



Fair Levelling Up for Rural?

Kerry Booth
Deputy Chief Executive



Fair Levelling Up for Rural

This presentation will cover:

- Levelling Up as a discretionary policy
- How's it going so far for rural?
- What could Government do better

What is Levelling Up...


- Levelling up is designed to address the longstanding problem of the UK's regional economic disparities - the 2020 Institute for Fiscal Studies (IFS) Green Budget included a chapter on levelling up, which identified the following characteristics of areas most in need of levelling up:
- A 'left-behind' area, in need of 'levelling up', is characterised by broad economic underperformance, which manifests itself in low pay and employment, leading to lower living standards in that area. Behind these factors lie other considerations such as poor productivity, which in turn may be associated with a low skill base. The health of the population may also be relatively poor: in some cases, this could be a legacy of de-industrialisation or long-term unemployment, as well as deep-rooted socio-economic issues.

Is rural part of that plan?


“We will Level Up our country, so the map of our whole United Kingdom is lit up with **competitive cities** and **vibrant towns** that are centres of life – places people are proud to call home, with access to the services and the jobs they need to thrive.”
Prime Minister, August 2021

“**Cities** are a fundamental driver of productivity growth... Our long-term vision is therefore for every region and nation of the UK to have at least **one globally competitive city** at its heart, helping to drive prosperity and increasing opportunity for all those who live nearby....” *and*: “People across the UK have lost out from structural economic changes simply because of where they live. Our approach to tackling disadvantage in these **struggling towns** focuses on....” *Plan for Growth 2021*


Does Rural need levelling up?




Gross Value Added per workforce job is £43,900 per annum in Predominantly rural areas. This is 17% less than the figure for England as a whole



Rural residents will pay, on average, 19% (£96) per head more in Council Tax than their urban counterparts due to receiving less government grant



Urban areas in 21/22 will still receive some 61% (£107) per head in Settlement Funding Assessment grant more than their rural counterparts



Earnings (mainly from wages) for jobs which are based in rural areas are lower than for jobs based in urban areas

Levelling Up Fund Priority areas

- Concerns over discretionary elements of Government pots of funding to be spent according to political reasons

The assessment process will focus on the following key criteria:

Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on need.

Deliverability - supplementary finance, management and commercial cases, with bids able to demonstrate investment or on ground in 2021-22 prioritised

Strategic fit with local and Fund priorities – this should be addressed in the strategic case of submissions and should include support from stakeholders

Value for money – an economic case should be submitted to explain the benefits of the bid and how it represents value for money

Ministers will have the opportunity to exercise discretion to meet the following additional considerations:

Ensuring a reasonable thematic split of approved projects (e.g. across regeneration and town centre, transport and culture and heritage);

Ensuring a fair spread of approved projects across Great Britain;

Ensuring a fair balance of approved projects across places in need;

Prioritisation of either 'strategic fit' or 'deliverability' or 'value for money' over the other criteria (noting this must be applied consistently to all projects);

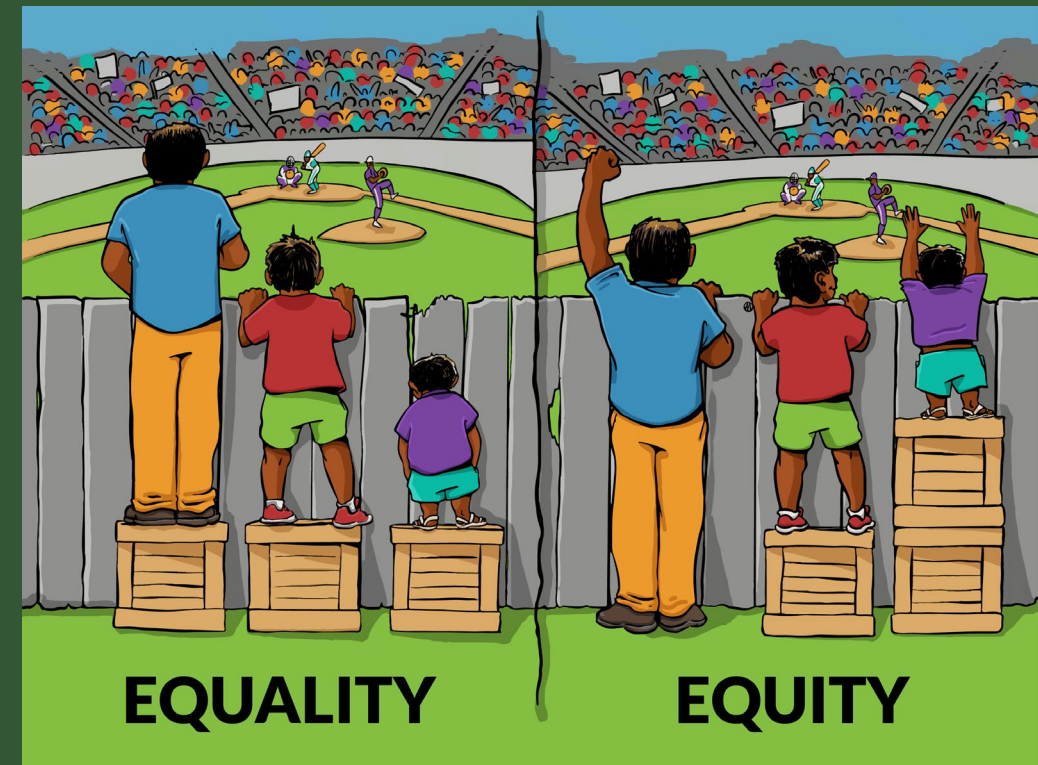
Taking into account other investment in a local area. In future rounds, this could include funding provided to local areas through the first round of this Fund.

Levelling Up Fund Allocations

| | Priority 1 | Priority 2 | Priority 3 | County Areas |
|-----------|--------------|-------------|-------------|--------------|
| Allocated | £175,022,289 | £63,118,425 | £46,599,910 | £99,994,470 |
| | 45% | 16% | 12% | 26% |

Predominantly Rural areas
spend per head
£73.76

Predominantly Urban areas
spend per head £71.67



Community Renewal Fund Allocations

| Priority Areas | | | £15.7 Million |
|---------------------|--------------------------------|---------------------|---------------|
| Predominantly Urban | Urban with Significantly Rural | Predominantly Rural | |
| 80% | 8% | 12% | |

| Non Priority Areas | | | £73.8 Million |
|---------------------|--------------------------------|---------------------|---------------|
| Predominantly Urban | Urban with Significantly Rural | Predominantly Rural | |
| 23% | 46% | 31% | |

+ £36 Million to Combined Authorities

ADULT SOCIAL CARE

Support Grant Inequality

Older people generally require greater social care support irrespective of where they live. Despite rural residents facing a greater cost burden for their care provision the gap between the the adult social care support grant is increasing.

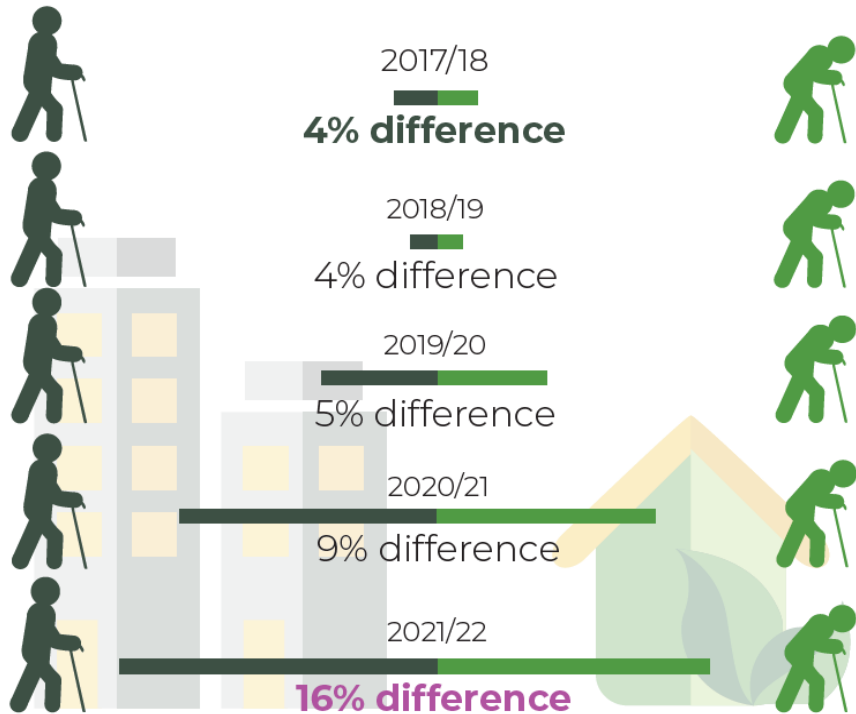
The gap between urban & rural social care grant is

INCREASING



4%
2017

16%
2021



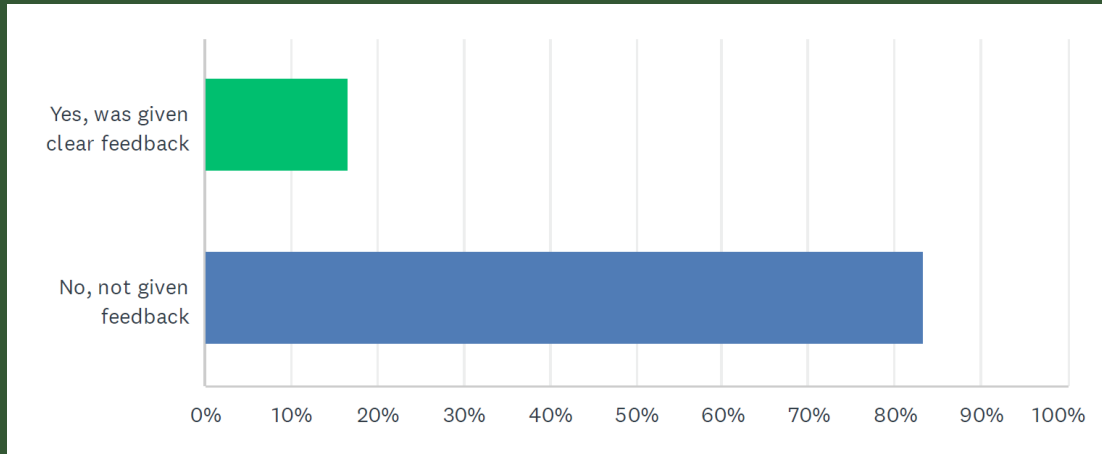
The background of the slide features several stacks of gold coins. On the left, there is a tall stack of approximately 12 coins. In the center and right, there are shorter stacks of about 6 and 5 coins respectively. The coins are arranged in a way that creates a sense of depth and value. The text is overlaid on the right side of the image.

Urban areas in 21/22 will still receive some 61% (£107) per head in Settlement Funding Assessment grant more than their rural counterparts

Rural residents will pay, on average, 19% (£96) per head more in Council Tax than their urban counterparts due to receiving less government grant

What do our member organisations think about the bidding process?

Do you know why your application was unsuccessful ?



“No feedback was given on the future of the high street application or the towns fund. We had ministerial visits but no feedback. We are hoping for feedback on the levelling up fund”

“This was an application to the Future High Streets Fund. All that was given was a short email outlining the characteristics of the successful applications. This was particularly galling as these were all featured in our own application so didn't give us any indication at all as to where our application fell short.”

Do you have any suggestions as to how the application process could be improved?

- Quite a lot, but key areas are a need to simplify the process for smaller authorities that do not have the same resources as larger authorities; a need to have more realistic delivery timescales and where applications have not been successful, proper and detailed feedback on why that is so.
- A little more transparency up front would have been helpful. If the funding was only going to be going to certain prioritised areas then it would have saved a lot of time and effort if that had been clear up front.
- More time from announcement to EOI/application date. We do not have the resources of the large unitary or municipal authorities (for example we do not have a data department). Pulling together supportive information is extremely time consuming. The real criteria for a successful application are not clear and we need to know if it is even worth applying if at the end of the day, they are just going to look at the deprivation index for example.

What do other organisations think of levelling up?

Salvation Army Research

- New research by the Salvation Army warns that more than a third of England's most deprived areas are at risk of missing out on funding and spiralling even further into poverty.
- Research published in their latest report **'Understanding people, Understanding places'** showed that more than a third of England's most deprived areas will not benefit from the Government's £4.8 billion Levelling Up Fund.
- The findings show that while coastal and rural areas feature some of the highest levels of deprivation, these are also the areas most likely to miss out on Levelling Up investment.



- The National Innovation Centre for Rural Enterprise (NICRE) has set out its argument about why and how the Government should develop 'rural-inclusive' Levelling Up policies, delivery programmes and resources.
- The Briefing Paper **A strategic case for equitable recognition of rural economies in Levelling Up policies** has evidence of the breadth and spatial reach of rural areas' economic contributions and acknowledges challenges faced by rural firms.

www.rsnonline.org.uk/community-renewal-fund-announcements


RURAL SERVICES NETWORK RHCA Login T: 018

ABOUT US LOCAL AUTHORITY RURAL SERVICE PARTNERSHIP TOWN & PARISH COUNCIL INFLUENCE IN PARLIAM

08.11.2021
COMMUNITY RENEWAL FUND ANNOUNCEMENTS

RURAL ENVIRONMENT NEWS COMMUNITY PARISH FUNDING CAMPAIGN NET ZERO

f t in



The Government announced last week around 500 locally led projects to benefit from the Community Renewal Fund that will help 'breathe new life into towns, villages and coastal communities across the UK as the government delivers on its mission to level up the nation and commitment to net zero'

Secretary of State for Levelling Up Michael Gove said:

"We are levelling up in every corner of the United Kingdom, backing locally-led projects that will make a real difference to communities and help to deliver our net zero commitments. There is incredible talent spread right across our great country and this investment will unlock the opportunities to match."

www.rsnonline.org.uk/levelling-up-to-create-living-working-rural-economies

RURAL SERVICES NETWORK RHCA Login T: 018

ABOUT US LOCAL AUTHORITY RURAL SERVICE PARTNERSHIP TOWN & PARISH COUNCIL INFLUENCE IN PARLIAM

29.10.2021
LEVELLING UP TO CREATE LIVING WORKING RURAL ECONOMIES?

RURAL ECONOMY ANALYSIS & COMMENTARY CORONAVIRUS COVID-19 LEVELLING UP

f t in



'Levelling up' is a term being used by Government to describe its ambitions for addressing longstanding local and regional inequalities as part of post COVID-19 economic recovery. Much of the focus is on wanting to target places most in need across the UK. Will this approach benefit rural economies and communities? Jessica Sellick investigates.

In April 2019, the House of Lords Rural Economy Committee published its report 'time for a strategy for the rural economy'. The Committee argued that "successive governments have undermined the contribution rural economies can make to the nation's prosperity and wellbeing...[and] that they have applied policies which were largely devised for urban and suburban economies, and which are often inappropriate for rural England". The Committee called on the Government to develop a rural strategy, ensure improved rural proofing is applied to all policies, and institute a place based approach which takes into account the diversity of the countryside.

www.rsnonline.org.uk/levelling-up-is-failing-to-solve-the-rural-housing-and-planning-crisis


RURAL SERVICES NETWORK RHCA Login T: 0182

ABOUT US LOCAL AUTHORITY RURAL SERVICE PARTNERSHIP TOWN & PARISH COUNCIL INFLUENCE IN PARLIAM

04.10.2021
LEVELLING UP IS FAILING TO SOLVE THE RURAL HOUSING AND PLANNING CRISIS

NEWS PLANNING RURAL HOUSING AFFORDABLE HOUSING COVID-19 LEVELLING UP

f t in



An article written by our Chief Executive, Graham Biggs, featured this week in The Planner and a copy of the article is shown below

The government's 'levelling-up' agenda will need a rethink if it is to address rural housing needs, says Graham Biggs

The government has announced a range of new funding mechanisms and plans for post-Covid recovery, to support its 'levelling-up' agenda. These have included a shake-up of the planning system through the planning bill, the Levelling Up Fund and the Community Renewal Fund, Towns Fund and the proposed UK Shared Prosperity Fund.

The case for fair funding for public services in rural areas predates the pandemic and urgently needs to be addressed. This

www.rsnonline.org.uk/rural-firms-losing-out-after-eu-funds-replaced


RURAL SERVICES NETWORK RHCA Login T: 018

ABOUT US LOCAL AUTHORITY RURAL SERVICE PARTNERSHIP TOWN & PARISH COUNCIL INFLUENCE IN PARLIAM

08.11.2021
RURAL FIRMS 'LOSING OUT' AFTER EU FUNDS REPLACED

NEWS RURAL ECONOMY FUNDING RURAL VULNERABILITY RURAL BUSINESS LEVELLING UP

f t in



The Times reports that rural businesses have accused ministers of "levelling down" the countryside after analysis of the budget found they will suffer a shortfall of hundreds of millions of pounds in grant funding

The UK Shared Prosperity Fund, due to launch in April 2022, replacing EU structural funds that targeted economic disparities, has not retained ringfenced funding for rural areas as the size of the fund will not match the £15 billion of EU funding until 2024-25.

Campaigners highlighted that the rural economy is 18% less productive than the national average, despite the fact that closing the gap would add an estimated £43 billion to the economy.

The report suggests that the UK Government is not prioritising tackling discrepancies between rural-urban areas.

RSN is reporting on the situation for rural

What does RSN want?

- Funding allocations must fully reflect the costs of delivering services in a rural context.
- Only local delivery can fully understand and respond to the local context, barriers, and opportunities.
- Government must:
 - Acknowledge that it needs to spend more to achieve the same outcomes in many rural locations than in urban ones.
 - Apply to England the same principles as are explicitly acknowledged in the United Kingdom government's funding settlement for the devolved administration in Wales (namely that there are higher costs and greater need in rural areas).
 - Endorse the principle that Levelling Up must relate to revenue spending core allocations and not just to capital spend if its objectives are to be met.
 - Endorse the principle that policies do not need to deliver an equal level of resources for rural areas and urban areas but should be fair and equitable and demonstrate proportionality to rural areas.

What does RSN want?

Rather than considering a mix of causes and effects, it would be more appropriate for funds that are a part of the levelling up agenda to assess the standards of living achievable in different locations given **local labour market conditions**.

Processes through which the criteria for the success of 'levelling up' will be measured, must be specified in a way that makes visible and encourages progress in **reducing rural disadvantage**.

In turn, these criteria need to be embodied in the broader Green Book appraisal process.

It remains unclear on what metrics the success of levelling up will be measured, although productivity, employment and educational attainment are mentioned in the Green Book review response. Whatever are chosen need to properly reflect the nature of rural disadvantage.