



ROSE BRIEFING 40
July 2021

Johnson's 'Levelling Up' speech 15 July 2021

This was an important speech. It outlined the assumptions of the government's forward policy. It makes it clear that the government will intervene significantly in the productive economy.

In terms of administrative structures, it will increase the number of elected 'city mayors' and intends an equivalent for 'counties'. It also clarifies how it will intervene. This will be by grants, very largely for R&D, to existing major companies involved in strategic projects (electric car batteries, carbon capture, pharmaceuticals, space) and also for start-ups, especially in fin-tech. It explicitly rules out any form of public sector initiative: no return to the 'municipal socialism' of the 1970s. The task of mayors is to attract private capital. It also warns against redistribution – from 'the south-east' to other areas.

The policy is based on 'new' growth. In terms of finance only peripheral items were costed (£50m for football fields). A GB 'levelling' up fund will be established for town and city deals allocated on the basis of need (with areas banded into three categories: A, B and C). Detailed policy will be embodied in a White Paper this autumn.

Criticism came from *The Times* saying that it threatened 'pork barrel politics' – instead backing Sunak's more modest 'Future Fund Breakthrough' for new firms with City backing and Sunak's determination to reign in government spending immediately.

There was also criticism from Haldane of the Bank of England speaking to the 'Local Trust'. He urged the need for 'community engagement' and 'empowerment' as much as central government intervention (though remember that such 'empowerment' under Blair just meant government-engineered committees of 'community leaders' that marginalised the trade union movement, active tenants groups and any form of local class politics).