ADEPT ● amey

The Levelling Up challenge

Session 2: Transforming the UK by spreading opportunity and prosperity. Using insight to create authentic outcome-based Levelling Up strategies.

"How would you use quantitative and qualitative metrics to give you the insight you need to create an authentic outcome-based strategy that would 'Level Up' your locality, establish a baseline from which you can target a broad range of interventions, and from which, you can measure the progress, or otherwise, of achieving these outcomes."

25th March 2022

The Levelling Up White Paper – understanding the reality

The government published its Levelling Up White Paper in March, which included a list of 12 national missions and some 49 proposed measures against which progress towards a fairer, more equal nation might be judged.

The challenge for local authority Place Leaders is to first understand what the White Paper actually offers in terms of driving Levelling Up in their locality and for creating a deliverable strategy for interventions that will genuinely improve outcomes for the local community.

The second challenge is then to identify the best tools and techniques to measure progress against, not only the measures outlined in the White Paper, but also those contained in existing local authority strategic plans, plus any other measures driving communities towards fairer, more sustainable net zero futures.

In addition to the 12 national missions, on the next page, the White Paper also highlights the drivers of spatial disparity which it says can be encapsulated in six 'capitals':

- *Physical capital – infrastructure, machines and housing*
- *Human capital – the skills, health and experience of the workforce*
- *Intangible capital – innovation, ideas and patents*
- *Financial capital – resources supporting the financing of companies*
- *Social capital – the strength of communities, relationships and trust*
- *Institutional capital – local leadership, capacity and capability.*

The White Paper missions for Levelling Up the UK are:

- **Mission 1: Living Standards**
  By 2030, 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.

- **Mission 2: Research & Development (R&D)**
  By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.

- **Mission 3: Transport Infrastructure**
  By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.

- **Mission 4: Digital Connectivity**
  By 2030, the UK will have nationwide gigabit capable broadband and 4G coverage, with 5G coverage for the majority of the population.

- **Mission 5: Education**
  By 2030, 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.

- **Mission 6: Skills**
  By 2030, 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.

- **Mission 7: Health**
  By 2030, 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 five years.

- **Mission 8: Wellbeing**
  By 2030, wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing.

- **Mission 9: Pride in Place**
  By 2030, 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 top performing and other areas closing.

- **Mission 10: Housing**
  By 2030, 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.

- **Mission 11: Crime**
  By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.

- **Mission 12: Local Leadership**
  By 2030, 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.

Data driven decisions to accelerate Levelling Up

Digital technology and data is now fundamental to every aspect of our lives, workplaces, homes, entertainment, social lives and is central to the transformation of the public and private services that we use and deliver. It must be central to accelerating the UK's Levelling Up challenge.

The use of data provides the ability to focus on the impact of our activities: to measure the outcomes of what we achieve rather than simply focusing on how long we take or how much an intervention costs.

As a global leader in digital technology, Microsoft is focused on this concept of 'impact' as core to the delivery of its ambitious mission to 'empower every person and every organization on the planet to achieve more.' At the heart of this ambition is the need to shift organisational culture towards the better use of data.

Culture shift to improve impact using data

The key culture shift required is to move from a 'fixed mindset' of sticking to the known, a tendency to avoid challenges and give up easily, towards a 'growth mindset' which is characterised by a desire to learn, embrace challenges and persist in the face of set-backs.

Under this growth mindset, impact can be described as a combination of three measurable actions:

- *Your key individual accomplishments that contribute to team, business or customer results*

- *Your contributions to the success of others*

- *Your results that build on the work, ideas or effort of others.*

A data driven approach is central to effectively measure the impact of any given intervention and starts with a definition of key performance indicators. Once established, these indicators should be baselined, before solutions are created, actioned and then measured.

Critical to the success of any data driven strategy is the ability to embrace feedback loops to understand and improve outcomes and impacts – using models such as 'observe, orientate, decide and act' and 'plan, do, check and act.'

While setting out measures and performance indicators is vital, it is equally important to sense check these against reality. The government's twelve missions for Levelling Up, for example, could be asking more questions than they answer.

Providing extra buses is great but are individuals going to use them? Nationwide gigabit broadband is a great aim, but can communities afford it? Creating healthier lifestyles is clearly vital but what are we comparing to? Similarly pride in place - how do we actually measure it and is it the same measure everywhere?

"Anything that you are doing, any form of transformation requires culture change.

Fundamentally within your organisation and customer base you will need to shift how you operate if you want to make a step change."

Graham Rivers-Brown, Client CTO, Microsoft

ADEPT ● amey

Understanding our digital maturity

Data and digital systems will sit at the heart of all our future measures for Place Leaders to assess their Levelling Up outcomes and should provide an unprecedented ability to leverage that knowledge to accelerate future interventions.

There are four stages of data maturity as we move this analysis from hindsight to insight to foresight:
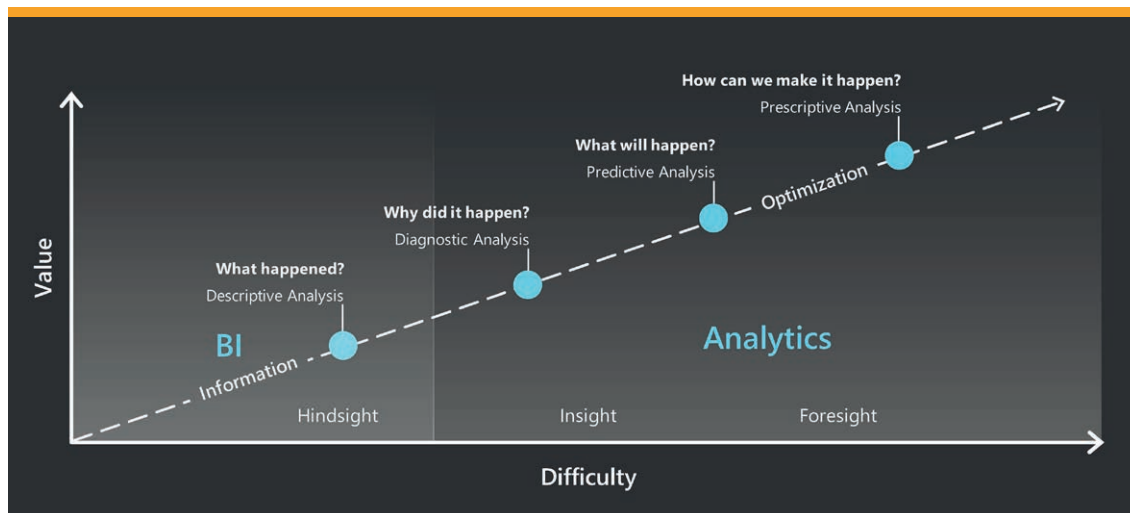
Moving up the maturity curve clearly gets increasingly difficult. But before taking any steps to build maturity it is first critical that we understand where we are on that curve. Too often local authorities are content simply using data to tell them what happened rather than aspiring to use that data in real time as an agent for change.
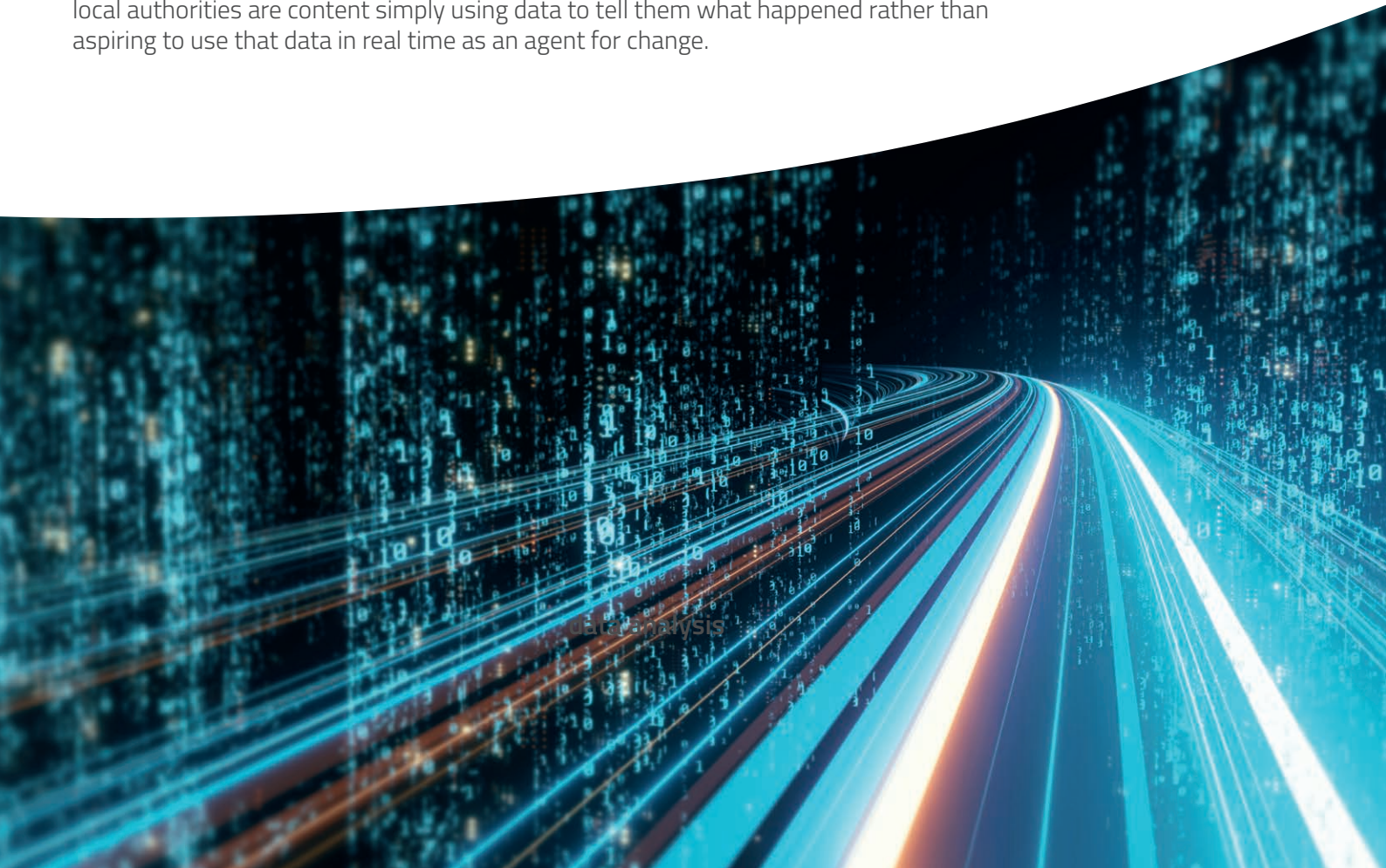
Measuring the success of Levelling Up

ADEPT and EY have revised their initial Levelling Up indicators in light of the publication of the White Paper but have retained the original principles of:

1. *Measurable, and contributory toward the creation of a baseline*

2. *Divisible at national, regional and local levels*

3. *Publicly accessible*

4. *High quality, reliable sourcing*

5. *Enduring - promoting long term monitoring and evaluation.*

A dashboard was built based on the 16 measures identified with collated, cleansed and codified underlying data. The dashboard highlights three performance scores:

- *Actual score for that local authority indicator*

- *Minimum score - measures below this benchmark show 'Levelling Up' focus needed*

- *Target / Best performer – the score to aim for.*

This dashboard has now been shared with three local authorities: Walsall, Surrey and Bournemouth, Christchurch and Poole Councils - one county, one unitary and a metropolitan borough - to undertake an initial evaluation and application of the metrics in different environments.

"It was clear before the White Paper was published that little had been defined in terms of what was meant by measures for Levelling Up. ADEPT saw this gap as an opportunity to define these measures and create a baseline. So now that the White Paper has been published, the key question remains whether it has actually defined the measures of success for us.."

Michael Clifford, Economic Advisor, EY

Where next for the ADEPT and EY created dashboard?

The tool will be developed to better map around the Levelling Up White Paper's focus areas and missions, including revised data sources and metrics where appropriate. Commitment remains to the project ensuring that it leads thinking on the measurement of the Levelling Up White Paper.

A 'Future State' set of killer metrics will also be developed for the Office of National Statistics, Department for Levelling Up, Housing & Communities and other partners, which EY and ADEPT will play a key role in shaping. These will highlight the key data points that are required in 2030 and identify the gaps to reach these.

ADEPT ● amey
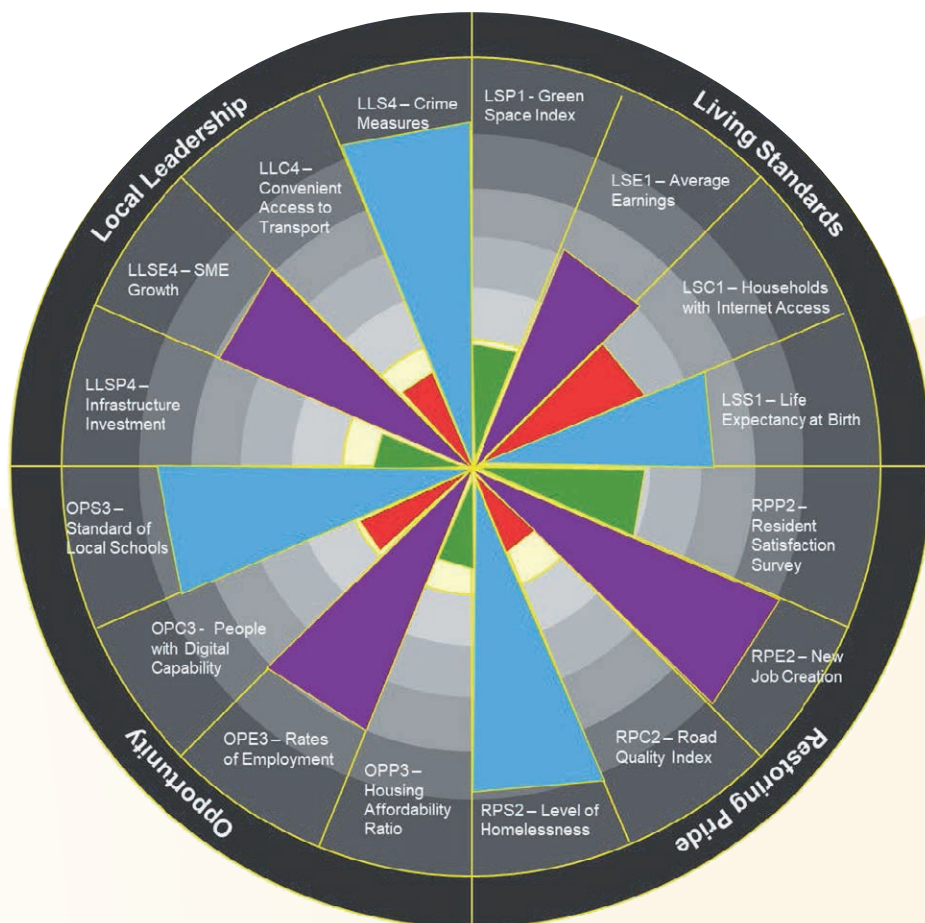
Behavioural science as a tool for Levelling Up

Across society we are all over-confident: we all over-estimate the accuracy of our knowledge and therefore, the likely impacts that our interventions might have.

Behavioural science can help us to better understand this reality and provide great insight into how Place Leaders should approach their stakeholders in meeting the Levelling Up challenge.

Humans versus Econs

Nobel Prize winning researchers Richard Thaler and Daniel Kahnerman, and before them Amos Tversk, are renowned for their thinking behind behavioural science. Thaler compares what a 'human' does when faced with real-world choices compared to what an 'Econ' does with choices based on theoretical principles.

Humans, such as, for example, the television character Fleabag, are predictably irrational. We have limited brain space, have biased viewpoints and are very often driven by passions rather than logical analysis. And that is fine – it is, after all, what makes us human.

'Econs' provide a converse to this approach. 'Econs' are creatures with an 'an infinite ability to make rational decisions', that never fall victim to cognitive biases, are never over-confident, and never struggle with self-control. Thaler elaborates on the concept in his book Misbehaving. An example being the character Dr Spock from Star Trek. Spock's decisions are based on logic and not limited by calculation ability or affected by the environment, passions or other outside influences.

Although we are all capable of this kind of Econ thinking usually, in our lives, it is not worth it. Instead, we use a limited number of established heuristics and rules of thumb to make decisions, reducing complex tasks to simple judgement calls which humans are capable of making. This makes us predictable.

"Behavioural science is about beating the bounds of rationality; walking around the edge of what is rational to help us to find different approaches to our thinking."

Max Mawby, Senior Director, Kantar UK

We are all choice architects

The choices that every human makes in their life are not made in a vacuum but are highly influenced by the environment around us and the influences, noticed and unnoticed, that this exerts on our thinking, behaviour and decisions.

The person who creates that environment is a choice architect – using behavioural science to link a desired outcome to an appropriate influence.

There are four main ways of influencing people's behaviour:

1. *Information – telling people what to do*

2. *Regulation – to either ban or permit activities*

3. *Incentives – either imposing fines or offering subsidies*

4. *Choice architecture – creating an environment that promotes behaviour change.*

Behavioural science helps make the traditional tools more effective and informed but also offers additional ways to interact and influence behaviour. The term 'nudge' is often used to describe how choice architecture alters people's behaviour in a predictable way without 'forbidding any options or significantly changing their economic incentives.'

Influencing community behaviour

When trying to get people to do things they perhaps don't want to do, the key is to understand the existing behaviour so that the desired alternative behaviour can be mapped across.

This process must start with close observation of that behaviour to explore the environment that is influencing it. It is critical to really understand what's happening before the solution is designed and introduced.

To date, local authorities have been relatively risk averse when it comes to the use of behavioural science. However, the UK government, public and private sector have increasingly used this thinking to persuade citizens towards certain decisions and to engage with specific businesses.

Recent examples include:

- *Auto-enrolment in pension schemes - the switch to automatically opt workers into schemes created around 10 million new pension holders*

- *Use of the phrase '9 out of 10 people pay their tax on time' by HMRC on tax correspondence prompted people to be part of the norm and brought forward around £200M in revenue*

- *Clever technology companies such as:*
  - *Monzo.com - makes banking easy for 4 million users*
  - *Withplum.com - £110m saved automatically*
  - *stickk.com - 35 million cigarettes not smoked.*

The Levelling Up challenge: a local authority perspective

Southend is the UK's newest city - a status that was recently bestowed following the shocking murder last October of long-standing local MP and campaigner David Amess.

The city is home to 184,000 people, lies 65km east of London and has nine rail stations. Its outer London feel and inner London diversity brings real challenges for the local citizens – and a life expectancy which varies across the area by a huge 11.5 years.

Leadership is a critical part of the city's success. The new chief executive brought in new ideas based around the creation of deep partnerships, intended to build trust across local authority boundaries and with the private sector, and to properly engage with citizens and their concerns and needs.

Successful partnerships start with meaning

Too often partnerships are undermined by a failure to understand difference in meaning over desired outcomes. Successful partnerships are the ones that properly grasp the understanding of that meaning.

Place Leaders have to invest sufficient time and resource to really focus on what their partners and communities are truly saying to avoid undermining trust in the partnership.

The critical skill for Place Leaders is to become 'trust engineers' – to invest the right amount of time to identify and work with voices that are not often heard from.

Southend 2050 – beyond co-production

The Southend 2050 vision for the city is built on this partnership ethos but goes a step further to evolve beyond co-production to represent and provide strategies to deliver the outcomes demanded by citizens and embrace the Levelling Up agenda.

Too often collaboration and consultation are simply a means to an end – a justification of the process to confirm existing views. Under the guidance of David Amess, Southend 2050 initiated detailed conversations with citizens over a two-year period - one-to-one and in workshops – to really get to the heart of the city's concerns.

The Covid-19 crisis challenged the practical delivery of the 2050 process but also enabled Southend to get closer to citizens and create a strong sense of collective community, which identified priorities for investment and a clear journey from where they are to where they want to be.

This bond was strengthened after the murder of David Amess and led to an extension of the process with the launch of a new '1,000 conversations' initiative.

The right data to measure the right outcomes

Finding the best tools to measure the outcomes is central to the future success of Southend 2050. In response, the Council has had to grow its in-house data skills and create a new mindset and culture that ensures data collection and management is part of the Council's structure.

Understanding that data is vital. Having large amounts of data is great but more important is knowing that you are collecting the right data and that it is capable of solving your problem.

"Partnerships are machines of possibility - the promise of promises. They are not easy and cannot be formed top down. You have to really want to work in that partnership and ensure that it is based on understanding of meaning - a really good grasp of what outcomes people actually want from that partnership."

**Glyn Halksworth, Director of Housing, Southend on Sea City Council**

Workshop 1

Discussion:

What are the 'killer' metrics that could be applied in a locality to identify its Levelling Up challenges and to set a shift in outcomes measured over time?

- *What is the value of collaborating to develop outcome metrics local Place Leaders can use to influence their Levelling Up strategic thinking?*
- *How would you develop the current suite of outcome metrics?*
- *How would you utilise them in your locality?*

Feedback:

- *There is great value to having a consistent set of measures to encourage benchmarking and to support shared learning, which is vital as each authority approaches developing its own measures*
- *The measures could be extended to incorporate a behavioural approach*
- *The measures and metrics are understandable by the public*
- *For some issues there are too few measure – for others there are there too many*
- *Guidance would be appreciated to help make the measures more applicable to a wider audience with a change to some of the terminology*
- *Each locality must build on these metrics to develop its own authentic approach. Every area is different so creating applicable, local metrics would enable local impacts and outcomes to be measured and a broader spectrum of success to be evaluated*
- *No local authorities are starting from scratch - Levelling Up metrics are already underway, but each are coming to the challenge from different points of view*
- *These measures, with ADEPT's support, should help to align existing local outcome measurement activities, and can help to hold the Government to account over the investment in Levelling Up*
- *Local testing is important to track understanding of the measures and the level of control local authorities have over each measure*
- *The metrics should, and do, align with the corporate strategies of local authorities and act as a sense check of a council's strategic priorities*
- *Start using a RAG status on the objective and outcomes rather than the metrics themselves*
- *Must be authentic to the locality with consistent messages and language, but mindful everyone will have different ways to measure authenticity.*
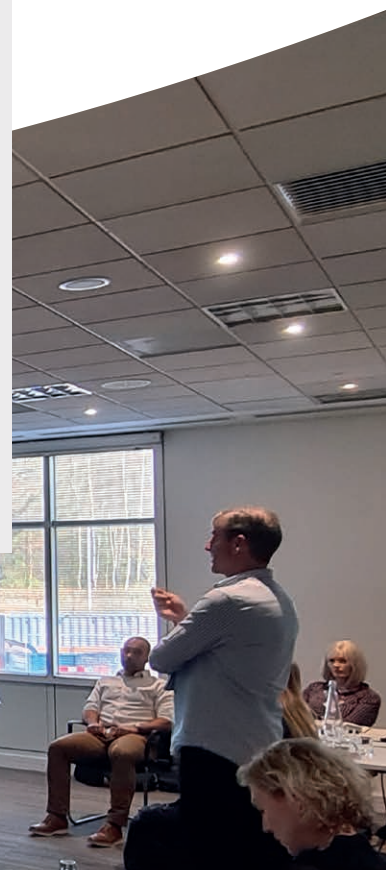
Workshop 2

Discussion:

Levelling Up requires systemic change in the behaviours of communities, businesses, politicians, and professionals. How can Place Leaders use behavioural science, nudge theory, choice architecture etc to enable this change?

- *Is behavioural change key to Levelling Up?*
- *What prevents you from using behavioural change techniques more systematically in councils?*
- *Where would you target behavioural change first and why?*

Feedback:

- *Behavioural change should and does affect Levelling Up, and must be part of the toolkit that helps to deliver the outcomes of Levelling Up. If all elements of Levelling Up can be addressed, such as air quality, healthy lifestyles and internal culture, then we're set up for greater over-arching success*
- *We have to change the internal culture first so that we understand what the use of behavioural science really means and the advances it could help to make. We need to identify the quick wins and the sustainable interventions to ensure long-term behavioural change*
- *Using behavioural science approaches is important but the cost of compliance might be too high. It is hard to justify the cost of employing a behavioural change expert when resources could be invested elsewhere which has a more tangible positive impact on citizens*
- *Investing the time and resources is likely to be a problem – need to make changes quickly and resulting impact must be fast to minimise concerns*
- *There is already a large amount of powerful research available – we need to reference these case studies to raise awareness of the potential outcomes*
- *Clarity is needed to identify where behavioural science interventions should be made first to map the greatest outcomes and impact, with additional support needed to help define these more than a simple description*
- *Politicians need to be upskilled to embrace behavioural science approaches*
- *Use a different 'lens' to make decisions i.e. make decisions from a public health perspective rather than a transport perspective to change thinking*
- *Unable to 'sandbox' ideas prior to implementation.*

Questions for the next session:

- *How have you used the ADEPT / EY model to help find the killer metrics needed to measure your Levelling Up outcomes and impact? Have you shared the model with colleagues in your organisation?*

- *Have you taken any steps to embrace data and move your analysis of impacts from hindsight to foresight?*

- *Have you now become a 'choice architect'? Have you started to use behavioural science to create an environment that influences change and accelerates disruptive thinking?*

- *What steps have you taken to become a 'trust engineer' – to truly commit to collaboration by understanding the needs of partners and communities?*

Session 3: 10 June 2022

Proposed Problem Statement:

"How do you establish collaborative partnerships that provide the necessary leadership, can effectively communicate Levelling Up mission, and foster co-design across all interests. How will these Partnerships mobilise and align all available resources to invest in agreed Levelling Up outcomes?"