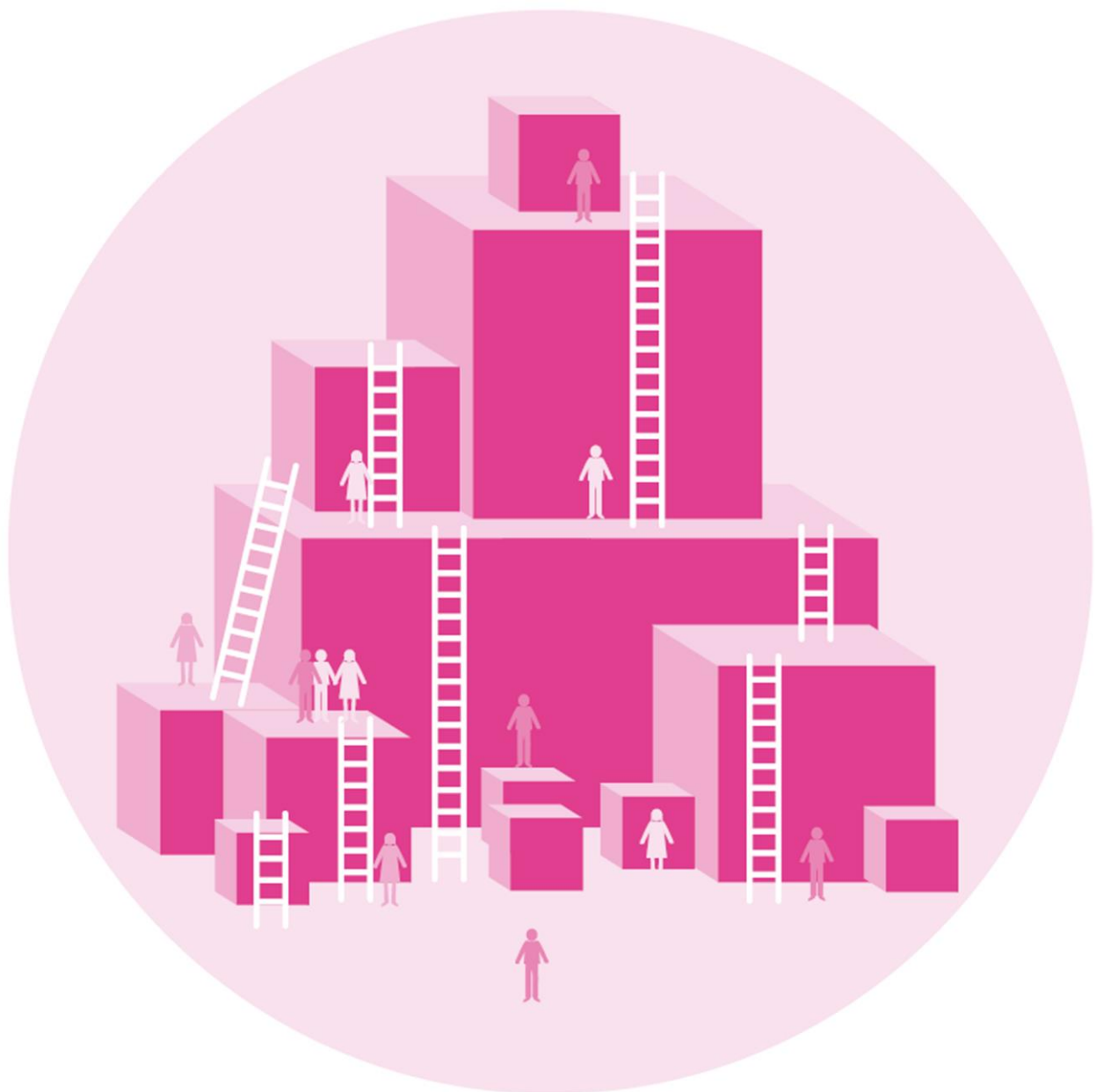


Making levelling up a reality

Building community wealth with the infrastructure of everyday life



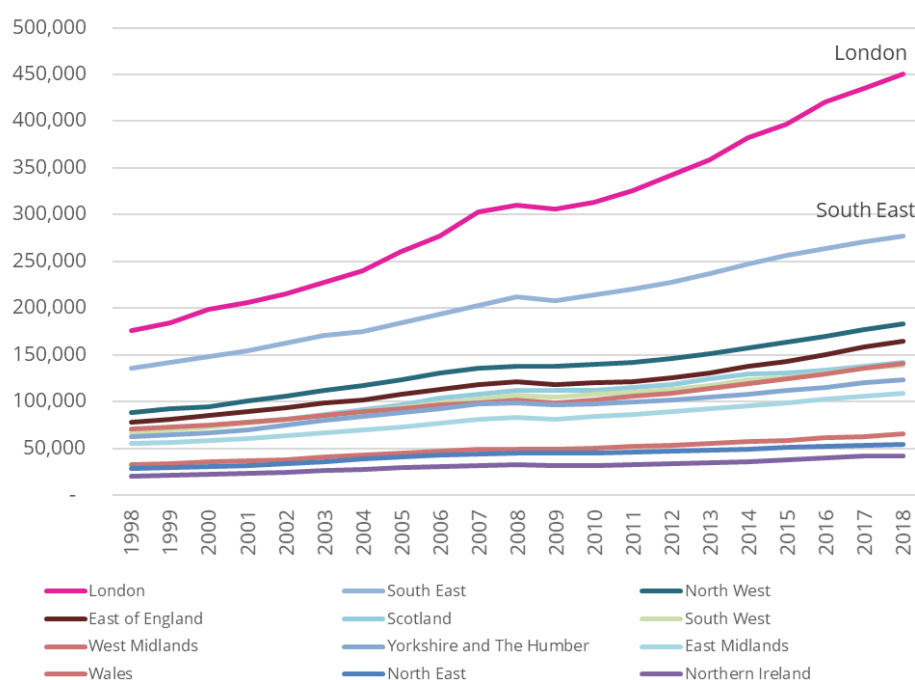
Making levelling up a reality: Building community wealth with the infrastructure of everyday life

The UK, and particularly England, is one of the most highly centralised countries in the world. It also has longstanding and persistent geographical disparities in economic and social conditions and outcomes. The disadvantage that stems from this inequality is both complex and varied.

What will it take to level-up?

Efforts to address these economic divides have consistently been unable to close them, and the longstanding disparities of economic and social disadvantage have only grown. In the UK's former industrial regions, there are still disproportionate levels of premature mortality, accompanied by lower rates of employment growth and substantially higher rates of poverty. In regions outside of London and the south east, productivity levels are similar to those found in central and eastern Europe. Meanwhile, GVA growth rates in London continue to outstrip those of all other regions through a decade of austerity, with more than double the growth rate of the North East.

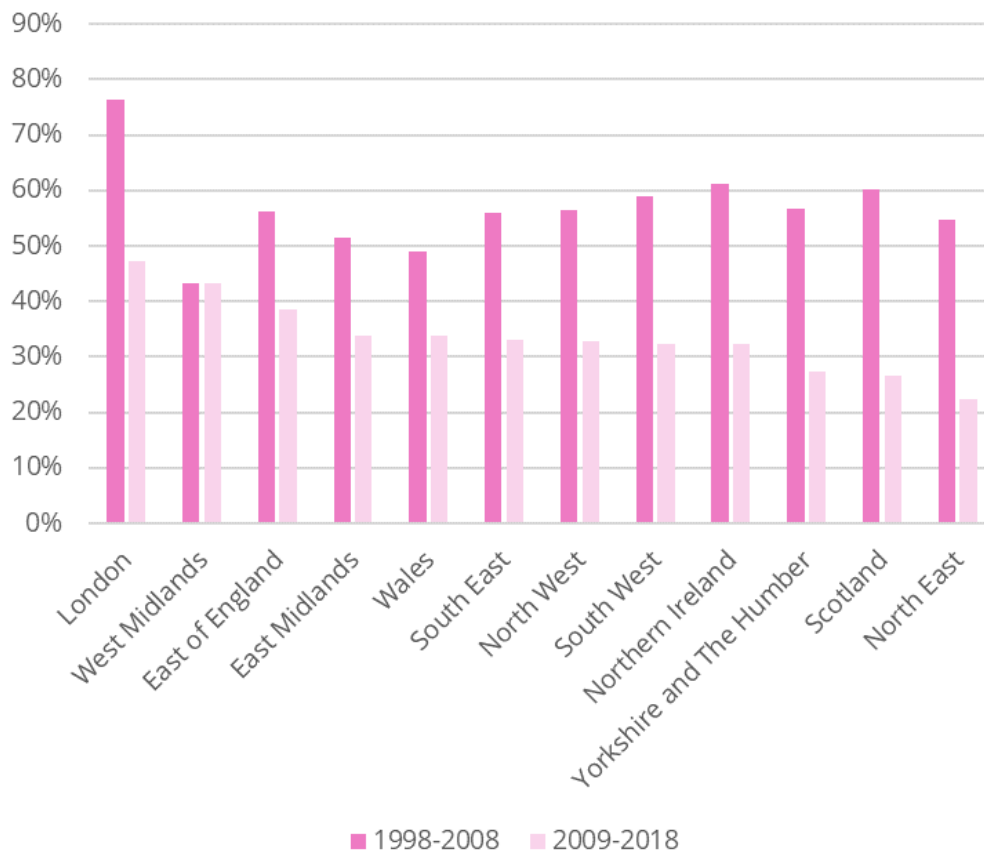
Figure 1 - Regional GVA (1998-2018)



Source: ONS

The effective abolition of regional policy in 2010 and the city regional devolution project initiated by George Osborne can only be described as an ad-hoc, incremental and piecemeal episode of decentralisation, succeeding in merely pulling devolution in a range of directions and muddling its precise objectives.

Figure 2 - Regional GVA growth (1998-2008) vs (2009-2018)



There can be no doubt that incremental ideas and piecemeal approaches have failed. Instead, we need a progressive leap, which rejects the flawed model of devolution and genuinely transfers power to people, communities and local democratic bodies.

[CLEs have argued that we need a clean start](#) in which we create a national process of redistribution to deal with longstanding regional economic imbalances, and ensure a more level platform for all areas, for all time. While the levelling up agenda is a step in the right direction, in terms of recognising the problem, what it will really take to level-up the UK is a genuine re-evaluation of devolution.

As we enter a new phase of post-Brexit “global Britain”, we are provided with an ideal reflection point in which a long-overdue review of the UK constitutional settlement can be undertaken. Having placed regional inequality at the heart of its programme, the government must recognise that tinkering at the edges doesn’t work and all the levers of the state must be used to empower local areas and communities to maximise their existing skills, talents and capabilities. Community wealth building has emerged as a powerful tool to democratise our local economies and create wealth for all. It rejects the traditional economic

development pathway and offers an approach where the economy and wealth are brought closer to our everyday lives, our communities and our neighbourhoods.

Can the Levelling Up Fund truly level up communities?

The government's Levelling Up Fund will invest £4.8bn in high value local infrastructure. It will focus on the highest priority local projects, where investment in places can make the biggest difference to everyday life.

To truly level up, local people and communities need to be enabled to extract the maximum value possible from these flows of investment, building local wealth and ensuring that people can shape the places where they live. The Fund (and others like it) will fail to make the transformative change required if the projects it funds simply channel investment into large firms that have no connection to the place.

Multinational, shareholder-value driven firms will extract the value of the government's investment and remove it from the communities it could more usefully serve. Locally-owned firms, by contrast, could produce new jobs for people who need them most, upskilling communities, stimulating local supply chains and providing better pay and conditions for those already working. Without this, the opportunity to truly level up our communities will be limited. Projects which simply inflate property values, without benefitting local people by giving them ownership and control over the wealth generated, will displace communities and exacerbate, rather than address, inequalities.

As we move to a post-pandemic economy, it is imperative that we don't miss the opportunity to develop thriving local economies. We must examine how investment in the infrastructure of everyday life can do more for local people and build wealth in our communities.

Building community wealth in your place

CLES is working with places to develop applications to the Levelling Up Fund that embed the strategies and practice of community wealth building from the outset, to ensure the maximum value of any investment is retained locally to develop thriving local economies.

From support around social value asks, to embedding your Levelling Up projects within a broader community wealth building and anchor institution strategy, CLES can support you to think through your projects, to ask the important questions:

- How will your project stimulate local supply chains?
- How will your project develop local job opportunities for those that need them most?
- What are the opportunities for reskilling local people to move into future-proof industries?
- How much of the project value will be retained in your local economy?

CLES can help you to make these connections, put in place strategies for making them a reality and support you to develop the metrics and measuring tools to demonstrate how investment in the infrastructure of everyday life can build community wealth.

Example packages of support



Community wealth building diagnostic

An exercise to assess the capacity to advance community wealth building in your place. Our diagnostic takes an assessment across each of the [five pillars of community wealth building](#) to produce a bespoke local strategy and action plan.



Anchor institution network

Grow your community wealth building strategies in collaboration with the [anchor institutions](#) of your place. CLES can support you to establish an anchor network to leverage the power and influence of local institutions for the benefit of your local economy.



Community wealth builder in residence

To drive anchor collaboration and harness the power and influence of local institutions, CLES can support you to develop a key enabling role which sits at the centre of your community wealth building strategy and makes it real for your local economy.



Centre for Local Economic Strategies

CLES, 52 Oak Street, Swan Square
Manchester, United Kingdom, M4 5JA
info@cles.org.uk | www.cles.org.uk
@CLEStinkdo | #clestinkdo
0161 832 7871