

ICE policy position statement: Defining the outcomes from levelling up

June 2022

Executive summary

Infrastructure will play a huge role in enabling better economic and social opportunities through improved connectivity, job creation, access to services and more.

The UK Government's Levelling Up White Paper outlines 12 missions – targets to be achieved by 2030 across a range of policy areas – where infrastructure can make an important contribution. Some of these are clear, such as new and improved infrastructure helping to achieve missions on improved local public transport connectivity, nationwide gigabit-capable broadband and 4G coverage.

Infrastructure can also be a key component to improve pride in place across the country, with many of the successful Levelling Up Fund first-round bids involving infrastructure that improves the quality of the public realm and local amenities.

Infrastructure will also underpin improvements in living standards and help create jobs through construction and maintenance, and through the wider supply chain. However, all this will only be achieved if infrastructure is accessible, and designed and informed by local needs.

Earlier this year, ICE launched a consultation seeking views on the UK Government's priorities outlined in the Levelling Up White Paper.¹ How levelling up is defined and measured will determine how options for infrastructure investment are prioritised in the future. Given the many competing priorities for infrastructure investment, it is important to get this right.

This policy position statement draws on the evidence received from the consultation and makes a number of recommendations in order to ensure that infrastructure investment directed at levelling up achieves optimum outcomes.

The main findings are that the 12 levelling up missions are generally the right areas to focus on – the government has set the destination, but the question now is one of achievability.

However, when it comes to the outcomes from levelling up, there is no reference to environmental impacts or climate change. Levelling up and the climate emergency are two challenges that cannot be treated individually – in fact, they are intrinsically linked – and the government needs to join the outcomes from them together.

The United Nations Sustainable Development Goals (SDGs) and their indicators must also feature more prominently. The SDG indicators can be used as a framework to map policy options, such as infrastructure investment, against what places want to achieve. The UK Government has committed to achieve the SDGs, and the 2030 goal for achieving them aligns with the timeframe for the levelling up missions.

Much of the levelling up narrative has focused on region-to-region interventions, but, in reality, the focus must be on micro-scale interventions. Local needs assessments, informed through community engagement, can outline where infrastructure can be part of the solution to addressing inequalities, and can drill down at a micro level to determine what is required.

¹ ICE (2022) [ICE Green Paper: Defining the Outcomes from Levelling Up](#)

Finally, there are data gaps that need filling to ensure the right outcomes at the right regional level are being measured. This is particularly evident where metrics and targets are unambitious or vague, such as the mission on public transport. It is welcome that the government is defining what success looks like for levelling up in measurable terms, but some outcomes must be measured at a more localised level.

Recommendations

- **There should be clearer alignment between levelling up and net zero.** The UK has the appropriate top-down commitments to net zero and levelling up in place, but there is little formal alignment between the two. Levelling up and the transition to net zero must be mutually reinforcing if either is to be a success. The government is due to publish its updated Green Finance Strategy later this year. Through the Green Finance Strategy, the government should outline an integrated approach to investment in net zero and levelling up, aligning the net zero transition with the outcomes from the wider levelling up missions.
- **Local needs assessments are required to achieve optimum outcomes.** Prior to defining the infrastructure interventions that can help achieve levelling up, regional and local social needs must first be identified. The more that is understood about what is needed at a micro-level, the more local governments can understand exactly what interventions are required. Local authorities should undertake local needs assessments to ensure that there is a good understanding of the inequalities that levelling up investment in infrastructure should address, and to ensure that the benefits of investment reach those who are in most need. With the right evidence, investment can be correctly targeted at the right outcomes.
- **Where possible, the levelling up missions should be aligned with the UN Sustainable Development Goals (SDGs).** There is very clear synergy between the SDGs (and their indicators) and outcomes from levelling up, particularly linked to the role of infrastructure. This includes job creation, the ability for infrastructure to generate economic activity, protecting the environment, and the benefits to society that infrastructure can bring through safe, reliable, affordable and accessible systems. The UK Government has already fully embedded the SDGs in the activities of each department and as the levelling up missions become similarly embedded, it would seem natural to align the two. This would ensure that existing evidence on measuring progress on the SDGs can be used to measure progress on relevant levelling up missions.
- **The National Infrastructure Commission's design principles should be applied to infrastructure investment aimed at levelling up.** Investment alone will not deliver the outcomes defined by levelling up and the SDGs. Investment needs to be well-designed, integrated, and developed in response to local needs assessments. The application of the National Infrastructure Commission's design principles to infrastructure investment directed at levelling up can support this holistic approach, alongside the appointment of design champions to help deliver the best outcomes. Good design can enhance the long-term value of assets, and is critical to ensure that infrastructure is accessible and inclusive to all.
- **Metrics for measuring progress on levelling up should be geared towards local outcomes.** There are currently missing and vague metrics for levelling up that, unless addressed, will make it harder to deliver the missions. There is also a risk that broad metrics, such as on productivity growth, will result in outcomes in already high-performing areas lagging in comparison to the lowest-performing ones. To ensure that parts of the country are not 'levelled down', the missions should set specific targets for high-performing areas, as many already do for the lowest-performing areas.

Aligning levelling up and climate change policy

The Levelling Up White Paper references the net zero transition, acknowledging that the structural shift to net zero could have significant and wide-ranging impacts on the economy, including jobs and skills, infrastructure and technology, and investment and innovation.²

It also warns of the potential disproportionate effect net zero could have across various parts of the UK, highlights the need for new skills and reflects on some opportunities it can bring.

However, there is little alignment between the Levelling Up White Paper and the Net Zero Strategy, and notably there is no mention of net zero or other environmental outcomes in any of the 12 levelling up missions.

As it stands, the lack of alignment separates net zero and levelling up into two individual problems, when in reality the outcomes from the two should be heavily linked. The net zero transition can bring greater prosperity, job creation, healthier lifestyles and improved well-being – all outcomes linked to the levelling up missions.

Not aligning the two agendas risks missing opportunities to deliver the best outcomes for communities, and also risks contradictory outcomes where net zero policies do not deliver on levelling up, and levelling up policies actually increase greenhouse gas emissions.

Almost three-quarters of local and combined authorities have declared climate emergencies, recognising the urgency of acting on net zero.³ Alongside this, the Climate Change Committee has estimated that the majority of emission cuts to achieve net zero rely on decisions made at local and individual levels.⁴

A recent UK Research and Innovation (UKRI) report found that poorer and more vulnerable groups in society are likely to disproportionately gain from the benefits of decarbonising the economy.⁵ For example, targeted investment in parts of the green economy can create a skilled workforce and supply chain, investment in energy efficiency can decrease fuel costs and improve life expectancy, while investment in transport systems can improve access to services and deliver wider health benefits.

However, these benefits will only be realised if there is a just transition. Historically, industrial change has been the catalyst for increasing regional inequality, so therefore transition to net zero must be designed fairly and a coherent narrative developed to ensure there is public support for policies aimed at both climate change and levelling up.

All of this indicates the importance of a place-based approach to delivering net zero while simultaneously levelling up. The UKRI found that a place-based, bottom-up approach to net zero delivery saved more than half the investment cost compared a 'place-agnostic' approach, while doubling the social benefits.⁶

The Resolution Foundation has also pointed to green investment as a key factor in levelling up.⁷ The highest share of green patents is from organisations and individuals based in lower-productivity areas, such as Durham and the Tees Valley, Nottinghamshire and Derbyshire.⁸

There are other risks in not having a joined-up approach around climate resilience. Levelling up policy implementation that does not consider investment in climate resilience and adaptation could further exacerbate loss and damage from climate

² Department for Levelling Up, Housing and Communities (2022) [Levelling Up the United Kingdom](#)

³ ICE (2021) [The Role of Subnational Leadership in Achieving Net Zero](#)

⁴ Climate Change Committee (2020) [Local Authorities and the Sixth Carbon Budget](#)

⁵ UK Research and Innovation (2022) [Accelerating Net Zero Delivery](#)

⁶ Ibid.

⁷ Resolution Foundation (2022) [Growing Clean](#)

⁸ Ibid.

impacts. Coastal communities, in particular, will value investment in resilience and adaptation projects that will not only provide development and jobs, but also protect their communities.

The links between levelling up and climate change must therefore be made more explicit. Levelling up policy needs to be integrated into decision-making and not be a bolt-on.

The 2020 Green Book review, the remit for the National Infrastructure Commission and the remit for the UK Infrastructure Bank (UKIB) all reference levelling up and tackling climate change. The UKIB is also developing an advisory service for local authorities and other project sponsors to support project development.⁹ This includes addressing capacity gaps among many local authorities, who may not have the expertise to develop, structure and deliver complex infrastructure projects.¹⁰ The fact that existing institutions and frameworks join levelling up and climate policy together provides solid foundations to build on.

The government is due to publish its updated Green Finance Strategy later this year. Through this strategy, the government should outline an integrated approach to investment in net zero and levelling up. As part of this, local and combined authorities should be given greater fiscal powers, making levelling up and net zero goals more accessible and relevant to local communities.

The government has already indicated it will start to move away from competitive funding rounds for levelling up.¹¹ By granting greater economic freedom to local and combined authorities, they will not only have the autonomy to pursue interventions and programmes specific to their local needs but, in doing so, they will be able to support levelling up and net zero as an inherent part of local growth strategies.

Recommendation: *There should be clearer alignment between levelling up and net zero. The UK has the appropriate top-down commitments to net zero and levelling up in place, but there is little formal alignment between the two. Levelling up and the transition to net zero must be mutually reinforcing if either is to be a success. The government is due to publish its updated Green Finance Strategy later this year. Through the Green Finance Strategy, the government should outline an integrated approach to investment in net zero and levelling up, aligning the net zero transition with the outcomes from the wider levelling up missions.*

⁹ HM Treasury (2021) [UK Infrastructure Bank Policy Design](#)

¹⁰ Ibid.

¹¹ Department for Levelling Up, Housing and Communities (2022) [Levelling Up the United Kingdom](#)

Data and evidence – local needs assessments

The government's Levelling Up White Paper highlights that the data available at regional level is 'insufficiently granular' and suggests that these data gaps contributed to previous failed attempts at eradicating inequality across the UK.¹²

Infrastructure's purpose is to meet fundamental needs in society, such as connectivity through roads and public transport, reliable energy supply, clean water and flood protection. The societal benefits that infrastructure projects can generate are not, however, limited to delivering this basic functionality. By focusing on delivering broader social outcomes, not just engineering outputs, infrastructure projects can create additional social value.

For example, they can help address local socio-economic issues and inequalities, create opportunities for employment and businesses, and ultimately increase the quality of life of people involved in, or impacted by, an infrastructure project.

Prior to defining the infrastructure interventions that can help achieve levelling up, regional and local needs must first be identified.

The Levelling Up White Paper states that high-quality, timely and robust spatial data will be a core pillar of levelling up, and that more granular open-source data will be delivered through the Government Statistical Service's (GSS) Subnational Data Strategy.¹³ The Strategy proposes a framework to produce more 'granular, harmonised and timely subnational statistics' and emphasises the need to produce more easily accessible subnational data, particularly for smaller geographies.¹⁴ This seeks to improve the data landscape and will be especially useful for helping to understand the relationship between the characteristics of a local area and the outcomes from levelling up in that area.

This is important as the type of interventions should be tailored to the needs and priorities of the local area – not simply picked from a menu of options.

Local needs assessments should be undertaken to ensure that there is a good understanding of the inequalities that levelling up investments in infrastructure should address, and to ensure that the benefits of those investments reach those who are in need, and meet their needs – as highlighted in ICE's report on *Maximising Social Value from Infrastructure Projects*.¹⁵

A local needs assessment is a vital first step in developing a targeted approach that maximises the social and economic value produced in a local area.

A local needs assessment can be developed using a variety of methods, including:

- using existing data to understand the historical and current socio-economic landscape
- convening public forums to help local policymakers get a better understanding of what local communities know and feel about issues that need addressing, as well as resources, barriers and possible solutions
- conducting interviews, surveys and focus groups to drill down into greater detail on issues affecting the community
- forming partnerships with local charities, community groups and businesses who may have a better understanding of the needs and solutions, or access to data and information
- asset mapping, which focuses on the strengths of the community rather than the areas that need improvement; focusing on assets gives the power back to the community members who directly experience the problem and already have the resources to change the status quo.

¹² Department for Levelling Up, Housing and Communities (2022) [Levelling Up the United Kingdom](#)

¹³ Government Statistical Service (2021) [GSS Subnational Data Strategy](#)

¹⁴ Ibid.

¹⁵ ICE and Useful Projects (2020) [Maximising Social Value from Infrastructure Projects](#)

Case study: Infrastructure Australia – making the most of regional strengths

In March 2022, Infrastructure Australia (IA) produced its *Regional Strengths and Infrastructure Gaps* report.¹⁶

Recent years have seen Australia experience record internal migration – 2019/20 saw an increase of more than 200% in net migration from capital cities to regional areas. IA's analysis looks to support future infrastructure growth and economic development by detailing each area's strengths and priority opportunities.

For each of the 48 regions in the report, there is a summary of strengths – including key existing assets and regional growth industries – and priority infrastructure gaps that must be addressed.

IA intends for the findings to help the government, industry and local communities ensure there is sufficient infrastructure capacity to manage further regional growth and to take advantage of the current strengths of each region.

The report highlights the importance of strategic decision-making on planned investment in regional growth, including developing a joined-up approach between national and local government, industry, businesses and communities to direct infrastructure investment where it will have the most impact. In addition, the report also highlights common themes across regions to promote collaboration and knowledge sharing.

IA's evidence-led approach and methodology, which focuses on place-based outcomes, sustainability, resilience, industry productivity and innovation, is something that policymakers in the UK could learn lessons from in terms of gaining an understanding of where levelling up interventions should be aimed. The answers to addressing regional inequalities will not be homogeneous, but will instead need to play to the strengths of specific regions.

Local needs assessments can ensure investment is designed to allow the most in-need communities access to services and economic opportunities. Without this strategic approach or knowing how levelling up can be effectively measured and its outcomes addressed through infrastructure interventions, the investment directed towards it could be wasted.

Asking local communities to define success in their own terms and using this to determine place-specific outcomes, metrics and the correct mix of local and national policy interventions will ensure that any policy change gets buy-in, spurs local action and sustains political consensus.

Recommendation: *Local needs assessments are required to achieve optimum outcomes. Prior to defining the infrastructure interventions that can help achieve levelling up, regional and local social needs must first be identified. The more that is understood about what is needed at a micro-level, the more local governments can understand exactly what interventions are required. Local authorities should undertake local needs assessments to ensure that there is a good understanding of the inequalities that levelling up investment in infrastructure should address, and to ensure that the benefits of investment reach those who are in most need. With the right evidence, investment can be correctly targeted at the right outcomes.*

¹⁶ Infrastructure Australia (2022) [Regional Strengths and Infrastructure Gaps](#)

Aligning the outcomes from levelling up with the SDGs

In 2015, 193 countries agreed to the UN Sustainable Development Goals (SDGs).¹⁷ These 17 interconnected goals provide a framework for change and have been described as the closest thing to a global strategy for sustainability.

Levelling up itself is not a new concept. At its core – addressing regional inequalities – is a long-standing challenge that deserves to be fixed. There are many SDGs that touch on subnational development which can be explored to determine their relevance to infrastructure. The SDGs all link to tackling recognised long-term challenges in the UK, including climate change, regional economic inequalities, poor productivity and a workforce lacking the right skills.¹⁸

There is very clear alignment between the SDGs and levelling up. For example, they both focus on decent work and economic growth, reduced inequalities, good health and well-being, and sustainable cities and communities.

The SDGs offer a helpful blueprint on the way forward as they align social, economic and environmental outcomes, while their 2030 timeframe runs parallel to the levelling up missions. The SDGs also include a clear set of metrics by which progress can be measured and improvements identified.

Infrastructure has a crucial role to play in achieving the SDGs: not only is there an infrastructure-specific SDG, but research has shown that 72% of the SDG indicators are linked to networked infrastructure investment and 92% when all forms of infrastructure are considered.¹⁹ The White Paper recognises the role of long-term missions and references the SDGs but goes no further in linking them to the 12 levelling up missions.

Case study: India – measuring regional performance across the SDGs

The National Institution for Transforming India (NITI Aayog), an Indian government policy commission, publishes its *SDG India Index and Dashboard* report on progress against the SDGs at the state level in India.²⁰ The commission is now in its third annual cycle for the index.

The main theme of the most recent report is ‘partnerships’, with NITI Aayog aiming to highlight the pace that can be achieved by working together in pursuit of the SDGs, as well as highlighting the quiet but effective partnerships working away in the background.

The Index and Dashboard is an aggregate measure which can be understood and used by policymakers, businesses, civil society and the general public. It has been designed to provide an assessment of the performance of all Indian states and union territories, and to help local leaders and policymakers evaluate performance on social, economic and environmental measures.

All Indian states and union territories are scored and ranked on each SDG, alongside progress over the year. Having this granular perspective on performance allows states to understand where they need to improve, and also to look at what they can learn from others.

There are lessons to be learned here for tracking performance in the context of levelling up the UK, enabling a bottom-up approach to tackling challenges and having a visible dashboard outlining performance against both the SDGs and the levelling up missions.

¹⁷ United Nations (2022) [The Sustainable Development Goals](#)

¹⁸ ICE (2020) [Covid-19 and the UK's Sustainability Challenges – Lessons for the New Normal](#)

¹⁹ ICE (2020) [ICE Strategy Sessions: How Can Infrastructure Help Achieve the UN Sustainable Development Goals?](#)

²⁰ National Institution for Transforming India (2021) [SDG India Index and Dashboard 2020–21](#)

While not all of the SDGs and their indicators may be able to be transferred directly as a way to measure levelling up missions, there is clear alignment between the missions and a number of the SDGs. The UK Government has already fully embedded the SDGs in the activities of each department. Using the SDGs as a basis for levelling up investment would help ensure investment is directed to projects that are vital for reducing regional economic inequalities and other linked objectives, such as net zero.

Formalising any alignment between the levelling up missions and the SDGs could ensure that levelling up outcomes are embedded in a similar way.

The levelling up missions themselves are highly interdependent and sit at differing levels. Isolating each mission with a list of actions specific to each does not easily facilitate levelling up. The integrated and interlinked nature of the SDGs means there are connections between the various goals and targets, and success in achieving one affects success for others.

By using the SDGs and their indicators as a ready-made framework to support levelling up, a map of actions and interventions can be developed that will result in highly specific outcomes.

Recommendation: *Where possible, the levelling up missions should be aligned with the UN Sustainable Development Goals (SDGs). There is very clear synergy between the SDGs (and their indicators) and outcomes from levelling up, particularly linked to the role of infrastructure. This includes job creation, the ability for infrastructure to generate economic activity, protecting the environment, and the benefits to society that infrastructure can bring through safe, reliable, affordable and accessible systems. The UK Government has already fully embedded the SDGs in the activities of each department and as the levelling up missions become similarly embedded, it would seem natural to align the two. This would ensure that existing evidence on measuring progress on the SDGs can be used to measure progress on relevant levelling up missions.*

Applying the National Infrastructure Commission's design principles

In February 2020, the National Infrastructure Commission (NIC) published a set of design principles that were intended to ensure that all new infrastructure projects not only considered value for money, but also fostered a sense of local identity and addressed the climate crisis.²¹

The four principles are:

- **Climate** – Infrastructure must help to set the trajectory for the UK to achieve net zero greenhouse gas emissions by 2050 or sooner and be capable of adapting to climate change
- **People** – Projects should be human scale, instinctive to use and seek opportunities to improve the quality of life for people who live and work nearby
- **Places** – Schemes should provide a sense of identity for communities, supporting the natural and built environment and enriching ecosystems
- **Value** – This should be added beyond the main purpose of infrastructure, solving problems well and achieving multiple benefits.

While the principles have been developed specifically for nationally important economic infrastructure, and subsequently integrated into the National Infrastructure Strategy²², they offer a template for the procurement, design, delivery, operation, maintenance and decommissioning of infrastructure assets of any size.

The design principles emphasise that infrastructure should be designed for people and that projects should seek to find opportunities to add value beyond the main purpose of the infrastructure. Designing infrastructure so that it generates additional social value can transform the fabric of local communities, enhance local, regional and national economies, and provide a wide range of economic, social, cultural, and environmental benefits.²³

Across 2020 and 2021, ICE surveyed over 900 UK-based members on the NIC's design principles. The results fed into a report on UK civil engineers' experiences of design.²⁴ Among the findings was that better outcomes from infrastructure would emerge if they were clearly identified early in a brief, particularly if based on a local needs assessment and were able to identify wider systemic opportunities.²⁵

Recommendation: *The National Infrastructure Commission's design principles should be applied to infrastructure investment aimed at levelling up. Investment alone will not deliver the outcomes defined by levelling up and the SDGs. Investment needs to be well-designed, integrated, and developed in response to local needs assessments. The application of the National Infrastructure Commission's design principles to infrastructure investment directed at levelling up can support this holistic approach, alongside the appointment of design champions to help deliver the best outcomes. Good design can enhance the long-term value of assets, and is critical to ensure that infrastructure is accessible and inclusive to all.*

²¹ National Infrastructure Commission (2020) [Design Principles for National Infrastructure](#)

²² HM Treasury (2020) [National Infrastructure Strategy](#)

²³ ICE and Useful Projects (2020) [Maximising Social Value from Infrastructure Projects](#)

²⁴ ICE (2021) [What Makes Good Design?](#)

²⁵ Ibid.

Measuring progress on levelling up

An initial set of top-line and supporting metrics for measuring and tracking progress against levelling up outcomes was published alongside the White Paper.²⁶ The government has confirmed that a longer suite of supporting metrics will be developed for each mission in consultation with external stakeholders.²⁷

Feedback to ICE's consultation on levelling up showed that the 12 missions are generally seen as targeting the right outcomes when it comes to addressing regional inequalities.

However, some of the missions and their metrics are not sufficiently clear. The public transport mission aims to bring public transport connectivity 'significantly closer' to the standards of London, without making clear what about the London model is replicable or desirable – or indeed whether it is replicable or desirable. There needs to be a clear definition of what 'significantly closer' means in real terms. In addition, the metrics appendix rows back on the mission's aim by stating that some UK cities may need to compare their standards to other similar European cities instead of London, and that rural areas will be unable to reach London standards.

There are also missing metrics that will make it harder to deliver the missions. The public transport mission states that simplified fares and integrated ticketing will be part of the improvements made outside London, but proposes no metric to measure this outcome. The government also proposes to measure levels of public transport use by region, but this will be captured over large geographic areas. Comparing one large region with others that contain a mix of densities and transport needs is unlikely to provide the evidence on which the right outcomes can be developed. Instead, the government should aim to measure this at a more localised level.

We must avoid 'levelling down', especially when the public mood may be in favour of it. For example, a recent poll showed nearly six in ten people who live outside of London would like to see funding, jobs and opportunities reduced in London in order to increase them across the rest of the UK.²⁸ However, London itself has acute areas of deprivation and its own levelling up challenges.²⁹

There is also a risk that outcomes in high-performing areas lag while the government still meets all its targets in the missions. In other words, that 'levelling down' closes the gaps between regions. This is a particular risk where targets are unambitious. For example, the missions state that productivity should increase in every region by 2030, with the gap between the top-performing and other areas closing. London has seen higher than average productivity growth in the last decade. This growth could stall but London's productivity could still grow somewhat by 2030, thus meeting the target. To make sure levelling up occurs, and not levelling down, the missions should set specific targets for high-performing areas as well as the lowest-performing areas.

It is welcome that the government is defining what success looks like for levelling up in measurable terms. However, there are data gaps that the government will need to fill to make sure it is measuring all relevant outcomes at the right regional level.

Recommendation: *Metrics for measuring progress on levelling up should be geared towards local outcomes. There are currently missing and vague metrics for levelling up that, unless addressed, will make it harder to deliver the missions. There is also a risk that broad metrics, such as on productivity growth, will result in outcomes in already high-performing areas lagging in comparison to the lowest-performing ones. To ensure that parts of the country are not 'levelled down', the missions should set specific targets for high-performing areas, as many already do for the lowest-performing areas.*

²⁶ Department for Levelling Up, Housing and Communities (2022) [Levelling Up the United Kingdom: Missions and Metrics](#)

²⁷ Ibid.

²⁸ BMG Research (2022) [BMG City A.M. Poll: Do Brits Want London to Take the Hit?](#)

²⁹ Centre for London and Queen Mary University (2022) [East x South East: Local Research in Poplar, Stratford and Thamesmead](#)

About ICE

Established in 1818 and with over 96,000 members worldwide, the Institution of Civil Engineers exists to deliver insights on infrastructure for societal benefit, using the professional engineering knowledge of our global membership.

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