

**Teignbridge District Council
Full Council
28 April 2022
Part i**

Levelling Up White Paper

Purpose of Report

To ensure:

1. Members are aware of the key provisions of the 'Levelling Up' White Paper;
2. The Council endorses participation in the development of a 'County Deal' proposal for Devon;
3. That the Council is prepared for the introduction of the UK Shared Prosperity Fund.

Recommendation(s)

The Council RESOLVES to:

- (1) Acknowledge the importance of influencing a County deal for the Devon, Plymouth and Torbay area and the desire to make decision making more local
- (2) Consider and advise on the potential list of programmes and investments set out in Section 8 of this report that might be included within the County deal
- (3) Receive further reports on the County deal as it progresses and on the development of an Investment Plan in relation to the Shared Prosperity Fund

Financial Implications

The financial implications are summarised in 9.1 with indicative figures for Devon as a whole in section 4.

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Legal Implications

There are no specific legal implications arising out of this report. However, the Council must remain aware of any specific actions required of it and of any deadlines.

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Risk Assessment

Risk is set out in Section 9.2 of the report.

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Environmental/ Climate Change Implications

Environmental and climate change implications are set out in Section 9.3 of the report.

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Appendices/Background Papers

Levelling Up White Paper - [Levelling Up the United Kingdom \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

UK Shared Prosperity Fund - [UK Shared Prosperity Fund: pre-launch guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

English indices of deprivation 2019 - [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

1. Introduction/Background

The 'Levelling Up' White Paper was published on 2nd February 2022. This report provides an overview of its main provisions as they apply to the Council. Two particular aspects are highlighted: the selection of Devon, Plymouth and Torbay as one of nine areas in an initial wave to negotiate a County deal and the forthcoming deployment of the UK Shared Prosperity Fund.

The 'Levelling Up' White Paper follows a key commitment from the UK government to address regional and local inequalities. Keenly anticipated, it is badged as a plan to transform the UK by spreading opportunity and prosperity to all parts of it.

The UK has larger geographical differences than many other developed countries. This spans a range of metrics, from wage levels and earnings to educational attainment and life expectancy. There is a recognition that high spatial disparities hamper growth and well-being. The UK is also highly centralised in terms of funding and decision-making.

Given the emphasis on addressing geographical inequality, the White Paper is directly relevant to local government. It heralds a revolution in local democracy and ascribes the biggest shift in power from Whitehall to local leaders in modern times. Root and branch system change is advocated, recognising that there is no simple or singular solution to reversing disparities.

The document states that levelling up will require the government to:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
- Spread opportunities and improve public services, especially in those places where they are weakest;
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost; and
- Empower local leaders and communities, especially in those places lacking local agency.

In addition to these four aims, a new policy regime is set out including 12 'missions' to level up the UK through to 2030. These are detailed at Appendix A to this report. They will all be of interest to district councils but perhaps the most relevant are 9 (Pride in Place), 10 (Housing) and 12 (Local Leadership).

The White Paper sets out a new Devolution Framework (Appendix B to this report) which gives an indication of the types of powers and functions that will be considered for each of the three devolution levels. Importantly, Devon, Plymouth and Torbay are identified as one of the nine areas that will be the focus for an initial wave of County Deals to be concluded by the coming Autumn.

Finally, the document recognises the need to simplify local funding and for investment to take place at scale and in a co-ordinated manner. Alongside the White Paper the government has now published pre-launch guidance for the UK Shared Prosperity Fund (SPF) together with a guide explaining which councils will be lead authorities in each region. The UK SPF is the successor to European structural funds and has again been highly anticipated. Indications are that this will be distributed via an allocation methodology rather than through a competitive bidding process and that most of the fund will be allocated to district councils in two-tier areas.

2. Impact of the White Paper and future legislation

The White Paper is undoubtedly an important document which will form the foundation for forthcoming legislation. Its ambitions are wide-ranging and the 12 missions give plenty of scope for councils to play an important and influential role: through the services we offer directly and through our ability to influence the wider determinants of economic, social, health and civic well-being. It should be noted, however, that some proposals offer less scope for district councils to be at the forefront of devolution, and some key policy areas, such as the transition to a net zero economy, receive little attention.

A range of individual proposals are put forward which will have a bearing on the services and functions of the council. These include:

- A neighbourhood governance review will look at the role and functions of parish councils in England and how to make them quicker and easier to establish
- Powers for local authorities to require landlords to rent out vacant properties

- Local planning authorities will be expected to work with communities to create new local design codes to shape streets according to residents' views, widen the accessibility of neighbourhood planning and increase the community voice in regeneration
- Exploring the transfer of control of taxi and private hire vehicle licensing to combined and upper tier authorities
- Creation of a new independent body in England focused on data, transparency and robust evidence
- Introduction of Levelling Up Directors to provide a key point of contact for local areas, acting as a bridge between local leaders and central government

3. Devolution Framework

As noted above, the devolution framework is set out in full at Appendix B. This illustrates how the scale of available powers and monies is related to a tiered approach which hinges on the chosen governance model. In essence this incentivises reorganisation, although the Government has clearly stated that it will not impose top-down restructuring of local government. Neither reorganisation nor an elected mayor are requirements for a devolution deal; current thinking is that Devon can secure a deal without either of these. It is hoped, however, that we can put a sufficiently robust case to government to secure some of the powers that are currently suggested as only available to those areas choosing to have an elected mayor.

It should also be noted that Devon County Council, and Plymouth and Torbay unitary authorities are the lead for the Deal. The involvement of district councils is encouraged by government but not required. The government also states that:

‘no authority will have a veto over the progress of neighbours who are prepared to move quickly and adopt strong governance models.’

Cornwall is also one of the nine pilots for a County Deal. If Cornwall decided to go for a level 3 deal (ie with an elected mayor) they would gain access to additional powers and finance options, creating a potential disparity in the levels of support when compared to Devon.

The choice of devolution deal will also affect wider partnership arrangements. For example, it is anticipated that functions which are currently the preserve of Local Enterprise Partnerships would form part of level 2 and 3 deals.

4. What additional powers and funding could be part of the deal?

Obviously at this stage we don't know what will be included, but to give an indication we could be seeking the following (figures are estimates for Devon as a whole):

- Additional / dual control over housing powers and funding (circa £5-10m per annum);
- Devolution of skills and employment funding and powers to the local area (circa £15m per annum);

- Additional control over public transport commissioning and infrastructure funding (circa £15-20m per annum);
- Folding in of the LEPs existing functions, and its business voice (circa £3-5m per annum);
- Enhanced alignment of the Shared Prosperity Funding and other place-based investment (circa £10-15m per annum)

5. Priorities for the Devon County Deal

Local authority partners in the Devon, Plymouth and Torbay area have already agreed to work to secure improved outcomes around 8 thematic areas:

- **Housing**, increasing the supply of affordable housing for key workers and local families, as well as using housing to drive economic growth in cities and towns.
- **Skills, Employment and Education**, better supporting young people and adults to learn, and providing the skills that the economy needs.
- **Transport and Infrastructure**, seeking to addressing the gaps in our public transport offer, and our broader transport, energy and digital infrastructure needs, supporting the area to thrive
- **Economic Development, Business Support and Innovation**, working with the business community to ensure that we can offer the support our economy needs.
- **Health and Care**, working together to better align national funding to support the health and care needs of Devon, Plymouth and Torbay's residents.
- **Climate Change**, working together and aligning national funding and activity to accelerate our progress towards net zero
- **Regeneration and Place**, securing the funding and flexibilities we need to accelerate levelling up, and ensuring that every place in Devon, Plymouth and Torbay can meet its potential.
- **Governance**, securing a governance approach for the County Deal that meets Government's requirements, but also builds upon our existing strong approach to **collaboration and partnership working**

6. Local Growth Funding

The White Paper recognises the complex funding landscape that currently exists and the potential drain on resources that this presents in terms of having to bid for multiple funding streams, sometimes with very limited chances of success. There were no successful bids from Devon for the first round of the 'Levelling Up' Fund, for example.

The pre-launch guidance for the Shared Prosperity Fund (SPF) confirms that this will provide £2.6bn of new funding for local investment by March 2025, with all areas of the UK receiving an allocation via a funding formula rather than competition.

Teignbridge will receive an allocation, which can be spent on anything which contributes to the three investment priorities:

- Communities and place
- Local business
- People and skills

However, investment in the first two years (2022 – 24) will focus on the first two areas. Councils will also be asked to ring-fence an amount for the 'Multiply' adult numeracy programme, which will be managed by the Department for Education. Funding can also be used to support voluntary sector organisations supporting people and skills, where EU funding is being withdrawn. Further investment for people and skills will follow from 2024/25, when the funding pot reaches its fullest extent.

District Councils are strongly encouraged to work together, and with other partners, to agree and commission work around skills and employment. They are also encouraged to involve local stakeholders. There is an expectation that local MPs will be involved; there will be more detail on this in the full prospectus.

SPF spending should also take account of other national and local priorities, including the commitment to net zero, and clean growth.

More detail on the investment priorities, and the kind of activities that could be funded, is included at Appendix C to this report.

To secure funding, Teignbridge will be asked to set out measurable outcomes we are looking to deliver and the interventions to be prioritised within an Investment Plan. These will need to be submitted this summer for UK Government approval.

It should be emphasised that should a County deal be agreed which includes an elected Mayor, Devon would then be the 'delivery area' for the SPF and Teignbridge would not receive a separate allocation. It should also be noted that this commentary is based on pre-launch guidance and the full prospectus has not yet been published though we expect this to happen shortly.

7. Levelling Up and Teignbridge

The government publishes an index of deprivation; the most recent uses statistics from 2019 i.e. pre-pandemic. The index gives a combined score, weighted as shown:

- Income (22.5%)
- Employment (22.5%)
- Education (13.5%)
- Health (13.5%)
- Crime (9.3%)
- Barriers to housing and services (9.3%)
- Living environment (9.3%)

As can be seen from Fig 1 below, Torbay, Torridge and Plymouth are ranked as the most deprived areas in Devon. The 'ranking' score relates to the number of local

authority districts in England, of which there are 317. The most deprived area is ranked 1, the least deprived is ranked 317.

Teignbridge’s deprivation score shows it is more deprived than East Devon, South Hams and Exeter but less deprived than the other Devon areas. The scores for the individual components largely follow a similar pattern.

This does, however, mask considerable differences within Teignbridge. The same data is available at lower level super output areas (LSOAs) i.e. area of approximately 1,000 people or 650 households. These show three areas of Teignbridge which are ranked in the most deprived 20% of all LSOAs and a further seven ranked in the bottom 30%. Mostly these areas are in Newton Abbot, Teignmouth, Dawlish and Teignbridge North.

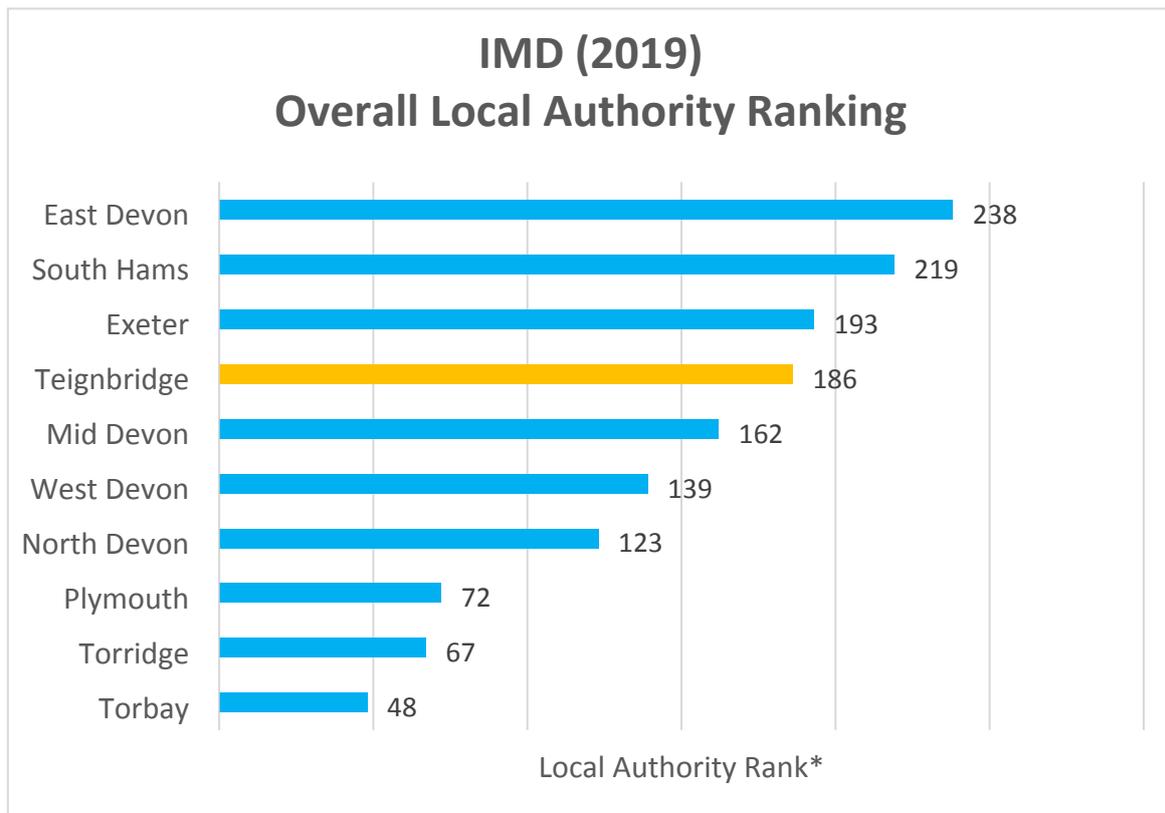


Fig 1 – Index of Multiple Deprivation Scores for Devon areas

The figures above are pre-pandemic. We know that food and fuel poverty are increasing, wages are static or rising more slowly than inflation, and house prices continue to rise steeply. Parts of Teignbridge benefit from the proximity to and relative success of Exeter in terms of its economic performance over the past two decades. But these benefits are not spread or felt evenly across the district.

8. Teignbridge local priorities

Discussions on the Devon Devolution Deal are continuing and much is still uncertain. The following are indicative of the areas we’d like to explore further; other opportunities may open up as the work is progressed across the summer.

- Regeneration and Economic Development support for our coastal and market towns; opportunities to create housing within town centres as we seek to increase footfall and move away from reliance on retail
- Clean growth: delivering on our commitment to reduce energy use, and reduce reliance on carbon fuels
- Construction of a local manufacturing facility for Modern Methods of Construction and retrofit, linked to skills and employment training
- Moving to a higher wage and higher productivity local economy
- Increased digital connectivity including 5G
- Strategic Transport improvements
- Education and skills to address the low attainment levels
- Poverty reduction – short and longer term
- Environmental stewardship
- Housing – both large scale new development and the improvement of existing stock across all ownerships
- Health and well-being looking at the ageing population and the impact on public services, finance and communities.

9. Implications, Risk Management and Climate Change Impact

9.1 Financial

At this stage it is not clear what the level of additional funding will be allocated for the District and subsequent benefits. The likely overall funds for Devon are detailed in section 4 above.

9.2 Risks

The Levelling White Paper includes policy proposals and provisions that could have a very significant impact on the future role and function of the Council. Of particular note is that the Council has no formal role in agreeing the form and content of a County Deal. Much will depend on the Team Devon partnership in this respect.

9.3 Environmental/Climate Change Impact

The White Paper proposals and the priorities for Devon and Teignbridge, as set out in this report, cover a broad range of subject areas which will all influence the climate and ecological crisis in a multitude of ways. At present, it is difficult to ascertain what the overall environmental impact of these proposals may be, however there appear to be a number of opportunities to enhance the health of our natural environment, reduce carbon emissions and increase our resilience to climate change.

The Devon Climate Emergency tactical group and Local Nature Partnership has compiled an initial list of areas where devolution might help to accelerate climate and ecological enhancements, including forming a Devon Energy Innovation Agency, developing funding streams to enable housing retrofit, and delivering planning reform to enable radical reductions in carbon emissions.

10. Conclusion

There is no doubt the White Paper is both wide-ranging and potentially far-reaching. Whether it presents a compelling strategy that will deliver against the 12 Missions remains to be seen. Further detail on specific proposals is yet to emerge, but the Devolution Deal and the Shared Prosperity Fund will have a significant impact on Teignbridge.

Appendix A: the 12 Missions to level up the UK

1. By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing
2. By 2030, domestic public investment in Research and Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth
3. By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing
4. By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population
5. By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third
6. By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas
7. By 2030, the gap in Health Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years
8. By 2030, well-being will have improved in every area of the UK, with the gap between the top performing and other areas closing
9. By 2030, pride in place, such as people's satisfaction with their town centre, and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing
10. By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50% with the biggest improvements in the lowest performing areas
11. By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst-affected areas
12. By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement

Appendix B – Devolution Framework

Level 1: local authorities working together across a county eg through a joint committee

Level 2: A single institution or County Council across a county area with no directly elected mayor

Level 3: As L2 with the addition of a directly elected mayor

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align ^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

Appendix C – investment priorities for the Shared Prosperity Fund

1. Communities and Place

The overall objectives of this investment priority are:

- Strengthening our social fabric and fostering a sense of pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure, local green space and community-led projects
- To build resilient and safe neighbourhoods through investment in quality places that people want to live, work, learn and play in, through targeted improvements to the built environment and innovative approaches to crime prevention

Example interventions may include but are not limited to: visual improvements to town centres and high streets, cultural/visitor economy interventions, litter, waste and graffiti reduction, projects to fight anti-social behaviour, or capital funding to improve neighbourhoods or community projects and initiatives

2. Local businesses

The overall objectives of this investment priority are:

- Creating jobs and boosting community cohesion through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities
- Promote networking and collaboration through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources and stimulate innovation and growth
- Increase private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports

Example interventions may include but are not limited to: support to increase town centre footfall, outdoor markets, the development of cultural, heritage and visitor assets, targeted business growth and innovation support

3. People and skills

The overall objectives of this investment priority are:

- Boost core skills and support adults to progress in work, by targeting adults with no or low qualifications and skills in maths, and upskilling the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers
- Support disadvantaged people to access the skills they need to progress in life and into work, for example the long-term unemployed and those with protected characteristics through funding life and basic skills where this is not delivered through national or local employment and skills provision
- Support local areas to fund local skills needs and supplement local adult skills provision eg by providing additional volumes, delivering provision through a

wider range of routes or enabling more intensive/innovative provision both qualification based and non-qualification based

- Reduce levels of economic inactivity and move those furthest from the labour market closer to employment through investment in bespoke employment support tailored to local need. Investment should facilitate the join-up of mainstream provision and local services within an area for participants, through the use of one-to-one keyworker support, improving employment outcomes for specific cohorts who face labour market barriers

Example interventions may include technical and vocational qualifications in areas where there are skills shortages locally, and intensive wrap-around support to address barriers to employment, supplemented by additional services. Additional services may include life skills, basic skills and specialist support, including achieving basic qualifications in alternative settings, work experience, supported employment, enrichment activities, counselling and advice and community referrals. These interventions should be additional and complementary to existing employment and skills provision in each area.