

Blueprint Coalition Position on Levelling Up

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With support from the Local Government Association
and London Councils

The Blueprint Coalition

As a group of local government, environmental and research organisations, we came together to set out a blueprint for how the government can accelerate climate action at the local level. Councils are an indispensable partner in reaching the UK's national target of net zero by 2050 in a way that will also contribute to economic recovery, nature's renewal and tackling inequalities. Our Blueprint report sets out the national leadership, policies, powers and funding needed to empower local authorities to deliver.

Introduction and summary

The government published its Levelling Up White Paper (LUWP) in February and a Levelling Up and Regeneration Bill (LURB) was published shortly after the Queen's speech in May.

The levelling up agenda is intrinsically linked to the climate and biodiversity emergencies for three key reasons:

1. Local government will have a critical role in delivering net zero, and can only fully deliver on this role with long-term investment and financial certainty.
2. Place-based, strategic investment in net zero will create huge numbers of new jobs and help level up local economies and places.
3. There is a strong relationship between local environmental factors and social, health and economic inequalities.

The levelling up agenda therefore offers huge potential to unlock and resource the scale of local climate action we need, accelerate our transition to net zero, and deliver greater environmental and social equality for local communities.

We welcome the government's overall commitment to ending geographical inequalities, devolving power to local areas, supporting local placemaking, and providing more long-term and evidence-based funding mechanisms for local government. These considerations are more pressing than ever in light of the cost of living crisis, the impacts of the COVID-19 pandemic, and the mounting effects of the climate emergency (flooding, heatwaves, air pollution and nature depletion – all of which disproportionately impact those already suffering economic and health inequalities).

However, the government's programme does not yet add up to a comprehensive set of solutions, in particular around how levelling up is linked to the climate and environment agenda and related geographical, economic, social and health inequalities. Neither the LUWP nor the LURB properly integrate these issues - despite the admission in the LUWP that lack of policy coordination was a key reason for the failure of previous approaches to levelling up.

This briefing sets out what the Blueprint Coalition thinks the levelling up agenda needs to look like in order to deliver on its potential for local environments and communities. It then assesses whether the measures set out so far will help or hinder local authorities in delivering on climate change, environmental justice, and a fair and green economic recovery.

What should levelling up look like in the context of the climate emergency agenda?

1. Alignment of levelling up with the Net Zero Strategy

Policies aimed at levelling up must be linked to the UK's legally binding climate targets and Sixth Carbon Budget because:

- People most affected by climate change are those who are least responsible for causing emissions, including future generations.
- Emissions per capita are regionally concentrated in the areas that are home to the largest emitting industrial sectors, which include some of the most 'left behind' places. These must be able to benefit from the opportunities created by the transition to net zero.

An integrated approach would include:

- New investment in skills training and job creation linked to the low carbon economy and restoration / conservation of nature, with a focus on tackling youth unemployment and helping workers transition from high carbon industries to jobs and careers in local low carbon and circular economies.
- Reform of the planning system so that every decision for new development must be compatible with the government's carbon budget and legally binding targets.

2. Addressing inequalities and helping communities most vulnerable to climate impact and energy

It makes sense to start tackling inequalities in those locations which have suffered from low levels of investment for decades. There is strong evidence showing where inequalities exist and where investment has been lacking. However, there will also be communities suffering deprivation within generally wealthier areas, including rural areas and in London, which includes many of the UK's most deprived communities and some of the worst environmental inequalities.

Tackling inequalities in local places, and delivering on the government's aims on life expectancy and wellbeing will need to include:

- Extensive investment in public transport and alternative modes of low / no carbon transport including walking and cycling.
- The right for everyone to live in a healthy environment, including access to nature rich green spaces and clean air where inequalities of access and health currently exist.
- A focus on communities and households that are most vulnerable to climate change and energy price shocks. Optimising energy use by insulating homes and boosting supplies of renewable energy will be the best ways to tackle fuel poverty and energy security.

3. Local decision making, including community engagement

Levelling up should ensure that people have a say in what happens in their area and where appropriate, to co-design solutions. Special efforts need to be made to engage the disenfranchised, disillusioned, and most impacted communities.

This requires:

- Local authorities to have the necessary resources to engage their communities in the process.
- Devolution deals to happen in a way that improves local democracy. Shifting powers to local areas does not in itself guarantee involvement of the people that live there.

4. Resourcing of local government to implement joined up action on levelling up and climate action plans

Local authorities are best placed to understand the needs of their local communities at a macro level and work with them to co-design solutions that deliver multiple benefits. Their role in delivering on the levelling up aims and missions is acknowledged by the LUWP.

Current government funding levels and allocation methodologies to councils to tackle issues such as climate change and a green recovery from the pandemic are inadequate given the decades of cuts and new burdens being placed on local authorities. Long term stable funding is crucial to levelling up because local authorities and communities in the most 'left behind' places will be least able to tap into competitive funding.

How does the government's levelling up programme help or hinder delivery against key Blueprint Coalition priorities?

The Blueprint Coalition's five priorities are:

1. Invest in low-carbon and climate-resilient infrastructure including public transport, renewable energy and electric vehicle charging.
2. Support reskilling, retraining and research to accelerate the move to a net-zero economy.
3. Upgrade our homes to ensure they are fit for the future.
4. Make it easy for people to walk, cycle, and work remotely.
5. Accelerate tree planting, peatland restoration, green spaces and other green infrastructure.

Meeting all these priorities will require alignment of national and local government on levelling up and tackling climate change as well as adequate stable and long term funding.

Commitments from DLUHC such as greater transparency about place-based spending and 'hardwiring' spatial considerations into government decision-making will therefore need to be embedded across all government departments. The appointment of regional Levelling up Directors is welcome but must lead to genuine partnerships so that government civil servants understand the needs of local authorities and the challenges and opportunities to delivery.

The government has acknowledged the problems associated with short term competitive funding in the LUWP. Whilst it is welcome that the Shared Prosperity Fund will not be competitive, other funds such as the Levelling Up Fund will continue to be competitive and there is still a plethora of funding sources that local authorities have to navigate. The continuation of fragmented, short term, competitive funding will be a barrier to joined-up, place-based action and to the detriment of delivery of the government's levelling up ambitions.

Local authorities also need more powers to raise funds locally. The introduction of an Infrastructure Levy is included in the LURB but with no detail, so it is unclear whether it will help or hinder local authorities in tackling inequalities and climate change. Enabling local authorities to generate green finance is critical; local government finance rules can hinder rather than help.

Evaluating the contribution of the levelling up agenda to each of the Blueprint's five priorities

1. Invest in low-carbon and climate-resilient infrastructure including public transport, renewable energy and electric vehicle charging

A key theme of our blueprint document is 'decarbonising transport'. We identified provisions such as reducing demand for trips for instance by enhancing high-speed internet, seamless interchanges between different modes of transport, integrated ticketing systems and interventions that seek to reduce the need and desire to travel by car. Also, support for the transition to electric vehicles (EVs) for remaining car use, including provision of charging points, and a rapid transition to low and ultra-low carbon vehicles for council fleets, taxis, shared mobility and buses. Such actions can only be achieved at the local level with the support of the government.

Evaluation

There are some welcome initiatives in the LUWP, although most are not new. This includes encouraging investment in offshore wind and EV manufacture in specific locations. These are essential to cutting emissions and can create jobs in those places that are transitioning from high to low carbon economies. But cutting carbon needs to be integral to all infrastructure investment, and to reach every community in the UK rather than just focusing on flagship projects. Every community needs urgent roll out of retrofitting to make houses more energy efficient, new EV infrastructure, and local renewable energy generation.

Public transport - better connected public transport outside of London is a welcome aim of the LUWP including improved services, simpler fares and integrated ticketing. Regional Sustainable Transport Settlements are welcome for Mayoral Combined Authorities, though not new. There are some good – though again not new – projects including West Midlands Sprint, Coventry Light Rail and Liverpool green bus corridors. But the aim should be to ensure that everyone has accessible, safe and affordable public transport wherever they live. There is still too much focus in the white paper on big rail projects for example the Integrated Rail Plan, and not enough on bolstering local public transport.

Local bus services are particularly important to levelling up as they are used more by those on low incomes, those with disabilities, and young people than by those on higher incomes. To maximise the potential benefit of local bus services it is important that bus services are well coordinated, and the number of competing services is minimised. The 2020 National Bus Strategy set out a vision for improving bus services in England with the intention of bringing them more in line with the quality and standard of bus services in London. To achieve this the government allocated £3bn for bus service improvements. To access this funding local authorities had to produce a Bus Service Improvement Plan (BSIP) and deliver the plan through an Enhanced Partnership or via franchising. Whilst this structure has the potential to significantly transform bus services in England, the funding is not nearly enough considering the history of cuts to bus services. Furthermore, at present only 31 local areas will benefit from funding for their BSIP. This equates to 40% of all authorities that submitted a BSIP, meaning that at present most authorities will not receive any funding.

Whilst the government has extended its emergency pandemic funding for bus services, which was very welcome, this ceases at the end of September 2022. Meanwhile patronage rates remain lower than pre-pandemic. Without additional support, it is unlikely that operators will be able to maintain their existing levels of service. Furthermore, bus operators have also indicated that they may need to downsize networks in order to meet the government's criteria for financial sustainability.

Overall government funding for local public transport is still below what was promised, and no new funding commitments are identified in the LUWP. New guidance on the preparation of Local Transport Plans (LTPs) is expected soon and will be important in helping local authorities plan the public transport, walking and cycling networks and infrastructure for the future.

Renewable energy - the LUWP does not include any measures to support local renewable energy generation yet generation of solar power and onshore wind is essential to meeting carbon reduction targets and supplying affordable energy. It's a missed opportunity that planning reform proposals do not include lifting the de facto ban on onshore wind farms. Ramping up renewable energy capacity in the UK would also reduce our gas consumption and imports. Local authorities also need to be supported to produce and deliver local area energy plans taking a coordinated approach to renewable energy, new heat networks and energy efficiency measures.

2. Support reskilling, retraining and research to accelerate the move to a net-zero economy

Our Blueprint called for the government to recognise the crucial role of councils in creating resilient, low carbon economies, with a focus on reskilling the local workforce and transitioning the local workforce into net zero jobs and careers. We also called for the Shared Prosperity Fund to be designed to support zero and low carbon economic development.

Evaluation

There is a lack of join up through the LUWP resulting in a missed opportunity to boost green jobs. Various measures such as local skills improvement plans and the skills bootcamps need to be much more focused on supporting the transition to a green economy.

The LUWP correctly recognises the important role of key sectors such as offshore wind and green hydrogen, and how these can benefit particular regions such as Humber and Teeside. But many aspects of the net zero transition such as the decarbonisation of buildings, rollout of EV infrastructure, installation of onshore renewable energy and nature restoration must take place across the whole country. The white paper misses the opportunity to empower local government in all areas to drive a place-based transition.

Shared prosperity funding - current guidance recommends that applicants to the fund “take account” of government priorities such as net zero, but it is not listed as a key investment priority. Net zero needs to be the golden thread that runs through all government policies and funds rather than something to consider.

Adult education - the LGA has called for the adult education budget (AEB) to be restored to its 2010 levels as a minimum. This should then be fully devolved to local authorities and mayoral combined authorities to target and deliver short courses, enabling people to pivot into green economy roles such as homes retrofit and nature restoration, or start on their journey to employment.

Research undertaken through the LGA’s Work Local campaign has shown the value in creating single place-based pots for employment and skills that would use funding flexibly to prioritise local need to help people increase their skills and support them into work.

Green skills in local government – skilled staff and access to training for elected members is essential to catalyse local low carbon economic development including in functions such as planning and development, and procurement. The LUWP recognised the need to boost council officer capacity but failed to highlight the importance of low carbon skills and knowledge.

Circular economy - there is a missed opportunity in the LUWP to move towards a circular economy. For example, the ‘Made Smarter’ initiative is intended to cut carbon emissions in production. It’s good that digital technology is cutting waste in some industries (like textiles) but the government needs to support a much more fundamental transition to circular principles. Investment in a circular economy is as much about local economic resilience, community cohesion and creating jobs as it is about cutting waste and emissions so has potential to deliver on several levelling up aims.

Green jobs delivery group – to ensure that good green jobs and careers are created across the country, local government should be represented in any national framework for the delivery of green jobs. However, the LUWP failed to call for a strong voice for councils on the new Green Jobs Delivery Group. Just one of the 30-strong new group is from local government, and there is no minister from DLUHC on the group.

3. Upgrade our homes to ensure they are fit for the future

Our Blueprint called for resources and convening powers for local authorities to scale up retrofitting programmes underpinned by long term national policy, relevant enforcement powers and the development of a skilled local workforce. We also called for government to require all new homes to be zero carbon as soon as possible and at the latest by 2025, and for a new methodology for housing supply that enabled councils to prioritise sustainable locations, with proximity to employment, local amenities and public transport.

Evaluation

Decarbonisation of our buildings offers multiple opportunities to level up by reducing fuel poverty, improving health, and providing good jobs across the country. Yet the opportunities from retrofit were largely ignored by the white paper. There is too much focus on delivering numbers of new houses and not enough on ensuring that all new homes are high quality, zero carbon and with the right infrastructure to support thriving communities.

Retrofitting

The white paper acknowledges that "It is unacceptable that there are people living in homes that do not pass basic standards of decency." It also notes there are still 4 million homes (16% of homes) that do not meet the Decent Homes Standard – which will be reviewed. However, energy efficiency is not covered by that standard although it is an essential part of defining a 'decent home'.

Many people living in areas of deprivation live in the private rented sector, but neither the LUWP nor the social housing regulations bill provide clarity on when new energy efficiency standards will be introduced and whether local authorities will have the capacity to properly enforce these standards.

Similarly, despite promising ambitious action to address poor energy efficiency by targeting retrofit funding at the worst performing homes and those least able to pay, the LUWP only refers to the existing funding which is both fragmented and inadequate. Furthermore, without policy and incentives to encourage retrofit by people on medium and higher incomes, decarbonisation of our homes will be far too slow, street-by-street upgrades across different tenures are impossible, and a huge opportunity to create new jobs will be missed.

New homes

For tackling energy efficiency in new homes the LUWP simply relies on the Future Homes Standard. This does not come into effect until 2025, and even then, does not ensure zero carbon homes. This means that homes built now will still need costly retrofitting. Some local authorities are using Local Plan policies to require higher than national standards. However this may be under threat under proposals in the LURB to give national policies precedence over local and neighbourhood plan policies in the decision-making process.

There are contradictions in policy as set out in the LUWP. For example, the proposals for more permitted development (PD) to help town centres (as set out in the High Streets Strategy) could lead to more poor quality housing - evidence from a government commissioned review in 2020 found that PD conversions created worse quality residential environments.

There is a missed opportunity in the LURB to align the planning system with carbon reduction targets and carbon budgets. This is a key Blueprint ask and recommended by the Climate Change Committee which suggested a net zero test be applied to planning decisions. This needs to be amended as the Bill goes through Parliament.

4. Make it easy for people to walk, cycle, and work remotely

Our Blueprint called for the government to enable local authorities to facilitate an ongoing shift towards remote and flexible working, active travel and public transport provision. We also called for improved access to digital connectivity to facilitate and encourage more permanent flexible work practices and new developments that are designed to encourage and facilitate more sustainable travel.

Evaluation

The LUWP acknowledges the importance of local public transport and digital connectivity through the government's medium-term missions. However there is a lack of emphasis on future commitments to walking and cycling. Similarly, the LUWP references the needs of "cities, towns and communities" to be physically and digitally connected but there is limited reference to rural and suburban areas.

Whilst the Levelling Up Fund 2 provides relevant funding for local authorities, there is still an issue of allocation. The authorities best positioned to bid for funding are not necessarily the places that need levelling up, so large inequalities may still exist. Money should be allocated through a stable funding formula that prioritises places that are most in need with unsafe and under-served walking and cycling infrastructure.

There are promises to improve broadband and 4G coverage, but there are no clear details on how this will be delivered. This will significantly hinder the number of people who will be able to work from home in the medium-to-long term.

There is a missed opportunity in the LUWP and the LURB to commit to planning reform to ensure that new housing is provided in places that are accessible to people who do not own a car (i.e. everyday services and facilities that are easily accessible by non-car modes) and to encourage more trips to be undertaken on foot, by cycle and public transport. Research shows that most new developments outside of central urban areas are still car dependent. Amendments to the LURB and further consultation on national planning policy are still needed.

There is a lack of connection between themes such as walking, cycling and remote working and health inequalities. Whilst tackling air quality is linked to health improvements – the government has made no connection to active travel. Given that active travel can also deliver on the government's public health aims, new housing and employment opportunities must be situated in areas where active travel is a realistic and attractive option.

5. Accelerate tree planting, peatland restoration, green spaces and other green infrastructure

The LUWP lays out a number of types of 'capital' but it specifically excludes natural capital, stating that this is covered by other policy agendas. Natural capital is therefore totally omitted from the otherwise strong cross-cutting analysis of how different forms of capital interact, and climate and environmental factors are almost entirely absent from the levelling up agenda and its approach to place.

This is despite the fact that access to green and healthy living environments is not equal across the UK, and yet it is well-documented that these environments support key levelling up missions (improving health inequalities, local community cohesion, pride in place, stronger economies and inward investment).

Access to green space - although the LUWP promises to "radically expand investment in parks", new funding will only benefit 30 existing parks. This cherry-picked one-off investment in particular spaces does not align with the LUWP's stated commitment to more long-term, strategic place-based funding to truly tackle geographical inequalities. Friends of the Earth has estimated that to address the long-term decline in parks and green space funding there will be a need to commit £4-5bn a year to 2024 to address green space gaps and restore parks. This should be regarded as an investment that will deliver on many of the elements of levelling up including health, connecting communities and building pride in place.

Wider green infrastructure - there is also no significant reference in either the LUWP or LURB to any green infrastructure beyond parks, even though all forms of green infrastructure are key to placemaking, local economies, climate resilience and healthy living environments. The LURB's lengthy sections on planning do not make a single reference to parks or green infrastructure in general, nor to Natural England's new Green Infrastructure Framework or other planning-related commitments from the Environment Act in particular. The LUWP promises to make green belts "greener", but there are no clear details on how this will be delivered and we know green belt / green space is still being threatened by development and in particular housing.

By treating green infrastructure and nature as something that is already dealt with in other government policies, the LUWP has neglected this crucial issue and failed to properly integrate natural environment into its thinking about place, equalities and local investment.

Recommendations

Skills

We call for Shared Prosperity Funding to prioritise the development of green skills, a sharper focus on green skills in Local Skills Improvement Plans and skills bootcamps, a restoration of the adult education budget to 2010 levels and a strong voice for local government on the Green Jobs Delivery Group.

Retrofit

We call for long term funding for councils to undertake the retrofit of homes for people on low income across the country, regulation on energy performance of private rented homes to be EPC 'C' by 2028, a retrofit skills programme that can train hundreds of thousands of installers by 2028, all underpinned by a national retrofit strategy.

Decarbonising transport

We call for more funding to optimise delivery of BSIPs across the whole country, a requirement that all infrastructure investment demonstrably delivers carbon reductions, and greater focus on local renewable energy generation.

Active travel

We call for a stable funding formula that prioritises places most in need of better walking and cycling infrastructure, planning reform that delivers new housing that is not dependent on owning a car, and for the Health Disparities White Paper to explicitly recognise and act on the links between active travel and better public health.

New homes and planning

We call for better reform of the planning system so that all planning strategies, policies and decisions are in line with the objectives and provisions of the Climate Change Act 2008, including the 2050 net zero carbon target and the detailed provisions of the Sixth Carbon Budget, and for local authorities to have the flexibility to be able to set higher than national standards, including energy efficiency and biodiversity net gain. This will require amendments to the LURB and changes to the NPPF.

Green spaces and nature

We call for the integration of natural capital into the capital frameworks underpinning levelling up including clear targets for addressing inequalities in access to quality green space; a shift to more sustained strategic funding approaches for parks, green spaces and green infrastructure; and adequate capacity and skilling of local authorities to deliver Local Nature Recovery Strategies.

Measuring success

The LUWP has three main measurable missions under the focus area 'Restore a sense of community, local pride and belonging'. These look at Pride in Place, Housing and Crime. There should be a fourth mission on improving the quality of local environments, that links to the environmental targets being developed by Defra (under the Environment Act 2021) as well as measuring access to green space.

The technical annex 'Missions and Metrics' acknowledges that there is not yet a good measure in place to measure Pride in Place:

"The UK Government intends to carry out further work to identify and develop the most appropriate measures of pride in place, improve the evidence base on what determines it and assess how policies might be designed to improve it, especially in communities where it is low. There are considerable challenges to developing measures for pride of place".

We call for DLUHC to actively engage with a wide variety of stakeholders to help develop these measures.