

To Level Up, Join Up

Eddie Barnes



Summary

Despite their differences on the future of the UK, both the UK and Scottish Governments now say they are committed to very similar ends. In Scotland Nicola Sturgeon has made cutting the attainment gap her "number one priority". With their publication of the Levelling Up white paper, the UK Government has now joined the Scottish Government in making the reduction of inequality of opportunity in the United Kingdom is its guiding mission. Ironically, for all that Nicola Sturgeon and Boris Johnson are polar opposites as politicians, their governments now share a markedly similar agenda.

Regrettably, this shared agenda looks set to be overshadowed in Scotland by a predictable dispute over turf, and allegations of a "power grab". Yet another constitutional row cannot be allowed to overshadow efforts to reduce the appalling levels of inequality and poverty in Scotland. Given the political context, it is naïve to think the two governments are going to work together harmoniously on reducing inequality in Scotland. What is both realistic and necessary, however, is a basic acknowledgement of each other's role. Without this, yet more complexity and duplication of effort is going to be added to Scotland's already cluttered economic development space. This paper proposes therefore that the Scottish and UK Governments agree a new Levelling Up Common Framework which sets out the scope of their powers and how to use them in the most collaborative way possible. This should be based on the understanding that power and control over government initiatives should be as local as possible. We also argue therefore for the creation of directly elected provosts in Scotland's city regions to lead efforts at local economic regeneration and the reduction of inequality of opportunity.

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Introduction

1. The UK Government's Levelling Up White Paper, published last week, was billed as a "mission to challenge and change" the unfairness of inequality of opportunity across the United Kingdom. It is designed to realise the potential "of every place and every person across the UK, building on their unique strengths, spreading opportunities for individuals and businesses, and celebrating every single city, town and village's culture. This will make the economy stronger, more equal and more resilient and lengthen and improve people's lives". Ministers have made clear that this now represents its central core purpose for the remainder of its time in office.

2. The white paper declares that new policy structures will be required to deliver this transformational change – namely by creating "the right information, incentives, and institutions" to do so. Without pulling its punches, it says this will require "root and branch reform of government and governance of the UK." Levelling up, it says, is "about putting power in local hands, armed with the right information and embedded in strong civic institutions."

3. For England, the paper envisages a major expansion in local devolution to coordinate this task. In Scotland, however, the position is less clear. Responsibility for economic development is shared between London and Edinburgh, while local government is entirely devolved. Nonetheless, the UK government makes clear that it remains "committed to facilitating collaboration and engagement with the devolved governments and stakeholders in Scotland, Wales and Northern Ireland" in order to deliver on tis agenda in the devolved nations as well.

4. On the day the proposals were published, Mr Gove wrote in *the Scotsman*¹ that he wanted to "work together" with the Scottish Government to deliver the "missions" of levelling up. "Our world-leading vaccine roll-out was the very essence of that spirit of Team UK at its best. The UK Government procured vaccines in the international market at scale," he wrote. "The Scottish

Government and Scottish local authorities got jags into arms from Eyemouth to Stornoway. This success should set the template for what we can achieve by working together in the future. That is why I am asking the leaders of the devolved governments, local councils and communities to throw their weight behind levelling up."

5. Detailed proposals for Scotland in the levelling up white paper centred on proposals to make Glasgow City region one of three "Innovation Accelerators" across the United Kingdom, where £100m of government funding will go towards supporting collaboration between research facilities and cutting edge-industry. This is in keeping with the UK Government's Uk wide responsibility to promote research and development.

6. However, while the Scottish Government said it "welcomed" the investment, its response was otherwise entirely negative. Responding to the proposals, First Minister Nicola Sturgeon said:² "I spoke to Michael Gove on the phone last night. He didn't ask me to be involved in anything – he told me what he would be announcing today. I made the point that as First Minister of Scotland I shouldn't be getting told about it less than 24 hours before he announced it. I always welcome extra money for Scotland, but these are issues that are – in the main – the responsibility of the Scottish Parliament and Westminster is, I know, trying to muscle in, to spend money, make decisions over the heads of not just the Scottish Parliament, but the Welsh Parliament, the Northern Irish Parliament as well. If the UK Government is genuine about wanting to work together, and I'm very happy to do so, the essential starting point for them is to actually respect the responsibilities of the Scottish Parliament rather than ride roughshod over them. That's a much better foundation for working together.

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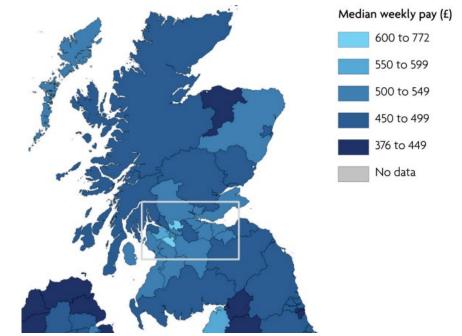
¹ Michael Gove urges Scottish Government to 'work together' on levelling up as Nicola Sturgeon dismisses proposals as distraction | The Scotsman 2 Levelling up: Gove accused of reusing policies and Sturgeon claims power grab (yahoo.com)

A Shared Agenda

There is a high level of consensus between the UK and Scottish Governments on the central aims of social policy and economic development

2.1 Putting to one side the political sparring, if nothing else the white paper shows that there is a high level of consensus between the UK and Scottish Governments on the central aims of social policy and economic development. In the wake of the White paper, the UK Government says that its stated mission is now to boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging; to spread opportunity and improve public services, especially in those places where they are weakest; to restore a sense of community, local pride and belonging. especially in those places where they have been lost; and to empower local leaders and communities, especially in those places lacking local agency. Many of these aims have been central to the Scottish Government's own strategic purpose for some time. It too is focussing on increasing productivity, through its forthcoming 10 year economic strategy, while the First Minister has also made reducing inequalities in society a key priority, most notably through her proposals to reduce the attainment gap in education. This crossover in priorities is notable. Both the reserved and devolved governments are aligned on the need to reduce inequalities and barriers to opportunity. Their differences focus less on the point of policy, than on the measures required to bring about change, and how to work together.

2.2 This alignment on policy is matched by a similar picture in both England and Scotland. Figures show that the same problems with regard to inequality and opportunity that exist in England are also evident in Scotland. Just as London has sucked power and opportunity away from many parts of England so, over the course of the devolved era, we have witnessed the centralisation of power here too. Similarly, just as London and the south-east are the wealthiest parts of the country, so wealth in Scotland is also highly concentrated in the central belt as well: the four richest local authority regions by average weekly income are East Renfrewshire, East Dunbartonshire, Stirling and Edinburgh (indeed East Renfrewshire has a higher average weekly income than London: £782 per head compared to £757).³ Rural parts of Scotland such as Argyll and Bute and



Levelling Up the United Kingdom - GOV.UK (www.gov.uk)

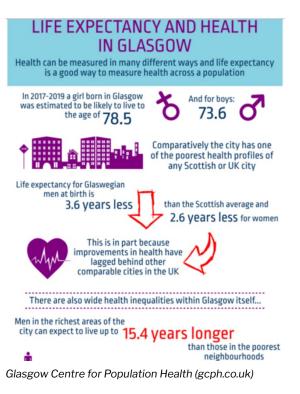
Dumfries and Galloway are well below the average income bracket. In our small towns and remote regions, not enough has been done to ensure people can enjoy a decent standard of living.

2.3 Moreover, as elsewhere in the UK, Scotland is also scarred by inequality of opportunity at a more local level. In Glasgow, the live expectancy gap between

³ Earnings and hours worked, place of residence by local authority: ASHE Table 8 - Office for National Statistics (ons.gov.uk)



the richest and poorest is bigger now than it was 20 years ago. Men in Greater Govan can expect to reach an average age of 65 years compared to 83 in Pollokshields West. Life expectancy among the poorest members of society in Scotland is now going down. We know that the pandemic – and the imminent cost of living crisis - is likely to accelerate this gap still further.



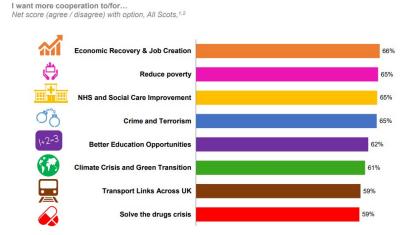
In short, both Scotland and England are scarred by high levels of inequality. And both the UK and Scottish Governments now agree that resolving this matter is necessary both to 'level up' the playing field for people and communities, and to increase our productivity upon which economic growth depends.

Working together

People want and expect the Scottish and UK Governments to work together on the key issues

3.1 Research by Our Scottish Future shows that people want and expect the Scottish and UK Governments to work together on the key issues around health, inequalities and the economy. This is what people are looking for.

When different political administrations are in power, and when the constitutional question of independence is dominating our discourse, there will of course be limits to the amount of cooperation that can be expected.



But when it comes to increasing productivity and reducing inequality – two key priorities of both governments – there is a moral imperative on both our governments to cooperate. The benefits to Scotland could be immense.

3.2 Cooperation has got off to a bad start. By the terms of its own Intergovernmental review, the UK Government should have been more open in consulting with the Scottish Government on its plans. On the other side, the First Minister's wholly negative reaction to its publication was unnecessary. Whatever the politics of the moment, a white paper which seeks to grapple with historic geographical imbalances across the United Kingdom deserves more than an instant rejection. This is especially so given the white paper also praises some of the Scottish Government's work, such as over its National Performance Framework.

3.3 For the UK Government, the question is whether it is prepared to be serious in its efforts to work with the devolved administrations on areas of shared interest. The reaction from the current Scottish Government administration is not a reason for giving up on cooperation. Rather it needs to demonstrate that its desire work with the workings of the devolved government is more than a soundbite for a newspaper.

3.4 Fundamentally, useful cooperation cannot even begin to work until the UK Government and the Scottish Government agree the "ground rules" about how and where power should be exercised. This should be clear:

* The UK Government's purpose is to provide strategic direction on UK economic priorities and to set the macro-economic framework

* The Scottish Government should lead on developing the Scottish economy through its oversight of the education system, skills, enterprise, and infrastructure.

* Both should seek to drive down power as locally as possible and create local partnerships in cities and towns to implement the strategies.

What is required is a clearer understanding on the behalf of UK, Scottish, and local government of the scope and limits of their roles; and a basic agreement that power should always be driven down as locally as possible. It is the failure to do this which is leading to a political stand-off in Scotland and a failure to deliver.

Recommendations

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4.1 In a highly politicised environment and with levels of trust between Holyrood and London at rock bottom, we lack the institutional frameworks to allow a meaningful level of cooperation to continue. The recent Intergovernmental review now signed by Whitehall is welcome, but deeper institutional ties will be necessary if the shared stated objectives held by the two governments can be coordinated in Scotland.

For levelling up to work in Scotland, we need governments to join up.

 The UK and Scottish Governments have recently agreed a series of Common Frameworks following our departure from the EU. These set out an "agreed common approach to policy areas that were previously governed by EU law and intersect with areas of devolved competence". They are designed to enable the UK Government and devolved governments to ensure coherent regulations across the UK while enabling different policy choices to be taken. The success of Common Frameworks could be used as a model for this agenda too. Given economic development is a shared responsibility, we suggest that the UK and Scottish Governments formally agree a new 'Common Framework on Inequality of Opportunity'. This Framework would be aimed at defining clearly the responsibilities each layer of government holds with regard to 'levelling up', holding to the principle that power should be pushed down as close to communities as possible. It would also set out how best the two governments could work collaboratively on an area both argue is a priority. The successful agreement of such a Framework would have the substantial benefit of ending political rows around alleged "power grabs". With Scotland's economic development landscape already in a cluttered state, such a Framework would also help prevent further duplication of effort and policy confusion.

• The Scottish Government should press ahead with the creation of new directly-elected provosts across City Regions in Scotland to drive forward local partnerships to take the lead on policy in their areas. The creation of directly-elected provosts should be accompanied by a national debate on how to increase powers at a local level in Scotland. The principle should be that on education, public health, planning, land use, and transport, the presumption should be that power lies at a local level. Only if local leaders are given prime responsibility for reducing inequalities in their areas and spreading economic opportunity will we make substantial progress in doing so.

Our Scottish Future believes that good government in Scotland and across the United Kingdom has to be based on the values of cooperation, empathy, solidarity and reciprocity.

Our Scottish Future | www.ourscottishfuture.org | info@ourscottishfuture.org