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Left
Behind
Neighbourhoods

A neighbourhood strategy for national renewal



Final report of the APPG for 'left behind' neighbourhoods' inquiry into levelling up

October 2023

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About Local Trust

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places in which they live. We believe there is a need to put more power, resources, and decision making into the hands of communities. We do this by trusting local people. Our aims are to demonstrate the value of long term, unconditional, resident-led funding, and to draw on the learning from our work delivering the Big Local programme to promote a wider transformation in the way policymakers, funders and others engage with communities
and place.

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Cover photo: Co-chair Ralph Rudden leads a tour of Sale West's community green spaces at the Big Local climate residential (David Oates/Local Trust)

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About the APPG

The All-Party Parliamentary Group (APPG) for 'left behind' neighbourhoods is a cross-party group of MPs and Peers. It was formed to increase opportunities and improve the quality of life for people living in areas which face a mixture of economic deprivation and insufficient social infrastructure – the connections, organisations and spaces to meet that enable communities to make positive changes for themselves.

About OCSI

Oxford Consultants for Social Inclusion (OCSI) works with public and community organisations to improve services. OCSI turns complex datasets into engaging stories, and makes data, information and analysis accessible for communities and decision makers. A spin-out from Oxford University, OCSI has helped hundreds of public and community sector organisations to make their services more efficient and effective.

ocsi.uk

About Reform

As Britain's leading cross-party public services think tank, Reform is dedicated to advancing ideas to radically improve the functioning of the State. Its mission is to reimagine how the State operates in order to shape a new social settlement fit for today and the coming decades. Reform provided policy support for the APPG's inquiry into levelling up.

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Executive summary

We are at a crucial moment for England's 'left behind' neighbourhoods, and decisions made in the next few years will define their prospects for decades to come. Decisive action is now urgently needed to save levelling up from the strategic drift which threatens to waste the significant political will generated in recent years to transform the fortunes of these places.

How can we ensure that the communities that have long missed out on their fair share of services and opportunities are no longer 'left behind'?

This report makes a compelling case for remaking the levelling up agenda to put 'left behind' areas front and centre of a new mission of national renewal. Evidence heard over the course of the APPG's inquiry emphasised that community-led change can transform a neighbourhood's fortunes.

To be successful and sustainable, levelling up must:

- Be led by local people – the experts best placed to know what needs to be done to improve local outcomes
- Reflect local needs and circumstances – not follow a national template
- Entrust decision-making – including funding – to communities, not Whitehall or the town hall
- Invest long-term in communities – to build capacity, social infrastructure, opportunity and resilience.

Improving outcomes in 'left behind' neighbourhoods will bring benefits far beyond their boundaries. By addressing the challenges resulting from high levels of socio-economic deprivation and community need, policymakers can turbo-charge existing efforts to disrupt cycles of disadvantage, reduce demand on public services, and allow individuals to contribute meaningfully to their communities and the wider economy.

About the APPG's inquiry

The APPG began a major inquiry into the government's levelling up agenda following the publication of the Levelling Up the United Kingdom White Paper in the spring of 2022. The White Paper set out four main objectives for government:

- Boosting productivity, pay, jobs and living standards
- Spreading opportunities and improving public services
- Restoring a sense of community, local pride and belonging
- Empowering local leaders and communities.

It was accompanied by funding schemes to develop local infrastructure, boost community ownership of local assets, promote town centre regeneration, and drive investment in deprived places.

This report is the final output from the APPG's inquiry, which examined how closely this ambitious policy programme aligns with the needs and aspirations of the 2.4 million people living in 225 'left behind' neighbourhoods across England. It sets out proposals to realise a better future for 'left behind' neighbourhoods, gathered from the insights and evidence yielded by the inquiry process and the perspectives of communities themselves.

'Left behind' neighbourhoods – why we need a 'least first' approach to levelling up

The APPG uses 'left behind' to describe a particular set of local authority wards: those facing the dual disadvantage of high levels of deprivation and community need, and low levels of investment and resources. These are neighbourhoods ranked in the ten per cent most deprived on both the Community Needs Index and the Index of Multiple Deprivation.

'Left behind' communities face multiple challenges that limit their opportunities compared to other places. They have worse socioeconomic outcomes than the English average – as well as other, equally deprived areas. They lack places to meet, such as pubs, community centres and village halls. Many are in areas of low economic activity, making it difficult to find work or access services. Poor public transport and weaker digital connectivity leave them isolated. Children in 'left behind' neighbourhoods are more likely to attend underperforming schools.

As the APPG has heard, recent political and economic developments have hit these neighbourhoods particularly hard. High levels of debt, financial insecurity and fuel poverty make them more exposed to the cost of living crisis (APPG for 'left behind' neighbourhoods, 2022a). Local authority funding has fallen faster and further in more deprived places than in more prosperous ones (Williams, 2023a). Charitable and third sector organisations are less than half as likely to have a presence here. And the decline in local newspapers and radio leaves communities with little reliable information about their area (Macroscope, 2023; Charitable Journalism Project, 2023).

The current context

As the inquiry heard repeatedly, the current model of levelling up is not well-tailored to the needs of 'left behind' neighbourhoods. We identified three main causes:

1. The failure to consider important sources of disadvantage that are either specific to 'left behind' neighbourhoods or have specific impacts there
2. The absence of sufficient collaboration with people living in 'left behind' neighbourhoods whose experiences and perspectives will be necessary to develop the right policy and funding models
3. A basic lack of sufficiently detailed data to guide policy decisions and ensure levelling up reaches the 'left behind' communities it is supposed to prioritise

Our evidence also highlighted the risk that, in its current form, levelling up will not make a difference in the areas that need it most. Existing initiatives don't fully recognise the scale of the issues these neighbourhoods face, and economic instability and the rising cost of living could undo much of the progress made so far.

What should we do differently?

Many factors make solving place-based inequality difficult; in 'left behind' neighbourhoods these combine to create serious barriers to change. We have distilled what needs to be done to overcome these barriers in three key areas.

Redistribute power from the centre to community

Powers, responsibilities and accountabilities are too concentrated in Westminster and Whitehall. Improving the lot of 'left behind' neighbourhoods demands devolution that decentralises power to neighbourhoods themselves – those who best understand local needs and priorities. It is vital that communities are given a real say in the decisions that affect them.

Transform funding and resources

Evidence shows that 'left behind' communities often struggle to access investment and miss out on their fair share of funding. Centrally managed competitive bidding effectively screens them out, demanding significant effort with no guarantee of success. Other blocks include convoluted application procedures, stringent eligibility criteria, little supportive civic infrastructure, and a 'language gap' between how people think and talk about their lives, and the terminology used by government and – often – civil society organisations. What's more, the dominant funding model favours one-off capital investment over the revenue funding critical for community development. Meaningful progress requires targeted investments in social capital, local leadership, and community capacity building.

Shift culture from control to trust

National appraisal systems rarely reflect specific local needs. We must move towards a culture of trust in which local people are empowered to act and then held accountable, and away from a culture of control by the centre.

We are at a critical point

We see three possible futures for 'left behind' neighbourhoods: worst-case, where they fall further behind; base-case, where – despite huge efforts – they are only running to stand still; and best-case, a re-imagined levelling up agenda – with policies co-produced with communities, and powers meaningfully devolved to allow tailored local approaches – which sees 'left behind' neighbourhoods leaping forward.

The best case requires the most ambition, imagination and political will. Here:

- Government rethinks current policy, underpinned by new principles designed to benefit 'left behind' neighbourhoods
- Funding reflects the very different starting positions of these neighbourhoods, ensuring early investment in the necessary building blocks for change
- New processes harness the experience and capacity of local people at every stage of policy development
- Local residents are engaged in making decisions and take ownership of their community's development
- Long-term investments create a solid foundation for sustainable growth and regeneration
- Young people get a fair chance through quality education and training programmes
- Adults gain new employment opportunities through tailored adult education and high-quality technical qualifications
- Good jobs become available where people live
- Quality healthcare and social services help address long-standing health disparities.

Policy recommendations

Policy programmes must start from where these places, and the people who live in them, are *now*, harnessing local strengths and measuring progress according to local needs and priorities. This means moving decisively away from centralised control, coupled with a new emphasis on building capacity so communities can lead decisions over what happens in their local area. We make the following recommendations for action across central and local government, and for established community organisations working to make a difference in 'left behind' neighbourhoods.

1. Recommendations for central government: delivering on the promises of levelling up

- 1.1: A next-generation devolution programme
- 1.2: A renewed commitment to community empowerment
- 1.3: A new era of community ownership
- 1.4: A re-invented funding model
- 1.5: A redefined framework for measuring success

2. Recommendations for local government: improving outcomes in 'left behind' neighbourhoods

- 2.1: Stronger collaboration between local government and public bodies
- 2.2: More effective engagement with communities
- 2.3: Clearer communication and decision-making
- 2.4: Prioritisation of capacity building
- 2.5: Targeted investment in social infrastructure and local initiatives

3. Recommendations for community organisations: operating within 'left behind' neighbourhoods

- 3.1: Fostering a culture of mutual support
- 3.2: Encouraging knowledge sharing

This new model of levelling up could provide a very different future for 'left behind' neighbourhoods: supporting communities to mobilise, unlocking resources, and addressing entrenched sources of disadvantage.

This is a scenario where 'left behind' neighbourhoods begin to flourish, becoming vibrant communities where residents can access quality services and economic opportunities. Enhanced devolution of power to local authorities, and to communities themselves, leads to a more efficient and targeted use of resources, ensuring that those with the most experience and expertise lead initiatives and make decisions about provision for each area. Long-term investments in both physical and social infrastructure create a solid foundation for regeneration and renewal. As the lives of people in 'left behind' neighbourhoods improve, the benefits are felt both regionally and nationally.

In this future, 'left behind' neighbourhoods emerge as models of resilience. Faced with global challenges like climate change, these communities are better equipped to adapt. Their success showcases the power of collaboration between different levels of government, the private sector, and civil society in driving sustainable, inclusive growth.

The decisions we make now will define which future the residents of 'left behind' neighbourhoods can expect over the coming decades. They can continue to be places where human flourishing is limited and potential squandered. Or these places can become a cornerstone of our national recovery from a decade of challenges, and a new source of resilience for the even greater challenges ahead.

The next few moves will be decisive.

Co-chairs' foreword

We embarked on our inquiry into levelling up 'left behind' neighbourhoods shortly after the publication of the Levelling Up White Paper, at a time when all COVID-19 restrictions had only recently been lifted. Our opening inquiry session in April 2022 was the first meeting of the APPG to be held in person in Parliament since it was formed in June 2020.

Since then, we have held three further inquiry sessions following the broad outline of the White Paper's missions, as well as two roundtables and a consultation event at St George's House, Windsor Castle. We have heard the testimony of 21 expert witnesses and were delighted to receive 46 contributions from a wide range of individuals and organisations in response to our open call for evidence.

As co-chairs of the APPG, we believe this is our most important report to date.

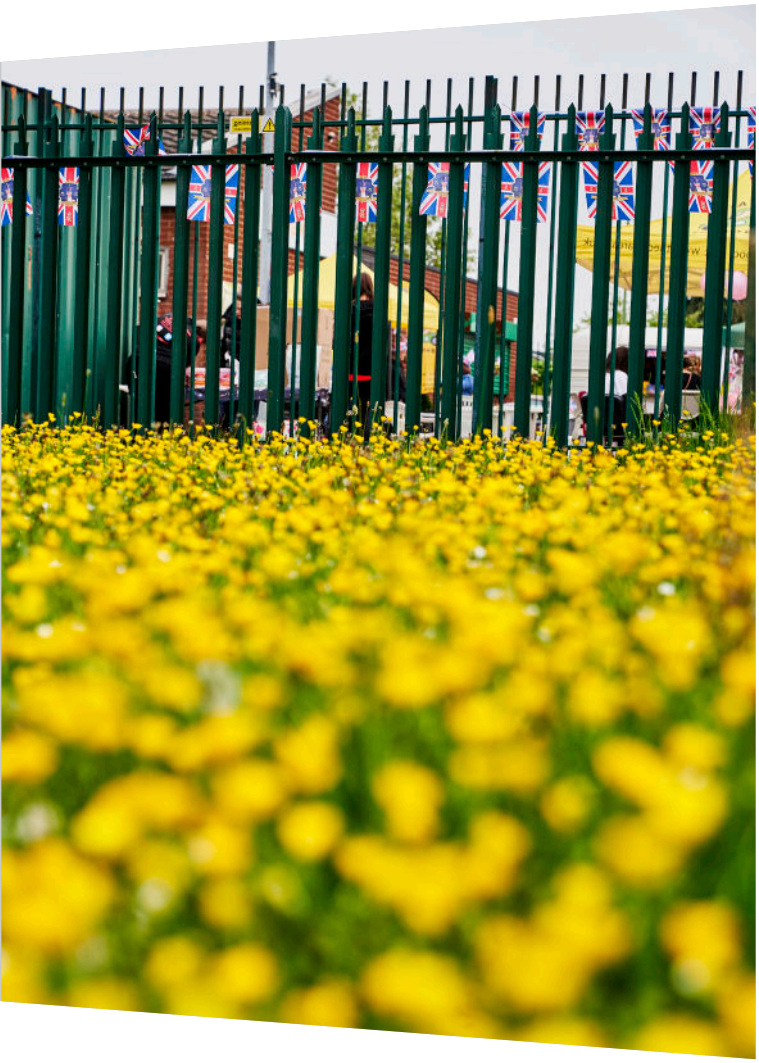
It deals with one of the most pressing domestic issues facing us as a country: how we ensure the communities that have long missed out on the opportunities and services that most of us take for granted are no longer 'left behind'. We represent constituencies that contain many of these areas, and know the extent of the deep-seated issues and complex challenges their local residents often face in their daily lives.

We also know the latent talent, skills and ambition that exists in many communities that have, sadly, been so badly let down and written off. When this potential is fostered, developed and harnessed through the right sort of long-term support, commitment to community capacity-building and investment in strengthening social infrastructure, we know how powerful community-led change can be in turning around a neighbourhood's fortunes, and by extension, the prospects of the people that live there.

Hearing the stories of neighbourhood-based community activism by ordinary people has been a highlight of the inquiry. They are doing extraordinary things to regenerate their communities – from County Durham to Dover, and from Blackpool to Grimsby.

This is levelling up, from the bottom up. To ensure that no areas miss out on the investment they need, and that the spatial inequalities that exist between neighbourhoods and within local authority areas are recognised and addressed, we need a strategic, long-term approach and commitment.

To be successful and sustainable, levelling up must also reflect local needs and circumstances; it can't be something that is 'done to' people, with decisions over investment and priorities made by Whitehall, or indeed the town hall, and simply imposed on communities. As we have heard over the course of the inquiry, it needs to be a process that not just involves local people, but is led by them as the real experts who are best placed to know what needs to be done to improve local outcomes.



(Ian Davies/Local Trust)

We share a positive vision for the future of 'left behind' neighbourhoods: repairing their worn local social fabric to create flourishing, vibrant communities. Places where residents are better connected to the opportunities, facilities and services they need for their security, wellbeing, and prosperity, and for children and young people to succeed and get on in life.

Investment in building community capacity and the social infrastructure that engenders a healthy civil society and underpins economic development will help 'left behind' neighbourhoods avoid the scenarios we outline in this report: the base-case situation of stagnation, or the worst-case scenario of falling further behind. The findings from our inquiry chart a clear course to a third, best-case scenario, which sees left behind' neighbourhoods leap forward.

For levelling up to do this, and to meet the needs and aspirations of 'left behind' neighbourhoods, policy and practice need to be re-engineered, with a strategic focus at the neighbourhood level and an investment and delivery approach that gives local people the tools and resources they need to play their rightful and essential role in the stewardship of the places they call home.

Not everyone may agree with all the recommendations in this report, but we hope that the central premise is one that merits consideration across the party-political spectrum. We believe it is an important new contribution to the debate on how we think about and 'do' regeneration policy, and that it makes a compelling case for why the levelling up agenda should be remade in a way that puts those areas identified as 'left behind' front and centre of a new mission of national renewal. We would like to thank everyone who has been involved in the inquiry, particularly those who provided oral and written evidence, and hope the report accurately reflects their contributions.



Paul Howell MP



Rt Hon Dame Diana Johnson DBE MP

Co-chairs of the APPG for 'left behind' neighbourhoods

Introduction

Following the 2019 general election which signalled the arrival of the levelling up agenda, the Levelling Up White Paper represented a welcome acknowledgement by the government of the specific and strategic need to address place-based inequalities. With work underway to develop policies and funding programmes that will make a meaningful difference for those parts of the country experiencing worse outcomes than elsewhere, the stage is set for a major debate on how best to tackle these inequalities in the next general election.

To support its levelling up agenda, the government has launched a series of funding schemes to invest in the development of local infrastructure, boost community ownership of local assets, promote town centre regeneration, and drive investment in deprived places. It has also set out four main objectives for levelling up:

- Boosting productivity, pay, jobs and living standards
- Spreading opportunities and improving public services
- Restoring a sense of community, local pride and belonging
- Empowering local leaders and communities.

Despite these efforts, governments have to date struggled to make much of a tangible difference in what we believe are the most 'left behind' neighbourhoods, or to the lives of people that live there.

Economic turbulence now threatens to reverse the progress that has been made towards building the political will to 'level up' 'left behind' neighbourhoods. In the meantime, it is in these neighbourhoods that the rocketing cost of living has been felt most keenly. Indeed, research by Oxford Consultants for Social Inclusion (OCSI) for the APPG found that people living in 'left behind' neighbourhoods have seen a sharper rise in fuel poverty since 2011 than people living in other deprived areas and across England as a whole (2022a). These places are also at higher risk from financial hardship and food insecurity than other deprived areas, according to the British Red Cross's assessment criteria for vulnerability to rising costs (OCSI, 2022a).

In 2022 the APPG began a major inquiry into the government's levelling up agenda. The inquiry aimed to assess how closely the ambitious policy programme set out in the White Paper aligns with the needs and aspirations of the 2.4 million people living in 225 'left behind' neighbourhoods across England: places which experience significant socioeconomic deprivation as well as a critical lack of local social infrastructure and community engagement.

This report argues that we have arrived at a crucial, decisive moment for the future of 'left behind' neighbourhoods. Decisions made in the next few years will define the prospects of 'left behind' neighbourhoods for decades to come:

Worst-case scenario: Falling further behind

If the current levelling up programme fails or proves to be counterproductive, we could easily see 'left behind' neighbourhoods falling further behind as other places find themselves better placed to weather current and future challenges and capitalise on new opportunities.

Base-case scenario: Stalled progress

We may find that, if the current levelling up programme is delivered without further ambition, the current gap persists. In terms of life chances, social outcomes, future prospects and the realisation of potential, the average 'left behind' neighbourhood will be in much the same position as it is today. In some places, things will be worse; in others, marginally better. The huge amount of effort and investment already committed will only result in 'left behind' neighbourhoods running to stand still.

Best-case scenario: Transformation

A re-imagined levelling up agenda – with policies co-produced with communities in 'left behind' neighbourhoods, and powers meaningfully devolved so that approaches can be tailored to particular contexts – could see 'left behind' neighbourhoods leaping forward. The benefits of their improved social and financial outcomes will enable them to thrive.

As the APPG's inquiry heard repeatedly in evidence sessions and written submissions, the current model of levelling up is not well-tailored to the needs of 'left behind' neighbourhoods. Yet it still remains possible to adapt policy and funding programmes to reduce the gap between places that are 'left behind' and those which have benefitted immensely from the decisions, innovations, and economic trends of the last few decades. Decisive action is now urgently needed to save the levelling up agenda from the strategic drift which threatens to waste the significant political will which has been generated in recent years to transform the fortunes of 'left behind' places.

So far, the government's approach has not sufficiently recognised the scale of the challenge in 'left behind' neighbourhoods. Nor has it acknowledged the innovative and community-led approaches our inquiry has found are most likely to make a difference in these places. In fact, the design of levelling up policies and funding pots risks overlooking the specific needs of 'left behind' neighbourhoods, and could even produce worse outcomes in the very places levelling up is supposed to help. This is why the ideas and decisions we develop and make over the next few years may decide the future trajectory of 'left behind' neighbourhoods for decades to come.

'Left behind' neighbourhoods and the people who live in them face multiple challenges and inequalities that limit their opportunities and potential compared to other places:

- 'Left behind' neighbourhoods have worse outcomes than the English average – as well as other, equally deprived areas – across a variety of socioeconomic indicators
- 'Left behind' neighbourhoods have lower levels of social capital, trust and civic participation
- 'Left behind' neighbourhoods have been hit particularly hard by the COVID-19 pandemic and its economic and social consequences
- A combination of high levels of indebtedness, financial insecurity and fuel poverty means 'left behind' neighbourhoods are particularly vulnerable to the current cost of living crisis.

The experiences of residents of 'left behind' neighbourhoods offer an insight into the reality of place-based multiple disadvantage. But they also showcase the existing assets and tools within these communities that can help drive neighbourhood improvements.

Unleashing the potential of 'left behind' neighbourhoods will require:

- A more community-focussed, people-centric and locally-minded approach to devolution within England that invests as much in building community capacity and social infrastructure as it does in physical regeneration schemes
- Significant changes to how we reach funding and policy decisions
- A cultural shift in how various levels of government and the voluntary and community sector work with 'left behind' neighbourhoods to improve local conditions.

Above all, policy programmes to transform 'left behind' neighbourhoods must start from where these places, and the people who live in them, are *now*, harnessing local strengths and measuring progress according to local needs and priorities. This means moving decisively away from the culture of centralised control from Westminster and Whitehall, which has held back efforts to address the country's stark place-based inequalities for decades. It will require a new emphasis on building capacity within communities to ensure they have a seat at the table and the ability to take a lead in making decisions over what happens in their local area.



(Michael Gant/Local Trust)

> "The community knows what it needs. And I think at all levels of local and national government, one of the big things that needs to be embedded is actually trust in local people."
>
> **Anna Bradley-Dorman**, Ramsey Million Big Local, oral evidence to inquiry session two

Throughout our inquiry, we heard many examples of community resilience and resourcefulness. 'Left behind' places are reservoirs of untapped talent and potential, and a policy approach designed to play to their strengths and harness their resourcefulness will not only deliver better opportunities within 'left behind' neighbourhoods, but also contribute to faster economic growth and development across wider society.

> "If you take the approach of involving young people, you'll find they are willing to put thousands of hours in of their own time to volunteer in their community. If you give young people a small sense of responsibility, they will take it and run with it."
>
> **Billy Robinson**, Ewanrigg Local Trust, oral evidence to inquiry session one

The perspectives of people living and working to improve 'left behind' neighbourhoods reinforce this enormous potential, and highlight a deliverable framework for success: a pathway for harnessing hyper-local and community-led action to genuinely tackle inequalities between places in England.

With the right policy and funding support to enable community development, mobilisation, facilitation, and self-governance, we could significantly transform the prospects of 'left behind' neighbourhoods.

Our calls to action

In our publications, research and analysis, the All-Party Parliamentary Group for 'left behind' neighbourhoods has called for more devolution of power and resources to local communities, as well as targeted investment in 'left behind' areas, to help them catch up with the rest of the country.

This would give 'left behind' neighbourhoods more control over their own destinies and enable them to develop and implement their own solutions to the challenges they face.

We have also identified the need for a more coordinated and holistic approach to tackling issues in 'left behind' neighbourhoods to address the interconnected challenges they face. This includes improving education and skills provision, boosting employment opportunities, enhancing access to health and social care, and improving housing quality. To achieve this, we are calling for greater collaboration between different levels of government and different policy areas, as well as far greater engagement with local communities to ensure that local voices are heard, and their needs met.

Our inquiry into levelling up

Published in February 2022, the Levelling up the United Kingdom White Paper sets out the government's plan to spread opportunity more equally across the United Kingdom. The APPG began its inquiry to investigate the extent to which the ambitious policy programme set out within the White Paper aligns with the needs and aspirations of residents in 'left behind' neighbourhoods across England.

Four inquiry sessions – each live-streamed to the APPG's external members – were held in Parliament. Over twenty expert witnesses provided evidence, including representatives from think tanks, city-regional government, civil society and academia, as well as residents of 'left behind' and other disadvantaged neighbourhoods.

Each session was loosely organised around the White Paper's thematic focus areas and missions:

- Social outcomes (April 2022)
- Economic outcomes (July 2022)
- Communities (November 2022)
- Investment (January 2023)

This report

This report is the final output from the APPG's inquiry into levelling up.

It draws on the wealth of written and oral evidence we received and the discussions that emerged from the four evidence sessions, supplemented by further research, including:

- A two-day St George's House consultation at Windsor Castle, bringing MPs and policy professionals into discussion with community leaders from 'left behind' neighbourhoods
- An in-person workshop to engage with policy researchers and thinkers specialising in localism and place-based inequality
- A further remote workshop to engage with representatives from Big Local groups and local authorities operating in 'left behind' neighbourhoods.

These later sessions have shaped the content and ideas that are presented here in important ways. We do not include direct quotes as the discussions were all conducted under the Chatham House Rule.

This report builds on the APPG's existing evidence base to examine the government's levelling up policies and their impact on 'left behind' neighbourhoods. It aims to inform and advise government at all levels, to identify best practice for regeneration that puts communities themselves in the driving seat, and to make the case for a re-imagined levelling up agenda and policy programme that puts the interests of 'left behind' neighbourhoods at its heart.

It includes:

- An overview of what we have learned about the nature of 'left behind' neighbourhoods – and their potential if they are finally adequately supported
- An analysis of the challenges and barriers to regeneration in 'left behind' places, drawing on both the hard data and the lived experience of local residents
- A set of policy principles to provide an underpinning framework for future regeneration policy or other programmes designed to improve conditions and life opportunities in 'left behind' areas
- Policy recommendations, to respond to the challenges and deliver on the principles identified previously, across both central and local government, and community organisations.

It is crucial to prioritise and elevate community voices in any discussion of deprived or 'left behind' neighbourhoods. People who live in 'left behind' neighbourhoods and other disadvantaged communities, and who are involved in community-led efforts to transform their local areas, have been a key part of our inquiry process. Residents, community workers and volunteers have the lived experience and understanding of the strengths, challenges, and nuances that statistics and outsider policy perspectives may miss. By foregrounding their priorities we hope to ensure that the policies discussed here resonate with the actual needs and aspirations of their communities. We hope it will also help to foster a sense of ownership of and engagement with the report's proposals amongst community leaders, activists and volunteers in 'left behind' places.

> "Ultimately we do have a view of how we want to live. And actually it's pretty much the same as everybody else on the planet. A nice home, safe, attractive and green neighbourhood, good neighbours and enough money not to have to worry all the time."
>
> **Billy Dasein**, East Marsh United, oral evidence to inquiry session four

The prize: a future of community and national renewal

'Left behind' neighbourhoods can be home to innovative and transformative community projects, capable of making an enormous difference within the most challenging of environments. This report shares the perspectives of some of the people and community groups that are making this difference, and the context that made success possible.

This community-powered potential – which nobody taking part in the inquiry's evidence sessions could doubt – points to significant wider benefits if 'left behind' neighbourhoods are supported to thrive. These benefits could extend far beyond the boundaries of 'left behind' neighbourhoods themselves, with a welcome spillover effect that strengthens our national social and economic fabric; building resilience, reducing demand on public services, and helping to support the achievement of the government's wider political agenda.

Neighbourhood-scale and community-led strategies to 'level up' could represent a genuine route to national renewal if the civil society sector and every tier of government enable and facilitate them.

‘Left behind’ neighbourhoods: definition, experience, and opportunity

Understanding ‘left behind’ neighbourhoods

> “We feed up to 150 people a day with our surplus food in a small estate in Reading, and we see people every day who, if they're lucky, have a kettle. That's all they have, and that's only if they've got money on their electric card.”
>
> Trisha Bennett, Community Development Co-ordinator, Whitley Big Local, oral evidence to inquiry session one

The concept of ‘left behind’ neighbourhoods refers to the unequal distribution of economic, social, and technological opportunities – where some communities have seen few of the promised benefits of a more globalised economy. First publicised by political scientists in 2014, the use of the term ‘left behind’ increased in England following the Brexit referendum. A common explanation for the ‘leave’ result, from academics and commentators, has been that people living in areas that were not directly experiencing the benefits of the status quo felt ‘left behind’ by the pace of change and progress of globalisation, and voted for Brexit as a protest against the establishment (Goodwin et al., 2016).

> “Over the period 1981-2018 Britain’s 'left behind' places have seen 25-50% less growth in output and employment than the nation. This has widened socio-economic imbalances considerably”.
>
> **Professor Peter Tyler,** University of Cambridge, oral evidence to inquiry session two



(Local Trust)

The term 'left behind' and its explanation have been seen as problematic by some, particularly as they suggest that residents of 'left behind' neighbourhoods are hankering after the past, or are uncomfortable with aspects of modern life (Morrison, 2022). It has also been regarded as negating the heritage and history of places, as well as the very real – if sometimes frustrated – pride in place many residents feel (Community Wealth Fund Alliance, 2021). The term 'held back' might be more appropriate in some contexts, given the impact of central government policy decisions on these places (Local Trust, 2019).

> "Growing up in a deprived neighbourhood in the 1960s didn't mean to say we identified as poor. We were absolutely rich in community spirit and ability to mobilise, and that is still very true today in 2023, despite how communities are often labelled."
>
> **Barbara Slasor**, Gaunless Gateway Big Local, oral evidence to inquiry session four

The APPG uses 'left behind' to identify and describe a very particular set of wards, not to imply that the areas so described lack people with skills and commitment or a rich heritage. We adopted 'left behind' as shorthand for those disadvantaged areas with high levels of community need that we advocate on behalf of. This bears out our foundational research which outlined that the key barrier to development in these neighbourhoods is a lack of services, facilities and connectivity that other areas often take for granted.

> "Poverty is not about low aspiration, poverty is about generations of families lacking choices and access, it's about the direct impact this lack of choice and access has on families, and the indirect impact it has on those around them. It is about the shame, depression and anger that comes from a lack of health, social, cultural and life opportunities."
>
> **Reece Pocklington**, Ewanrigg Local Trust, oral evidence to inquiry session one

Foundational research by Local Trust and Oxford Consultants for Social Inclusion (OCSI) made what was previously a widely-used but vaguely conceptualised term more specific, essentially providing a quantitative definition for 'left behind' areas.

> **The definition we use in this report is that 'left behind' neighbourhoods are those local authority wards that experience the "dual disadvantage of high levels of deprivation and socio-economic challenges [and are] lacking in the community and civic assets, infrastructure and investment required to mitigate these challenges" (OCSI, 2019).**

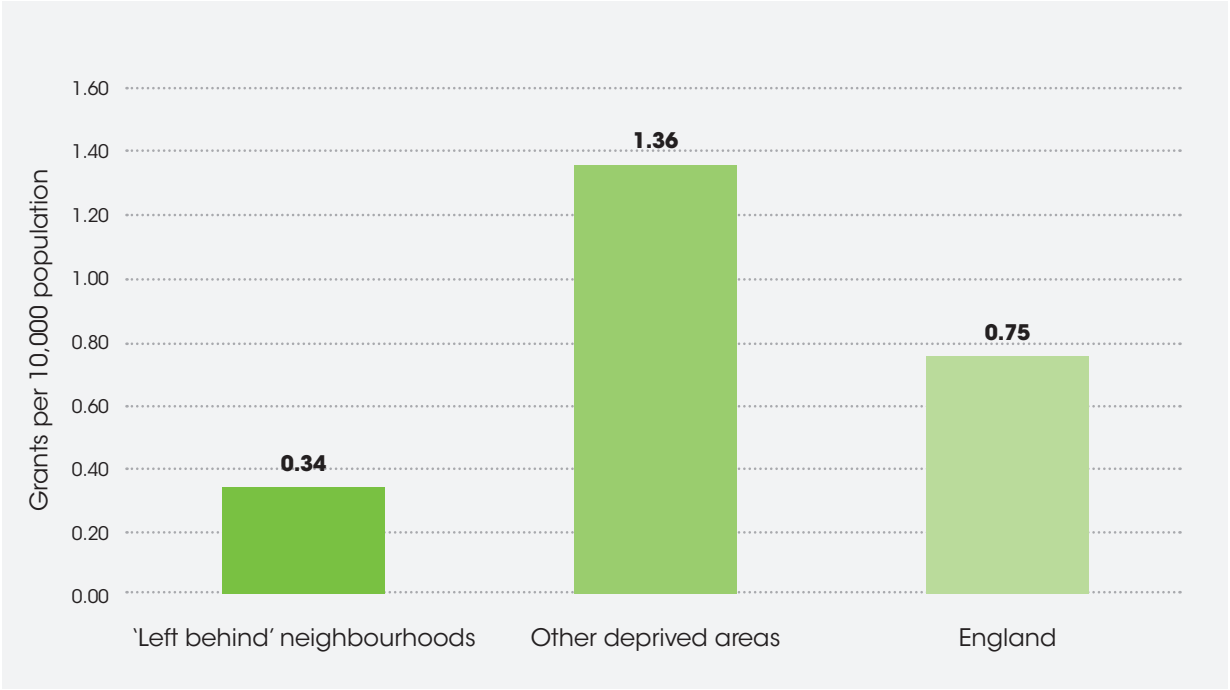
These are neighbourhoods that are ranked in the ten percent most deprived across both the Community Needs Index and the Index of Multiple Deprivation.

Both of these scales measure types of disadvantage.

The Community Needs Index measures civic assets, digital connectedness and how engaged and active communities are (OCSI, 2019). The Index of Multiple Deprivation measures the level of relative poverty in an area, principally driven by income levels, employment levels, education, and health (Ministry of Housing, Communities and Local Government, 2019). Combining these indices helps identify areas which have both high levels of deprivation and a lack of the community assets, infrastructure and investment needed to build local resilience (OCSI, 2019). This means that the challenge is particularly stark in these places. Efforts to improve local conditions are impeded by a lack of access to civic assets and a low starting-point for community mobilisation and engagement. 'Left behind' neighbourhoods therefore require tailored policy approaches if they are to make progress.

> "'Left behind' neighbourhoods do have lots of similar characteristics, but there are also key differences in terms of housing tenure, population characteristics, proximity to vibrant local economies and so on. So that whole point about deriving local solutions to local problems is critically important."
>
> **Professor Sarah Pearson**, Centre for Regional Economic and Social Research, oral evidence to inquiry session three

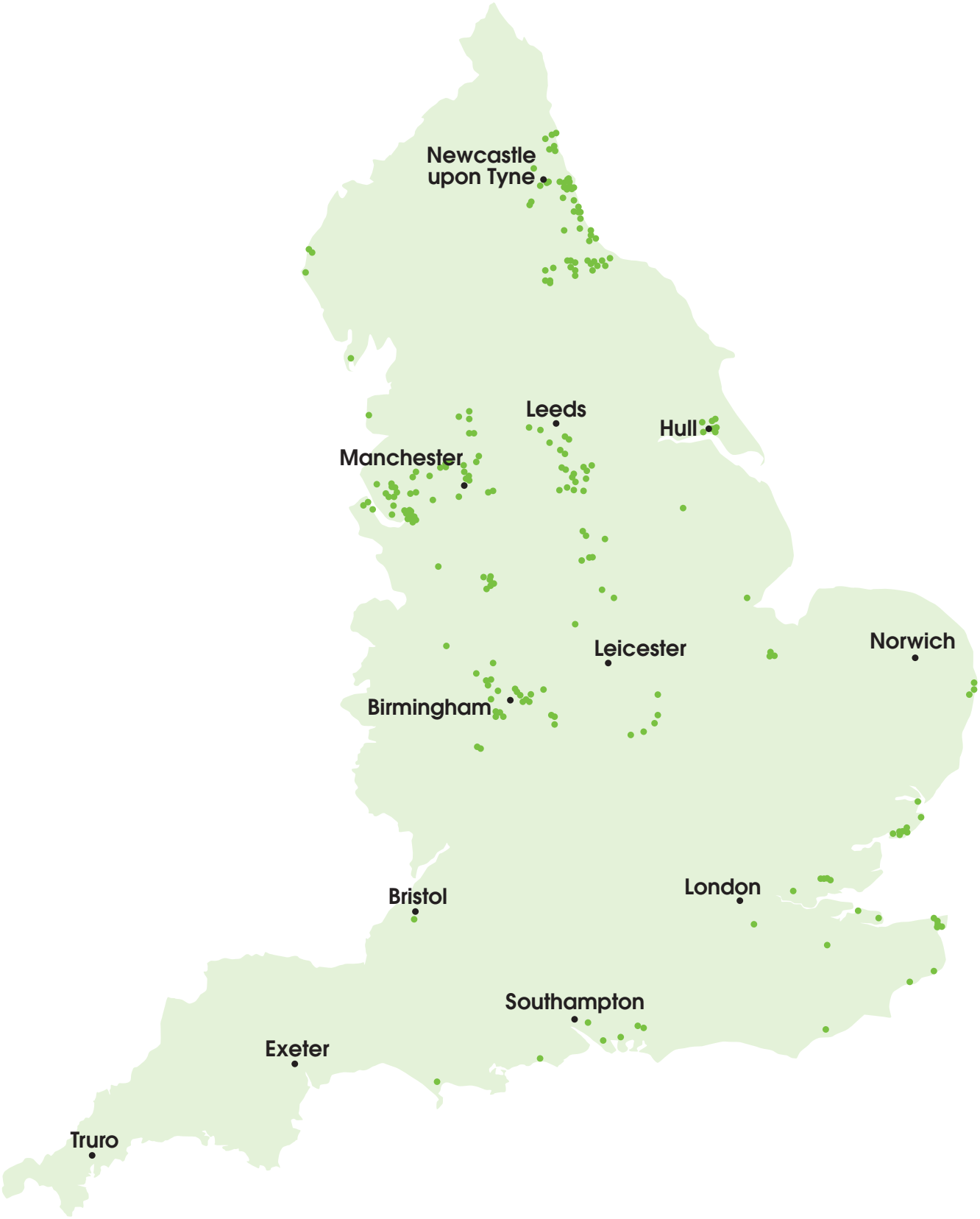
Chart 1: Number of charitable grants per 10,000 population



Source: 360 Giving Grant Nav data 2004 to May 2021[1]

[1] Based on data collected by 360 Giving on all grants and the amounts given by UK funders. The figures are based on the location of the recipient organisation and include grants from 88 funders (only national grant funding organisations that submitted data to GrantNav were included and grants of over £1m were excluded).

Map of 'left behind' areas in England



Particularly following the deindustrialisation of the 1980s and the loss of thousands of jobs in former industrial heartlands, spatial inequality in income and employment levels in England increased (Tomlinson, 2021). This has since been compounded by events such as the 2008 financial crash, the ensuing austerity measures and cuts to public services, and the COVID-19 pandemic (Blundell et al., 2021). 'Left behind' neighbourhoods are characterised by weaker social outcomes, a lack of community spaces and places, and low levels of funding that undermine the local economy. The risk is that, over time, these conditions can lead to further economic and social stagnation, creating a downward spiral from which it is difficult to escape.

> "If someone's in a poor financial position, this affects their mental health, physical health, employment, their ability to gain new skills. It cuts across almost every aspect."
>
> **Tom Lake**, Fair4All Finance, oral evidence to inquiry session two

Where 'left behind' neighbourhoods are located

There are 225 'left behind' wards in England, with a total population of 2,396,610 people, or 4.3 per cent of the general population (Local Trust, 2019). 'Left behind' neighbourhoods are unevenly distributed across England, with the vast majority in the north of England and the midlands.

The North dominates, with 110 'left behind' wards in the North West and North East, concentrated in former industrial and mining areas such as Merseyside and County Durham, as well as areas on the periphery, such as the large housing estates that often surround urban centres (OCSI, 2019).

London and the South West have the fewest with only five between them.

Most southern 'left behind' neighbourhoods are found in coastal communities, such as Margate, Dover and Bournemouth. Overall, most people living in 'left behind' neighbourhoods live in urban areas, with 47 per cent living in major conurbations and 43 per cent in minor conurbations, while only one in ten 'left behind' neighbourhoods are rural (Local Trust, 2019).

Because these local authority wards fall not only within the most deprived decile of areas on the Index of Multiple Deprivation but also face high levels of community need, they have an array of challenges – some of which are specific to them, while others are country-wide. These issues may be worse, or tougher to solve, in areas identified as 'left behind' because of local conditions (Hall et al., 2022).

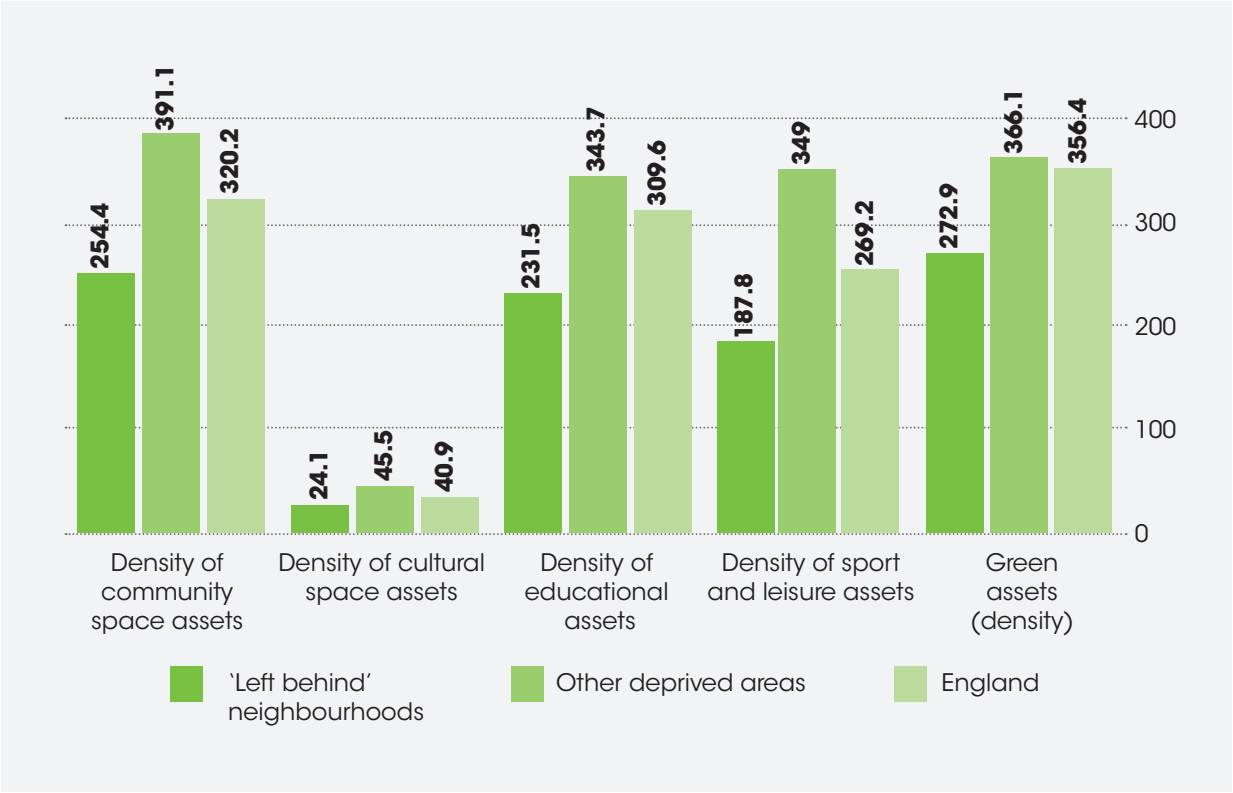
Life in 'left behind' neighbourhoods

'Left behind' neighbourhoods lack places to meet, such as pubs, restaurants, community centres and village halls. They can also be isolated from the wider community due to weaker transport and digital connectivity. All of these factors make it more difficult for people to establish the strong social infrastructure that has been shown to support wider improvements in local outcomes, and combine to create a cycle of disadvantage that often persists through generations (Frontier Economics, 2021).

> "Communities in 'left behind' neighbourhoods have generally experienced a stripping out of the physical social fabric in their local area. They lack community centres, they lack libraries, they lack shops, culture and recreational facilities. They may be living in poor quality homes and they lack choice in private rented sector accommodation. And there are also associated effects from crime and criminal damage."
>
> **Professor Sarah Pearson**, Centre for Regional Economic and Social Research, oral evidence to inquiry session three

Chart 2 below shows the density of social infrastructure assets within 1 mile of 'left behind' neighbourhoods compared to other deprived areas and England overall.

Chart 2: Density of different types of social infrastructure



Source: (AddressBase (2021) data in APPG for 'left behind' neighbourhoods, 2023)

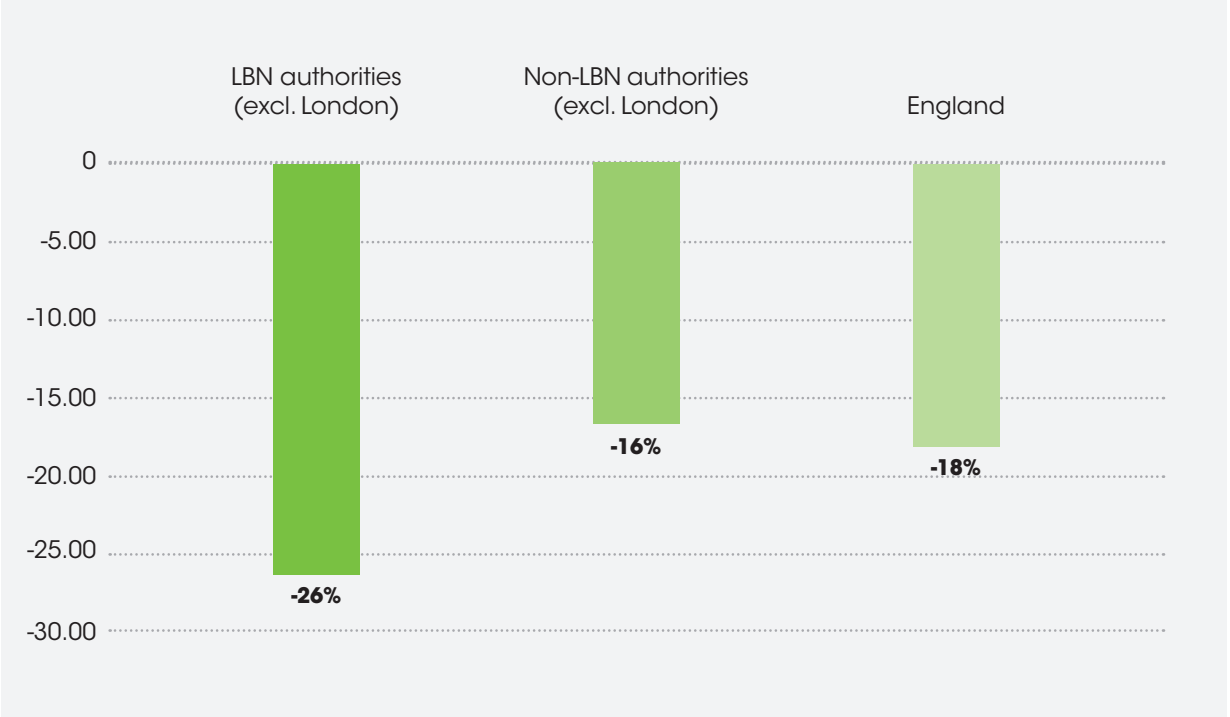
Children growing up in 'left behind' neighbourhoods are more likely to attend underperforming schools, which can limit their job prospects and perpetuate the cycle of poverty. Moreover, many 'left behind' neighbourhoods are located in areas with low levels of economic activity. This can make it difficult for adults to find work or access essential services – particularly given declining public transport services in these neighbourhoods. Both the academics and community representatives who gave evidence to the inquiry highlighted this as a problem.

> "We again see that those living in ['left behind' neighbourhoods] have a pessimistic attitude towards their local area and the ways in which they have changed over the last decade. People in these neighbourhoods believe that their area has got worse on almost every measure aside from internet availability and speed, and have in particular noticed worsening levels of crime, more expensive public transport, and a decline in the number of opportunities for young people and access to good quality healthcare."
>
> UK in a Changing Europe, written evidence submission to the inquiry

Cuts to public services and funding have made things worse for people living in 'left behind' places since 2010. Local authorities have faced significant budget cuts, with funding falling faster and further in more deprived places than in more prosperous ones (Williams, 2023). People living in 'left behind' neighbourhoods are more likely to rely on public services like social care, youth services, and community centres, and it is precisely here that many local authorities have cut back and closed such services opting to 'centralise' them in town and city centres. This assumes that residents living elsewhere will have the transport access needed to reach remaining services, which is not always the case (Gray et al., 2018). The result is that residents in 'left behind' neighbourhoods are at greater risk of being left without access to essential services and support (Local Trust, 2019).

> "With limited transport links, many are unable to access training, healthcare, support services, and employment opportunities. The expectation that residents with poor health, finances or no transport will travel 12 miles each way or use the internet to access services is unrealistic."
>
> **Anna Bradley-Dorman**, Ramsey Million Big Local, oral evidence to inquiry session two

Chart 3: Change in local bus journeys per head, by type of local authority, 2009/10-2019/20



Source: DfT, Table BUS0110a, 2020

Local media is another aspect of the local social fabric that has been weakened in many places as new business models and media consolidation have taken their toll. This has produced 'local news deserts' in many parts of the country, so communities have little access to reliable information about their local area (Macroscope; Charitable Journalism Project, 2023).

During the pandemic, the APPG's publications highlighted the disproportionate impact of COVID-19 on 'left behind' neighbourhoods and called for urgent action to address the underlying issues (APPG for 'left behind' neighbourhoods, 2020a). 'Left behind' neighbourhoods saw higher rates of infection and mortality than more affluent areas. This is partly because the largest employers in 'left behind' neighbourhoods often offer frontline jobs that put employees at greater risk of exposure to the virus, such as in healthcare, manufacturing and retail (OCSI, 2020b). 'Left behind' places also have worse overall levels of population health to begin with (Munford, Mott et al., 2022).

Economic damage – whether from the pandemic or the current inflationary crisis – has hit 'left behind' neighbourhoods particularly hard. People living in these neighbourhoods have been more exposed to the rising cost of living because of high levels of indebtedness, financial insecurity and fuel poverty (APPG for 'left behind' neighbourhoods, 2022a).

> "We see the number of people in problem debt, and we see the number of people in the UK with low financial resilience. It was incredibly worrying before the cost of living crisis, and now it's even more worrying."
>
> **Tom Lake**, Fair4All Finance, oral evidence to inquiry session two



(Andrew Aitchison/Local Trust)

Nine dimensions of disadvantage faced by 'left behind' neighbourhoods

There are nine key dimensions of disadvantage experienced by 'left behind' neighbourhoods, which in many instances interact or reinforce each other, leading to poorer outcomes overall.

Higher rates of poverty

'Left behind' neighbourhoods tend to have higher rates of poverty and financial vulnerability compared to other areas. Many residents live below the poverty line and struggle to afford food and other basic necessities. Child poverty rates are disproportionately high. And 'left behind' neighbourhoods have lower household income estimates than the national average across all measures. **Their residents are more vulnerable to the rising cost of living, seeing an 8.8% rise in fuel poverty between 2011 and 2020 compared to 2.3% across England as a whole**.





Less vibrant local economies

The majority of 'left behind' neighbourhoods are located in residential areas on the outskirts of larger cities or towns where there are lower levels of economic activity. **All 225 'left behind' neighbourhoods have higher rates of worklessness, a lower share of people working in skilled employment, and lower levels of economic activity than the national average**. Productivity as measured in Gross Value Added per hour worked is lower in local authorities containing 'left behind' neighbourhoods than other deprived areas and the national average, reflected in lower gross median weekly pay.

Fewer opportunities to secure skilled employment

Compared to both the national average and other deprived places, **'left behind' neighbourhoods have fewer people with level 3 qualifications, a lower rate of professional qualifications, and lower participation in higher education**, with roughly 1 in 4 young adults progressing to university, compared to 1 in 3 in other deprived places.



Lower educational attainment

'Left behind' neighbourhoods tend to see poorer outcomes for school-age children, a pattern which persists as pupils progress through the education system. **Pupils in local authorities containing 'left behind' neighbourhoods are less likely to meet expected standards at key stage 2 than those in other deprived places**. They are less likely to have access to schools rated 'good' or 'outstanding' by OFSTED. And these places are more likely than others to be home to pupils who are persistently absent from school.



Worse population health

'Left behind' neighbourhoods experience some of the worst health outcomes in England. Populations in these areas see a higher prevalence in 15 out of the most common 21 health conditions, including high blood pressure, obesity, stroke and chronic obstructive pulmonary disease (COPD), even when compared to other deprived areas. **People in 'left behind' neighbourhoods were 7% more likely than those in other deprived places to die from COVID in the first year of the pandemic, and 46% more likely than people in the rest of England.**

Higher rates of disability

'Left behind' neighbourhoods have nearly twice the proportion of people out of work due to sickness. More than 10% of working age adults in 'left behind' neighbourhoods receive disability benefits – nearly double the national average rate; they are also twice as likely to be receiving universal credit with no or minimal requirements to seek work.

Limited connectivity

84% of 'left behind' neighbourhoods have worse overall connectivity than the English average and more than half are more disconnected than the average across other deprived areas. 40% of households in 'left behind' wards have no car, compared to 26% across England. And 50% of all rail stations in 'left behind' wards were closed by the Beeching cuts in the 1960s. 'Left behind' neighbourhoods therefore have relatively reduced access to health, education, and transport services. This can make it difficult for residents to access necessary services and worsens existing issues of poverty and unemployment.

Weaker social fabric

Levels of social infrastructure and community mobilisation are lower in 'left behind' neighbourhoods. **'Left behind' neighbourhoods have just 65% of the density of community spaces found in other deprived areas and more than half of all 'left behind' neighbourhoods have no community-owned assets at all.** 'Left behind' neighbourhoods perform less well on all of the measures in the Community Life Survey relating to local civic participation and engagement. Their residents tend to express lower levels of pride in their local areas and experience higher rates of criminal damage and fly-tipping.

Less funding and investment

Local authorities containing 'left behind' neighbourhoods receive less core government funding per household than the average across England, despite higher overall socio-economic need. This shortfall persists even when compared to local authorities containing other equally deprived areas. Charitable grant funding per capita is also lower: '**left behind' neighbourhoods received £7.77 per head between 2004 and 2021, compared with an English average of £12.23 and an average of £19.31 in other deprived areas over the same period**.

Our vision for 'left behind' neighbourhoods

> "Although on a day-to-day basis we are busy dealing with people's immediate needs, we know that if we want to improve the lives of residents in the long term, we need to work on the bigger picture. This is to raise aspirations and be a representative voice for Revoe. That means empowering and enabling people to be involved in strategic conversations."
>
> **Angie Buss**, Blackpool Revoe Big Local, oral evidence to inquiry session three

The APPG wants a future where 'left behind' communities and the places in which they live are transformed, making them models of resilience and adaptability.

We want to see the best-case scenario that we identify in this report becoming reality, where:

- Government rethinks and refreshes their current policy objectives and approaches with new underpinning principles which are specifically designed to benefit 'left behind' neighbourhoods across the country
- It adjusts its approach to making funding decisions to account for the very different starting positions of 'left behind' neighbourhoods, ensuring early investment in the necessary building blocks for community-led change
- New processes are developed to harness the experience and capacity of local people at the neighbourhood level in every stage of policy development, from conception, to design, and delivery
- Local residents are encouraged, incentivised, and supported to engage in decision-making processes and take ownership of their community's development
- A solid foundation for sustainable growth and regeneration is created through long-term investments
- Young people get a fair chance to develop their skills and prepare for rewarding careers through quality education and training programmes
- Adults in 'left behind' neighbourhoods are offered bespoke pathways to high-quality technical qualifications and adult education programmes, allowing them to up-skill, re-skill, and take new employment opportunities
- Good jobs become available so that people don't need to leave in search of opportunities
- Access to quality healthcare and social services helps address long-standing health disparities.

As the lives of people in 'left behind' neighbourhoods improve, the whole country benefits from the transformation both regionally and nationally.

> "I want to make a plea for areas such as Ramsey not to be forgotten. Our community has demonstrated what can be achieved with limited resources. We have a great pride in our town. We want to make it the thriving place it can be, but even with the best will in the world, determination, hard work and enthusiasm is not enough. Our community continues to do its bit, but without a strategic vision and the finance to back it up, whatever we do will never be enough."
>
> **Anna Bradley-Dorman**, Ramsey Million Big Local, oral evidence to inquiry session two

Learning from what works

Since the 1980s, successive governments have sought to include communities and local stakeholders in regeneration efforts. A rapid review of evidence conducted by the Cambridge Centre for Housing and Planning Research on the impact of English regeneration policy over the past 40 years found that community-led partnerships adopting a strategic, holistic approach to area regeneration in deprived areas have achieved positive change (Local Trust, 2019b). The most impactful initiatives have been long-term, with opportunities for residents to influence the decision-making process. Similarly, Onward's analysis of national and international regeneration schemes found that those with the most success focused on smaller geographic areas such as neighbourhoods, invested in community capacity over the long-term, and helped communities take ownership of local assets (Onward, 2021).

> "We know that when community regeneration happens, it restores pride in place. The biggest changes that we see in areas where community regeneration happens are in relation to the way that people feel about the places that they live."
>
> **Professor Sarah Pearson**, Centre for Regional Economic and Social Research, oral evidence to inquiry session three

> "That's one of the great things about community-led action: it can experiment, it can make mistakes, it can seek forgiveness not permission, in a way that local authorities can't."
>
> **Toby Lloyd**, housing and regeneration policy expert, oral evidence to inquiry session three

Yet community-led regeneration remains the exception rather than the rule when it comes to neighbourhood-based improvement programmes. This is particularly the case for 'left behind' neighbourhoods, which generally lack the flexible, long-term funding and policy support needed to transform local conditions. There is clearly scope to expand on current levels of community mobilisation; the proportion of 'left behind' residents participating in community groups is significantly lower than the national average (OCSI, 2020a). Charitable and third sector organisations are also less than half as likely to have a presence in these neighbourhoods, compared to the England-wide average (OCSI, 2020a).

To kick-start local change, the government should re-imagine its levelling up agenda with more powers devolved more locally, including directly to communities themselves. Funding should be allocated and managed in very different ways, with resources held and deployed by communities within a framework of tailored support, capacity-building and enablement. We must underpin these changes with a major cultural shift in our institutions and policymaking.

About the Big Local programme

In terms of scale, time horizon and ethos, nothing like Big Local has ever existed. Designed from the outset to be radically different from other funding programmes, at the heart of Big Local is a vision of empowered, resilient, dynamic, asset-rich communities making their own decisions on what is best for their area.

Providing at least £1.15m each to 150 disadvantaged communities in England, Big Local is funded by The National Lottery Community Fund and managed by Local Trust. Local Trust works nationally with a range of partners to deliver Big Local, building on the skills and experiences of others to provide expert advice and support for residents.

Big Local was established with a number of core key features that make it different from other programmes. It is:

- Long term – providing certainty and continuity, over 10-15 years
- Resident-led – working directly with individuals living, working, studying and playing in areas rather than through organisations; building confidence and capacity amongst those wanting to make a difference to their community and their local area
- Non-prescriptive – enabling residents to spend on their own terms and in their own time, on the projects they judge to be most important to them
- Patient and non-judgemental – giving communities the time and opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves, on their way to achieving their ambitions
- Accompanied by flexible and responsive support – to help communities to build the confidence and capability to make the most of the opportunities available to them, whilst not constraining their own ambition and initiative.

This approach is designed to ensure residents' time and energy is spent on the things that make a lasting difference to people and communities. The programme structure maintains this core ethos while ensuring appropriate systems and checks are in place to account for funding.

The outcomes set for Big Local at its outset were 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.

These provide maximum scope for communities to set their own priorities. To help them make the most of their opportunity, residents involved in Big Local have been supported in developing and delivering their plans by an extensive programme of training, networking and light-touch on the ground support, provided by Local Trust and its partners.

Representatives of Big Local partnerships and other community groups gave evidence to the inquiry, illustrating what local area-based community-led change projects could achieve with the right policy environment and funding support from government and others.

They provide case studies of the kinds of transformational outcomes that can be achieved in 'left behind' neighbourhoods when communities are enabled, trusted and funded to pursue their own priorities.

Case study

Revoelution, Blackpool

Revoe is a neighbourhood near the centre of Blackpool, a town whose economy has faced significant challenges since the decline of domestic tourism in the late 20th century. Revoelution is a partnership of residents and individuals working or volunteering within the local area. The group have established a small community hub within a former warden's house, and fund and deliver a variety of projects identified by the wider Revoe community. The partnership have prioritised engagement with residents, using regular door knocking and community consultation, as well as operating an 'open door' policy at their base which welcomes over 100 people each week.

The partnership's focus on outreach means it has been well positioned to respond to local need in times of crisis, providing vital mutual aid throughout the COVID-19 pandemic, as well as support, resources and advice in response to the rising cost of living. Revoelution distribute food parcels and provide small household grants; and have also worked in partnership with the NHS to support their own outreach efforts.

Revoelution's work has transformed the social infrastructure and activities on offer to local residents: establishing a community garden, job support, craft club, walking and youth football groups, alongside offering targeted support to assist residents accessing statutory services. The partnership's success means that it has outgrown its small base and hopes to expand its work with the community by finding a more suitable space for their operations.

> "We've got a small community centre which holds 50 people sitting down and a hundred standing up. But it's fully, fully booked. We'd like to do so much more."
>
> **Angie Buss,** Blackpool Revoe Big Local, oral evidence to inquiry session three

Case study

Dover Big Local

Dover Town sits within a valley, split from the seafront by the A20 dual carriageway. This separation means it benefits little from the passing port traffic and has instead suffered from economic decline. Similarly, the area's main attraction, Dover Castle, is situated above the town, bringing in minimal footfall for the high street and local businesses.

Dover Big Local is a partnership of community members whose work has focused on developing the local economy and boosting employment. The partnership has worked with other local organisations to set up a Job Club, with a specialist advisor funded by Southern Housing Group. The club helps local people find employment and supports them with computer literacy, CV writing and interview preparation. This scheme proved so effective that, following layoffs at P&O ferries which affected 600 local seafarers, Dover District Council adapted and expanded it, in partnership with the town's main employers, the Port of Dover, DFDS, Eurotunnel, Customs and Excise, to help those who had suddenly lost their livelihoods.

In 2018, a partnership between Dover Big Local, the voluntary sector and Dover District Council saw the creation of the 'Co-Innovation Centre', an incubator space for local businesses. Affordable rents coupled with a one-month notice period provided an opportunity for businesses to prove their viability with little financial risk. The Co-Innovation Hub also offers low-cost co-working spaces, meeting rooms and a training space.

Dover Big Local employ a marketing and tourism specialist, splitting the salary with the town council. The specialist works together with local travel agencies, visitor attractions and stakeholders such as English Heritage to raise the profile and appeal of Dover as a tourist destination. This joint venture has been particularly successful, notably forging links with local businesses, cruise liners and the port to increase dwell time for cruise ships. The position has also helped to secure funding to expand the calendar of community events, live music and street entertainers and for new bike hire facilities along the seafront and at the castle, all of which are helping to boost footfall and hotel and hospitality income in the town centre.

The group's proactive approach to partnership working with other local organisations, charities, businesses and local government is delivering a much-needed boost to the local economy. Dover Big Local was a founding member of Dover Pantry, a social supermarket that uses gleaning, surplus supermarket stock, and late date goods to provide a membership based low-cost food care weekly shopping basket for low income families. They continue to offer HR and employment services to the Pantry and works in partnership with it to draw Pantry users towards the advice, employment service and wellbeing sessions offered at Dover Big Local's town centre hub.

> "We developed an empty supermarket site into an incubator hub for local people to experience building a business from a market store to a unit, and then, with support, into an online or bricks-and-mortar retail shop. People could operate from the small unit with a basic monthly agreement and soon we had over 40 businesses operating from the Co-Innovation Centre... Thus far, 10 of those businesses have successfully moved into retail shops and offices in the town centre."
>
> **John Angell**, Dover Big Local, oral evidence to inquiry session two

Case study

East Marsh United

> "In 2017, our main activity was framed around 'broken windows theory'. We began fixing metaphorical broken windows by going out and cleaning our streets with our own bin bags and brushes and shovels and so on. But we also sat together every week to work out what else was broken and how we might be able to fix things ourselves.
>
> We realised that it can't just be one thing, it has to be everything all at once all the time. So we have lots of projects, in arts education, community outreach, wellbeing, finance, as well as bigger infrastructure projects such as community housing, a village hall, planting trees in the streets and in our park."
>
> **Billy Dasein**, East Marsh United, oral evidence to inquiry session four

East Marsh is situated in Grimsby. The area was a marsh until the railways arrived in the 19th century, at which point houses were built for workers to serve the fishing industry. The fishing industry has since declined, and the area suffers from significant deprivation. Crime levels are particularly high, with violence, property destruction and county lines drug offences stifling local pride-in-place.

East Marsh United are a community-led organisation, created initially as a forum for volunteers to work on improving pride in place and the local environment. From this initial action, the group gained momentum and soon began to tackle bigger issues locally, motivated by the aim to build community wealth locally and stop wealth extraction.

East Marsh United have worked extensively to cultivate community-led arts, with Revolutionary East Marsh Arts Kollective (REMAKe) running a three-year programme of workshops and events between 2019 and 2022, assisted by funding from the Creative Civic Change programme. The group have also developed a community magazine, the Proud East Marshian, published online each month by passionate local residents, alongside a Peace Choir, reading groups and original Youtube series.

East Marsh United have teamed up with the Worker's Educational Association (WEA) to provide accessible employment and skills training to local residents through the East Marsh Community Education Branch. There are plans in the works to boost the local social infrastructure provision by building a new East Marsh Village Hall. And the partnership are seeking out ways to give residents a voice in local regeneration, leading on an East Marsh Plan and ambitious tree-planting initiative.

As a Community Benefit Society, East Marsh United are the proud owners of ten local houses, which they have refurbished to a high standard. As they seek to grow their housing stock, the partnership are looking to work closely with other landlords to improve practices and standards across the East Marsh.

East Marsh United are a fantastic example of how resident-led action can create ripple effects of positive change throughout a community: improving housing conditions, boosting local employment and skills, and cultivating pride-in-place.

Case study

Gaunless Gateway Big Local

Bishop Auckland is a market town that sits in County Durham. The area was formerly reliant on mining and heavy industries and has been heavily impacted by their decline. Like other areas identified as 'left behind', the neighbourhood where Gaunless Gateway Big Local operates experiences high levels of deprivation across all metrics, with 35% of children in the area living in poverty, compared to the national average of 20%. The area also experiences higher levels of violent crime and more than double the national average of anti-social behaviour incidents.

In response to these challenges, this resident-led partnership has prioritised forming strong partnerships with other organisations and agencies to bring in the support they need. They have invested Big Local funding in projects that have delivered improvements to local social infrastructure, supported residents into employment and improved overall community cohesion. This includes a long-term partnership focused on creative arts, a table tennis club, bursary scheme for college leavers completing apprenticeship elements of trade qualifications, employment workshops and support to a crisis and welfare service. The partnership has also collaborated with other local organisations and service providers to meet gaps in existing youth provision and address anti-social behaviour, liaising with local police, housing officers, the parish council and Men's Club to expand the activities on offer to young people through the West Auckland Youth Initiative.

Gaunless Gateway is securing a legacy by investing to build the capacity of local community organisations. This includes the revival of a disused building in the centre of Henknowle as a centre of social enterprise, seeking to develop job opportunities for young people with autism and other learning disabilities in the area by supporting the development of a creative enterprise hub called 'Bridge Creative'. In doing so, the resident-led partnership are helping to build a strong network of organisations that will lever in additional funding and provide support and services for the community into the future.

> "The resident-led element of control in our programme is curious, open, reasoned and measured, acknowledging practical local conditions and developments, having that Heineken effect in reaching those who may have switched off from traditional methods of decision-making."
>
> **Barbara Slasor**, Gaunless Gateway Big Local, oral evidence to inquiry session four

Building blocks for local transformation

The community groups giving evidence to the inquiry showcased the potential in 'left behind' neighbourhoods if they are given the necessary support, resources and autonomy. Once these conditions are met, communities will often make choices that enhance local economic development, such as:

- investing in apprenticeship schemes and community-based skills training
- supporting important local services like transport schemes
- encouraging new employers to relocate to their area
- providing micro-grants or targeted support for sustainable enterprises (Centre for Local Economic Strategies, 2020).

Oral and written evidence to the inquiry welcomed the positive impact of initiatives like social prescribing, an approach connecting people to activities, groups, and services in their community to meet the practical, social and emotional needs affecting their health and wellbeing. However, these efforts can falter in 'left behind' neighbourhoods because of limited investment, public services and the lack of social infrastructure there to support it (Coalfields Regeneration Trust, 2023).

It is crucial that these building blocks are put in place wherever they are missing – for example by addressing the lack of green spaces in many 'left behind' neighbourhoods and investing in community buildings (Fields in Trust, 2023). Only then will 'left behind' neighbourhoods be able to benefit from the kinds of policy and funding support the government has tended to prefer so far in its levelling up agenda.

> "20 per cent, and that's a conservative estimate, of GP appointments are for social determinants. They are for issues like loneliness, social isolation, stress as a result of financial issues, debt relief, and so on. That's 30 million appointments a year. Social prescribing is about offering non-medical interventions to support those unmet needs."
>
> **Jim Burt**, National Academy for Social Prescribing, oral evidence to inquiry session one

Communities also have unique local expertise about assets of particular value which policymakers should tap into to transform 'left behind' places. Communities will invest – again, where sufficient support, resources, and autonomy are in place – to safeguard these assets, creating the core of more dynamic and resilient local economic development. Community businesses and other kinds of groups take on treasured neighbourhood assets – from boating lakes to pubs and community hubs – which then function as footholds for local wealth generation (Power to Change, 2023; Plunkett Foundation, 2023).

Improving place-based outcomes can also help to drive the long-term economic strength of a place. Where young people are able to build strong social networks, they will be more likely to view living in their home town after school or further education as a positive choice (Foundational Economy, 2022). Promoting the development of social infrastructure would enhance this social connection, and help engender a sense of civic pride. This, in turn, has been shown to drive higher levels of community mobilisation, creating a virtuous circle of improvement in local conditions (Collins, 2016).

By addressing these unique challenges and investing in crucial local social infrastructure, policymakers can turbo-charge existing efforts to disrupt cycles of disadvantage and allow individuals to contribute meaningfully to their communities and the wider economy. The impact of tapping into these reservoirs of potential could be significant and far-reaching (Social Mobility Commission, 2022).

Setting the stage for national transformation

Improving outcomes in 'left behind' neighbourhoods will lead to benefits that will be felt far beyond their immediate residents and help achieve the government's wider policy goals. Investing in these neighbourhoods will stimulate innovation and economic growth in areas that have historically been overlooked. Building local opportunities could put an end to entrenched or multi-generational disadvantage and inequality, retain talent and increase possibilities for these communities. Transformation of this kind means creating attractive places to live that offer a good-quality environment, a selection of social, leisure and other opportunities, and a sense of local belonging and pride (Bennett Institute, 2021).

Evidence heard over the course of the inquiry referenced the potential of a Community Wealth Fund to generate positive change in deprived and 'left behind' neighbourhoods. Indeed, recent analysis found that a £1m investment in community-led social infrastructure in a 'left behind' neighbourhood could yield a return of as much as £3.2m in socioeconomic benefits over the course of a decade. These could include increased employment, boosted public health, additional value from wealth creation and economic activity; alongside reduced costs from crime and reduced demand on public services (Frontier Economics, 2021).

'Softer' outcomes, such as reduced loneliness or improved social cohesion, are harder to factor into an economic analysis – but are no less real or important. For example, heightened community participation has been shown to help tackle some important causes of poor mental health by reducing isolation and loneliness (Britton, 2020). In Wigan, the 'Deal' approach saw a combination of increased community engagement and leadership, alongside innovative practices in citizen-driven public health, yield an important increase in healthy life expectancy (Naylor et al., 2019). Analysis shows that investment in 'quality of place' in a deprived neighbourhood could lead to above-average improvements in place-based outcomes (Naylor et al., 2019).

> "Going back to this idea of effective community hubs, in many instances what I would be saying is that the community hub is an engine room for social prescribing. Not only does it provide the services and the social capital but it often does that in a really innovative way. That's where the innovation is, right there at the local level."
>
> **Jim Burt**, National Academy for Social Prescribing, oral evidence to inquiry session one

As this evidence indicates, transforming the fates of 'left behind' neighbourhoods and the life chances of local residents could also lead to a reduction in demand on public services (Demos, 2023). By addressing the root causes of disadvantage and inequality, fewer resources would be needed to provide support in areas such as health, education, and social care (APPG for 'left behind' neighbourhoods, 2022b). This could have multiple knock-on benefits, including cost savings for taxpayers, more efficient use of public resources, and improved outcomes for individuals and communities. For example, the Marmot review found a correlation between greater community leadership and reductions in many sources of poor public health (Marmot et al., 2020).



(Local Trust/Lily Wakeley)

> "During the pandemic, community hubs in a whole shape of forms were really successful at responding quickly to address people's needs. They responded in a very strategic way to address the needs of isolated people, and at the time there was a lot of positive discussion about the relationships that we have with our communities and the fact that we know where to go and can mobilise volunteers."
>
> **Professor Mark Gamsu**, Leeds Beckett University, oral evidence to inquiry session one

More resilient communities in 'left behind' neighbourhoods would be better equipped to respond to major challenges and step up in times of crisis, ensuring better social outcomes across the country (Tiratelli et al., 2020).

In all these ways, transforming 'left behind' neighbourhoods could produce a foundation for renewed national prosperity. By improving economic outcomes and productivity in these places, we can achieve a more prosperous and equitable society. Previous APPG research suggests that, in health outcomes alone, closing the gap between local authorities with 'left behind' neighbourhoods and those without could add an extra £29.8bn to the country's economy each year (APPG for 'left behind' neighbourhoods, 2022b).

The policy challenge: why is it difficult to transform 'left behind' neighbourhoods?

The state of the levelling up agenda

In policy terms, levelling up is closely associated with the Conservative Party's 2019 General Election manifesto and campaign. It is the government's response to the geographic disparities that have become such a pronounced and prolonged feature of the UK economy – in terms of economic productivity, opportunities, public services, investment, social mobility and public wellbeing. It also speaks to the widespread, though more intangible, sense of civic disempowerment and institutional detachment that has become ever more prevalent in media and political debates.

The 2022 Levelling Up White Paper began to set out the government's plans for policies to achieve a fairer economy and more equal United Kingdom, where people are empowered to reach their potential no matter where they live.

Given the scale and complexity of the challenges involved, it is unsurprising that the White Paper outlines what amounts to an entire domestic policy programme. This is focused around twelve ambitious policy 'missions', with goals that range from gains in healthy life expectancy to enhanced public safety, strengthened local government, improved housing conditions, and more.



(Andrew Aitchison/Local Trust)

What is included in the Levelling Up the United Kingdom White Paper?

The White Paper identified twelve central policy missions under four main objectives, each aiming for significant improvements against defined metrics by 2030:

Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging

- Research and development
- Transport infrastructure
- Living standards
- Digital connectivity

Spread opportunities and improve public services

- Educational outcomes
- Skills training
- Healthy life expectancy
- Wellbeing

Restore a sense of community, local pride, and belonging

- Pride in place
- Home ownership
- Crime

Empower local leaders and communities

- Devolution

The six 'capitals'

The six capitals are one way of thinking about the different kinds of assets or resources which help to define the successor disadvantage of a place. The White Paper argues that leveraging these 'capitals' individually and in combination is the best way to achieve levelling up.

- Physical capital – infrastructure, machines and housing
- Human capital – the skills, health and experience of the workforce
- Intangible capital – innovation, ideas and patents
- Financial capital – resources supporting the financing of companies
- Social capital – the strength of communities, relationships and trust
- Institutional capital – local leadership, capacity and capability.

> "The nature of the problems facing our most deprived neighbourhoods is so great that they really do need a mission orientated approach to tackle them. This requires a joined-up approach across the different parts of government and incentives to maximise the involvement of the private sector."
>
> **Professor Peter Tyler**, University of Cambridge, oral evidence to inquiry session two

Since the White Paper was published, the UK has faced intense political and economic turbulence, triggered by events at home and abroad. Shifting national leadership has meant disruption to the policy agenda, and even its brief re-positioning around different priorities.

While the White Paper's policy programme has progressed in some areas, such as agreeing new devolution deals and planning enhanced powers for existing Combined Authorities, there have also been controversies about how well levelling up funding has been targeted. Investments agreed under the flagship Levelling Up Fund have generated accusations of time-wasting and poor decision-making, raising questions about Whitehall's ability to ensure resources are deployed to the areas that will derive the greatest benefit from them and which have the most ground to make up (Ward, 2023).

The agenda has also been unfavourably compared with other countries' efforts to rebalance their regional economies: many have argued that significantly more investment, by an order of magnitude, would be required to make genuine progress toward the government's self-defined goals in many places. The Centre for Cities compared the task of reducing the economic gap between the UK's most and least prosperous regions to that faced by the German government since reunification in the 1990s. This cost €2 trillion, or £71 billion per year for 24 years, compared to the £4.8 billion in the entire Levelling Up Fund (Enenkel, 2021).

> "So absolutely levelling up could become a linchpin of a new economic model, but we have to get serious about how we deliver it. It's going to take substantial investment over many years. It may well mean an increase in the size of the state to be able to do that. People obviously make analogies to East Germany, West Germany, unification. I think to some extent that's right, and the investments have to be in things around human capital. So that's early years investment, schools, adult education, and colleges in particular, and greater resources for local government."
>
> **Ben Franklin**, Director of Policy and Research, Centre for Progressive Policy, oral evidence to inquiry session two

Can the current levelling up agenda help 'left behind' neighbourhoods?

As the flagship document which sets out how government "will spread opportunity more equally across the UK", the Levelling Up White Paper provided a natural starting point for the APPG's inquiry. Our findings force the conclusion that the White Paper, though ambitious in its scope and objectives, is constrained by the same biases and cultural norms that limit Whitehall's ability to reach and serve the interests of 'left behind' neighbourhoods through its policies and funding (Kaye, 2022).

Below, we explore **three important barriers** to the success of the levelling up agenda in its current form in meeting the needs of 'left behind' areas.

Barrier 1

The failure to consider important sources of disadvantage that are either specific to 'left behind' neighbourhoods or have specific impacts there

Important aspects of the drivers of place-based inequalities in the UK do not fit easily into the White Paper's six capitals. This matters, because the depth and multi-faceted nature of deprivation in 'left behind' neighbourhoods often means that one set of barriers must be addressed before policy initiatives can even begin to tackle another. For example, written evidence submitted to the inquiry by the University of Plymouth notes that while the White Paper's mission on levelling up pay and employment recognises the importance of digital connectivity in making progress, it does not set out plans to improve digital inclusion – affordable access to the equipment, skills, and data necessary to ensure equal access to and use of digital connectivity. With 36 per cent of the UK workforce lacking essential digital skills for work, it will be crucial to embed digital inclusion into policy interventions aiming to improve pay and employment opportunities in 'left behind' places (University of Plymouth, 2023).

Similarly, the failure to account for natural capital in the White Paper is striking given that 'left behind' neighbourhoods perform poorly, relative to other equally deprived areas on all key measures relating to green space (Gore et al., 2022). 'Left behind' neighbourhoods have a lower density of green assets (272.9 compared with 366.1 within a 1km radius), a lower number of parks and gardens, and lower density of recreational green space (5.8 per cent compared with 8.7 per cent), all of which play important roles in local health, wellbeing, and pride in place (APPG for 'left behind' neighbourhoods, 2022e). Policy initiatives targeting these outcomes may fall flat if action is not first taken to address 'left behind' neighbourhoods' lack of accessible green spaces, since policy initiatives may rely on such 'basics' being in place.

Barrier 2

The absence of sufficient collaboration with people living in 'left behind' neighbourhoods whose experiences and perspectives will be necessary to develop the right policy and funding models

The government's approach to developing policy to transform the fortunes of 'left behind' neighbourhoods has not been sufficiently informed by the experiences and perspectives of people living in them. This could lead to undesirable outcomes or 'backfire', particularly in the most economically disadvantaged areas where community need is at its highest.

For levelling up to work, the needs and aspirations of local residents – and the perspectives and participation of communities – must be placed at the heart of the agenda.

Indeed, levelling up in its current form may already be leading to unintended consequences, as centrally-designed policy makes contact with the complex reality of life in 'left behind' neighbourhoods. Rather than maximising the chances for these neighbourhoods to 'close the gap' with the rest of the country, the levelling up agenda in its current form risks:

- Overlooking, undermining, or side-lining the existing assets and solutions that are already present or nascent within 'left behind' neighbourhoods
- Generating unhelpful competition or conflict between different places or groups which might otherwise find common cause to collaborate
- Biasing the distribution of resources to places and communities with access to formal bid-writing skills, generating significant wasted effort on the part of people who are already time- and resource-poor
- Deploying resources in an uneven and unpredictable way, with a general bias towards neighbourhoods within established or newly-created Combined Authorities
- Being subject to political or bureaucratic interference or inconsistency
- Being insufficient or unsustainable in terms of the magnitude of investment, to meet the long-term needs of 'left behind' neighbourhoods
- Operating at a scale of policy and implementation that does not align with the hyper-local needs of 'left behind' places.

Barrier 3

A basic lack of sufficiently granular data to guide policy funding decisions and to ensure levelling up reaches the 'left behind' communities it is supposed to prioritise

The levelling up agenda has been held back by a lack of data at ward level, or often at any level below local authorities. As a result, the current metrics attached to levelling up may not address the particular challenges faced by 'left behind' neighbourhoods. This may incentivise local authorities with 'left behind' neighbourhoods to invest in other parts of their boroughs with greater existing assets and social infrastructure to meet a given target for central government funding, representing 'low hanging fruit' in terms of delivering improvements against set metrics.

The next section reveals the very real, direct costs of these gaps in the current approach to levelling up in fulfilling the government's policy aims and meeting the needs of 'left behind' neighbourhoods: which appear in many cases to be missing out on funding that should prioritise them.

> "Across the levelling up focus areas, a key challenge is the scarcity of data at the local level. Indeed, many of the indicators in the Levelling Up White Paper are not disaggregated to local neighbourhood levels. This poses an ongoing issue for places in understanding what is happening."
>
> **City-REDI**, University of Birmingham, written evidence submission to the inquiry

Is levelling up reaching 'left behind' neighbourhoods?

Most data on how central government allocates funding is only available at specific scales at or below the local authority level. It is not available at the smaller-scale ward level (which maps more closely onto local neighbourhoods). This means it is difficult to know for sure whether money is reaching people in 'left behind' places.

Funding directed to traditional infrastructure and economic development projects may not reach people living in 'left behind' neighbourhoods (for example, because poor transport connections or existing qualification levels limit residents' access to new jobs or training opportunities). Some local authorities that include 'left behind' neighbourhoods have missed out entirely on levelling up funds, while others that are attracting funds may be channelling this money into more affluent wards at the expense of those identified as 'left behind'.

> "Levelling up is not about a part of the country. It's about parts of neighbourhoods, of towns, of areas."
>
> **Trisha Bennett**, Community Development Co-ordinator, Whitley Big Local, oral evidence to inquiry session one

OCSI research for the APPG shows that households in local authorities that include 'left behind' neighbourhoods received lower levels of 'core' government funding per household than deprived areas that don't; and less even than the average English authority (£2123.70, £2162.11 and £2129.65 respectively) (OCSI, 2023). Funds specifically dedicated to levelling up are expected to correct this imbalance, but recent research suggests this has not necessarily been the case. Initial analysis of the UK Shared Prosperity Fund suggests it has

not been successfully channelled into 'left behind' neighbourhoods so far, despite an allocation approach intended to skew funds toward places with higher levels of need. For example, Tendring and Thanet – local authorities containing multiple 'left behind' neighbourhoods – both received relatively low allocations (less than £1.2m) (APPG for 'left behind' neighbourhoods, 2022f).

Complicating the picture further is the fact that over 400 bodies received levelling up funding, including over 350 local authorities, 21 county councils, 12 Combined Authorities, 27 Local Economic Partnerships, 11 Freeports and 22 other forms of partnership/body (Atherton et al., 2023). This makes it even harder to track the flow of funding and investment to the level of 'left behind' neighbourhoods. The profusion of bodies receiving levelling up funds also distorts the geographic distribution of funding, as not all tiers exist everywhere. Combined Authorities received 20 per cent of the funds on top of those allocated to more local tiers – but only 41 per cent of England's population lives in an area covered by a Combined Authority, giving these areas a better chance of funding than others.

The Centre for Inequality and Levelling Up recently analysed 12 funding streams associated with levelling up since 2019, worth a total of £13.26 billion. This distributional analysis confirms that funding has continued to prioritise those regions and local authority areas with high levels of deprivation, but notes that "such generalisations can also mask the fact that funding is spread nationally and the focus on deprived areas is a loose one" (Atherton et al., 2023, p. 17). Despite the data limitations noted above, this analysis suggests that levelling up funds may follow a similar pattern to core government funding: one that rightly benefits deprived local authorities, but underfunds the most 'left behind' ones.

Government should consider alternative funding approaches capable of creating the conditions for genuine impact in 'left behind' neighbourhoods and other deprived places. Research from the University of Cambridge sets out how longer-term and predictable funding over at least ten years correlates with more successful economic regeneration schemes (Local Trust, 2019). Studies also identify strong community engagement – from conception to design, through to delivery - as crucial for success. Involving communities in the policy design process in this way depends upon the presence of a functional local framework of support and guidance, which is not always in place in 'left behind' neighbourhoods (Local Trust, 2021).

Creating a process that ensures community perspectives and priorities are at the forefront of the decisions public bodies ultimately make is in itself a challenge. Local Trust's Big Local programme provides a possible model, supporting local residents to build a steering group to decide how to deploy funds within their neighbourhood, according to the priorities in their local plan. Facilitating community voices without overriding them is a crucial component of the Big Local scheme's success (South et al., 2021).

> "Dover Big Local has acted as a seed bed and facilitator for an innovative product, whilst at the same time, creating partnerships between charities, local industry, local and area government, commerce, and the voluntary sector, to carry on the newly established organisations. Although we may see social problems on a weekly basis, we can act quickly to prioritise and use our financial resources effectively to try to level up our 'left behind' community and place a focus, where we know from experience, it'll have the most impact in order to achieve this goal."
>
> **John Angell**, Dover Big Local, oral evidence to inquiry session two

Where change is needed most: power, funding, and culture

The APPG's inquiry and research have identified many factors that make solving place-based inequality difficult. In 'left behind' neighbourhoods, these factors can combine and multiply to create serious barriers to change. In this section we discuss three sets of issues where change is needed around power, resources and culture.

The distribution of power

As things stand, powers, responsibilities, and accountabilities are too deeply concentrated in Westminster and Whitehall for levelling up to plausibly make a difference in 'left behind' places. This over-centralisation, and accompanying (relative) weakness of community and local government voices and perspectives is explicitly recognised as one of the causes of place-based inequalities in the Levelling Up White Paper. It references the principle of subsidiarity: the notion that the closer you are to the people who your decisions are going to affect, the more likely it is that they will serve those interests (DLUHC, 2022).[2]

> "We can't expect you to come up with strategies that gets to the heart of problems we face, we are one of the furthest constituencies from Westminster. But you can help communities do this, we know it works."
>
> **Billy Robinson**, Ewanrigg Local Trust, oral evidence to inquiry session one

> "I think the starting point for me is relationships with communities, and actually bringing those voices into the room."
>
> **Mark Gamsu,** Leeds Beckett University, oral evidence to inquiry session one

> "England's time has come for devolution... Leaders at the local level have to be offered more control and the resources to address the economic development challenges they face, recognising the particular difficulties of their left behind areas. As such, the Treasury has to give up control of some of the functions that it has controlled for so long."
>
> **Professor Peter Tyler**, University of Cambridge, oral evidence to inquiry session two

[2] Decisions should be made "at the most delegated or localised level at which it can be most effectively performed, provided it has effective leadership and adequate resources" – Levelling Up the United Kingdom White Paper, 2022.

> "The model of economic development in England just doesn't work for some 'left behind' places. A version of devolution that is grown up has to be part of that answer. So it's not Whitehall are the baddies and mayors are the goodies, it's about how you fund and collaborate across lots of different tiers and levels of political responsibility. And how we do that in a way that really shortens the distance between where decisions about funding are being made and what communities and individuals within those communities need."
>
> **Henry Kippin**, North of Tyne Combined Authority, oral evidence to inquiry session four

Yet despite recent steps toward greater regional devolution, most 'left behind' neighbourhoods in most regions will see little change. The proposed approach to devolving power in the White Paper, which the government has pursued since, revolves around a model of devolution in which government strikes 'deals' with sub-regions that have, or are willing to establish, Combined Authorities, almost always accompanied by the creation of a new directly-elected Mayor.

This approach does have some significant advantages. The mayoral model strengthens sub-regional accountability, allowing central government to share power with confidence that visible, functioning accountability is in place in the area in question. The tailored approach to each deal allows them to reflect a sub-region's specific needs with a different combination of measures and powers, though an unconditional model could also offer regional autonomy. Combined Authorities also operate at a scale that allows them to align strategies and decision making with functional regional economies.

Nevertheless, evidence presented during the inquiry strongly indicates that this model of devolution does not do enough to address neighbourhoods' particular needs, especially those that are 'left behind'. Above all, it misses the opportunity to empower more accessible services and lower tiers of local government that are better positioned to facilitate community mobilisation at the neighbourhood level; or indeed to decentralise resources and devolve decision-making directly to local communities themselves.

As discussed above, the characteristics and experiences of 'left behind' neighbourhoods are locally specific, and may be very different from those of their surrounding local authority area – let alone those of a wider Combined Authority. Higher tiers of government may simply be too far removed from community needs, knowledge, and identities, and from the highly collaborative place-based partnerships essential for transforming 'left behind' neighbourhoods.

> "It's not just, let's give places money in each of these targeted things, it's let's give places agency too."
>
> **Ben Franklin**, Director of Policy and Research, Centre for Progressive Policy, oral evidence to inquiry session two

> "Research for the We're Right Here campaign has found that people in Britain do not feel that they have enough control over their own lives and communities, and do not feel that devolution to the regional level is sufficient to address this problem. While almost half of UK adults (46 per cent) said that action to empower community organisations and groups would lead to better outcomes on the local issues that matter to them, only 17 per cent said that having a mayor for their area has or would do the same."
>
> **Power to Change**, written evidence submission to the inquiry

Improving the lot of 'left behind' neighbourhoods demands devolution that decentralises power to local authorities and to neighbourhoods themselves: those who best understand and can deliver interventions in line with community needs and priorities of place. Giving each tier new responsibilities to collaborate more locally with entities such as Neighbourhood Forums, or the trusted community partner organisation able to discharge local stewardship duties under Community Right to Build Orders, will help build local capacity and enable community mobilisation within neighbourhoods (Kenyon, 2022).

A growing evidence base demonstrates how, when properly facilitated and organised, community-led approaches to neighbourhood governance can flourish and have a positive impact on local people's wellbeing, resilience, and health (Pollard et al., 2021). Community organisations may offer the best vehicle for neighbourhood-level devolution, especially in the most 'left behind' neighbourhoods, where formal organisations like parish councils or neighbourhood forums are often lacking (Parker et al., 2020).

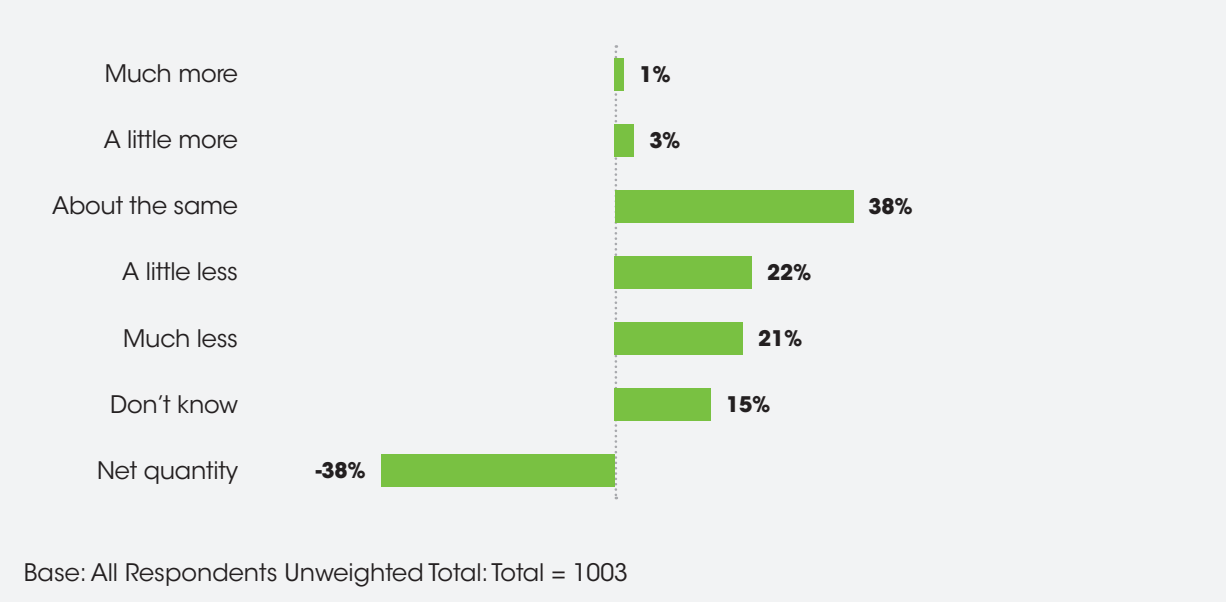
Given the historic tendency of regeneration and economic development efforts to bypass the most 'left behind' neighbourhoods, it is vital that communities in these places are given the means to have a real say in the decisions that affect them, and to take real responsibility for the deployment of levelling up resources. The devolution of power from Westminster cannot stop at the level of the sub-region or the local authority.

The distribution of funding and resources

> "Government departments, statutory funders, philanthropic bodies, and regional and local government need to join together and delegate to communities a slice of their funding, to enable them to address local challenges ... It is about creating a better organised, better connected, more focused and more effective community that can deliver significantly improved outcomes as a result, getting better value for money."
>
> **Graeme Duncan**, Right to Succeed, oral evidence to inquiry session one

One of the key challenges faced by 'left behind' neighbourhoods under the current funding and resourcing model for regeneration in England is the complexity and bureaucracy of the process. Communities and organisations in 'left behind' neighbourhoods often struggle to access the public or charitable funds they need due to convoluted application procedures and stringent eligibility criteria. This can result in a mismatch between available resources and local needs, limiting the ability of 'left behind' neighbourhoods to address their specific challenges effectively.

Overall, do you feel your area gets its fair share of resources, compared to other communities in your town/city/local authority area?



Base: All Respondents Unweighted Total: Total = 1003

Source: Survation poll of 'left behind' neighbourhoods 2020

While the levelling up budget has allocated significant funds, it is unclear whether they will be adequate to address the myriad and often interconnected issues faced by 'left behind' neighbourhoods; given their history of receiving less than their fair share of funding, it is also unclear whether these resources will even reach them in the first place.

Various DLUHC programmes are currently reporting under-spends, suggesting difficulties in getting allocated funds to where they are most needed (Williams, 2023). Achieving meaningful progress in these communities will likely require not only financial resources, but also targeted investments in social capital, local leadership, and capacity building.

The overall funding model for levelling up in England is often criticised for being too centralised, short-term, bureaucratic, and inflexible. This can hinder the development of context-specific, locally-driven solutions to the challenges faced by 'left behind' neighbourhoods, as resources are often allocated according to top-down priorities and predefined criteria. Furthermore, the competitive nature of funding programmes can lead to wasted resources as organisations devote significant time and effort to preparing bids, with no guarantee of success.

> "The nature of funding means the actual projects that you've got, the things that you're doing on the ground, they get diverted so that you can try to access at least some of this money. And then the rest of that money is oriented towards whatever busy work the fund itself stipulates that you do, just so you can filter some of it to the work you need to do. When we do complete bids, our experience has been that they have failed very often. So all that time and effort you've spent has been completely wasted. And then when you do get them, the funds are time limited. So that after two years or three years, there you go, you're looking again at trying to replenish it. And it's really, really hard to find funders for salaries."
>
> **Billy Dasein**, East Marsh United, oral evidence to inquiry session four

The dominant funding model also emphasises one-off capital investment while neglecting the revenue funding that is critical for community development. While capital funding is important for making improvements to physical infrastructure, it cannot address the diverse and ongoing needs of 'left behind' neighbourhoods on its own. These areas often require investments in social infrastructure, local capacity building, and ongoing support services to achieve sustainable change, and to put in place the necessary building blocks to support local economic growth. By prioritising capital over revenue funding, the current model risks overlooking these forms of social infrastructure that are vital to long term success and strongly correlated with community wellbeing (APPG for 'left behind' neighbourhoods, 2020a).

> "What is required is that capital funding is fundamentally linked to revenue funding so local authorities and regions can strategically plan their local economies for the long term.
>
> **Henry Kippin**, North of Tyne Combined Authority, oral evidence to inquiry session four

Although intended to ensure the most effective use of resources, competitive bidding processes can inadvertently contribute to waste and inefficiency (Kaye et al., 2022). Organisations may invest considerable time and resources in preparing bids, but only a small number of them are successful. Communities encouraged to bid for support may have sunk considerable effort into a process which, in many cases, has yielded no result – distracting both volunteers and public servants from pursuing existing projects.

In 'left behind' neighbourhoods, the barriers to accessing funding via competitive bidding processes are even higher; these places are defined in part by a lack of social capital and civic participation, leading to a lower presence of charitable and third sector organisations which could provide support for writing funding bids. While many people living in 'left behind' neighbourhoods want to see their places thrive and will contribute significantly to community-led initiatives to transform them, higher levels of deprivation often mean there are few who are able to commit time to preparing funding bids unpaid – particularly when limited staff and volunteer time is needed to address urgent problems of poverty. There is thus a basic lack of capacity for delivering the work needed to secure funding to build capacity: a 'chicken and egg' dilemma from which it is difficult for 'left behind' neighbourhoods to escape without some kind of external support or intervention.

Beyond the fundamental capacity constraints 'left behind' neighbourhoods face, they are also less likely to have ready access to the extremely specialised skill-set needed to prepare a successful funding bid. More prosperous places, often have access to this skill-set, if only because they can afford to buy it in (APPG for 'left behind' neighbourhoods, 2023b). Additionally, the competitive nature of bidding processes discourages collaboration and information sharing among organisations, limiting opportunities for collective learning and innovation – which are required for 'left behind' neighbourhoods to develop the capacity they would need to succeed in bidding processes.

Finally, policymakers should consider whether it is realistic or reasonable to expect 'left behind' communities to be able to generate and demonstrate the enthusiasm needed to succeed in competitive bidding processes to their satisfaction. After decades of neglect and failed regeneration initiatives, 'left behind' neighbourhoods need the system to start investing in them before they will feel able to start investing in it.

Making funding to tackle deprivation dependent on winning in a centrally managed competitive bidding process effectively screens out many of the most deprived neighbourhoods. In many cases, this process ensures decision-makers will never even assess 'left behind' neighbourhoods' need for funding.

> "A lack of data, capacity and capability in places hinders the development and delivery of projects. Funding often goes to places which are already successful, leaving rural places and small towns behind, with the process stacked against them. "
>
> **City-REDI**, University of Birmingham, written evidence submission to the inquiry.

Administering funds in a more localised and needs-based way could offer several advantages, including increased responsiveness to local needs, enhanced community engagement, and reduced administrative overheads for both community organisations and the public sector. By empowering local actors to manage and distribute funds, resources could be allocated more effectively and efficiently, with a greater focus on the specific priorities and challenges of each 'left behind' neighbourhood.

Shifting institutional culture: from control to accountability

> "Over decades, these communities have been left further and further behind. We've got to start to hold our hands up and say, 'You know what, this centrally led approach to intervention hasn't worked'. And it hasn't worked because it creates inputs that are designed to fit everywhere, and fit nowhere particularly well. These inputs arrive in a community laden with assumptions and are often trying to overcome decades of decline within three years."
>
> **Graeme Duncan**, Right to Succeed, oral evidence to inquiry session one

The especially centralised UK system of government concentrates power and resources in Westminster and Whitehall, but the centre still relies on local government and public agencies to actually deliver the vast majority of services and programmes it mandates. This places huge importance on the bureaucratic processes chosen to control how these resources are allocated and spent, and in turn makes the metrics for measuring these flows and the outcomes they achieve critical. These technocratic issues attract little debate. But in the context of a modern state deploying trillions of pounds a year even small adjustments to the rules governing the flow of money can have critical consequences for the economy and public services, particularly in 'left behind' areas. As one academic study puts it, "public finance is politics hidden in accounting columns" (Manchester Centre for Economic Policy, 2021, p. 14). Inevitably, this culture of control is particularly challenging for local authorities in 'left behind' areas whose localised and specific needs are rarely reflected in national appraisal systems.

It can be easier to focus on problems that could be characterised as 'low hanging fruit' and dealt with through short term interventions. These are often prioritised at the expense of grappling with issues in areas facing significant, complex and intractable challenges and which need sustained, targeted investment, support and resources, and a long term approach. For example, some of the metrics for determining the success of the levelling up missions can incentivise public agencies to focus their efforts and investment in places with at least some pre-existing social infrastructure. This choice will remove 'left behind' places from contention, as – by definition – they lack this infrastructure. Similarly, missions assessed by improving levels of, for example, "high quality skills training" impose duties on employers and educational institutions which may not even be present in 'left behind' places.

Some commentators have identified a related 'evidence paradox', whereby the community-led initiatives that are most likely to have a long-term impact are extremely difficult to measure in terms that will be recognised by policymakers or those who formally evaluate 'success' (Studdert, 2021). New evidence is emerging of the impact of investing in social infrastructure and community-led regeneration projects (Frontier Economics, 2021), yet the role of this evidence in policy and funding decisions has so far remained limited. Despite numerous attempts to broaden their focus to take more account of social and wellbeing outcomes, government appraisal methodologies – above all HM Treasury's Green Book – remain inflexible and too focused on evidence of large-scale efficiencies, short-term impacts, and immediately quantifiable, readily observable results. Such evidence is often harder to produce for the community-led approaches highlighted by many witnesses to the APPG's inquiry, particularly in 'left behind' places (Grayston et al., 2023). The United Kingdom must move towards a culture of trust in which local actors are empowered to act and are then held accountable for their decisions after the fact, rather than a culture of control in which pre-appraisals by the centre replace accountability entirely.

This cultural distance between policy thinking and lived experience in 'left behind' neighbourhoods is also manifested by an effective 'language gap' between the way that people living in 'left behind' neighbourhoods think and talk about their lives, and the terminology used by government and – quite often – by civil society organisations, too. This discourages community actors from getting organised and involved in decision-making, impedes the flow of crucial information in both directions, and limits the transparency and accessibility of decisions that could meaningfully impact levelling up in 'left behind' neighbourhoods. None of this is helped by the complexity of multi-tiered local and sub-regional government.

Local authorities are complex, networked institutions, within and between themselves, and are often constructed in hierarchical or siloed ways, with different public services or directorates operating quite separately from other aspects of a council's work. We must find ways of supporting people living in 'left behind' neighbourhoods to overcome these significant cultural barriers if the levelling up agenda is to benefit from their experience and expertise – as it must if it is to succeed.

Three possible futures: at the turning-point for 'left behind' neighbourhoods

We are at a critical point for the future prospects of those living in 'left behind' neighbourhoods. Notwithstanding the challenges, political attention is now focused on creating policies that will help these communities.

The different approaches to addressing inequalities within and between the countries and regions of the United Kingdom look set to be a key political battleground in coming years (Diamond et al., 2023). As a recent report from the Institute for Government notes, "given the tight fiscal context that the next government, whoever it is, will face, devolution of responsibilities – more than higher spending on new policies – is likely to be a major tool to try to drive regional growth" (Pope et al., 2023, p. 8).

Yet growing economic instability and the increasing cost of living threatens to destabilise the cross-party consensus built around the need to tackle place-based inequalities – particularly if the initial funding programmes attached to the levelling up agenda are not seen as successful.

This presents a challenge, because the current design and structure of these programmes are not optimised to deliver success. They do not fully recognize the scale of the issues faced by 'left behind' neighbourhoods, or the community-led, context-dependent approaches that could make the most difference. As a result, whether or not we choose to redesign these programmes may shape the path of 'left behind' neighbourhoods for decades to come. Early evidence shows a strong regional component to the United Kingdom's cost of living crisis, with London and the South East pulling even further ahead in terms of productivity (West Midlands Regional Economic Development Institute, 2023).

If the current levelling up programme continues as it is, only unevenly supporting 'left behind' neighbourhoods by chance rather than design, failing to account for changing economic circumstances, and only slowly redistributing power or adjusting funding practices – there is a genuine risk that we will see 'left behind' neighbourhoods become further 'left behind' over the next ten to twenty years. Even at the top end of reasonable expectations, with current approaches working well or being tweaked, the current model will be unlikely to transform 'left behind' neighbourhoods in the ways described by the White Paper. Instead, we may see these areas just about keeping pace with the rest of the country, primarily due to the efforts of informal and third sector local community action, so that the gap in outcomes between deprived and affluent places persists.

Even if the current levelling up agenda persists and has some success, 'left behind' neighbourhoods will still find themselves relatively disadvantaged: resources will continue to flow to other places, while some 'left behind' neighbourhoods will experience second-hand benefits that allow them to keep pace but not to truly transform local people's life chances.

But there is another scenario. Learning from the experiences and listening to the voices of people living in 'left behind' neighbourhoods, the government can adapt its levelling up programme and see these places begin to radically close the gap in outcomes with wealthier places. This will create a shift in the life chances of millions of people and contribute significantly to the wider prosperity and productivity of the nation.

We elaborate on the three possible futures for 'left behind' neighbourhoods below.

While it is impossible to predict which path the country will take, the third – and most favourable – future is the one requiring the most ambition, imagination and political will. If nothing changes, evidence to the inquiry confirms that the first two futures are far more likely.

Worst-case scenario: Falling further behind

The policy objectives and approaches currently set out by the government are pursued without change. Some combination of falling political capital, inadequate levels of investment, central micromanagement, lack of strategic focus, resources being reallocated due to unexpected short-term challenges in other policy areas, and challenging economic circumstances mean that the levelling up programme makes little headway. The current design of levelling up even proves to be counterproductive in a number of ways.

In this scenario 'left behind' neighbourhoods become even more disconnected from the rest of the country, with a widening gap in terms of social and economic outcomes.

As jobs and investment continue to flow to more prosperous areas, 'left behind' neighbourhoods experience declining living standards and opportunities.

One of the most significant consequences of this trend is likely to be worsening social and economic outcomes. 'Left behind' neighbourhoods may experience even higher rates of poverty, unemployment, and ill health, as well as lower levels of educational attainment and life expectancy. This could lead to a vicious cycle of deprivation and social exclusion, where individuals and communities find it increasingly difficult to escape the negative effects of their circumstances.

The social fabric of 'left behind' neighbourhoods is also likely to become increasingly frayed, even despite the efforts of community groups in many places, as they are unable to access the support and resources that they need to effectively address local issues and challenges. As people struggle to make ends meet, they have less time and energy to invest in their communities, leading to a decline in social capital and a lack of engagement in local civic life. This could further exacerbate the sense of disconnection that many people living in 'left behind' neighbourhoods already feel, as well as creating a self-reinforcing cycle of decline.

A further cost of this path is the missed opportunities for development it will bring. As 'left behind' neighbourhoods fall further behind, they may miss out on opportunities for investment, innovation, and entrepreneurship that are vital for dynamic local economies. This would have knock-on effects for the wider country, leading to reduced productivity and slower overall economic growth.

The costs of dealing with the negative consequences of social and economic decline in these areas could be significant, both in terms of financial costs and the costs to people's wellbeing and quality of life. Public services – many of which are already strained to the verge of breaking-point – would face rising demand and a deepening complexity of cases.

> "Levelling up is also about rebalancing at a more local level within regions, not only between big cities and small towns, but between suburbs, rural areas, and particularly 'left behind' places. It would not be a success if we just ensured that superstar cities in each region pulled further away from the 'left behind' neighbourhoods that often surround them."
>
> **Toby Lloyd**, housing and regeneration policy expert, oral evidence to inquiry session three

Base-case scenario: Stalled progress

The policy objectives and approaches currently set out by the government are pursued without any fundamental change. Incrementally improving economic conditions, successful (if limited) experiments in devolution to metro mayors, and the growing impact of a plethora of new funding pots begin to make a difference to the economic geography of the UK. While the gaps between whole regions can be seen to be slowly closing, 'left behind' neighbourhoods are not effectively targeted by policy and funding decisions; they feel the benefits unevenly, and often in a second-hand way as growing economic prosperity in some urban cores begins to trickle outwards.



(Andrew Aitchison/Local Trust)

Here, pockets of success begin to appear across the UK, spurred on by limited devolution experiments with metro mayors and the mushrooming impact of a myriad of new funding resources – not perfectly targeted, but nevertheless transformative for some places. These changes start to recalibrate the country's economic landscape, gradually bridging the gaps between entire regions. In this scenario, the prospects for 'left behind' neighbourhoods remain ambiguous. Living standards and opportunities appear stable in some places – but there is also no sign of dramatic improvement. For many 'left behind' neighbourhoods, the experience of levelling up is a distant echo of prosperity happening elsewhere, not a genuine uplift in their circumstances.

'Left behind' neighbourhoods remain neglected compared to more successful places, and so some of the implications of multiple deprivation and weaker local civic infrastructure will be felt more keenly over the years, breeding a growing sense of paralysis and disillusionment. Local public services remain hard-pressed by high levels of demand; poor transport links are not improved so local connectivity remains weak.

While nearby urban cores may be flourishing, local businesses, industries and employment opportunities in 'left behind' neighbourhoods see little change. While there may be some spill-over effects, the opportunities for meaningful economic activity in neighbourhoods remain constrained, limiting employment prospects and economic diversification. This, in turn, reduces the scope for local entrepreneurs and stifles innovation. Faced with limited local opportunities, many young people continue to choose to leave in search of better prospects elsewhere. This exodus of youth and talent exacerbates the challenges facing 'left behind' neighbourhoods, leading to an ageing population, a lack of fresh ideas and dynamism, and further challenges for local economies.

Instances of genuine community mobilisation are supported in some places. Where it exists, this helps to engender improvements in some 'left behind' neighbourhoods, delivering a version of levelling up that ensures that, on average, 'left behind' neighbourhoods do not fall too much further behind.

But without a targeted approach to develop the community capacity and invest in the social infrastructure that is needed in 'left behind' places across the country, these instances of mobilisation and strengthened social fabric will remain the exception rather than the rule.

They will illustrate the missed opportunity for all the other 'left behind' neighbourhoods where such improvements have not happened. Without better-targeted support, the gap between most 'left behind' neighbourhoods and more prosperous places persists.

Best-case scenario: Transformation

The policy objectives and approaches currently set out by the government are rethought and refreshed, with new underpinning principles which are specifically designed to ensure benefit to 'left behind' neighbourhoods across the country. Approaches to devolution are tailored to the needs of these areas, and new processes are developed to harness the experience and capacity of local people at the neighbourhood level in every stage of policy development, from conception, to design, and delivery. Central government adjusts its approach to making funding decisions to account for the very different starting positions of 'left behind' neighbourhoods, ensuring that these places see early investment in the necessary building blocks for change.

A new model of levelling up could provide a very different future for 'left behind' neighbourhoods: supporting communities to mobilise, unlocking resources, and addressing entrenched sources of disadvantage. This would have wider systemic benefits, reducing demand on public services, strengthening economic outcomes, and building resilience.

This is a scenario where 'left behind' neighbourhoods begin to flourish, becoming vibrant communities where residents can access quality services and economic opportunities. Enhanced devolution of power to local authorities, and to communities themselves, leads to a more efficient and targeted use of resources, ensuring that those with the most experience and expertise lead initiatives and make decisions about the issues and specific needs of each 'left behind' neighbourhood. Long-term investments in both physical and social infrastructure create a solid foundation for sustainable growth and regeneration.

As 'left behind' neighbourhoods undergo this transformation, the lives of their residents change significantly for the better. Access to quality education and training programmes gives young people a fair chance to develop their skills and prepare for rewarding careers. The availability of good jobs within these communities lessens people's need to leave in search of opportunities, helping to stem the 'brain drain' and fostering a sense of pride and belonging among residents.

Adults in 'left behind' neighbourhoods also benefit from bespoke pathways to high-quality technical qualifications and adult education programmes, allowing them to up-skill, re-skill, and take new employment opportunities. This in turn may lead to higher disposable incomes, improved living standards, and a more stable local economy. Access to quality healthcare and social services helps address long-standing health disparities, leading to better physical and mental well-being for residents – and all the benefits to economic opportunity and productivity that come with it.

Community mobilisation is a driving force in this potential future. Backed by local government and civil society organisations, local residents are encouraged, incentivised, and supported to engage in decision-making processes and take ownership of their community's development. This creates a sense of agency and empowerment, fostering a strong sense of civic pride and unity. Grassroots initiatives thrive, leveraging local assets and resources to address specific community needs and promote social cohesion.

> "We can start to show that it leads to fantastic progress very quickly. When we genuinely empower the community and give them the resource without all the strings attached to it, they can actually do what's right for their community."
>
> **Graeme Duncan**, Right to Succeed, oral evidence to inquiry session one

> "Neighbourhood planning can be a good and provide positive ends in itself, but it also can provoke positive movement and start to encourage potential leaders from within communities to get involved more widely."
>
> **Gavin Parker**, University of Reading, oral evidence to inquiry session four

As the lives of people in 'left behind' neighbourhoods improve, the UK will enjoy the wider benefits of this transformation both regionally and nationally. Reducing the disparities between 'left behind' neighbourhoods and other areas leads to a more balanced and resilient economy. The newfound prosperity in 'left behind' neighbourhoods stimulates demand for products and services, creating positive ripple effects for businesses and industries both within and beyond these communities.

As residents of 'left behind' neighbourhoods gain access to better education, healthcare, and employment opportunities, the demand for welfare and other support services may decrease. This frees up local government resources that could be redirected towards further investments in social programmes, infrastructure and other initiatives.

In this future scenario, 'left behind' neighbourhoods emerge as models of resilience and adaptability. Faced with the challenges of climate change and other global disruptions, these communities would be better equipped to respond effectively and adapt to new circumstances. At the same time, the success of this new approach to transforming places is testament to the power of targeted policy interventions, community engagement, and long-term investments in both physical and social infrastructure. The success of 'left behind' neighbourhoods showcases the power of collaboration between different levels of government, the private sector, and civil society in driving sustainable, inclusive growth. England's approach to addressing place-based inequality may become a case study for discussion by social reformers in other countries.

All three of these futures are still possible. Below, we recommend the interventions central government, local government, charities and the communities sector should pursue to transform the fortunes of 'left behind' neighbourhoods, and so avoid wasting their potential to contribute to a stronger national economy.

Our policy recommendations

Recommendations for central government: delivering on the promises of levelling up

Recommendation 1.1: A next-generation devolution programme

We need a revamped devolution model that takes better account of the specific needs of 'left behind' neighbourhoods. As part of this, central government must clarify and establish clear responsibilities for how different layers of local government should work together in the interests of communities, as part of **a more granular and localised devolution agenda**.

Where Combined Authorities are in place or are being created, **making improvements in 'left behind' neighbourhoods should be a key part of mayoral accountabilities and the deal-making process**. This might include reductions in unemployment, measures of local satisfaction and pride in place, or increased access to quality education. This would incentivise Combined Authorities to further devolve their powers and resources closer to neighbourhoods.

The radical next step would be to finally broach **genuine fiscal devolution** for English local government. This would empower local authorities with the raising, redistribution, and targeted allocation of resources to address area-specific issues and needs, and capitalise on distinctive local assets. Of course, this would need to be partnered with a national redistribution model that fairly accounts for differences in revenue-raising capacity. Fiscal devolution, with sufficient clarity in its underpinning philosophy and principles, could turbo-charge the transformation of 'left behind' neighbourhoods (Studdert, 2023).

Government must also commit to **'double devolution'**, that is, devolution below the level of combined and local authorities. This would better address the specific challenges faced by 'left behind' neighbourhoods in England – a point emphasised in written evidence submitted to our inquiry from Power to Change (2023). Double devolution would mean giving decision-making powers and resources to the residents of 'left behind' neighbourhoods. In turn, this would build local confidence and capacity as a foundation for the development of new resident-led neighbourhood councils or forums.

> "People in communities are the experts in their own lives. It's just a fact. Somebody from a Unit or Council just can't see the complexity of things in the community."
>
> **Billy Dasein**, East Marsh United, oral evidence to inquiry session four

Recommendation 1.2: A renewed commitment to community empowerment

To facilitate collaboration between local stakeholders, the government should deliver on its commitment in the White Paper to **develop and pilot community covenants**. These should establish a cohesive vision for building stronger local communities in 'left behind' neighbourhoods. Public, private, civil society and local community organisations should all be involved in the vision setting and decision-making process.

Government should also develop its promised **Community Spaces and Relationships Strategy.** The Strategy's objective should be to mainstream investment in social infrastructure and to facilitate resident involvement in community and neighbourhood governance in 'left behind' neighbourhoods. It should incorporate **capacity building and support** for effective community-led action. Specific funding should be provided for developing and implementing plans for 'left behind' neighbourhoods, in recognition of the urgent need to develop social infrastructure and community capacity in these places (The Cares Family, 2022).

Research and thinking from the Levelling Up Advisory Council's **Local Communities and Social Infrastructure sub-group** should underpin efforts to centre community perspectives in the design of levelling up policies and neighbourhood strategies (NPC, 2023). This sub-group could be given wider responsibility to provide advice on the development of a holistic approach to community-led change. Such an approach would build connections between the range of existing policies and programmes to address place-based inequality, establish a clear role for community action within them, and set out how community-led approaches might best be resourced in very economically challenging times (Bennett et al., 2019).

The government should also **refresh and recommit to its Communities Framework**. A revised framework should recognise the importance of civic infrastructure for strong, resilient neighbourhoods, particularly in light of the pandemic and rising cost of living. It should explicitly outline how deprived and 'left behind' areas can be supported to take part in, and benefit from, its broader aspirations around active citizenship, local control and shared community spaces.

Finally, tangible progress should be made on creating a **Community Wealth Fund** before the next general election, so that 'left behind' neighbourhoods start to receive the benefits of this investment without further delay.

> "With local residents making decisions, that means no one is telling us what we should do or how we should do it. We don't spend all of our time asking permission, chasing funds or jumping through funding hoops. Instead, we have developed plans that really matter to us, plans that we really care about making happen, that we get on with delivering, because we really care about our community."
>
> **Rebecca Woods**, Ewanrigg Big Local, oral evidence to inquiry session one

Recommendation 1.3: A new era of community ownership

One explicit feature of the new Community Spaces and Relationships Strategy should be a roadmap to boost **community ownership of assets of local importance**. This should be based on existing approaches, including learning from the 'open doors' pilot programmes that have enabled communities to make use of temporarily unused properties (Ministry of Housing, Communities & Local Government, 2019). It will also require legislation to establish a strong community right to ownership and control of local assets (We're Right Here, 2023).

A **Community Right to Buy** would help communities to save local assets like pubs, clubs and green spaces and support the provision of new local amenities and facilities. This would strengthen the existing 'community right to bid' created by the 2011 Localism Act, and give community groups the right of first refusal in acquiring registered Assets of Community Value at a fair, independently assessed value. The current proposal for a **UK Community Investment Bank** could help accelerate the impact of these expanded powers; such a bank could offer flexible loans at favourable terms to community groups and civil society organisations for investing in local civic infrastructure.

> "The big thing I think that's missing is the Community Right to Buy. And I think we could do a huge amount more just to give communities the power and the ability to acquire assets in their neighbourhoods, especially those underused high street assets that could really help across so many of these missions."
>
> **Toby Lloyd**, housing and regeneration policy expert, oral evidence to inquiry session three

Recommendation 1.4: A re-invented funding model

To optimise the allocation of resources and bring funding within reach of 'left behind' neighbourhoods, the multiple funding pots for tackling place-based inequality should be amalgamated into **more flexible levelling up funds held and managed closer to where they will be spent**. Consolidation and localisation should be expanded beyond the existing local authorities named as pilot areas for streamlined funding; this would reduce the current complexity associated with different funds with varying terms of reference and reporting requirements.

This **consolidated, place-based funding model** could draw upon a rich history of experimentation and piloting of 'whole-place' and neighbourhood-level budgeting across the UK. These innovative trials have shown promising results in terms of fostering community engagement and enhancing local decision-making processes. However, so far they have tended to be short lived (House of Commons, 2013). Funding arrangements like these should use transparent and accountable needs-based frameworks, such as the **Community Needs Index**, to identify where investment should be targeted and at what appropriate geographic scale.

> "It's about prioritising the most vulnerable communities in levelling up spend, investing long term in communities and investing so residents themselves hold the purse strings and are empowered to create and deliver projects that best work for them."
>
> **Reece Pocklington**, Ewanrigg Local Trust, oral evidence to inquiry session one

As 'left behind' neighbourhoods have historically missed out on their fair share of funding (due to a lack of both existing networks and the experience to successfully bid for grants), **funds should be allocated to them on a non-competitive basis**, with a portion dedicated to building community capacity for the future.

Another advantage to this approach would be the possibility of **longer-term funding strategies** in any given place, creating the conditions for more predictable and stable local development over longer timescales. Funds would be more flexible, allowing local actors to address the specific needs of 'left behind' neighbourhoods more effectively. Multi-year funding commitments would allow programmes to be adapted as local needs evolve, and would **encourage the development of shared agendas** between local stakeholders, in contrast to potentially wasteful zero-sum processes that undermine opportunities for collaboration (City-REDI, 2023).

> "There's a lot of competition between voluntary, statutory, even private organisations for funding. I've got some really good examples of where five organisations were working in silo, and our residents have actually brought them all under one roof around the table and all singing from the same hymn sheet, even though they're coming from slightly different backgrounds or agendas and funding regimes."
>
> **Barbara Slasor**, Gaunless Gateway Big Local, oral evidence to inquiry session four

> "The funding system is getting more and more complicated through devolution. Through the next round of devolution, there will be more Combined Authorities, you've got County Deals and UK Shared Prosperity Fund, starting with Multiply. The funding is being devolved to various levels of administrations from Mayoral Authorities, right down to district authority level. As a national provider, that system is more complex for us, which means it's more costly, which means it's taking money from frontline services for contract management."
>
> **Simon Parkinson**, WEA, oral evidence to inquiry session one

Finally, to address acute capacity constraints in many 'left behind' neighbourhoods, this new funding model should support a better balance between capital investment and revenue funding. Capital funding can play a vital role in improving physical infrastructure and access to wider opportunity; revenue funding enables the provision of essential services, support programmes, and capacity-building initiatives tailored to the specific needs of each community.

> "It's incredible how much capital money with lots and lots of zeros at the end can be spent relatively easy, compared to revenue money... because of the way that it shows up on the government books... But we're then fighting over pennies on the revenue for the staff to support the work because people fear, they have this dread, of letting anything on the revenue side creep up, especially when it's for staff. ... I think joining up capital and revenue and understanding that one requires the other is a start."
>
> **Ben Lee**, Shared Intelligence, oral evidence to inquiry session three

By including both capital and revenue funding in programmes, policymakers can **foster sustainable, inclusive growth that empowers local communities** and addresses multi-faceted challenges in a more comprehensive way. Ultimately, this will put 'left behind' communities in a better position to apply for and benefit from remaining public and third-sector funding distributed via competitive bidding, and to attract private investment.

Recommendation 1.5: A redefined framework for measuring success

> "There's not a single template that covers everything for regeneration. Each project should be guided by existing knowledge, expertise of grassroots organisations in the neighbourhood. Top-down management of regeneration is a waste of existing resources and expertise."
>
> **John Angell,** Dover Big Local, oral evidence to inquiry session two

If we are to capture what works in deprived and 'left behind' areas, re-evaluating metrics of success and impact is essential. **Frameworks for assessing impact should be revised**, recognising the 'evidence paradox' that community-powered approaches are often evaluated through measures that do not adequately capture their value (New Local, 2021).

Local people and organisations should be empowered to go beyond the national framework for levelling up and involve their communities in **identifying appropriate local measures of success for regeneration** programmes. This will ensure a more context-specific and nuanced understanding of local challenges and opportunities. Engaging local actors in the process of defining success will also promote local ownership and accountability of actions, as communities become more actively involved in shaping their own futures. This will ultimately mean that policy and funding decisions address the diverse needs of 'left behind' neighbourhoods more effectively.

> "If we really do think levelling up is by consensus addressing the structural issues of the country, and there's some weight behind that, there needs to be some weight behind the metrics that define that. ... [W]e have to start holding public money to account on a broader set of outcomes, I think."
>
> **Henry Kippin**, North of Tyne Combined Authority, oral evidence to inquiry session four

To support these changes, **more granular, neighbourhood-level data must be collected and made publicly available** (Vizard, 2022). Data on community satisfaction or educational performance are two examples.

Recommendations for local government: improving outcomes in 'left behind' neighbourhoods

Recommendation 2.1: Stronger collaboration between local government and public bodies

Deal-making within existing devolution processes has left some ambiguity as to the different roles for various tiers of local government. There is now a strong case for **strengthened cooperation between tiers of local government.** Shared objectives to transform life chances in one neighbourhood – and the considerable benefits of doing so – can incentivise neighbouring and nested local authorities to overcome differences and collaborate more effectively (Kaye et al., 2022). Better collaboration should involve **public bodies creating joint strategic plans** that outline areas of shared effort and clarify the allocation of resources between them (APPG for 'left behind' neighbourhoods, 2023b). These plans must include community voices, allowing local priorities and expertise to guide decisions about resources and redevelopment from the earliest stages (Community Land Trust Network, 2023).

> "I think there is a responsibility on us locally to make sure that when we are designing and delivering projects, we are equally mindful of the wellbeing and the social impact of those projects. I don't think that's always necessarily been the case. And I think we have to make sure there's a high degree of co-production in terms of how those projects come through."
>
> **Henry Kippin**, North of Tyne Combined Authority, oral evidence to inquiry session four

Recommendation 2.2: More effective engagement with communities

Local authorities seeking to improve outcomes in 'left behind' neighbourhoods should adopt a collaborative and enabling stance when they engage directly with the people in those communities. This would incorporate a greater emphasis on co-production, delegation of decision-making and budgets, and trust in community leadership.

> "You can deliver improvements relatively quickly with relatively small amounts of money by catalysing investment and enabling communities to take ownership of civic assets, potentially. It happens when the professional capacity works in partnership, or very closely with, the community."
>
> **Professor Sarah Pearson**, Centre for Regional Economic and Social Research, oral evidence to inquiry session three

> "What we see in successful neighbourhood planning is not an over reliance necessarily on one or two people. It has to be a more co-produced kind of effort where local authorities also play a part alongside third sector bodies and consultants and community leaders."
>
> **Gavin Parker**, University of Reading, oral evidence to inquiry session four

> "Probably what's needed is to acknowledge that the community should be at the forefront of developing its own life, but that what is needed is some kind of an intermediary ... some kind of wraparound person-centred support that's going to bring help with policies and the technical jargon, the training, mentorship."
>
> **Billy Dasein**, East Marsh United, oral evidence to inquiry session four

To disentangle the layers of complexity in England's system of local government, **local authorities should identify someone who is responsible for community liaison** across all policy and service areas in any jurisdiction containing a 'left behind' neighbourhood. These single points of contact can support local communities as they seek to navigate their relationships with different parts of the local government 'machine', presenting a united and simplified portal for these crucial relationships. **Community liaison officers or champions** who are specifically trained to serve as intermediaries between local government and people living in 'left behind' neighbourhoods would ensure effective communication and collaboration.

Recommendation 2.3: Clearer communication and decision-making

> "It's like speaking a foreign language. I've had to learn a whole new way of talking. I have to sort of translate. It's like, "We're going to invest in building a transport corridor from east to west." And a resident will say, "What's a transport corridor?" "Well, it's a road." "Well why don't they just say it's a road?" Then people might actually come out and find out a little bit more about the road they're building down the street."
>
> **Barbara Slasor**, Gaunless Gateway Big Local, oral evidence to inquiry session four

> "Think about the message. I only paraphrase slightly, people are being told that their numeracy level is less than the average nine-year-old, and that the answer is to send them to a bootcamp. That is not going to fly in the communities that we work with. Yes, the intention's right, but let's really think about the language."
>
> **Simon Parkinson**, WEA, oral evidence to inquiry session one

Local authorities should use **clear and accessible language** to communicate policies and initiatives, so that all stakeholders, including people living in 'left behind' neighbourhoods, can easily engage with information and decision-making processes. This may involve, for example, creating **plain language summaries** of policy documents or providing translation services for residents who speak languages other than English.

Local authorities must also meet the highest standards of **transparency in decision-making and resource allocation** if they are to build trust and foster a sense of ownership of decisions among people living in 'left behind' neighbourhoods.

Recommendation 2.4: Prioritisation of capacity building

> "People give enough up themselves but they have to have support in building their capacity. People desperately want to do it. My experience is people want to be a part of their community. They want to make a change for people like themselves. They don't want it done to them or for them."
>
> **Trisha Bennett**, Whitley Big Local, oral evidence to inquiry session one

Progress in 'left behind' neighbourhoods fundamentally relies on **building community capacity**. Local authorities should dedicate significant effort and resources to this goal (Tiratelli, 2020). This report outlines numerous strategies for benefitting from and enhancing local knowledge, skill sets, capacity, and a sense of community stewardship. Cultivating these essential building blocks for change in 'left behind' neighbourhoods will often require dedicated actions or strategy.

To support this, councils should **allocate resources to mapping existing local assets and existing community efforts** within 'left behind' neighbourhoods. More detailed data like this will inform targeted interventions. This process could involve conducting comprehensive asset inventories (including physical, social, and cultural resources), as well as leveraging local knowledge and expertise to identify unique challenges and opportunities. Local people themselves should be brought into the process as **volunteer ambassadors** to hold informal conversations within their own communities – sharing information and helping to foster community leadership in the process (Big Conversation Wakefield, 2023; University of Central Lancashire, 2023).

Local authorities should resist the temptation to predefine the agenda when engaging with communities in 'left behind' neighbourhoods. **Conducting blank-sheet conversations** with communities will generate a far better understanding of genuine local priorities and concerns, while also uncovering local expertise. This approach involves starting from a position of openness and curiosity, seeking to understand the experiences, needs, and aspirations of people living in 'left behind' neighbourhoods before and while designing interventions (Kaye, 2020). The specific approach taken will vary from place to place, but should be informed by innovative practice from across the community and civil society sectors. For example, the People's Health Trust has developed its 'The Local Conversation' approach, drawing together local government, partners from the private and third sectors, and other important local figures via neighbourhood forums and regular public meetings. This should be supported by good use of social media to reach as many people as possible and to engage communities more effectively (People's Health Trust, 2023).

A new **Communities First graduate and apprenticeship programme** (based on the Teach First and Police Now concepts) should be set up to enable local communities to take advantage of new powers, build capacity in 'left behind' neighbourhoods, and to help develop the next generation of community development workers (Community Organisers in oral evidence to the APPG for 'left behind' neighbourhoods' session on dormant assets funding, 2023).

Recommendation 2.5: Targeted investment in social infrastructure and local initiatives

> Investment in social infrastructure helps to develop social capital — the relationships and connections which lay the foundations for people to flourish. This makes places more pleasant to live, and means that skilled people are more likely to want to stay there. However, it also means that communities are more resilient to shocks, and the social problems we discussed above are less likely to occur—lowering health and other support costs in an area.
>
> **New Philanthropy Capital**, written evidence submission to the inquiry

With the flexibility afforded by broader, localised funding, local authorities should target investment towards specific areas of need for 'left behind' neighbourhoods. This should include **developing social infrastructure**, such as community centres, hubs, libraries, parks and other green spaces. Social infrastructure provides essential spaces for residents of 'left behind' places to gather, share resources, and access services (APPG for 'left behind' neighbourhoods, 2023b). It provides some of the crucial building blocks for, and maximising the benefits of, innovative approaches to **meeting health and social care needs**, like social prescribing initiatives (Coalfields Regeneration Trust, 2023). Investment could be designed to support such new approaches, building up support services and social infrastructure where they are missing.

Investment in social infrastructure also creates scope for new, more ambitious community initiatives, including **capacity-building workshops and leadership training**. These could empower people living in 'left behind' neighbourhoods to mobilise, engage in decision-making processes, and advocate for their needs.



(Kelly McLaughlin/East Marsh United)

Investment in local media will help to ensure that people living in 'left behind' neighbourhoods are well-informed about the opportunities and resources available to them, while also providing a platform for community voices to be heard (Macroscope; Charitable Journalism Project, 2023).

Tailoring adult education to provide accessible routes to high-quality technical qualifications should be a priority. This could involve working with local employers to identify what skills they require and to develop bespoke training programmes that lead to sustainable employment opportunities (Social Mobility Commission, 2023). With some supporting resource, local authorities and 'left behind' communities could co-produce new skills pathways connected to existing and new employment opportunities, including apprenticeships. Adult learning opportunities and basic skills provision should be developed and delivered in the community, for example through the development of peer-led learning programmes tailored to the needs of residents in 'left behind' areas.

Improving local public transport is a critical issue for many 'left behind' neighbourhoods: many are peripheral and cut off from local centres of economic activity (Renaisi, 2023). Support, including investment, from local authorities to fill gaps in local transport provision is a precondition for improving access to jobs, training, healthcare and other services in many 'left behind' neighbourhoods.

Recommendations for community organisations: operating within 'left behind' neighbourhoods

Recommendation 3.1: Fostering a culture of mutual support

In everything they do to address place-based inequalities in the UK, community and third sector organisations should work closely and collaboratively with people living in 'left behind' neighbourhoods. This should be underpinned by the same **commitment to clarity, simplicity and transparency in language and decision making** as we have recommended above for local government.

> "Whilst the communities we work with look statistically similar, the asset base, the local culture, the local challenges and opportunities and even the personalities you encounter are completely different from community to community. So you can't take the same approach, but you can follow the same process and the same principles to define and deliver the change. The solution that comes out will be unique to each community, but what is important is the agency and support for that community to get it right for them."
>
> **Graeme Duncan**, Right to Succeed, oral evidence to inquiry session one

Well-established community and third sector organisations should **proactively adopt, innovate and showcase community-led and co-production approaches** in 'left behind' neighbourhoods (Kaye, 2020). Such organisations operating within or adjacent to these areas could provide mentoring, wraparound support, and guidance for more informal community groups and emerging neighbourhood leaders. This could include offering **training and in-kind support to encourage grassroots initiatives**, as well as **facilitating connections between community leaders and relevant stakeholders**, such as local government officials and private sector partners (Volunteering Matters, 2023).

Recommendation 3.2: Encouraging knowledge sharing

Deepening local collaboration will improve resilience over time in 'left behind' neighbourhoods. To support this, more established civil society organisations should **prioritise regular forums for communication and knowledge-sharing between local stakeholders**, and should **create and engage in joint planning, skills sharing, and decision-making processes** with people living in 'left behind' neighbourhoods (NPC, 2023). With the right support and resources, this could fill the gaps left by the decline in local civic institutions in 'left behind' places, establishing new models for residents and partners in a local community to take the lead in creating a vision for their neighbourhood, seeding new civic organisations and driving the sort of change needed.

Conclusion

The All-Party Parliamentary Group for 'left behind' neighbourhoods is, by its very nature, a demonstration of the cross-party importance of the project to address place-based inequality in England. This is not an agenda that will ever be fully 'owned' by any one political party. The terminology may change, and the policies and funding programmes themselves may shift, but the need to rebalance the opportunities and outcomes available to communities in this country – especially for 'left behind' neighbourhoods – should transcend electoral politics. Cross-party support for the introduction of the Community Wealth Fund as a new beneficiary of dormant assets funding reinforces this.

What has persisted over time, however, is a failure to grasp that sustainable ways of transforming these neighbourhoods must be led by communities themselves, incorporating their unique and lived experience. This is the only demonstrable way of ensuring that local people have a stake and a sense of ownership in what is happening to their neighbourhood. It is also the only way to make best use of the latent expertise and potential that is present in every 'left behind' neighbourhood across the country.

The Big Local programme is one example of how things can change for the better. This programme has shown us that when 'left behind' communities get the support they need, they can contribute meaningfully to the services and networks that make neighbourhoods better places to live. Even with relatively small budgets, over time these communities can grow in confidence and ability, and then go on to develop new resources and skills to benefit their areas. These are test-cases in locally-led regeneration.

Unlocking this potential could transform the wider drive for greater economic productivity and reduce demand on public services. However, given current trends, it is just as likely that without a change in policy, 'left behind' neighbourhoods will slide further back.

This report has set out ideas to realise a better future for 'left behind' neighbourhoods: real levelling up, gathered from the perspectives of communities living in these places and the plethora of insight and evidence yielded by the APPG's inquiry.

The decisions we make now will have a definitive impact upon which future the residents of 'left behind' neighbourhoods can expect to see play out over the coming years. These places can become a cornerstone of our national recovery from a decade of challenges, and a new source of resilience, as the combined efforts of communities, third sector organisations, and an empowered and highly collaborative local public sector work together to plan for the even greater challenges ahead. Alternatively, they can continue to be a place where human flourishing is limited and potential is squandered.

The next few moves will be decisive.

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