

Levelling up – the role of public and private partnerships

With aims to level up the UK, and ensure that everyone has the opportunity to flourish, public and private partnerships will be critical success factor. In this article, we look at the role that private finance can play in the performance of a local area and how it might link to regeneration. We also consider the role of central government and regional mayors.

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The Levelling Up White Paper published in February 2022 by the Department for Levelling Up, Housing and Communities sets out the Government's aims to level up the UK, and ensure that everyone has the opportunity to flourish. The UK Government has been making progress in spreading opportunity throughout the UK since 2019 and has also, and continues to, mitigate the worst effects of the COVID-19 pandemic.

The White Paper sets out the Government's next phases to level up the UK, these phases require the UK to focus on four policy initiatives:

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

Within the White Paper, the Government also provides that the new policy regime which will affect the transformation in the system of government and in the governance of spatial policy, is supported by five pillars:

- clear and ambitious medium-term missions which will provide consistency and clarity over levelling up policy objectives. There are twelve missions which the Government hopes to achieve by 2030;
- reshaping central government decision making to align policies with the levelling up agenda and hardwire spatial considerations across Whitehall;
- empowering decision-makers in local areas by providing leaders and businesses with the tools they require;
- transforming its approach to data, monitoring and evaluation to improve local decision making; and
- creating a new regime (based on transparency and accountability) to oversee its levelling up missions, establishing a statutory duty to publish an annual report analysing progress and a new external Levelling Up Advisory Council which will support Ministers, this is to ensure that the UK is doing what is needed in order to achieve its missions by 2030.

How can private finance play a role in the performance of a local area?

Private sector led partnerships are encouraged by the UK Government, especially when these coincide with existing or potential new clusters of business activity. Initiatives should coordinate action not just across the private sector, but in partnership with local and central government, and local education and research institutions. As an example of this, the White Paper sets out that there will be £100m of investment in three new Innovation Accelerators, private-public academic partnerships.

The private sector is essential to the levelling up agenda. The Government achieves the most for places by enabling and empowering the private sector to increase investment, jobs and growth at a local level. The Government removes barriers that inhibit private sector planning and investment, builds foundations to allow this, and by providing public financing where this can crowd-in private finance, as well as serving as a co-ordinating or catalytic device, drives forward innovation and transformative change.

Table 2.4 of the White Paper provides an illustrative list of some potentially transformative private sector partnerships across a range of sectors and UK areas which are currently underway.

How does this link to regeneration?

The levelling up agenda will empower communities to shape the regeneration of their areas and improve public services in those areas. Community led regeneration requires a consistent funding and support to ensure that regeneration takes place. To deal with regeneration, local leaders must have access to the right support, technical expertise, and public and private investment.

Historically, there has been an expansion in the role played by the private sector in regeneration, in particular, through the 1900's and 2000s there was a focus on not just physical regeneration, but also on developing skills and social infrastructures as well. Various funds, such as the Levelling Up Fund, Getting Building Fund, and Towns Fund have been implemented since 2019 to drive forward regeneration projects. Under the levelling up agenda, the powers granted to local leaders will allow more areas in England to benefit for example, from better transport systems and solutions, with the Government providing support to any Local Transport Authority who wishes to access franchising powers. Homes England will use its statutory powers to play a role in supporting Mayors and local leaders to unlock barriers and drive ambition for regeneration in the area.

What is the role of central government?

Previously, central government decision making has weighed spatial considerations insufficiently in the design and delivery of policy initiatives, this has significantly contributed towards the UK's widening spatial disparities. Central Government decision making therefore, must be radically changed, in four ways, by:

- improving transparency about place-based spending;
- hardwiring spatial considerations into decision making and evaluation, this is often not currently done;
- improved coordination of central government policies at the local level as uncoordinated policies can complicate decision making at a local level; and
- having greater focus on local places, the distance between officials designing policies nationally and those affected by these locally, can mean policies are insufficiently place sensitive.

Central Government has a responsibility to take action to assist with the delivery of the missions and to work in collaboration with all stakeholders, organisations and local government. They must understand the problems affecting different places, decide where and how to allocate spending, design policy interventions which are place appropriate and monitor the effect the policies are having. In relation to devolution, central government should assist with the negotiation with local leaders to assist with the transfer of various powers and budgets to those local leaders.

Should regional mayors be given more powers to decide how funds are invested in their communities?

Evidence shows that Mayors have already shown how strong local leadership can enhance economic and other opportunities in urban areas, this strengthens the argument for giving more power to Mayors. The Government intends to ensure that the mayor model is strengthened, extended and adopted more widely. With a direct mandate, fixed term, convening power, a clear incentive to demonstrate economic improvement and accountability for extending opportunity, Mayors work for their communities. Through devolution of power and providing responsibility for economic growth to an accountable local leader, it has been proven that communities recover well from any setbacks, for example, the COVID-19 pandemic. The 'devolution revolution' will introduce a new model for mayoral combined authorities, which will have the opportunity to bid for more powers and funding at a later stage. Local leaders will be supported to make a difference in their communities by simplifying the disparate funding landscape so that local leaders can better support economic growth, as well as bringing local leaders into the heart of government decision making with a new role for mayors and strong local leaders in the shaping of local growth strategy.

Next steps

The Government plans to put in place a comprehensive process of engagement and informal consultation to inform levelling up delivery and future policy making. They will work closely with devolved administrations, and engage with wider stakeholders on a range of areas.

We await new legislation which will cover the pillars of levelling up, to ensure the levelling up policy/framework is built on strong provisions.

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