

Tackling Spatial Inequalities Roundtable Communiqué

The following is a summary of the conclusions drawn by a group of cross-sector representatives who gathered to discuss the problem of spatial inequality at a roundtable held at the University of Oxford's Blavatnik School of Government on September 7th 2022. We are communicating this to help inform action that is needed to correct what is now a very pressing situation.

Importance – Action needed

Circumstances in the second half of 2022 suggest there will be many calls on leaders' attention across society. Levelling up is, however, essential, and it will fail if it is not managed with energy and a clear sight of the problems. Current activity is too small, too start-stop and ultimately too centralised. The current provision of regional development funding needs to be complemented with more action, which makes use of political agreement instead of division.

Funding – Bigger and longer

Productivity and investment in large areas of the country is unacceptably low, leading to unacceptable social outcomes. The problem, which has been building for many decades, is substantial and requires a solution that is of appropriate scale and longevity to address it.

Approval of year-on-year annual budgets is insufficient, the bureaucratic and political necessity for them needs to be put aside for the sake of the national interest. National balance sheet debt will accrue more certainly if the spatial productivity problem is not solved.

Multiple year budgets have been proved in some policy areas, such as with education, and in place-based areas with the 30-year deals for Mayoral Combined Authorities (MCAs). Periodic reviews, such as the 5-year gate reviews for MCA deals, would offer a suitable level of control.

Devolution – Delivering effective devolution

Devolution is part of the solution but not just devolution for devolution's sake. We cannot, and should not, devolve everything and we must be strategic in the future. The principle of subsidiarity was acknowledged in the Levelling Up White Paper and put into action in the mission to offer an MCA to every area that is capable of having it. The MCA regions represent an economically coherent scale of geography and it is therefore the sensible scale for the task of raising productivity among the workforce.

Focus should be put on carrying through devolution, drawing on successful international examples. We should realise that local government used to be strong in the UK and that we can rebuild it. Devolution could be beneficial in energising community engagement.

Learning – Certainty is elusive

Experimentation and learning are key. Uncertainty is real and we must take risks to overcome it. We must learn from both successes and failures, though the greatest risk of failure is from a lack of action.

Whitehall should focus less on trying to 'deliver' things and start to learn rapidly how left-behind places can catch-up. Rapid learning is best done at the local level, and localities should be encouraged by central government to innovate to facilitate learning. We should credit the good work that has been done in offering pockets of devolution across the UK but we should also put an emphasis on learning from what has been done. The ten combined authority mayors should develop their network to learn from each other.

Measurement – Measure the big things

Measurement is important but it must not be allowed to obscure progress. Too often local authorities are filling spread sheets with counts of minor indicators. Accountability is essential but this must be for the big consequential things, not the small inconsequential things.

Measurement should reflect that to match strategic plans. Tight outcomes and loose ways to achieve them should be the order of the day, with support to compensate when innovations are less successful. In achieving this, quality of leadership is an important factor. The UK Treasury's Green Book is an internationally envied asset which should be leveraged.

Communities – a latent resource

Communities do not know how much power they possess and should assert themselves more to gain the confidence of central government. Philanthropy, in the form of foundations and charities, and responsible businesses can help to stimulate community action. This has been achieved in places like Blackpool, which has been a focus for learning since cross-sector actors helped the town 'get its mojo back'. Radical energy fused with opportunities to act is what is needed. A hyperlocal focus for communities and an understanding of the ingrained structural inequalities that exist alongside spatial inequalities need considering in order to drive positive change.

Community strength should be measured seriously, fulfilling the six capitals framework of the Levelling Up White Paper. Associational infrastructure is important for building community strength and should be considered. We should be mindful that social value injections and local boosterism, though valuable, do not obscure the duty of government at all levels to provide a minimum level of service provision to constituents. The intergenerational disadvantage caused by structural barriers needs to be part of the solution.

Goal

The Levelling Up White Paper was strong in setting out the problems and the goal of the UK's policy for correcting spatial inequality. At present, England is an outlier in the extreme differences of life-chances depending on where a person was born or whether their parents attended university or not. It is of vital importance that life-chances are equalised on these two criteria so that, for example, nobody should be forced to leave their home region to get a high-wage/high quality job. A similar example is that the quality of vocational training must improve to make it so that high-wage jobs are more widely available to people who do not go to university. Such objectives could have substantial impact in correcting spatial inequality in the UK. If action is taken in accordance with the areas discussed above, then progress can be made to achieving this goal.

Roundtable participants

Lord Steve Bassam – Chair of the Place Taskforce, BITC

Jo Blundell – Co-Centre Lead, Place Matters

Andy Boucher – Chair, Show Your Connection Ltd

Andrew Clarke – Group Head of Masterplanning, Associated British Ports

Professor Sir Paul Collier – Professor of Economics and Public Policy, the Blavatnik School of Government

Tim Davies-Pugh – CEO, Power to Change

Dr Jacqui Dyer MBE – Director, Black Thrive Global

Professor Vincent Goodstadt – Steering Group Chair, UK2070 Commission

Cllr Simon Henig CBE – Councillor, Durham County Council

Felix Kumi-Ampofo – Director, Corporate Policy, South Yorkshire Mayoral Combined Authority

Jeffrey Matsu – Chief Economist, Chartered Institute of Public Finance and Accountancy

Cllr Calum Miller – Councillor, Oxfordshire County Council

Debbie Pippard – Head of Programmes, Barrow Cadbury Trust

Richard Puleston – Director Policy Unit, Chief Executive's Office, Essex County Council

Jonathan Skinner – Head of Economy and Local Industrial Strategy, West Midlands Combined Authority

Baroness Jo Valentine – Director of Place, Business in the Community

Baroness Professor Alison Wolf – Professor of Public Sector Management, King's Business School