long-term strategic intervention for 'held-back' places

Places in need of 'levelling up' are not so much left behind as held back; but, either way, action — using the proper tools and delivery mechanisms — is urgently needed, says Peter Hetherington

Peter Hall on Unsplash

'Divisions between England's stronger regions, particularly the South East and Eastern, and the less favoured parts of the North and the Midlands are widening rather than narrowing. England languishes as the poor relation [in Europe] *— a country with an increasingly powerful capital and struggling regions…'*[1]

Almost exactly 20 years ago, this observation served as the introduction to a high-profile TCPA conference — 'England: A Fractured Nation' — which drew a wealth of speakers from the North of England and beyond. Has anything changed? The conference was held six years into a Labour government — which was so obsessed with creating four large 'Growth Areas' in the Greater South East that the TCPA successfully lobbied for a broader approach embracing the North; and the 'Northern Way' was born, brainchild of the then John, now Lord, Prescott.

The TCPA played its part then and has been consistent since then in highlighting the plight of areas labelled successively 'forgotten England' and 'left-behind places'—although, on reflection, a more appropriate label might be 'held-back places'.

The TCPA's *Planning Out Poverty* report of 2103,[2] highlighting the difficulties of four areas (an isolated housing estate in inner-city Leeds; the challenging Anfield area of Liverpool; a sidelined former mining town, Shirebrook in Derbyshire; and the deprived Tottenham Hale area of North London), should have been enthusiastically grasped by any government, with its ambitious call to use New Town legislation to create 'Community Development Corporations' in run-down areas, provided they had local support. But, by then, austerity was taking root in local government, hitting the poorest areas the hardest. Far from using modest spending to revive decaying areas, the government scrapped the Housing Market Renewal Programme in places like Anfield. It then inflicted substantial cuts in local government services, disproportionately hitting the poorest areas.

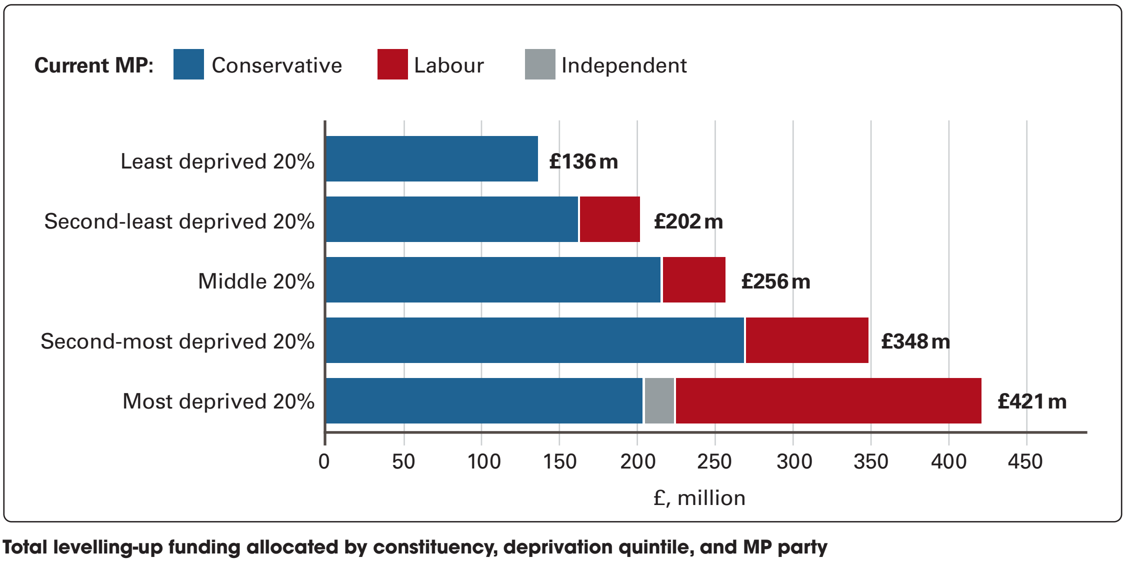
More recently, another Conservative government has woken up to the challenges in 'held-back' areas. 'Levelling up' has entered the political lexicon—taken to mean boosting economies to the level of some relatively more prosperous areas—and has been grasped by Levelling Up, Housing and Communities Secretary Michael Gove with some enthusiasm.

At the time of writing Mr Gove is expected to shortly announce the creation of a modest, £700 million Community Wealth Fund—operated independently of Whitehall and drawing on the proceeds of forgotten or dormant bank accounts—to help renew some of the most deprived parts of England.[3] While this would be a small step forward, a much broader, strategic programme is clearly needed—and that certainly was not displayed in the second, £2 billion round of 'levelling up' funding announced on 19 January, with more than a hint of political opportunism, based on the discredited system of competitive bids, creating winners and losers. Successful bids ranged from a conference centre to a refurbished Art Deco cinema, a boost for 20 rugby clubs, and an Eden Project of the North in Morecambe.

In the circularity of the enduring debate on the North-South divide what has substantially changed after 13 years of Conservative government—aside from Boris Johnson acknowledging that his party's success at the last general election in the so-called 'red-wall' seats in the North and the Midlands was, at least partly, a cry for help in towns that overwhelmingly voted for the UK to leave the EU in 2016? Johnson briefly embraced 'levelling up'—a catchy slogan big on hype and short on substance; only a tiny proportion of the first round of 'levelling-up funding' has been spent.

As Lord (Bob) Kerslake, former head of the Civil Service—and previously Chief Executive of Sheffield City Council—told me recently, the subsequent Levelling Up White Paper might say the right things 'but it's very weak on execution'. Published a year ago, it had four policy objectives: boosting productivity, pay, jobs and living standards by growing the private sector; spreading opportunities and improving public services; restoring a sense of community, local pride and belonging; and empowering local leaders and communities.[4]

All well and good. But the tools and delivery mechanisms which might have aided execution were all abolished by a deconstructionist Secretary



Total levelling-up funding allocated by constituency, deprivation quintile, and MP party

Source: Financial Times calculations based on information from the Department for Levelling Up, Housing and Communities (allocations) and the House of Commons Library (constituency and deprivation), within R Wright, O Hawkins, M Stabe and J Williams: 'Sunak defends UK levelling-up funding despite claims of unfairness'. *Financial Times*, 19 Jan. 2023. www.ft.com/content/45cdbf60-26c3-420e-b1ad-fa4529f9d346

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'Where, you might sensibly ask, is the local, regional and national delivery mechanism capable of pushing a bold 'levelling-up' agenda? Bluntly, there isn't one…'

of State for Communities and Local Government after 2010: Eric (now Lord) Pickles gloried in scrapping eight Regional Development Agencies (RDAs), as well as aligned Government Offices for the Regions (GORs)—the latter creations of a previous Conservative government—while abolishing a valuable regional planning apparatus.

At their best, the RDAs were powerful bodies—especially when they applied sensible regional planning, allied with targeted business intervention and land (and community) renewal. They were armed with decent funds and lobbying clout, and were willing, as Bob Kerslake recalled, to partner local government and provide extra capacity where necessary. And, above all that, the country had a national regeneration body, English Partnerships—again, as the name implied, a partnering organisation—which used its skills as a further tool to help depressed areas. As Kerslake notes (and he was Permanent Secretary for a time in Pickles' department), valuable capacity was lost in the name of austerity:

> *'You had more of what I call 'local agency' then; you had more capacity than you do now and… there were a whole set of organisations around providing that local capacity—and also, of course, EU funding. There were a lot of different routes and the council's role* [in his case Sheffield City Council] *was to bring things together—there were things to stitch and we had the capacity to do the stitching.'*[5]

Until relatively recently, identifying 'left-behind' or 'held-back' places—more accurately, as Kerslake says, 'former industrial towns, and areas under-performing economically'—has proved challenging. As set out in a separate article in this issue of *Town & Country Planning*, the national charity Local Trust, formed initially with a £217 million endowment from the National lottery Community Fund in 2012, has taken a lead, using consultants to identify the areas most in need of renewal.[6] Its 2019 research identified 206 left-behind wards (electoral divisions) in England with a total population of almost 2.2 million (since updated to 225 wards)—former mining areas of the North East, largely East Durham and South East Northumberland; swathes of Greater Manchester and Merseyside, often outlying housing estates and satellite towns; high concentrations of deprivation in South and West Yorkshire, from former mining areas to outlying estates; seaside, satellite and New Towns in the East of England; and, in the South East, more seaside towns around the coast of Kent and Hampshire.

Researchers commissioned by Local Trust stress that the 'left-behind' label can be equally applied to post-war social housing estates—'not the communities that have traditionally been the focus of debate about deprivation'[6]—on the periphery of cities and towns. Overall, Local Trust notes that the deterioration in prospects for 'left-behind' places is 'doubtless related to austerity and the cuts in public services and welfare benefits it ushered in… these areas have suffered disproportionately'.[6]

With local government hollowed out after 13 years of austerity (Eric Pickles argued that councils had ample funds in reserve to cope), some local authorities are now close to technical insolvency, while, in a few, finances have collapsed (the government's response is to allow them to borrow more, saddling them with even more debt). Legally, they cannot go bankrupt. But Lord Kerslake is in no doubt that some authorities could collapse.

So where, you might sensibly ask, is the local, regional and national delivery mechanism capable of pushing a bold 'levelling-up' agenda? Bluntly, there isn't one. Kerslake's critique of the government's levelling-up approach—weak on execution—stands out like a sore thumb—or, rather, like a redundant colliery, derelict factory, or run-down neighbourhood. What is needed, he insists, is 'comprehensive, long-term intervention'.

As a general election gets closer—most likely next year, but who knows in this febrile political climate?—it is surely time to take stock and address an area in which the TCPA has displayed considerable prescience, highlighting the plight of areas too easily labelled 'forgotten' or 'left behind' (and, yes, I too casually used these pejorative labels in the past) when others were either indifferent or obsessed with what my friends at Newcastle University's Centre for Urban and Regional Development Studies have labelled 'city centricity'.

'The current system of local government funding is broken, with wealthy areas capable of generating much more in council tax revenue than poorer ones, mainly in the North… But the State clearly has a wider role: namely, harnessing both the funds and the expertise available in all corners of government to address 'held-back' places'

I have long contended that these areas in desperate need of 'levelling up' represent one of the greatest social and economic challenges facing Britain: the other side of the coin to the (important) new communities and Garden Cities debate—namely comprehensive renewal. And this is an issue for the Labour Party, too, which has not yet developed a coherent 'levelling-up' narrative. As Lord Kerslake says: 'If there's a challenge to Labour, it would be that its line of focus is on cities… they didn't do enough for the surrounding towns.' He uses his old Sheffield stamping ground as an example:

> '*It had some counter-balancing—two universities, for instance—and a service sector, whereas if it you're in* [nearby] *Barnsley it was the whole industry* [mining] *that went. We struggled with the relationship between the city and the surrounding areas. And the question you might want to ask is: have they* [the government] *done anything to change the story?*'[5]

Today, Barnsley underlines how austerity has bitten into the social and economic fabric of a once-thriving town; alarmingly, its plight is replicated in countless other places, which had hardly recovered from a 1980s recession before the Cameron government decided that town halls must shoulder a disproportionate level of cuts after 2010, far more severe than anything endured by Whitehall. Sir Stephen Houghton, veteran Leader of Barnsley Metropolitan Borough Council, says the last decade of austerity has cost the council a staggering £1 billion in lost government funding—with youth clubs, early learning and child centres closing and libraries disappearing, as well as half the council's staff.[7]

Far from 'levelling up', this strikes me as 'levelling down' with a vengeance. Houghton says that the current system of local government funding is broken, with wealthy areas capable of generating much more in council tax revenue than poorer ones, mainly in the North.

While the expected £700 million Community Wealth Fund is a start, it clearly falls short of the £2 billion that Local Trust has identified from unclaimed assets—such as dormant bank accounts, shares, pensions, and insurance policies—that could be used to kick-start targeted intervention.

But the State clearly has a wider role: namely, harnessing both the funds and the expertise available in all corners of government to address 'held-back' places. Is it time, perhaps, to enlist the help of the Crown Estate, a well run commercial institution, with considerable expertise, which belongs to the reigning monarch 'in right of the Crown'? With assets of £15.6 billion it ranks as one of Britain's largest property enterprises, with a Central London portfolio, retail parks outside the capital, and farmland. It owns the seabed up to 12 miles from the coast, 'the value of which has surged since 2021, thanks to the lucrative lease of seabed rights to develop offshore wind projects'.[8]

Revenues from the Crown Estate go the Treasury, which then makes a fixed annual payment to the monarch—the so-called 'sovereign grant'. In 2016 it was decided that the slice of Crown Estate revenue going to the monarch should increase from 15% to 25%, mainly to allow for the refurbishment of Buckingham Palace. Significantly, King Charles has now asked the Treasury to use the surging profits for the 'wider public good' rather than directing them to the royal family.[9] This will involve reducing the sovereign grant.

Box 1

Practical steps forward

- Build a new public-private civil society agency, rather than the politicised and competitive Levelling Up Fund, to supplement the additional £700 million from dormant bank accounts in the expected Community Wealth Fund, to begin the task of addressing 'held-back' areas. It could embrace the expertise of, and additional funding from, the Crown Estate — making it eventually a multi-billion pound agency dedicated to partnering local enterprises in former industrial areas, inner cities, and seaside towns.
- Revive the TCPA's idea of using New Town legislation to establish Community Development Corporations, where there is local demand and initiative, as floated in the Association's *Planning Out Poverty* report from 2013 — beginning with a pilot scheme in the north of England.
- Create a new regional planning framework, joining up land use, housebuilding, renewal and transport programmes, as a matter of urgency (embracing combined authorities where appropriate), on the basis that local government, rather than Whitehall, understands local priorities.
- Address the deepening financial crisis in local government (too many councils are close to the edge), with at least a commitment to a new, fair funding deal for town and county halls, overseen by an independent local revenue distribution board, similar to the Office for Budget Responsibility.

Why not go further? The UK is now in recession. A new wave of austerity looms. No arm of the State — and that includes the monarchy and the wider royal household — can be immune from a financial crisis which will surely engulf an incoming government (which will have to shoulder cutbacks cynically delayed by this government).

To address the challenges of 'held-back' areas, perhaps it is time to consider a new national regeneration or civil society agency — supplementing a Community Wealth Fund — blessed with some of the expertise of, and even funding from, the Crown Estate and other monarchical outposts such as the Duchies of Cornwall and Lancaster. It might be a small step, but at least it would represent the start of a co-ordinated drive to reduce regional inequality and help to turn round places too long either sidelined or ignored by successive governments. Might King Charles lend a sympathetic ear? Let the conversations begin to address the 'comprehensive, long-term intervention' advocated by Lord Kerslake and others — rather than the piecemeal, populist allocation of 'levelling-up' money, a chunk of which (on past record) probably won't be taken up anyway.

● ***Peter Hetherington*** *is a Vice-President and past Chair of the TCPA, and acted a Guest Editor for this short collection of articles. His latest book, Land Renewed: Reworking the Countryside, is published by Bristol University Press. The views expressed are personal.*

Notes

1 'England — A Fractured Nation'. TCPA/Centre for Urban and Regional Development Studies (Newcastle University) Conference, Newcastle upon Tyne, Mar. 2021

2 *Planning out Poverty: The Reinvention of Social Town Planning*. TCPA, Oct. 2013. https://tcpa.org.uk/resources/planning-out-poverty/

3 P Foster: 'UK ministers poised to launch £700 m fund to rebuilt poorer areas'. *Financial Times*, 31 Dec. 2022. www.ft.com/content/bbc15ba8-a954-4587-8858-b5a92ed71372

4 D Harari and M Ward: *Levelling Up: What Are the Government's Proposals?* Research Briefing. House of Commons Library, Feb. 2022. https://researchbriefings.files.parliament.uk/documents/CBP-9463/CBP-9463.pdf

5 Personal communication

6 *Left Behind? Understanding Communities on the Edge*. Local Trust, Sept. 2019. https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/

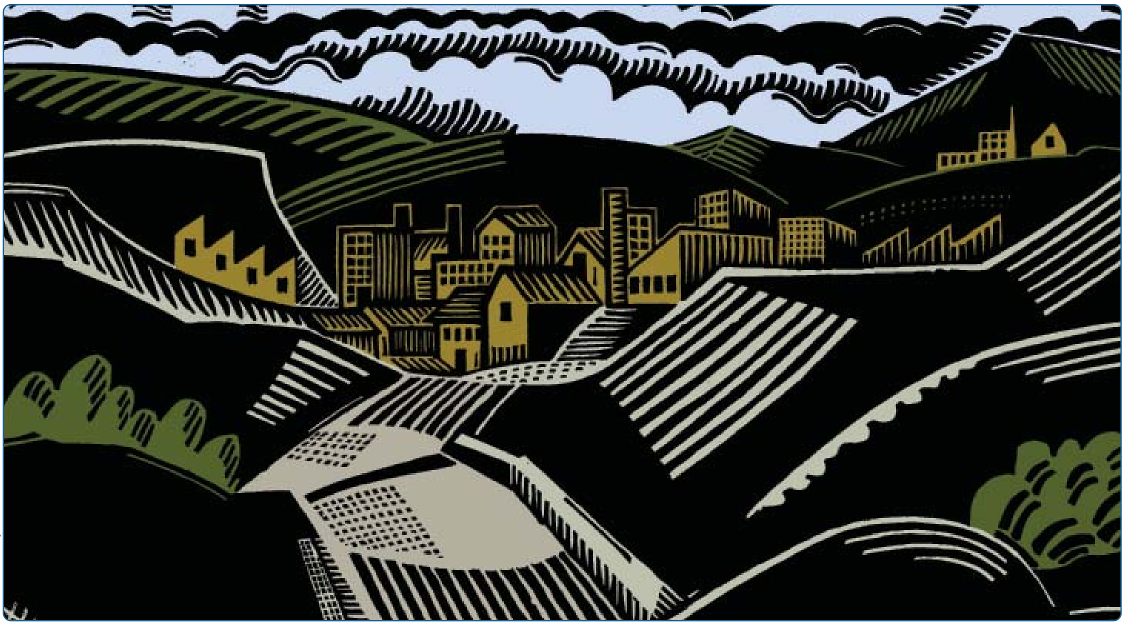
7 'The unfair system punishing Northern town halls'. *The Northern Agenda* podcast, 5 Jan. 2023, available at https://open.spotify.com/episode/5igqfgGjht4Hvap9jnl1AE

8 A Hill: 'Queen Elizabeth II: inside the royal finances'. *Financial Times* (FT Big Read), 9 Sept. 2022. www.ft.com/content/00d91c28-88eb-47a6-8b96-94f33a8a97f6

9 S Coughlan: 'King Charles to divert Crown Estate windfall to 'public good''. *BBC News*, 19 Jan. 2023. www.bbc.co.uk/news/uk-64319323

types of 'left-behind places' in the EU15

Loose and catch-all use of the term 'left-behind places' risks obscuring the distinct circumstances and needs of different kinds of struggling areas, say Sanne Velthuis, Danny MacKinnon, Andy Pike and John Tomaney



Clifford Harper

The term 'left-behind places' has emerged as a key leitmotif of international debates on geographical inequalities since 2016. 'Left behind' acts as a shorthand label for places experiencing economic stagnation or decline, particularly former industrial districts and rural areas marginalised by the concentration of skilled knowledge-economy jobs in cities. Remedying the problems faced by places 'left behind' features prominently in the UK government's levelling-up agenda.

Strong international interest in 'left-behind places' reflects their emergence as hotbeds of political discontent and populist voting, evident in patterns of support for 'Vote Leave' in the UK, Donald Trump in the United States, the *Rassemblement National* (National Rally) and *Gilets Jaunes* (Yellow Vests) in France, and the *Alternative für Deutschland* in Germany.[1] Different terms for disaffected and disadvantaged areas have gained currency in different countries, however: 'left-behind places' in the UK, 'forgotten' territories in France and Italy, '*Abgehängte Regionen'* (suspended regions) in Germany, and 'legacy' cities, 'rustbelt' and 'frostbelt' in the US.

The concept of 'left-behind places' is distinctive in evoking a negative image of local and regional decline or stagnation. In this sense, 'left-behind places' can be seen as the opposite of the dynamic and prosperous 'competitive global city-regions' and 'learning regions' that have been prominent in recent urban and regional studies and policy. The UK government makes this distinction between

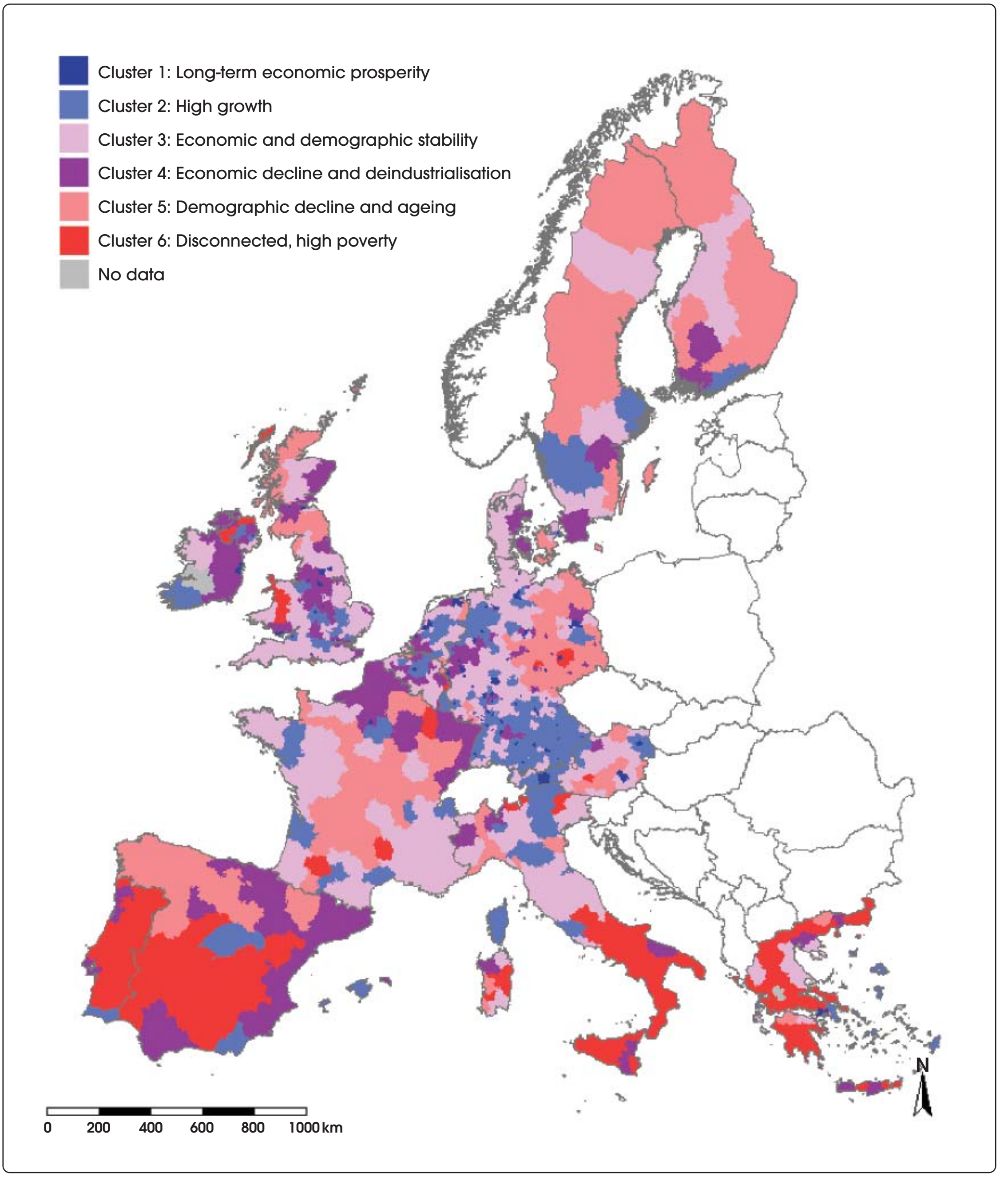


Fig. 1 The six clusters and their spatial distribution across the EU15
Source: Data from the European Commission's ARDECO database and the European Observation Network for Territorial Development and Cohesion (ESPON). Spatial units used are NUTS3 (Nomenclature of Territorial Units for Statistics, level 3)

places described as 'steaming ahead' and those being 'left behind' in its Levelling Up White Paper.

Prior to the recent upsurge of interest in 'left-behind places', economically lagging and declining towns and regions were largely ignored in the city-centric debates on global competitiveness and learning.[2] In fact, their marginalisation has arguably been compounded by a policy fixation on large cities and metropolitan areas as the main engines of economic growth, based on the economic theory of agglomeration, which emphasises the benefits of urban density and scale. As such, the 'left-behind places' concept is significant in drawing attention to the problems of such places in relation to processes of geographical divergence and polarisation that have become too acute to ignore.[3]

Table 1
Descriptions of the six clusters

Cluster	Label	Description
1	Long-term economic prosperity	Levels of GDP per head substantially above the national level; employment and population growth exceeded national growth from 1991 to 2017; high rates of net migration, including among young adults; low to modest growth in GDP per head; relatively high levels of poverty
2	High growth	GDP per capita initially below the national level, but very high GDP growth for 1991 to 2017; substantial employment and population growth, in part driven by high net migration; low rates of poverty and relatively low old-age dependency ratios
3	Economic and demographic stability	Slight underperformance on both national levels of GDP per capita and per-capita GDP growth; population growth broadly in line with national rates; modestly positive net migration overall but negative net migration among young adults; low levels of household poverty
4	Economic decline and deindustrialisation	Strong decline in per-capita GDP relative to the country overall; strong shrinkage of the industrial sector[#] as a share of regional employment since 1991; low economic growth; positive net migration between 2014 and 2018, particularly among young people
5	Demographic decline and ageing	GDP per capita below the national level; weak economic growth relative to the country overall; modest to strong decline in employment and population from 1991 to 2018; net out-migration among younger age groups; high old-age dependency ratios
6	Disconnected, high poverty	Low levels of GDP per head; low economic growth; tendency towards population decline; very high rates of household poverty; low accessibility of key everyday services (as proxied by high travel times to the nearest shop or supermarket)

Source: Authors' research

[#] Defined as manufacturing; mining and quarrying; electricity, gas, steam and air-conditioning supply; and water supply and remediation activities

Different kinds of 'left-behind places'

Yet, while the concern with 'left-behind places' has focused renewed attention on the gap between prosperous and struggling places, as demonstrated in the UK government's concern with levelling up, the term is often used in a rather loose and catch-all manner that risks obscuring the distinct circumstances and needs of different kinds of struggling places. While they share some common characteristics, there are different kinds of 'left-behind places', with different configurations of predicaments and potentials. A wide variety of places are subsumed under this overarching label, from small rural communities experiencing population decline and brain-drain, to former industrial cities adapting to structural change.[4]

In lifting the lid on the category of 'left-behind places', our ESRC (Economic and Social Research Council), ANR (*L'Agence nationale de la recherche*) and DFG (*Deutsche Forschungsgemeinschaft*) funded project, 'Beyond Left Behind Places', is seeking to uncover the distinctive circumstances and development pathways of such peripheralised places, overcoming the tendency to characterise different kinds of places as 'left behind'. This variety of 'left-behind places' matters to spatial policy such as levelling up in the UK because interventions and institutions need to be tailored to the distinctive conditions in different kinds of 'left-behind places' to have any chance of success. The predicament of being 'left behind' in Hackney demands a different response from that in Hartlepool.

A typology of 'left-behind' (and not-so-'left-behind') places

As part of the project's aim to demonstrate the variety of different kinds of 'left-behind' places, we conducted a cluster analysis of all NUTS3 regions in the EU15,[5] using a range of economic, demographic and social indicators covering the period 1991 to 2018. The cluster analysis identifies groups of regions that are internally similar to each other, based on how they perform on these input indicators.

Our analysis suggests that EU15 regions can be divided into six clusters (see Fig. 1), each with their own set of broad characteristics, described in Table 1. Of these, three clusters (4, 5 and 6) could be described as 'left behind' because they generally have lower levels of economic development, have had lower rates of economic growth compared with their country overall, and have not experienced particularly strong employment and population growth.

'This variety of 'left-behind places' and their challenges and potential development pathways mean that such places need policies and institutions attuned to their varying characteristics and needs'

But, crucially in terms of identifying different kinds of 'left-behind places', these three clusters also differ from each other in important ways. Relative economic decline, often coupled with pronounced deindustrialisation, is the distinguishing feature of cluster 4. Cluster 5 is characterised by a longer-term and persistent economic gap to the national level of economic development, alongside population shrinkage and evidence of an ageing population structure. And cluster 6 is composed of regions with particularly high levels of household poverty, as well as a relative inaccessibility of key everyday services.

This variety of 'left-behind places' and their challenges and potential development pathways mean that such places need policies and institutions attuned to their varying characteristics and needs. The UK government's levelling-up agenda lacks such an analysis of the differentiated predicaments of 'left-behind places' as it wrestles with the tension between national, top-down interventions targeted at particular types of places and decentralising more powers and resources for such places to determine their responses in more autonomous, bottom-up ways.

Our further analysis of the trajectories of 'left-behind places' over time shows that some places have been 'left behind' for many decades, while other places have more recently fallen behind. This raises important policy considerations for the UK government's levelling-up agenda and other national States about the balance between addressing long-standing disparities and preventative efforts in regions 'at risk' of falling behind. It also raises questions about what is more important in shaping popular feelings of discontent and being 'left behind': comparative conditions in the here and now, or changes in the relative fortunes of places over time?

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1 A De Ruyter, R Martin and P Tyler: 'Geographies of discontent: sources, manifestations and consequences'. *Cambridge Journal of Regions, Economy & Society*, 2021, Vol. 14 (3), 381–93

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3 R Martin, B Gardiner, A Pike, P Sunley and P Tyler: *Levelling Up Left Behind Places: The Scale and Nature of the Economic and Policy Challenge*. Regional Studies Association, 2021

4 A Pike, V Beal, N Cauchi-Duval, *et al.*: ''Left behind places': a geographical etymology'. *Regional Studies*, 2023, Vol. 57 (forthcoming)

5 The EU15 — members of the European Union following its 1995 enlargement — comprised the following 15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom

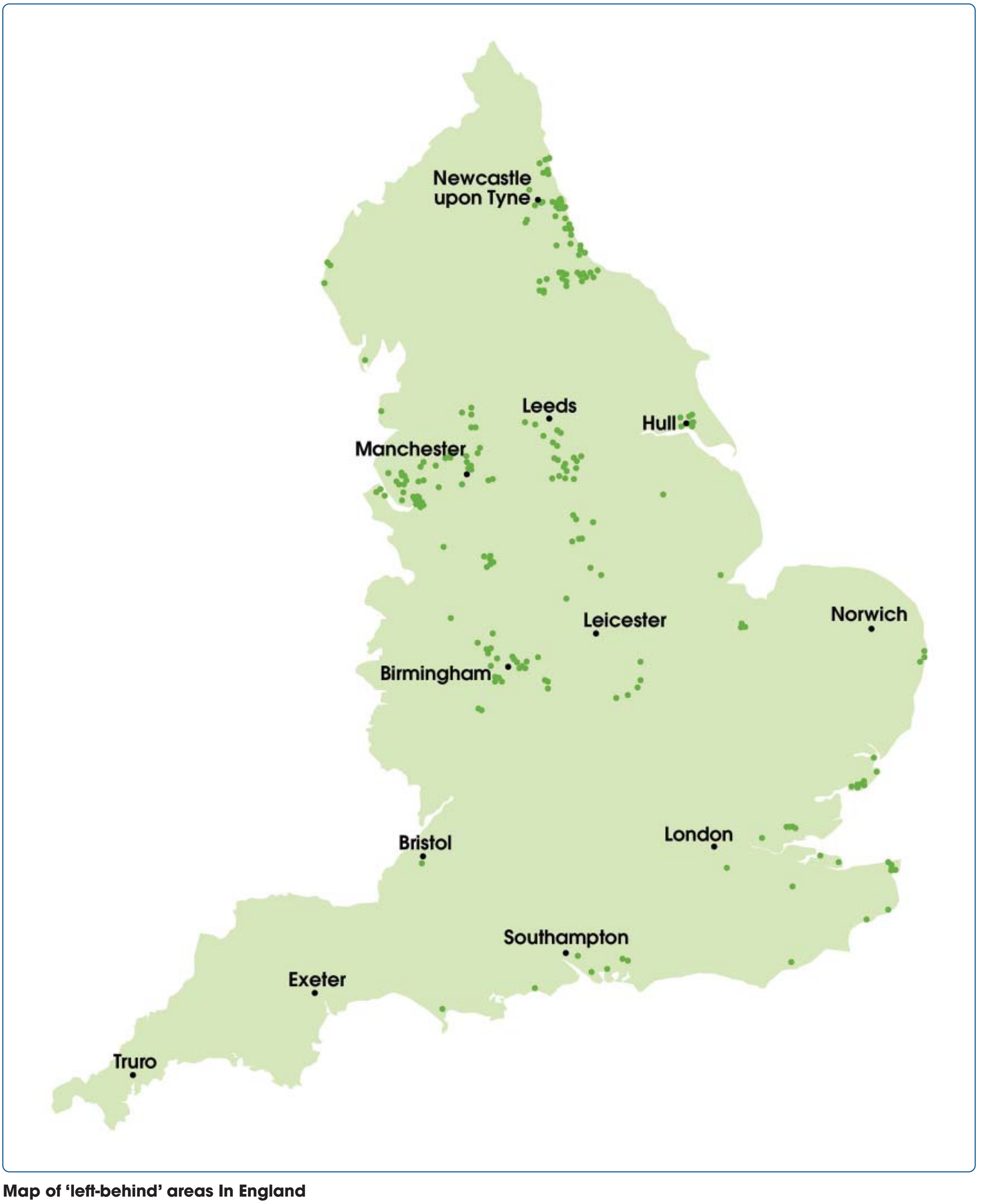
'left-behind' neighbourhoods and the big local story

Daniel Crowe explains why Local Trust has undertaken research on 'left-behind' neighbourhoods and outlines some key findings—what and where they are, and the implications for levelling up, placed-based funding, and regeneration

Local Trust

Local Trust is England's biggest place-based funder, an independent trust responsible for the National Lottery Community Fund's largest ever endowment of £217 million. It was set up in 2012 to administer and support the Big Local programme, the most significant example of building community confidence and capacity at the hyper-local level that the country has ever seen, with 150 disadvantaged communities each capitalised with patient, long-term and unrestricted funding of around £1.2 million.

Importantly, the areas identified for funding were not just experiencing socio-economic deprivation,



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Map of ‘left-behind’ areas In England

falling within the 20% most disadvantaged areas as measured by the Index of Multiple Deprivation (IMD), but uniquely they were also Lottery ‘cold-spots’—areas that had not received their fair share of funding. The aim of the Big Local programme is to support and invest in these communities and improve the lives of the people living there, not through the traditional approach of top-down state interventions, or parachuting in professionals to construct short-lived initiatives and then disappear when the ‘funny money’ runs out, but importantly—and radically—through funding resident-led community action over the course of a decade and more.

The outcomes of the programme reflect the ethos of an approach that is rooted in trust: trusting local people to know best what is needed for their local community, granting them the money and resources needed to make a difference, and giving them the power to take the decisions over how to spend it. The four overarching programme goals are therefore deliberately broad:

- Communities will be better able to identify local needs and take action in response to them.
- People will have increased skills and confidence, so that they continue to identify and respond to needs in the future.
- The community will make a difference to the needs it prioritises.
- People will feel that their area is an even better place to live.

As Local Trust began working on the ground with local people, community groups and other stakeholders to support the creation of resident-led Big Local partnerships, it found that in some communities it was harder to kick-start the process than others. These were the places that had low levels of community capacity, reflected in a lack of social infrastructure that underpins modern life and which many of us take for granted—the open and accessible spaces and places for people to meet and come together, such as libraries, community centres, parks, pubs, and leisure facilities. They also had lower levels of the groups, organisations and institutions that connect people with each other and to opportunities, and which help to build and support bridging, bonding, and linking forms of social capital.

'The observable economic decline and disinvestment in 'left-behind' areas, together with growing social isolation and fraying of the social fabric, underlines the need to develop social infrastructure in these areas'

Local Trust began to dig further, exploring the vital role that social infrastructure and social capital play in the sustainability, prosperity and wellbeing of local areas. Following foundational research with Oxford Consultants for Social Inclusion (OCSI) and the creation of the Community Needs Index (CNI) as a cutting-edge approach to measuring social infrastructure at the hyper-local level in 2019, Local Trust published *Left Behind: Understanding Communities on the Edge*.[1] Reflecting Local Trust's experience with the Big Local programme, it demonstrated how communities that were not only deprived but also suffered from a lack of civic assets, low levels of community engagement and poor digital and physical connectivity experienced worse outcomes across a range of metrics, from health to employment and education, when compared not only with the national average but also with other deprived areas.

As a foundational piece of research, it was intended as a contribution to the growing debate around how to improve the prospects of places that—through no fault of their own—have increasingly been referred to as 'left behind'. While recognising that the term is contentious (and is shorthand for those economically disadvantaged areas overlooked or ignored by policy-makers and investors—and, perhaps paradoxically, like 'levelling up', can also mean different things to different people), for the work of Local Trust, and the All-Party Parliamentary Group (APPG) for 'left-behind' neighbourhoods for which it serves as secretariat, it means a very specific cohort of communities.

Overlaying the CNI (referenced in the Levelling Up White Paper as an objective way of measuring social capital) with the IMD led to the identification of 225 wards that are not only among the most 10% deprived in the country, but are also in the 10% of areas with the highest levels of community need. Often found on the periphery—on the edge of towns and cities, in isolated and rural former colliery communities in the post-industrial North and Midlands, or scattered along the English coast—they are communities for which local centres for employment, shopping and services are (or feel like they are) a long way away, and which, owing to poor or expensive public transport and lack of car ownership, can be rendered inaccessible.

Research carried out for the APPG has shown just how uniquely vulnerable 'left-behind' neighbourhoods are, suffering as they do from a deficit in social infrastructure and correspondingly less scope for communities to take positive action to counter local challenges. From experiencing the biggest impact of Covid-19, to exposure to the threats posed by climate change and being uniquely vulnerable to the cost of living crisis, 'left-behind' neighbourhoods lose out. For example, to date, 'left-behind' neighbourhoods have received fewer grants per 10,000 population than other deprived areas and England as a whole. In terms of the amount of grant-funding from key charitable grant-funders between 2004 to 2021, 'left-behind' neighbourhoods received £7.77 per head—less than half the proportion received by other deprived areas (£19.31) and below the English average as a whole (£12.23).[2]

Fig. 1 on the next page shows the number of grants from key grant-funders per 10,000 population to 'left-behind' neighbourhoods, other deprived areas and England as a whole, based on data collected by grants data charity 360Giving on all grants and the amounts given by UK funders.

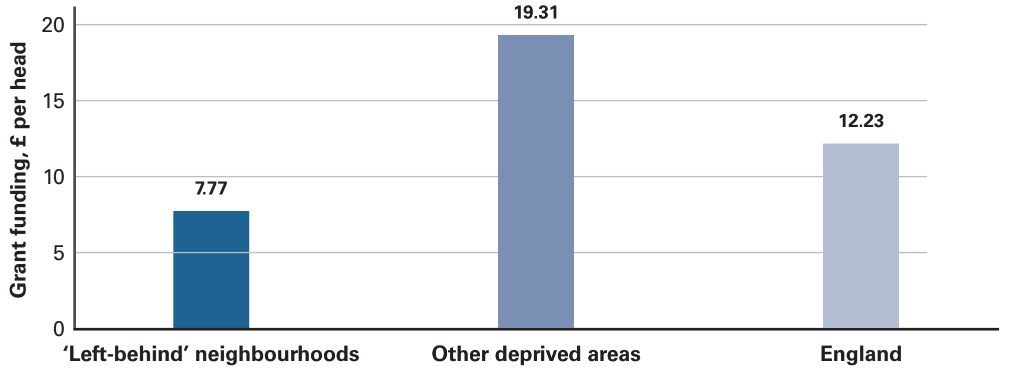


Fig. 1 Grant funding, in pounds per head
Source: 360Giving GrantNav data from 2004 to May 2021

The figures are based on the location of the recipient organisation and include grants from 88 funders.

The costs of missing out and the impacts of worse outcomes are likely to be significant. For example, APPG research found that tackling health disparities will not only improve lives but will also bring significant savings to the taxpayer. If the health outcomes in local authorities that contain 'left-behind' neighbourhoods were brought up to the same level as in the rest of the country, an extra £29.8 billion could be put into the country's economy from the resultant savings.[3]

In 2023 Local Trust will be seeking to quantify the failures to invest in 'left-behind' areas and their implications for public sector spending, as well as what targeted support to communities to address local issues can achieve as a preventative measure in terms of reducing demand on public services. This work will build on the findings of a study conducted by Frontier Economics for Local Trust which, using conservative estimates, shows that a £1 million investment in community-led social infrastructure in a 'left-behind' area could generate approximately £1.2 million of fiscal benefits and £2 million of social and economic benefits over a 10-year period.[4]

The observable economic decline and disinvestment in 'left-behind' areas, together with growing social isolation and fraying of the social fabric, underlines the need to develop social infrastructure in these areas. Not only is this morally the right thing to do, but it is a prerequisite for any other government levelling-up interventions, focused on local economic development, to have any chance of success.

That is why in recent years Local Trust has led work with partners across the public, private and social sectors to campaign for a new investment vehicle: the Community Wealth Fund (CWF). Inspired by the ethos, approach and principles of the Big Local programme, and informed by lessons learned from previous regeneration initiatives, as explored in the key research Local Trust commissioned from the University of Cambridge,[5] the CWF would invest over the long term (10-15 years), directly at the hyper-local level, in social infrastructure and community-led confidence- and capacity-building.

As a new mechanism for investing in 'left-behind' areas, providing targeted, patient and unrestricted support beyond the electoral cycle and the changing priorities of local and central government, it could be a game-changer in terms of how we approach community renewal and neighbourhood regeneration.

At the time of writing, the government is expected to announce whether it will support this approach through the use of dormant assets funding early in 2023.

● ***Daniel Crowe*** *is Policy and Parliamentary Manager at Local Trust. The views expressed are personal.*

Notes

1 *Left Behind? Understanding Communities on the Edge*. Local Trust, Sept. 2019. https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/

2 *'Left Behind' Neighbourhoods: Community Data Dive*. OCSI, Nov. 2020. www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2021/06/APPG-Community-Data-Dive-Report-for-APPG-S7.pdf

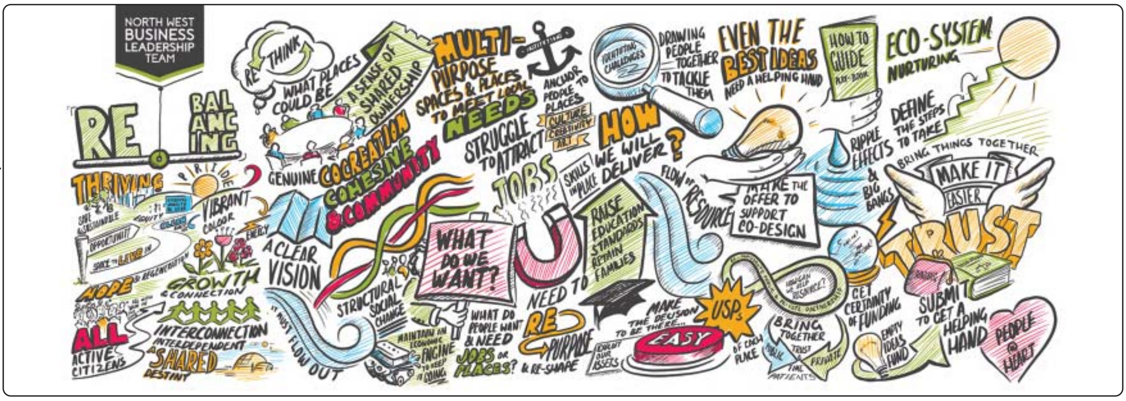
3 *Overcoming Health Inequalities in 'Left Behind' Neighbourhoods*. All-Party Parliamentary Group (APPG) on 'Left Behind' Neighbourhoods, Jan. 2022. www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2022/01/Overcoming-Health-Inequalities.pdf

4 *The Impacts of Social Infrastructure Investment*. Frontier Economics, for Local Trust, Jun. 2021. https://localtrust.org.uk/wp-content/uploads/2021/07/Frontier-Economics_the-impacts-of-social-infrastructure-investment.pdf

5 *Achieving Local Economic Change: What Works?* Cambridge University Department of Land Economy, for Local Trust, Oct. 2019. https://localtrust.org.uk/wp-content/uploads/2019/10/Achieving-local-economic-change_Oct_2019.pdf

the business case for place

Andy Hulme explains why and how the North West Business Leadership Team has been considering the role that business can play in helping to shape towns, cities and other places, especially those regarded as 'left behind'



North West Business Leadership Team

For over 30 years the North West Business Leadership Team (NWBLT) has brought together senior leaders in and of the North West to harness the positive power of business for the good of the region. We are an independent business voice, connecting and helping to shape opportunities to drive positive change.[1] We cover a range of sectors, including manufacturing, chemicals, property, banking and professional services, with members distributed across the North West of England.

In recent months members of NWBLT, working with the UK2070 Commission, have been reflecting on the role that business has in helping to shape towns, cities and other places, especially those regarded as 'left behind'. The aim of our work, to be published in March 2023, is to give a business perspective and a rationale for business to get involved in place-shaping initiatives.

It is important to recognise that business is only one of the groups that make up local communities, but often a group that is overlooked in discussions around place. Through our collective experience, we want to make a case for greater involvement in place for and by business; to demonstrate that, by helping to build and support positive relationships, both business and place can benefit.

Our work was also prompted by a recognition that for some time public sector partners have been faced with reduced resource and institutional capacity. This impacts on their ability to deliver the day-to-day help and support that business needs—and also on their ability to deal with the additional challenge of trying to access competitive funding competitions designed to help boost place and 'level up', or major projects the like of which might only rarely pass through an economic development or planning team's desk. We wanted to consider how the private sector can help through genuine partnerships and collaboration in place.

Why places matter to business

Our starting point was a discussion on why place matters to business. We recognised that, although business comes in many shapes, sizes and forms and while many businesses consider their footprints to be global, all businesses have something to bring to the local places in which they have a physical presence, even those operating in a mainly digital market. Many places owe their very foundation to particular businesses or industries — such as Port Sunlight (Unilever), Oldham (cotton), or Nelson (textiles).

Why particular businesses are located in particular places is a result of many different factors: history, access to raw materials, supply chains, talent, markets, and the personal loyalty of business founders or owners, to name just a few. Some businesses are located where they are because they are the result of foreign direct investment or financial incentives such as Enterprise Zones.

Places need business and businesses need places — whether as somewhere to make and sell products and services, somewhere to source the talent and resources they need to succeed and grow, or somewhere to do business with other businesses and develop new ideas and markets.

Understanding barriers for business engagement, and looking beyond them

The nature of NWBLT members is to support, get involved, and add value where they see a definite need and rationale. This includes positive engagement with initiatives around place. But many businesses do not see that rationale — and so we thought it worth considering why many companies do not engage in these types of conversations, especially those looking to draw them in to place-based initiatives. Is it because they are concerned that they are just 'talking shops' or that they will end up tied up in procedure and red tape? Is it because businesses tend to focus on delivery and find some of the upfront 'forming and storming' too abstract? Or do they just not have the time and perceive a risk that they might be wasting their own resources?

The answer, unsurprisingly, seems to be a combination of these factors. But is it not important for companies to weigh up the pros and cons and find some time? Places provide the employees that companies need to thrive and grow, so is there not value in engaging with schools, colleges and other training providers to talk about the skills and attributes that the company is looking for in future workers? Are there not efficiencies to be gained from cultivating positive relationships and creating a more enabling environment for 'doing business' from an ecosystem that sees the value of a company being there?

Benefits of business involvement

Anecdotal feedback on the 100-plus initial bids to the Towns Fund suggests that the best submissions were those that were able to demonstrate meaningful engagement with, and leadership by, business.

Learning from Towns Funds boards has shown that there are several ways in which private sector board members and local authority officials are working alongside one another to leverage the expertise and perspectives of both. For example, board members taking a communications lead in some towns have been working directly with the council communications team to broaden their understanding of how messages are landing. Others have taken advantage of the specific skill sets of people around the table to troubleshoot problems arising.

Evaluation of projects supported through another initiative, the Regional Growth Fund, highlighted the value of having capable project leaders and strong co-operative partnerships. This was particularly important when looking to address challenges faced during project development and delivery.

There is often an expectation that business can lead, playing a 'pivotal role' in regeneration. However, in many 'lagging areas' part of the economic challenge is a lack of established anchor businesses with the time, resources and expertise to get involved.

Additional learning from the Regional Growth Fund was that many of the successful projects were 'catalysed and led by the pro-active efforts of local authorities ...'.[2] However, how can places that lack the internal resources or experience to deal with competitive bidding for government funding give themselves a chance of being successful? A number of studies in recent months have highlighted the amount of wasted time and effort expended by local authorities unsuccessful in bids for place-based funding, making a difficult situation even worse.

Even for places that do succeed in securing funding, there is a growing body of evidence suggesting that opportunities to invest and deliver improvements to place are being hampered by a lack of resources, often combined with the impact of construction inflation and the challenging timescales for getting government funding spent. A partnership approach with the private sector, including developers, could be one option to address this issue.

Businesses can help by providing objective challenge to ideas and proposals for improving places, especially in helping to establish what the real benefits of a project might be and whether it provides value for money.

● ***Andy Hulme*** *is Head of Innovation and Growth at the North West Business Leadership Team. The views expressed are personal.*

Notes

1 See the North West Business Leadership Team website, at www.nwblt.com/

2 *Regional Growth Fund Evaluation: Case Studies. Summary Report*. BEIS Research Paper 2022/007, Department for Business, Energy and Industrial Strategy, May 2022. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1090957/regional-growth-fund-case-studies-report.pdf