geographies. This makes it difficult to plan, target and join up provision, leading to gaps in provision or duplication. Within this context, local government is striving to join up the system as best it can.
- By further empowering local government to convene and lead skills and employment support through the [LGA's Work Local proposal](#), a typical medium sized authority could improve employment and skills outcomes by about 15 per cent, meaning an extra 2,260 people improving their skills each year and an extra 1,650 people moving into work. This would boost the local economy by £35 million per year and save the taxpayer an extra £25 million per year.
- Local authorities understand the urgent need to address the consequences of inequality. They recognise the need for efficiency, speed and the value of public policy interventions that go with the grain of local economic conditions and deliver the best outcomes for communities and country. They also understand that an over reliance on Whitehall systems and silos has led to waste and a concentration of power at the centre has been unable to connect people from all walks of life with the proceeds and opportunities of prosperity. For example, [LGA research estimated that the average cost to councils in pursuing each competitive grant was in the region of £30,000](#), costing each local authority roughly £2.25 million a year chasing down various pots of money distributed from across Whitehall. Councils as leaders of place have an important role to play in shaping the conditions for growth locally. Where investment is needed, allocations should be made using a robust evidence base. Alongside this, powers and functions should be devolved to the local level to ensure decisions are taken closest to the people most likely to be impacted by them.

4. Strengthening the role of local government and its partners

4.1 Local autonomy

- The LGA has long made the case that different parts of the country will need different governance models to ensure their communities benefit from effective devolution.
- The Levelling Up White Paper recognises that “local government consistently points to the inefficiencies, decision-making complexity and reporting burdens which result from the number of local funding pots and strings attached to them.” This overly complicated system limits the impact leaders can make.

4.2 Local leaders

- As public leaders increasingly grapple with the impacts on public services and local economies resulting from systemic social and geographic inequalities, leaders across public services will need to further hone their ability to carefully listen to a range of views as well as distil what is being said and enact change.
- Councils are already leading the way in providing support to households and

businesses hit hard by the rising cost of living. They will be crucial partners in enabling the transition towards a more productive and efficient economy, but to do this councils must be sufficiently resourced with long-term certainty to deliver.

- Devolution offers the best value for money and is the right response to fiscal constraints and the ambition for a smaller central state. Given the tools and resources to tailor spending to local needs and opportunities councils will deliver better outcomes than a centralised system characterised by micro-management and duplication. Crucially, place-based approaches such as the Supporting Families programme, demonstrate the value of early intervention and preventative activity.

5. Bridging the gap between local and national priorities

5.1 Policy development

- The realities of people's lives are best captured at a local and community level, and where policy is centrally imposed on people without buy-in it is less likely to be successful when enacted.
- Hearing from more people, particularly from diverse communities, can add to formal democracy and help political decision-makers in real time with more 'fine grain' perspectives and choices.
- The four design principles for local decision making are: ensure it is open, porous and transparent; inclusive with diverse representation; embedded and routinised; and the expertise of different kinds are valued including lived experience.

5.2 Policy monitoring and evaluation

- The LGA's [Levelling Up Locally inquiry](#) highlighted a broken feedback loop between central government, local government, and wider communities. The inquiry heard evidence is often not given enough weight due to a need for urgency to address symptoms rather than causes. Often project-based activities only evaluate the immediate project rather than what is sustained after an intervention ends meaning long-term change is not achieved – this is of particular concern given current short-term political cycles. Systems are built around quantitative evidence which can often be viewed as more 'accurate' or 'acceptable' and greater thought needs to be given to how to give qualitative evidence equal consideration.
- The inquiry heard that the better evaluation should focus on:
 - Monitoring explicit structural changes such as changes in local policies, laws or how resources are distributed to address issues of unequal outcomes and opportunities for different groups of people.
 - Changes in relationships, connections or power dynamics between different communities and partners in a place.
 - Changes and transformations in how we think about issues of systemic disadvantage affecting particular communities.
- Shifting to this model is a long-standing difficult issue that will require resource to address but is important in order to be able to identify successful interventions that will

result in long-term change. Although data usage and sharing are essential to use resources effectively, it must be accompanied by sufficient budgets, long-term certainty, and resources and there must be a more effective way in which Government works with underrepresented and diverse groups to enable them to play an integral role in the design of evaluation approaches from inception.

- The Levelling Up White Paper looked to overcome this challenge through the introduction of a new data body, the Office for Local Government, with a focus on “local data, transparency and outcomes” and to “strengthen local leaders’ knowledge of their services, enabling them to share best practice, innovate and drive self-improvement” as well as to “encourage innovative uses of real-time data at the local level, giving leaders across the UK the information they need to deliver, experiment and evaluate swiftly and effectively.”
- Local government already has a very strong record of data transparency, including through the LGA’s [LG Inform](#) data platform which already enables residents and leaders to compare information by presenting up to date published data about local areas and the performance of councils utilising existing data. It is important local government and wider partners are consulted with to ensure the levelling up missions and accompanying metrics identified in the White Paper reflect the diverse needs and aspirations of communities across the country.

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