

London Recovery Board statement on Levelling Up

As leading representatives from the capital city's public sector (including local authorities, the NHS, universities and colleges), trades unions, business, voluntary sector, faith and community groups we are genuine in our support for levelling up. We want London to play its part in supporting levelling up throughout the country and build our post-pandemic future together.

The levelling up white paper provides an opportunity to tackle both the immediate effects of Covid and the longstanding problems that Covid has brought into sharp relief, raising standards of living and access to opportunity across the UK. We have an opportunity to put right many structural wrongs; we cannot simply return to business as normal. Together with the Government, we have the potential to improve substantially upon the status quo before Covid.

Supporting levelling up across the country

We agree that uneven growth is not good for the whole of the UK. Weak growth in some areas leads to a range of economic and social problems that blights lives. Excessively strong growth in other areas can lead to competition for housing and public services, as well as congestion and pollution.

But the economy is complex and interdependent, and it's wrong to think that growth in one area happens at the expense of another. The cities, towns, regions and nations of this country are interdependent. Our economies are inextricably linked.

Growth in London creates demand for goods and services from other parts of the UK and demand from other parts of the UK and the world creates jobs in London. The data shows that the economic fortunes of the capital and the rest of the country are strongly correlated. In short, London's growth helps all regions of the UK and vice versa.

Levelling up in London

London is not uniform, socially or economically, and has some of the most entrenched areas of deprivation in the country. 780,000 employees in London work for less than the London Living Wage¹. Even in the wealthiest parts of London, there are areas of significant deprivation, often made more acute by the cost and shortage of housing, which has made it increasingly harder for younger generations of Londoners to stay near to where they grew up. Variations within borough boundaries, as in other parts of the country, are substantial, making statistical comparisons between local authority areas alone insufficient to assess progress towards 'levelling up'. The challenges for people on low incomes, in insecure work, with few skills and

¹ In 2020, 780,000 (19.5%) of London-based employees earned less than the London Living Wage (Source: Office of National Statistics) See <https://data.london.gov.uk/dataset/earning-below-llw>

qualifications or facing other barriers to employment such as poverty, inaccessible workplaces and conditions, caring responsibilities or ill health need to be addressed wherever they live. Policies which help avoid such circumstances, should be part of the levelling up agenda. So should giving individuals, families and communities much greater agency over their own lives. Londoners are also in need, compared to other parts of the country, when it comes to air quality and access to green space that is rich in nature.

Many of these issues have been exacerbated by the pandemic across the country. In some respects, the pandemic has hit London's economy proportionately more than other regions, in its employment and unemployment rates, the take up of the furlough and self-employment assistance support schemes and the numbers now receiving Universal Credit – over one million Londoners². And no city centre has been affected so much as London's central activity zone (CAZ), reliant as it is on international travel and commuters from across the wider South East; the damage to the CAZ has had wider repercussions for sectors that are core to London's attractiveness, especially its cultural and creative industries³. London's recovery is not guaranteed, and the capital may suffer long-term structural and economic scarring⁴.

The pandemic also cruelly exposed many injustices and structural inequalities in our city, which we are determined to tackle through the London Recovery Programme that we established and oversee. In particular, London is an extraordinarily diverse city, but still far from being fully inclusive and racially equal. Social mobility within London is not equal. There is a significant job of levelling up to be done within London.

Capital and country together

We support the ambition for 'global Britain', which we hope will acknowledge the powerful role that the capital can play in spearheading the UK's trading relationships and bringing jobs and investment to all parts of the country. International in-migration to the city and country at large is vital for fostering our global relationships, from business to higher education. The UK and London have adopted vital net zero carbon emissions' targets. London's size alone means that it needs to have the same access to government programmes as other parts of the country to make the transition to the zero-carbon economy. And London is vulnerable to climate change, from floods and heatwaves to long-term sea level rises.

London is one of the nation's most extraordinary assets. It is one of the few truly globalised cities on the planet and compares with New York, Tokyo, and Paris. The UK needs London to remain a top tier global city that can attract investment, tourism, students and talent from around the world for the benefit of the whole country. London in turn will need the UK Government to help secure funding of its extensive transport network and to help keep

² [Impacts of COVID-19 - London Recovery Board, 21 July 2021](#)

³ [CAZ Economic Futures](#) (GLA and Arup, March 2021)

⁴ London's Economic Recovery: building sustainable renewal, Metrodynamics for London Councils April 2021]

Londoners safe because these underpin the capital's economy. Its schools and further education system need to enable Londoners to participate in the city's high-skilled labour market. The capital's digital infrastructure also still needs to be upgraded quickly to improve our global competitiveness. Many such investments in London's infrastructure and wider public services will generate jobs and growth outside its borders – as will London benefit from similar investments elsewhere.

London continues to offer huge economic potential for the UK as a whole, with world-beating strengths in our financial, tech, professional and business services, life sciences, higher education, creative, cultural and many other sectors – all of which have deep connections with the wider region and country as well as internationally. The English legal system and language and the city's business-friendly culture all help foster innovation and growth.

We look forward to working with the Government in developing its white paper over the summer and autumn. The Government's promise to strengthen 'community and local leadership' can only happen if those leaders have sufficient powers and funding at their disposal to tackle their own challenges and create lasting and positive changes in their own areas. We understand that the Government is keen to extend devolution to other parts of the country such as the counties: we hope it will understand that it must devolve and delegate further in the capital and in other metropolitan areas as well.

Finally, we hope that the Government will be open and collaborative in its approach so that together we can create the bold policies that the country will need.

The London Recovery Board - 6 August 2021