



IFoA Briefing: Levelling Up the United Kingdom White Paper

This briefing summarizes the key announcements, relevant to the work of actuaries, as outlined in the [Levelling Up White Paper](#), published on Wednesday 2 February 2022.

About the IFoA

The Institute and Faculty of Actuaries (IFoA) is a royal chartered, not-for-profit, professional body. We represent and regulate over 30,000 actuaries worldwide, and oversee their education at all stages of qualification and development throughout their careers.

IFoA Comment

Responding to the UK Government's plans on levelling up, **Louise Pryor, President of the IFoA**, said:

"It is right that today's White Paper includes a focus on widening opportunity, but it is also important that the levelling-up agenda increases individuals' financial resilience. As set out in our recent joint report on the poverty premium in insurance, many vulnerable and low-income consumers are offered unaffordable insurance premiums, or refused cover altogether. Such consumers are often deemed by insurers to be 'higher risk', and this can be due to a range of factors. However, many of these factors can be outside the individual's control, such as where they live. This then leads to financial exclusion and a lack of financial resilience amongst those who may need it most.

"Greater financial resilience will help to empower individuals to benefit from levelling-up, and help tackle financial and wider exclusion. We recommend that the Government should consider measures to help with the delivery of a minimum level of insurance protection, providing lower income and vulnerable customers with access to an appropriate financial safety net.

"From investment in infrastructure and understanding regional health inequalities, to ensuring individuals are able to retire comfortably or access social care services, actuarial expertise and skills will be critical if progress is to be made on the various issues highlighted in the White Paper."

Summary

The Secretary of State for Levelling Up Housing and Communities, Rt Hon Michael Gove MP, has published the government's long awaited Levelling Up White Paper which he explains will *"drive real change in towns and cities across the UK, so that where you live will no longer determine how far you can go"*. The **key headlines** from the White Paper are:

- The announcement of twelve national levelling up missions, which will be given status in law, to shift government focus and resources to Britain's forgotten communities throughout the 2020s;
- The biggest shift of power from Whitehall to local leaders in modern times announced – with every part of England to get 'London style' powers and a mayor if they wish;
- The starting gun fired on a decade-long project to level up Britain, with radical new policies announced across the board;
- Domestic public investment in Research & Development to increase by at least 40% across the North, Midlands, South West, Scotland, Wales, and Northern Ireland.



The twelve levelling up missions are: that by 2030:

1. 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. Domestic public investment in R&D 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. 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. The UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
5. 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. 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. The gap in Healthy 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. Well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
9. 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. 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. Homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
12. 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.

Overarching Goal: Net Zero Transition

UK Transition to Net Zero

- The UK Government has put into law a Net Zero emissions target by 2050. This structural shift could have large and long-lasting effects on virtually every aspect of the economy, including jobs and skills, infrastructure and technology, and investment and innovation. The Net Zero transition could create huge opportunities for many of the UK's left-behind places, but also poses risks for them which, if unmanaged, could be damaging.
- The "Green Industrial Revolution" will require significant investment in new infrastructure and production processes using new technologies. This could average £50 to £60bn of capital investment per year by the late 2020s and into the 2030s.
- This investment has the potential to benefit disproportionately less well-performing parts of the UK, particularly those with a rich heritage of manufacturing and engineering. Analysis commissioned by the Department for Business, Energy and Industrial Strategy (BEIS) shows that the North East stands to gain an extra 27,000 direct jobs by 2050. Many other places,



outside London and the South East, have the potential to build on existing areas of strength, such as renewable energy, electric vehicle manufacture, Carbon Capture, Utilisation and Storage (CCUS) and hydrogen.

Further Reading

- IFoA Policy Briefing – [Climate Change: Managing Risk and Uncertainty](#)
- [IFoA Climate Change Statement](#)

Mission Six: Skills Training

Local Skills Improvement Plans

- Local Skills Improvement Plans will be rolled out with funding across England, giving local employer bodies and stakeholders a statutory role in planning skills training in their area, to help meet local labour market needs.

Mission Seven: Healthy Life Expectancy

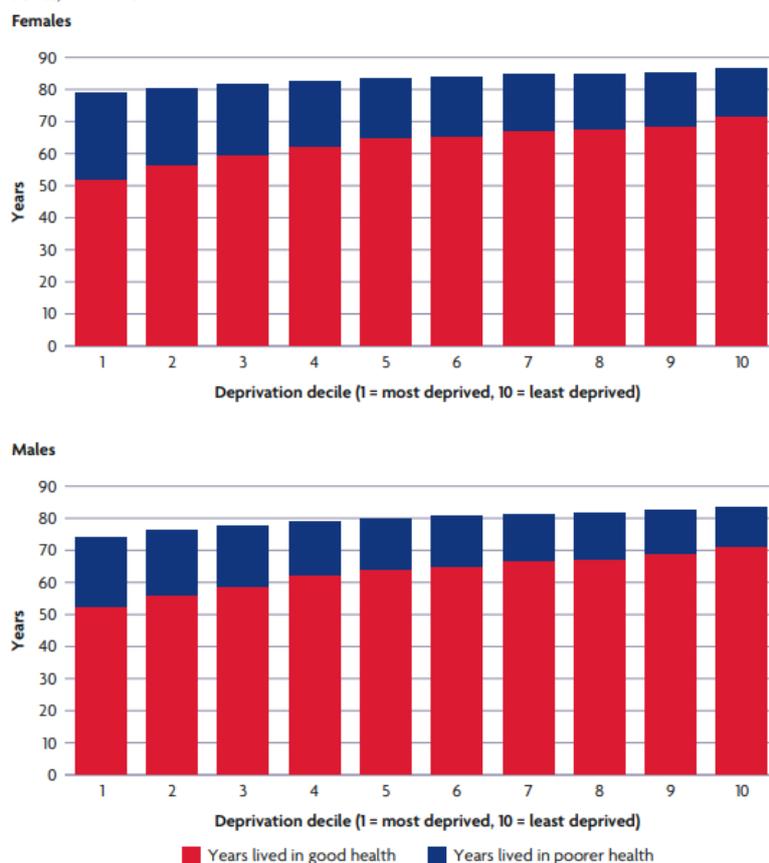
Health Disparities White Paper

- The government will set out its strategy to tackle the core drivers of health inequalities through a new White Paper on Health Disparities to be published this year. They state that this will “set out a bold ambition for reducing the gap in health outcomes, with a strong focus on prevention and disparities by ethnicity, socioeconomic background and geography.”
- The White Paper will learn from experiences during the pandemic response about how best to mobilise communities and a range of partners to address shared health challenges, including new ways to ensure that business plays a part in improving health, proposals for place-based solutions and ways in which the UK Government can work more effectively to improve health.

Life Expectancy

- The White Paper notes that people living in the most deprived communities in England have up to 18 years less of their lives in good general health than the least deprived. This is driven by a variety of factors, including smoking rates, alcohol intake and poor diet. It is also heavily affected by differences in factors such as the quality of housing and access to healthier food.
- Other local factors, such as demographics, also matter – for example, in rural or coastal areas where populations are older. Access to and quality of health services are also important drivers of health outcomes and can vary by area.
- The below table highlights how individuals living in more deprived areas have a lower life expectancy:

Figure 3.5 Life Expectancy and Healthy Life Expectancy, England neighbourhoods by deprivation decile, 2017-2019¹⁰⁶



- If life expectancy in the lowest quartile could be raised to the UK average, the government estimates that this could add £44 billion to the UK economy.
- The paper therefore commits to narrowing the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest, as well as raising healthy life expectancy by five years by 2030.

Further Reading

The IFOA's Actuarial Research Centre-funded Longevity and Morbidity Risk programme has produced a new bespoke mortality index that highlights mortality inequalities in England. The Longevity Index for England (or LIFE index) provides policymakers with significant insights into the causes of high or low mortality and regional differences in mortality at a 'neighbourhood level' – 10 postcodes or c.1500 people. It is envisaged that the insights provided by the index could inform policymakers when taking spending decisions on healthcare to ensure investment is targeted in the most appropriate places.

- Actuarial Research Centre Longevity and Morbidity Research Programme: [The LIFE Index](#)



Mission Nine: Pride in Place

Dormant Assets Scheme

- £44 million will be made available from the Dormant Assets Scheme to support charities, social enterprises, and vulnerable individuals. This will include:
 - £20m through the Youth Futures Foundation to help break down barriers and improve accessibility into employment for young people from disadvantaged backgrounds – the programme will be multi-year, place-based investment for left-behind neighbourhoods to enable thousands more young people to progress towards and into work in their local area
 - £20m to Access – The Foundation for Social Investment – which will provide finance to over 1,000 charities and social enterprises, particularly in more deprived areas in England
 - £4m to Fair4All Finance to accelerate their work on affordable consolidation loans for people in financially vulnerable circumstances.
- The Dormant Assets Scheme will also be expanded to unlock up to a further £880m. The UK Government will launch a public consultation in 2022 to invite input on what social or environmental purposes the English portion of the Dormant Assets Scheme should fund. This will include options on youth, financial inclusion and social investment, as well as considering a new Community Wealth Fund proposal to distribute funding to local communities. It will build on the hundreds of millions already unlocked through the scheme, including the £425m provided to Big Society Capital since 2012, which has helped secure an additional £1.7bn from other investors to support socially impactful outcomes

Further Reading

- [IFoA Response to the Department for Culture, Media and Sport Consultation on Data: A New Direction](#). This response outlines our view that the Dormant Assets Scheme should be expanded.
- [IFoA Response to the HM Treasury and Department for Culture, Media and Sport Consultation on Expanding the Dormant Assets Scheme](#).

Mission Twelve: Devolution Deals

Devolution Framework

- The White Paper announces for the first time a new devolution framework which sets out options for places in England that wish to engage in devolution, whether that is moving towards a London-style transport system, improving local skills provision, or being able to act more flexibly and innovatively to respond to local need. The paper sets out the following four principles that will underpin the new framework:
 - Effective Leadership
 - Sensible Geography
 - Flexibility
 - Appropriate Accountability
- It also contains a commitment to simplify the local growth funding landscape to allow local leaders to drive change in their communities.



Shared Prosperity Fund

- The £2.6 billion UK Shared Prosperity Fund will be decentralised to local leaders as far as possible, with investments set to regenerate communities, boost people's skills, and support local businesses. The fund will be worth over £2.6bn across the 2021 Spending Review Period, with funding increasing to £1.5bn a year by 2024-25
- The government notes that the fund will help communities by:
 - Strengthening the social fabric of communities, building pride in place and creating the foundations for economic growth at the neighbourhood level.
 - This could include community-led projects with clear community benefits such as local support groups and sport in the community; making high streets clean, safe and prosperous; and providing support for projects to renew community infrastructure and improve access to green space and to strengthen social, physical and cultural ties.
 - Stimulating local economies and job creation:
 - By supporting local businesses to start, innovate, export and grow. This could include a range of activities, from investment in pedestrianisation and new outdoor markets to increase high street footfall; to supporting business networks and programmes to adopt energy-efficient or low carbon technologies; to support for the local visitor economy.
 - Equipping hundreds of thousands more adults with the skills and employment support they need to progress in life, including those most disadvantaged and furthest from the labour market.
 - As part of the launch of the £2.6bn UK Shared Prosperity Fund (UKSPF), adults across the whole of the UK will benefit from the Multiply numeracy programme, offering national and local support for people to gain or improve their numeracy skills, worth £559m over the SR21 period. Disparities in numeracy levels across the UK make this a key policy for levelling up.

Further Reading

- IFoA Infrastructure Finance [Policy Briefing](#)
- House of Commons Library – [The UK Shared Prosperity Fund](#)

Next Steps / Further Information

Following publication, Parliament will debate the contents of the White Paper and its impact on the government's policy agenda. The government has confirmed that it will bring forward legislation on some of the key pillars of levelling up. The UK Government will explore provisions around:

- Introducing an obligation for the UK Government to publish an annual report on delivery against the levelling up missions; and
- Strengthening devolution legislation in England in order to expand devolution to more places, deepen current devolution deals and enable the process to be simpler and more transparent.

The Policy and Public Affairs Team will continue to update members on a regular basis. The IFoA's [press release](#) can be found here, and the full [White Paper](#) is also available via the Department for Levelling Up, Housing and Communities' Website. For more information on the IFoA's policy work, or should you wish to discuss any of the points raised in the briefing, please contact Henry Thompson, Head of Public Affairs via Henry.Thompson@actuaries.org.uk.