

Labour's Northern Soul

How
Labour
can
rebuild the
Red Wall
across the
North

Labour
for the North





Labour for the North is a new group working to give Northern Labour MPs a stronger voice in the party and to make sure the government delivers for the North, open to all Labour MPs in the North West, North East, Yorkshire and the Humber. It is co-chaired by Justin Madders, Peter Dowd and Judith Cummins.



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*Appendices are available
separately on request*

Foreword

In Summer 2019 we formed the Labour for the North Group to bring together Labour MPs from across the North of England. We felt that it was important to amplify the voice of Northern Labour MPs both within the party and outside it. We were responding to what we believed was a growing view that the Labour Party was a London-centric entity and insufficiently sensitive to the needs of the North. Our aim was to organise within Parliament but also to reach out to councillors, activists and CLPs across the North.

After the 2019 general election we returned a considerably smaller group. We lost 29 northern constituencies to the Tories, whilst many other seats came perilously

close to turning blue. Our sense that the party had a ‘Northern problem’ had been heartbreakingly proved right. We strongly believe that this forum, alongside co-ordinated action for the North, is needed now more than ever.

This report explains what happened in December 2019. In common with other reports that have looked into the election, we steer clear of explanations that present one single factor as decisive, be it the leadership or Brexit. Instead, we analyse the longer-term trends—demographic, cultural, economic, and political—that have led us to this point.

We also look to the future and examine how the Tories will attempt

to consolidate their gains in the North and how we, as a Party and as Northern Labour MPs, must respond. We find that their promises on ‘levelling up’ currently amount to little more than short-term projects designed to direct short-term resources at Tory-held or Tory-target seats. We know that this will not produce the wholesale economic transformation that the North needs, but we must be alert to its political potential. Labour must convince voters in the North that we are committed to meaningful change, for example by replacing the skewed Treasury funding algorithms so that investment decisions are made more fairly.

We set out a number of recommendations on how the party must change if we are to win back our Northern heartlands and form the next government. Our challenge is to convince voters across the North that their voices have been heard and to assure them that we not only understand their anger and frustration, but also that we will address their concerns through

our policies. There is no doubt that Labour winning the next general election is the single best thing we can do to improve the lives of people across the North. This needs to be coupled with a genuine devolution agenda.

Much has changed in the months since the general election. The coronavirus pandemic has reshaped all of our lives and refocused political debate onto new areas. The tireless fight of our Labour Metro Mayors and council leaders for fairer lockdown deals has highlighted the importance of their roles.

Their fight also perhaps tapped into an underlying sense across the North that we never have been and never will be a priority for a Conservative government. For a Labour government to win though it will need far more than this feeling being confirmed by Tory inaction, it requires the Labour Party to demonstrate that it is reconnecting with its former heartlands and will deliver for them in government. It is of vital importance for us to

work closely with mayors and council leaders to develop a distinctive Northern Labour offer in order to convince voters in the North that we are listening to them. This will fuel a genuine reconnection which we will carry out on a ward by ward basis, as trust cannot be regained overnight. With our lowest number of seats since 1935 the scale of the task is huge, but the reward of a Labour government is an outcome worth fighting for.

We hope this report contributes to that vital task, because without the party reclaiming former seats in the North there will not be a Labour government.

*Judith Cummins, Justin Madders
and Peter Dowd*



Full Recommendations

We can take quick steps to improve on the situation we found ourselves in during the 2019 general election, but it will take much more to reverse the long retreat which preceded this terrible result and ensure that the North contributes to a general election victory for Labour nationally.

Yet, there is also much to build upon: in our common experiences, in the values which guide us and the identities we share. Based on research, which you can read in the following sections, we make a number of recommendations, which propose practical ways we can change the focus and culture of the party in order to re-engage with Northern communities.

1. Create a greater role and voice for Northern MPs within the Parliamentary Labour Party and across the North. We must challenge the perception that we are a London-centric party by enabling Northern MPs to work together and speak with a more powerful voice to help build a strong Northern Labour vision by:

1.1 Holding regular meetings of Northern Labour MPs and the leadership to discuss policy proposals, strategy and how to change the focus and culture of the party.

1.2 Working more closely with Labour mayors and council leaders in the North to co-ordinate action and to produce more Northern Labour-

II By selecting candidates from the communities that they seek to represent, candidates that can connect with the electorate and are willing to be part of a team that delivers for the constituency and is prepared to tackle constituency matters with relish, rather than see the constituency as a platform to boost national or international profile and arguments.

A Yorkshire constituency

focused policy, with the ultimate aim of producing a fully-costed Northern Manifesto at the next general election. This has been tried in the past, but should be a regular production for the party at election time to provide a strong focus for our campaigning.

1.3 Engaging with regional trade unions, think tanks and other stakeholders to help in the production of more Northern Labour-focused policy.

1.4 Working closely with the three regional Labour Party offices in order to utilise a Northern Labour approach to help win more councils, mayoralities and parliamentary seats across the North, and ensuring a stronger and more organised presence, particularly in communities where Labour has recently been seen as complacent.

1.5 Increasing support from the PLP office to produce Northern-focused policy briefings. This will provide Labour with more answers to the government and would also help us to design better proposals for the North.

1.6 Elevating the Shadow Minister for the North to the Shadow Cabinet, as part of the Treasury Team. They should be able to speak on and promote Northern issues, respond to government announcements in the House and the media, and co-ordinate policy with Northern Labour mayors and local leaders. This would also be an important symbol, after the government's downgrading of the already impotent Minister for the Northern Powerhouse.

// Engage with communities; we win elections by being part of our communities all year round, not just at elections.

Newcastle East

1.7 Inaugurating a Northern Labour response to the budget, focusing on the North's needs and priorities, how budget proposals will work in the North, and what Labour would do instead.

1.8 Seeking more opportunities to raise Northern issues in Parliament, such as through opposition day motions, or in Prime Minister's Questions.

1.9 Fronting more Northern Labour MPs on national and regional media platforms, not to debate contentious issues but to talk about Northern issues and help build an image of competence and trust.

2. Engage with voters in lost Northern seats. Many voters across the North feel an increasing disconnect with Labour. We should demonstrate that we are able not just to listen on everyday issues, but to heed advice and take action in a transparent way, working together as a party, from councillors and MPs to members and mayors.

2.1 Utilise the Northern Labour-focused policies to support engagement with voters, and not just in cities. The leadership could do this through consultations, campaigning, town hall-style meetings, polling, focus groups and events. It cannot just be a media strategy, but a real opportunity for voters to impact policy, and to see the effect of their influence.

2.2 Utilise a strong Northern Labour approach to inspire more well-known local figures, trade

// Labour councillors have to lead the way and motivate others to help. Keeping in touch with the electorate is essential.

Chorley

unionists and councillors to stand for council and Parliament. Candidates who can go into the next general election with a solid track record of local work and campaigning will be better placed to overcome any perception they are out of touch with the communities they seek to represent. It is also important that we select parliamentary candidates earlier.

2.3 Empower the Regional Labour offices to support the development of local approaches that will help Constituency Labour Parties (CLPs), branches and Labour groups in engaging with their areas all year-round.

2.4 Link the developing Northern Labour approach to promote and aid the work of trade unions in the community. Labour needs to try and build as many bridges to people's lives as we can. An important part of this should be the non-political work of trade unions and local reps, which Labour must wholeheartedly support: encouraging more people to become reps, highlighting the work they do, and providing local support from councillors and activists where possible.

3. Don't get drawn into debates on divisive cultural issues. We will find it harder to win back more voters in Northern seats if divisive questions of identity and culture are perceived as being given more importance than the very difficult economic challenges our communities face.

3.1 Establish trust and competence above all else in our offering to the country—reflected

II Demonstrate competence, trust and patriotism.

Sefton Central

across policy, media appearances, party presentation and materials—while attempting to reconnect with lost voters on issues such as patriotism and pride in their regional identities.

4. Embrace inclusive Northern and national identities. We need to cultivate respect for and recognition of diverse identities across the party, ensuring that Northern voters are always considered in policy-making.

4.1 Reflect patriotism and pride in Northern and national identities as part of our offering to the country (3.1), shaped by those across the party who know their local areas best, an adaptability of messaging and policies for different contexts—in the North East, North West and Yorkshire and the Humber, for instance—and a focus on re-establishing trust without being drawn onto divisive cultural topics. Regional media should be given as much attention as national media in this, and this approach must be based on people’s aspirations for their area, not on harking back to the past.

II Basics - listening, responding and telling the truth.

Newcastle Central

5. Focus on unifying issues which appeal across generations, particularly the economy and health.

Nationally we need to constantly shift the debate onto making the economy work for all, investing in public services and the NHS: areas where we have broad support across the North and the country, and where our voters, current and former, are less divided.

Full Recommendations

// We should double-down on unifying cross-generational issues - like the economy and public services.

Sheffield Central

// We need to offer economic opportunity, apprenticeships and job creation.

Liverpool Riverside

5.1 Be open and upfront about where money will come from, and be transparent about how it will be spent. Voters are well aware that increased public spending will have to be paid for, and are more receptive to tax increases if they can see where the money is being spent and are confident that it will be spent wisely. We should be very clear about this.

5.2 Build a cohesive national programme which works on a local level. Show how our proposals could look—in each ward, town, region and country—working with CLPs, branches, Labour groups and candidates to reflect local identity and culture where appropriate.

5.3 Include all regions in this agenda—particularly the most left-behind in the North, which will also be most affected by Covid-19 and the likely economic fallout from a bad Brexit deal—and never exclude by political identity, as the Tories do in ‘levelling up’.

6. Support and empower local government. As part of making Labour work better locally, we should do more to help mayors, councils and councillors in the North, particularly during this pandemic.

6.1 Commit to properly fund local government and reduce dependence on time-limited government schemes that drive spending on consultants, as we found in our investigation (see *Section III*).

6.2 Undertake a full review of the political

restrictions regime introduced in the Local Government and Housing Act 1989 to ensure councils have access to the best staff possible and to ensure the widest possible participation in the elected democratic process.

7. Commit to meaningful devolution in the North.

Clearly there is an appetite for greater local decision-making in the North, and a resentment of power and wealth concentrated in London and the South. Labour needs to commit to Northern devolution which truly moves decision-making to the most appropriate level, often out of Whitehall.

7.1 Base proposals on the idea of ‘devolution on demand’. This approach would involve listening to what sort of representation and powers people want for their area and creating proposals to reflect this, where too often devolution has been a case of proposals imposed from the top. This could include more powers to existing councils and mayors, if chosen, though we must ensure that proposals are based on intelligent subsidiarity.

7.2 Include options for meaningful devolution of powers, which are too often lacking in existing Northern devolution.

7.3 Ensure that further devolution is shaped by local and regional identities and that any new bodies make sense culturally and geographically as well as politically. Proposals shouldn't be seen as more politicians for politicians' sake.

// We need to emphasise the importance of our public services, including local government, and have a plan to redress the years of underfunding under successive Tory governments, which have been thrown into sharp focus by the coronavirus pandemic.

**Rossendale and
Darwen**

// Listen to [voters], develop policies that reflect what constituents need and want.

Sheffield Brightside and Hillsborough

7.4 Make sure that other sub-regional devolved structures have enough local political accountability. Bodies such as Local Enterprise Partnerships (LEPs) often have significant control over local spending but little input from local people. Too often this spending has been based on a local version of national priorities, which rely on central government decisions.

7.5 Frame this programme against the Tories' minimalist proposals for the relocation of junior civil servants or devolution of nominal powers primarily to city regions: creating mayoralties they can win or devolving responsibilities without resources. Metro mayors, for instance, are generally only given existing local powers; big decisions are still made in Whitehall.

8. Hold the government to both the letter and spirit of its promises on levelling up. We must ensure in opposition that public money is spent fairly and efficiently on left-behind areas, particularly in the North. We need to remain vigilant for politically-targeted spending in all new government spending, particularly during the Covid-19 crisis.

8.1 Develop proposals for an alternative programme: a distribution of resources and rebalancing towards Northern economies, particularly left-behind areas, with additional money for local budgets, not merely one-off policies which can overwhelm local government, as the Tories do. This should be

// We need more investment in the local economy.

**Blackpool North
and Clevellys**

part of the policy process described here—listening to local concerns, credible and part of a cohesive package.

8.2 Make sure that funding formulas for our policies take account of local context and growth potential and ensure that money isn't poured into overheated economies in London and the South East. Labour must scrutinise the government's use of the new Green Book in order to ensure that the North receives government investment on a fairer basis.

8.3 Ensure that Labour proactively comments on new levelling up announcements, promoting our own proposals, and that the party researches, promotes and leads news stories on new spending controversies. We must be careful not to refute the idea of 'levelling up' itself. Instead, we need to highlight the dubious tactics and questionable priorities of the Tory version of it, while showcasing our own proposals.

Part I — The Long Retreat



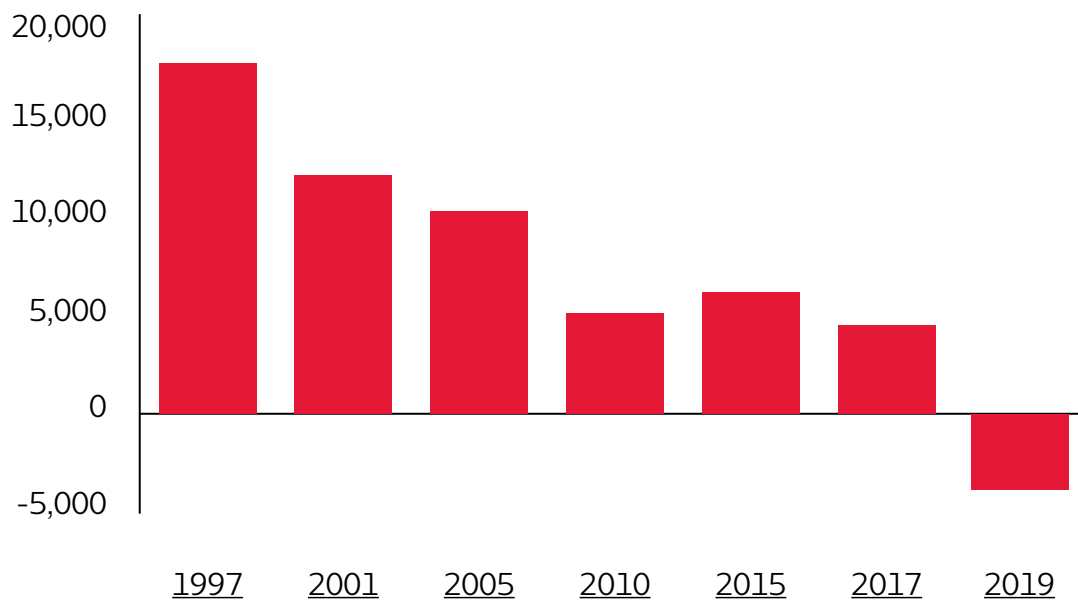
Crook, County Durham

Tast year's general election result should not have come as a surprise. The signs which heralded it have been there for a long time, had the leadership of the Labour Party been more alive to them. The slow but sure drift away from Labour in places across the North has been happening since 1997, but this move

from Labour was especially marked in the general election of 2019.

Labour once commanded majorities well over 20,000 in some Northern seats that we lost for the first time in 2019. These majorities have shrunk steadily since 1997. Election victories or growing our share of

Average Labour majorities in northern seats lost for the first time in 2019



Note: We have estimated 1997–2005 based on former boundaries. Source: [Commons Library, 2020](#)

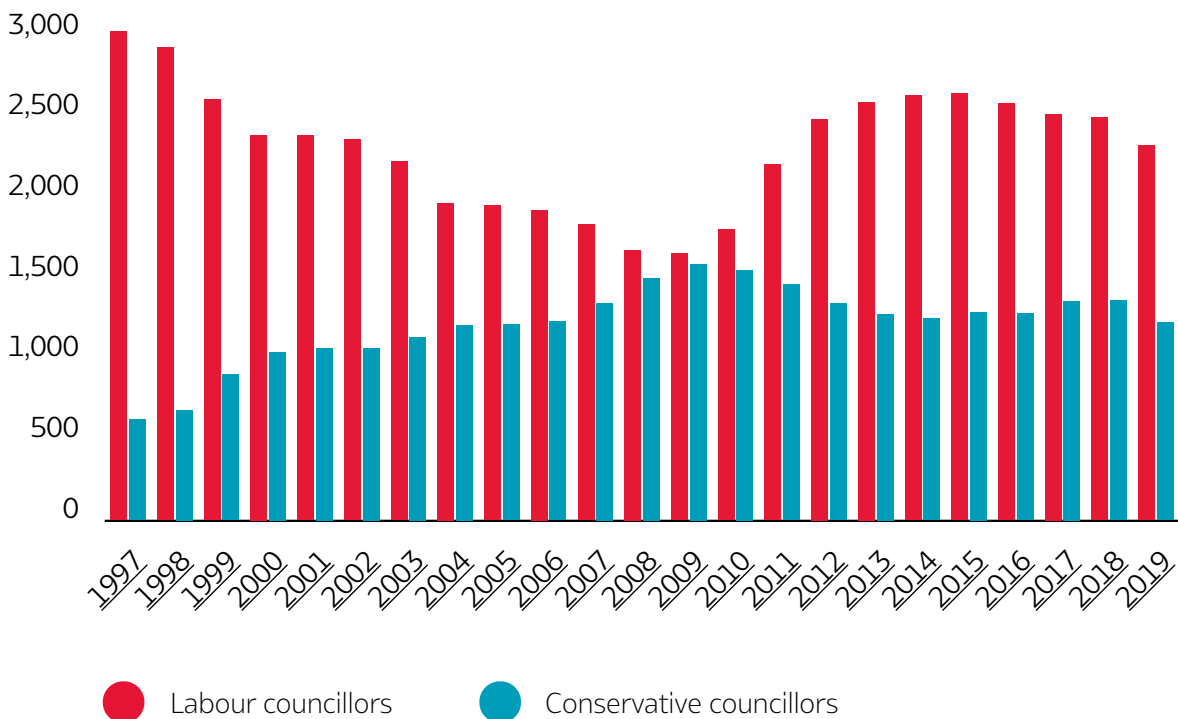
seats nationally only masked the problem. The perception of us as too London-centric or dismissive of Northern communities took hold, even while we have retained strong Northern MPs and councillors.

Meanwhile, the Conservatives have quietly grown their advantage, expanding majorities and targeting a broader range of seats. In Blyth Valley, the Tory share of the vote more than tripled in the years from

2001 to 2017, while Labour’s vote decreased.

Locally too, we have been losing ground. Despite a surge in seats across the North after 2010, since 2015 the number of Northern Labour councillors has steadily declined. More concerning, although the Tories have not increased their number of seats, they have retained them over the past decade. They now have more than half the

Councillors across the North



Single and upper tier councils only.
Source: [Open Council Data, 2020](#); matched to data from [ONS, 2018](#)

number of councillors in the North as us. We have also been losing control in local government. From 2015 to 2019, we lost control of eight councils across the North, such as Hartlepool and Middlesbrough in 2019.

If not addressed, these figures signal a continuous decline. The constituencies and communities, which for so long we took for

granted, have fundamentally changed. These places began to fall to the Tories in 2017 before leaving Labour en masse in 2019. Unless we recognise how and why, there is a potential that they may be lost for good.

Without understanding what isn't working for us on a local level, we cannot hope to win back power nationally.

Part I The Long Retreat

The North is not the only place to be experiencing this. Yet its historical, cultural and political position is unique in the Labour Party—a heartland and a source of strength. Research which focuses solely on Labour’s heavy losses in the North is limited, while this strength and position is not always at the forefront of the modern party, especially in parliament. We must ensure that it is.

This report provides a basis for further study of how Labour’s problems nationally look in the North, and how concerns felt most acutely here can help shape the national challenge. We make sure throughout never to lose sight of practical issues, nor forget the people who need a Labour government now more than ever.

New divides

To understand the post-2019 electoral landscape in the North, we analysed a range of economic, demographic and social indicators across four groups of Northern seats: those Labour has held in every election under current parliamentary boundaries (from 2010), those Labour gained in 2017 or 2019, those Labour lost in those two elections, and those Labour has not held under current boundaries. The full database is available in *Appendix 2* (available on request).

The general pattern of seats held and lost reveal broad new electoral, social and economic geographies. The inner-city constituencies where Labour is now dominant share many of the same experiences of modern Britain as those Northern seats we lost in 2017 and 2019. This is not something to celebrate. These communities are among the most deprived in the country. Around 30 per cent of people have at least a degree-level qualification, compared to 46 per cent nationally; exposure to Universal Credit is high and

employment is often lower than average.

Though Labour is increasingly winning support from young, relatively better-off graduates, of the top 20 most deprived seats in the North, 18 have been held by Labour since 2010. The seats we have not held since 2010—often wealthier small towns and villages—have almost in all cases lower unemployment, lower deprivation, and higher salaries and educational achievement, often significantly ahead of other Northern constituencies.

The real danger for the Labour Party is the cultural divide developing between the seats we have lost in recent elections and those where we are now dominant: between older communities in large and medium towns, and younger, more diverse populations in cities. Despite some of the shared experiences of modern Britain, those key differences—on age, settlement type and diversity—can make these two groups of seats

Northern seats

	Labour held	Labour gain 2017/19	Labour loss 2017/19	Labour not held	UK (excl. Northern Ireland)*
% Working age population (mean)	64%	62%	61%	59%	62%
Most common settlement	City	Large town	Large town	Village	Large town
% Managers (mean)	40%	46%	41%	48%	46%
Median deprivation rank (of 533)	78	280	161	378	267
Change in rank since 2010 (mean)	-10	-18	-14	-8	-
Median house price	£137,500	£175,000	£147,748	£200,000	£222,500
Median annual salary	£26,000	£29,600	£27,000	£29,300	£28,800
% Claiming unem. benefits (mean)	4.2%	3.1%	3.7%	2.2%	3%
% Own home (mean)	59%	68%	68%	73%	64%
% Social rented (mean)	24%	16%	17%	11%	18%
% White (mean)	88%	90%	94%	96%	88%
% GCSEs A* to C / 9 to 4 (mean)	59%	63%	61%	67%	64%

* Some figures are for England only, due to data availability. House ownership counting mortgage and outright ownership. Nominal prices. All data for 2019 where available. You can find full details of the methodology in Appendix 2

Part I The Long Retreat

feel very different. If we do not bridge this separation, then we may find it harder to reach out in the future.

This data also reveals something about Britain's new class divides. There is a risk of seeing 'working class', especially in the North, as a white, industrial identity. Labour has not lost its working-class character—the most deprived Northern seats are almost all Labour—rather, what it means to be working class in Britain has changed. The modern dividing line is harder to draw, with younger graduates in diverse cities often living alongside highly deprived communities, or themselves struggling to find decent jobs and housing. In towns on the edge of cities and in villages—typically older—home ownership and salaries can be higher, but economies sluggish and public services still hard to access.

The North is held back

The second part of our analysis took the same constituency-level indicators and looked at the three Northern government regions—the

Top 20 most deprived seats in the North by election classification



Index of multiple deprivation. Discounting by-elections. *Won by Labour from the Lib Dems in 2015

North East, North West, Yorkshire and the Humber—as well as the North as a whole.

Here, our dashboard is awash with

red. The North falls well behind national averages in key areas—deprivation and unemployment are higher, salaries lower, and school performance worse. As a whole, it has almost double the number of highly deprived areas than the rest of the country. The extent to which the South has drawn investment and attention is already obvious; public spending on the economy and investment in the North is half what it is in London.¹ Yet the acute image the data draws here is still jarring.

Though the North contains many dynamic centres of growth, such as Manchester, Leeds, Liverpool and others, the share of managerial professions is generally lower, an indication of the major draw London and the South have on businesses and jobs. Economic activity is also lower, as are qualifications. It is also startling that all three regions perform worse on every health outcome we measure here, from heart disease to cancer and obesity.

The North East performs worse on most indicators, with noticeably higher deprivation and

unemployment benefit claims than average. It also has some of the lowest levels of school funding for any region in the country, and has fallen 14 places in the median deprivation ranking since 2010, a staggering amount for a region which has ostensibly long been a priority for governments.

Only in a few areas, noticeably access to housing, does the North do significantly better than the rest of the country. Even this is mostly due to depressed house prices across the North, where median prices are £72,500 lower than average.

¹ [IPPR North, 2019](#)

Northern regions

	North	North East	North West	Yorkshire & the Humber	UK (excl. Northern Ireland)*
% Working age population (mean)	62%	62.2%	61.9%	62.1%	62.3%
Most common settlement	Large town	Large town	Large town	Large town	Large town
% Managers (mean)	43%	41%	43%	43%	46%
Median deprivation rank (of 533)	145	129	136	158	267
Change in rank since 2010 (mean)	-10	-14	-10	-8	-
Median house price	£150,000	£139,950	£155,000	£155,000	£222,500
Median annual salary	£27,000	£26,900	£27,600	£26,650	£28,800
% Claiming unem. benefits (mean)	3.6%	4.2%	3.5%	3.3%	3.0%
% Own home (mean)	64%	63%	65%	64%	64%
% Social rented (mean)	19%	22%	18%	18%	18%
% White (mean)	91%	96%	91%	89%	88%
% GCSEs A* to C / 9 to 4 (mean)	62%	61%	62%	62%	64%

See note to table on page 21

Demographic change

We cannot understand this new electoral landscape without understanding how the demography of once-safe Labour seats has changed, often in large or medium towns with slowly-growing and rapidly-ageing populations. More than almost every other social or political indicator, age now determines how we vote, something which should be very concerning for a party which has struggled to attract older voters in recent elections.

Labour's Northern losses are primarily in towns

Labour, particularly in 2017 and 2019, is now a party that draws nearly all of its electoral power from cities, where we have often stored up massive majorities. Voters in seats we lost in the North in 2019 are more than twice as likely to live in towns

than Labour-held seats. Almost half—46 per cent—of our seats across the country are now in core cities, primarily London.²

Towns and villages are not always isolated geographically, yet they have often been left behind economically. Even large towns do not always share equally in the proceeds of the UK's growth, which is usually driven by big cities.

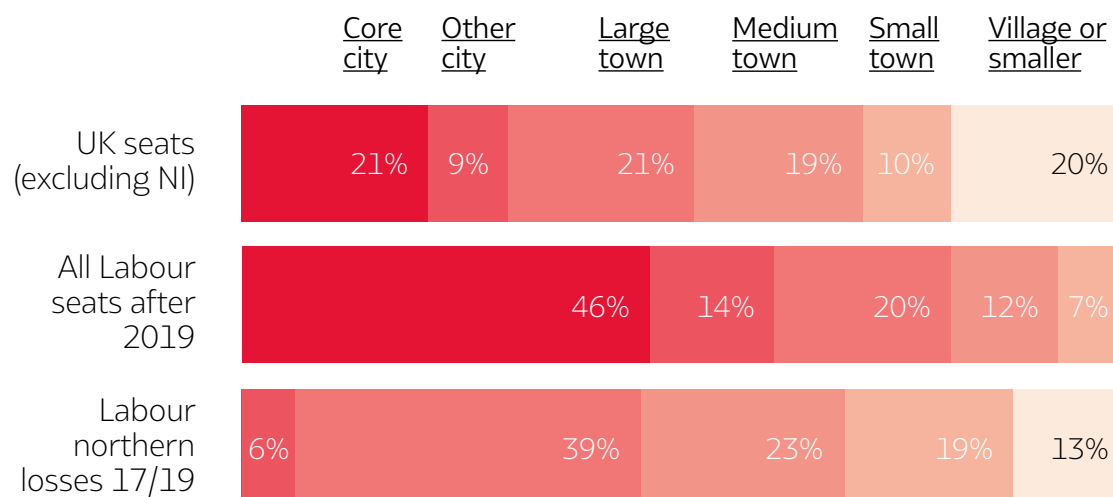
// Whilst 'the North' is uniformly disadvantaged economically, it is very diverse culturally, for instance big cities versus small towns and rural areas, especially post-2016.

Liverpool Riverside

Labour's increasing dominance here reinforces a sense of Northern disconnect from most of the

² 'Core cities' are major population and economic centres; see *Appendix 2*.

Primary settlement by seat



Primary settlement defined by most residents. See Appendix 2

country, something many of those who answered our survey—whose stories we feature throughout this report (identified only by their constituency)—spoke about. Yet we do not do enough as a party to offer a coherent critique or solution to this.

These seats have also experienced dramatic age shifts

Many of the Northern seats we lost

in 2017 and 2019 have been marked by rapid rises in their age profiles over the past few decades, and are now far older than other Labour seats and the country as a whole. Rather than experiencing an exodus of young people, these places have often had lower population growth than the UK average, attracting fewer younger graduates from outside.

From 2002 to 2018, the population of over-65s in the seats we lost in the North increased by 31 per cent on average, far higher than other

Part I The Long Retreat

Labour seats. In eight of these seats, such as Warrington South, Stockton South, and Penistone and Stockbridge, the population of over-65s has increased by more than 40 per cent.

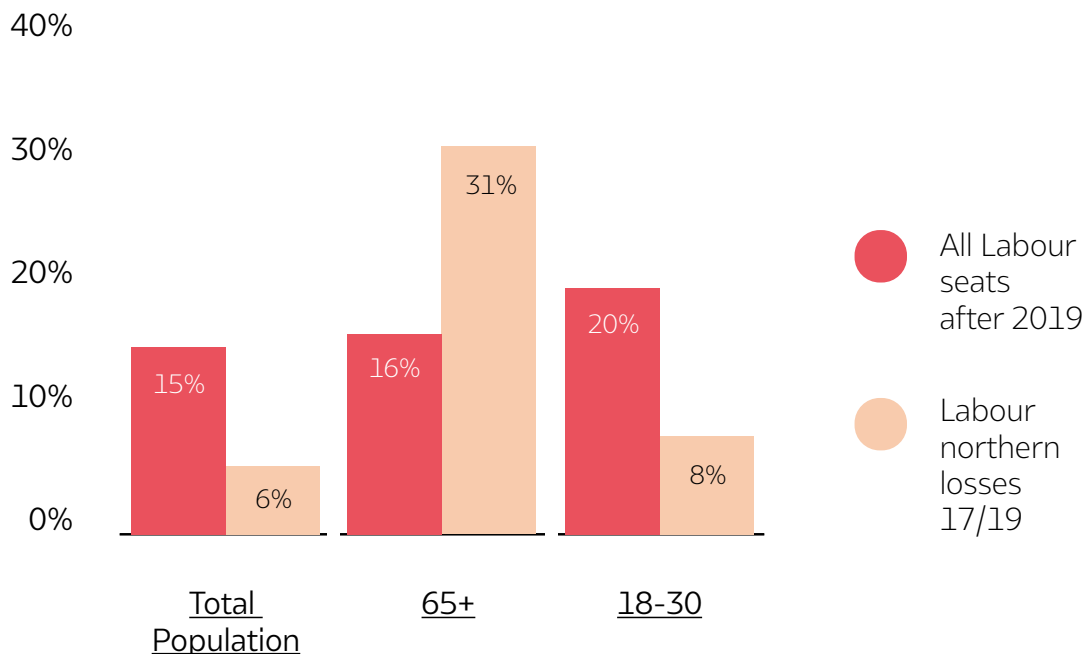
At the same time, younger populations have stagnated or declined. The growth in the population of 18–30 year olds from 2002 to 2018 was more than double

in Northern seats that we won in 2019 than in those we lost.

// Traditional industries that helped form the character of our community have completely disappeared.

Rother Valley

Average population growth from 2002–2018



Note: We have estimated pre-2010 figures based on former seat boundaries. Data for 2019 was not available. Source: [ONS, 2019](#)

Part I The Long Retreat

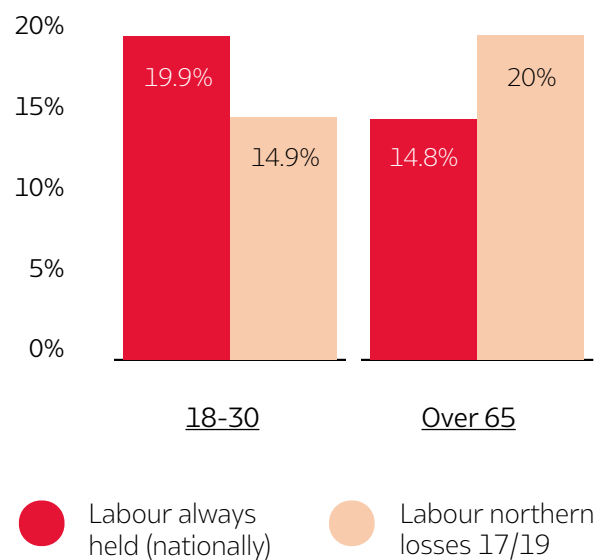
These demographic changes reflect and reinforce economic stagnation, where fewer and fewer young people, from Britain and abroad, are drawn to those areas, often towns, with sluggish and undynamic economies. This creates a vicious cycle of lower investment and economic neglect, leaving left-behind areas to slowly age, while more economically and demographically dynamic cities grow at a faster pace. As the remaining population ages, pressure increases on local health and support services, leaving less and less money for other priorities.

Age is now one of the strongest indicators of voting preference

The changing age profile of Northern towns should greatly concern us, for age is now a key indicator of how we as a country vote. This divide really became apparent in 2017, but has been growing over the last few general elections.

Where a decade ago Labour and the Conservatives won roughly equal

Constituency age profiles



% of the constituency (mean). See Appendix 2

// The ‘brain drain’ to London, lack of high quality jobs in the North, the dominance of large cities and their elected mayors has left towns trailing in their wake with little or no power to control the lives of ordinary people.

Chorley

Part I The Long Retreat

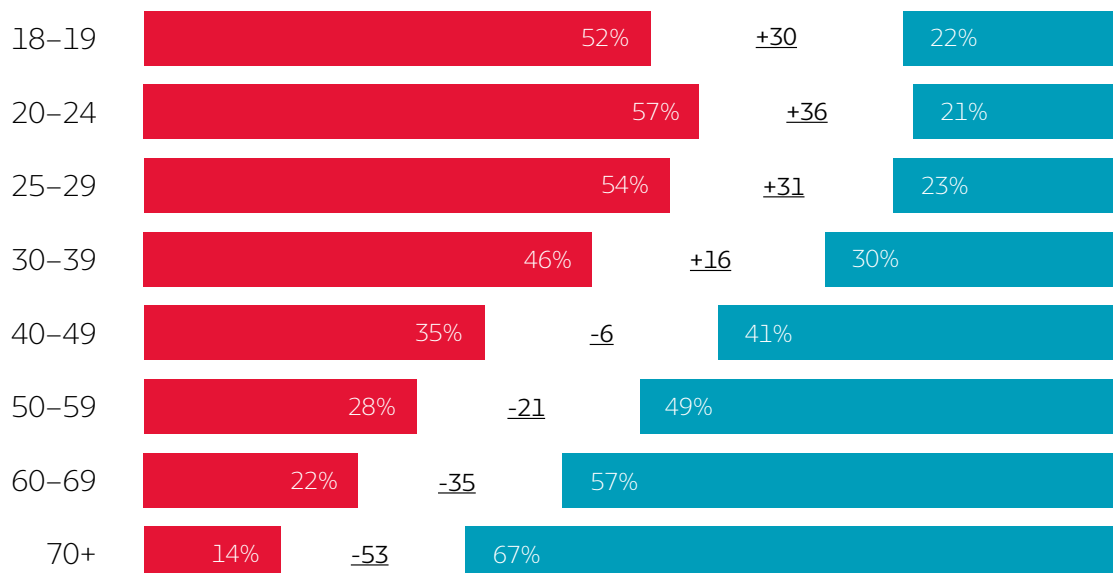
shares in most age groups, now the gap is dramatic. Though it has been growing since 2010, it was hugely accelerated in the last two general elections under the previous leadership. In 2019, we won over half the vote of those under 30, while winning just 14 per cent of the over-70s.

For every 10 years older a voter was at the 2019 election, their chance of voting Tory increased by nine per cent, while the chance of them

voting Labour decreased by eight. Labour were 53 points behind the Conservatives among the over-70s in 2019, a staggering amount among voters who are most likely to turn out at elections.

These changes in voting behaviour partly reflect the diverging fortunes and views of different generations in modern Britain. In a country which is ageing, particularly in key Northern seats, and where older voters are far more likely to

2019 vote share by age



Source: [YouGov, 2019](#)

Part I The Long Retreat

vote, we must begin to address this asymmetry. Most younger voters, now strongly Labour, tend also to be concentrated in safe inner-city seats, where their electoral strength is blunted. We cannot simply hope that this issue will re-balance itself. Without making efforts to win over voters who left us in 2019, we cannot hope to win back power.

Economic and social change

Deindustrialisation, economic change, insecure work, and disinvestment extending far back beyond 2010—though austerity was a critical and malign catalyst—characterise many of the Northern seats we lost in 2019. Voters in these constituencies felt let down by governments of all colours and sought a chance to have their voice heard, in 2019 as they had in the 2016 referendum. As their world changed around them, some staunchly felt that we were not present in their communities, and had for many years taken them for granted.

The economy of the North has been neglected

The North has been disproportionately impacted by deindustrialisation and economic changes over the past half century. Jobs in mining and manufacturing have been replaced by work that is more likely to be low-paid,

low-skilled and more precarious. Traditional industries which once defined Northern communities have disappeared, without anything to replace them, particularly in seats we lost in 2017 and 2019.

Despite a number of prosperous cities with resilient service-based economies, many areas outside of these places in the North are defined by more low-skill and low-wage economies. As we saw on our dashboard, the North as a whole suffers. Even in cities, wages are lower than the rest of the country. Towns lag further behind, and many graduates are drawn to the South by higher wages and better jobs.

Today, the North's economy has a greater share of jobs in low-paying industries than nationally. Median annual salaries are almost £3,000 lower than the rest of the country. The higher concentration of manufacturing and retail work has also contributed to slower than average employment growth and easier layoffs. At the same time, its

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share of employment in high-paying sectors falls behind the national average.

Median annual salary



UK figure excludes Scotland and Northern Ireland. See Appendix 2

The North has suffered immensely from a decade of austerity since 2010, as well as slow employment and weak pay growth following the financial crisis. Spending cuts from the Tory government were deeper here than anywhere else. From 2009–10 to 2017–18, public spending in the North dropped £3.6bn, but rose £5.1bn in the South. ³

³ IPPR, 2019

⁴ iNews, 2018

⁵ IPPR North, 2019

Loss of manufacturing jobs, large areas of empty homes where people no longer want to live, insecure employment has replaced skilled work, income and health inequality, depressed high streets, austerity has meant cuts in council services supporting the community.

Redcar

Labour councils have been disproportionately hit by these cuts. Between 2010 and 2020, the spending power of local authorities, often Labour, in the North fell by 25 per cent, compared to 20 per cent in the South. ⁴ In transport, spending on London is seven times more per capita (£3,636) than on the North East (£519) or Yorkshire and the Humber (£511). ⁵

In part, this is because the government's funding formulas for allocating money are deeply flawed. For decades, the Treasury

has used the 'Green Book' as a decision-making tool for investment decisions. There is considerable evidence that the appraisal methods and formulas contained within it favour investment in parts of the country with already higher economic activity, this creates a catch-22 in which investment is channelled into areas with existing good infrastructure and higher productivity. These areas tend to be in London and the South-East, whilst the North repeatedly misses out.

The government has recently published a new Green Book, supposedly in order to take account of the 'levelling up' agenda. Labour must scrutinise how the government uses this tool to ensure that we actually see long-term meaningful reform of the way investment decisions are made in the UK. Simply publishing a new Green Book will not be enough; Labour must hold the government to account for their actions in this area.

|| [There was] a feeling Labour no longer represented the working class living in small towns of the North and Midlands.

Keighley

Many former voters felt as if they had been abandoned

It is common to hear that voters are fed up with central government. Yet the reality is still shocking: only 15 per cent of people in Britain think Westminster politicians reflect the concerns of their part of the country.⁶

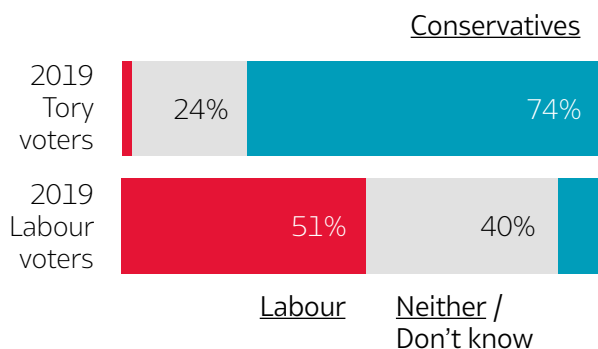
Among Labour-Conservative switchers, the sense that Labour did not listen to their concerns was higher than almost any other group. In 2019, only 51 per cent of Labour voters thought that we reflected people's values and outlooks, compared to 74 per cent of Conservative voters for their party. These sentiments have been

⁶ Yougov, 2018

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apparent in many Northern seats for years, yet we have not done enough to address it as a party, despite our many committed Northern Labour MPs.

Who best represents the public's values and general outlook?



% of respondents
Source: [Ashcroft Polls, 2020](#)

Brexit is partly responsible for this impression, though in many ways it became a metaphor for a party which these voters felt had been drifting away from them for years (see *Section II*). They sought a chance to have their voice heard in 2019, just as for Brexit.

“ I think austerity has changed everything. Labour councils are hit the hardest and have the littlest to spend on communities. Council tax, police and fire, parish rises are inevitable to people who are all struggling and even they don't come close to covering the social care pressures.

North West Durham

As Labour councils were some of the hardest-hit by austerity, they also often received the blame for cuts to public services.

Many of those who answered our survey talked about this, speaking of a profound disconnect between national policy debates and local issues, a deep-seated feeling amongst voters that the political system wasn't working for them and an enduring perception of us as ineffective, complacent or indifferent.

Whilst in government we made many things better for those living in towns and at the edge of cities in the North by investing in public services; however, we acknowledge

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more structural changes were and are still needed to redress underinvestment in the North.

To be able to work towards reversing economic neglect by the Tories and positively address investment in the North, we as a party need to re-build trust with voters. We need to ensure that the party is seen as effective and competent.

One of the most important things voters have always wanted to see from parties is an ability to involve a range of voices and ideas in a transparent way, rather than looking inwards.⁷ If we genuinely listen and learn: speaking to aspiration as well as history when we talk about regeneration; rebuilding trust and a sense of competence; and making use of our MPs and councillors—then voters will place their confidence in us again.

// We were unrealistic with promises when out of power - losing trust, taking our support for granted. Our voters felt powerless and we did nothing to make them feel any different.

Redcar

⁷ Dommett & Temple, 2018

Cultural faultlines

Old political certainties have been undermined: voter loyalty to parties has weakened and class-based voting has all but vanished. Our 2019 coalition was particularly vulnerable to these new forces, which we have often struggled to adjust to.

These new divides can best be understood on a progressive spectrum, from ‘social liberals’ to what we call ‘social moderates’. The former is more likely to support progressivism over social conservatism, personal liberalism over authority; moderates the reverse. In most polls, this scale is composed of a set of key cultural questions (see *Appendix 1*).

Since 2015, this liberal-moderate divide has deepened. While the proportion of social liberals supporting Labour has climbed

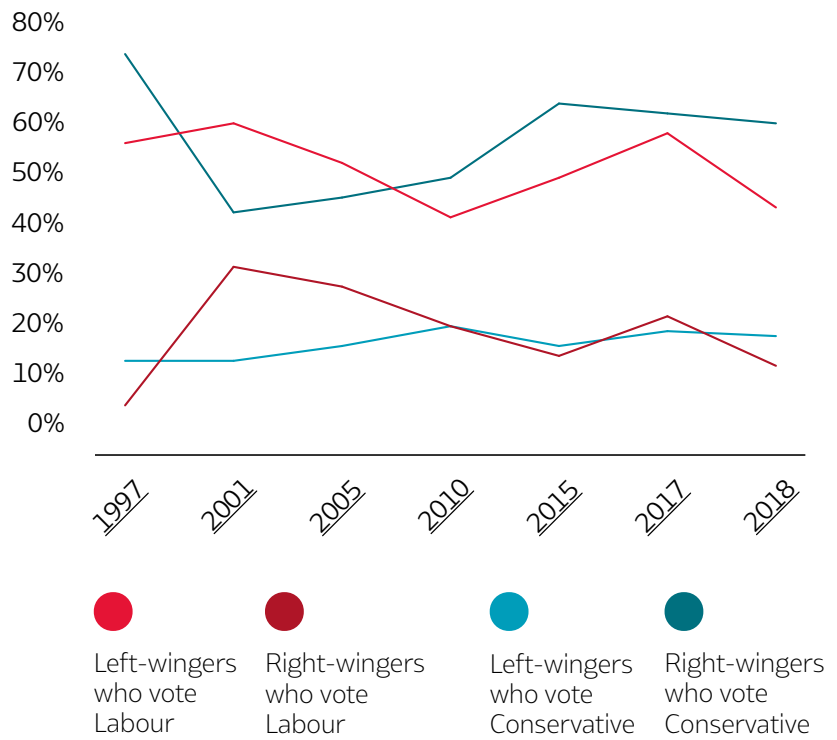
steeply, to almost two-thirds (58 per cent) in 2018, the proportion supporting the Conservatives has dropped precipitously.⁸ This research needs to be treated with care, as it is national and so does not show any regional variance, however we think it can be usefully utilised in this paper. Meanwhile, the traditional left-right economic divide has largely remained the same over the past two decades. In every election between 2001 and 2017, around 40–60 per cent of those voters who favour traditional left wing economic values have backed Labour, whilst a similar proportion of those who support right-wing economic values voted for the Conservatives.

This means that, while traditional left-right divides are not necessarily redundant, they have in recent elections been superseded by

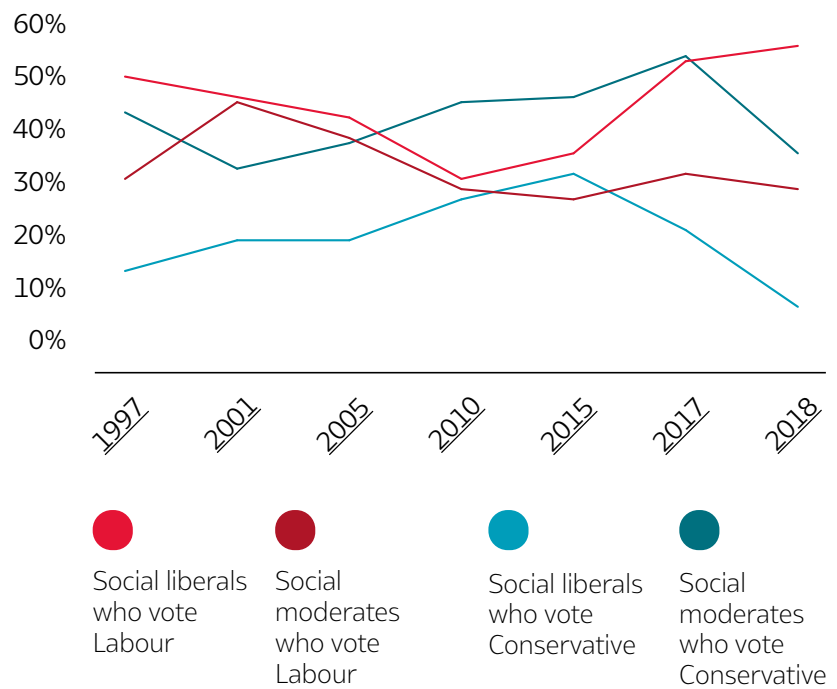
⁸ Note that this data is only available up to the period before Boris Johnson became Prime Minister, when the Conservatives were haemorrhaging support from Brexit-supporters. It is very likely that many more socially moderate voters have since returned, which is not reflected in the graph below.

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Party support from cultural liberals and moderates



Party support from left-wingers and right-wingers



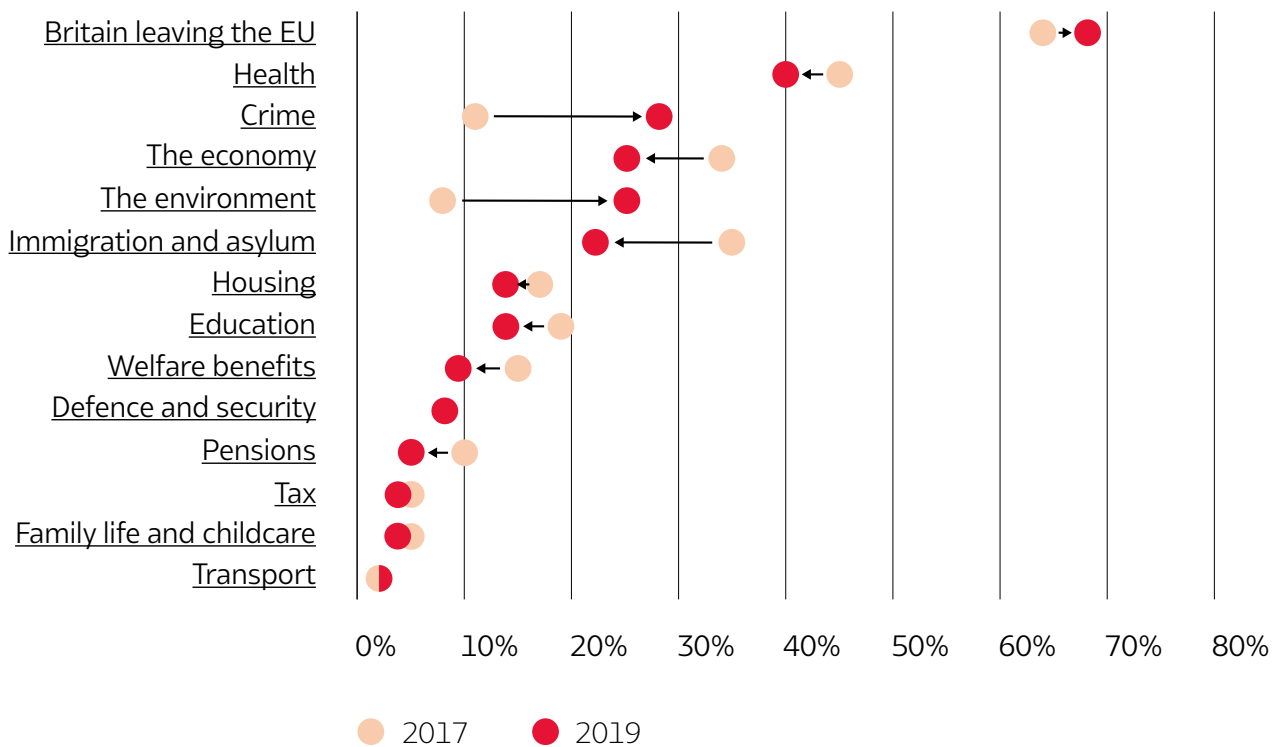
% of each group who vote for party at election. Note: We have calculated 2018 using next election voting intention (PartyIDN), and 1997 using party support (PartyID1). Data for 2019 was not available. Source: [British Social Attitudes, 1997–2018](#)

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dramatic new cultural ones, with voters more split on this than at any time in the last 20 years. These new cultural faultlines far predated Brexit, yet they have come to be defined by it (see *Section II*).

This is also reflected in the relative decline of some ‘valence issues’—issues where there is usually broad consensus among voters on what to do, such as health—and the rise of more ‘position issues’, such as the EU or crime, which can become

Most important issues from 2017 to 2019



% of respondents; up-to-three selection. Note: 'Defence and security' was not included on the list in 2017. Source: [Yougov, 2019](#)

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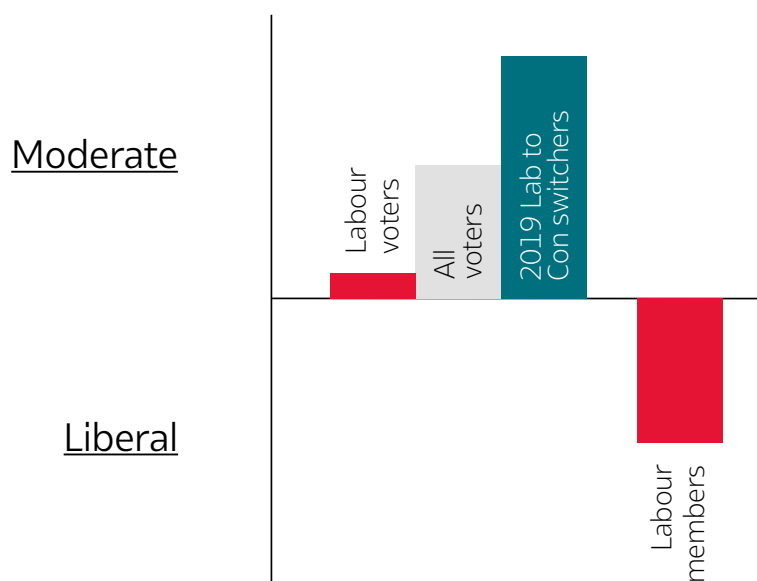
cultural battlegrounds.⁹

In the 2019 general election Labour was particularly vulnerable to these new divides, which so readily cut across traditional cleavages and

party loyalties.

This is highlighted in the social values chart below, that demonstrates that Labour Party members positions on social

Social values of key groups



Arbitrary scale. Source: [UK in a Changing Europe, 2020](#)

⁹ This effect is not uniform, however; from 2017 to 2019 the perceived importance of immigration actually declined, though this may have been due to people increasingly associating Brexit with immigration policy.

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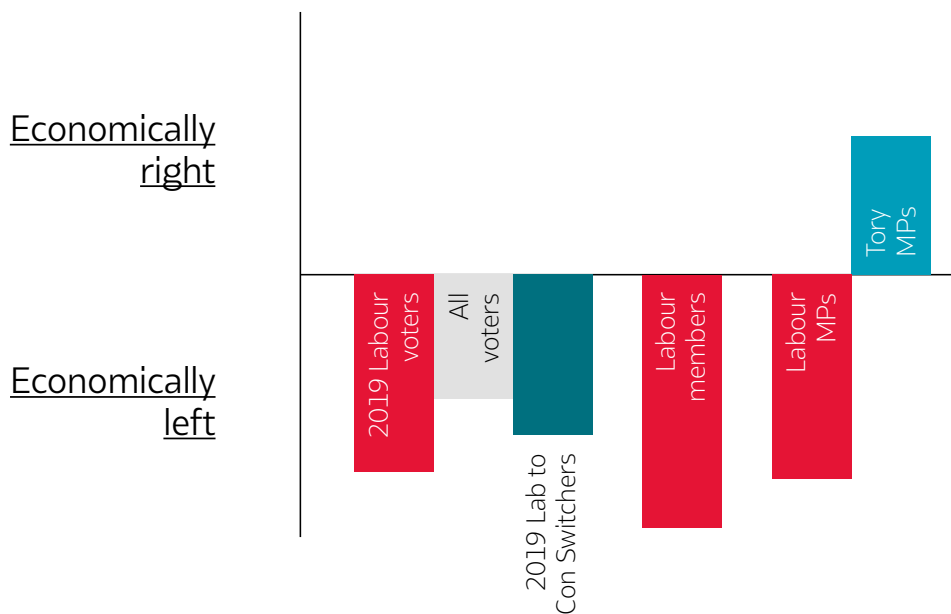
issues diverge significantly from the position taken by voters who switched from Labour to the Conservatives.

Though more liberal than other groups, 2019 Labour voters were almost directly in the middle of the spectrum. Many of our Northern

supporters, even those who stayed with us in 2019, simply felt that we did not reflect their outlook, and were not willing to listen on issues they cared about, and that the Labour leadership did not come across as patriotic or trustworthy.

Boris Johnson and his new group

Economic values of key groups



Arbitrary scale. Representative poll of MPs.
Source: UK in a Changing Europe, 2020

of Blue Wall Tories are attempting to draw us into new culture wars that can replace the Brexit divide. Looking at the graph on the economic values of key groups, we can see why the Conservatives are desperate to keep the debate fixed on cultural matters and away from economic values, as Labour-to-Tory switchers and in fact the whole country are more in tune with Labour's economic values. The challenge Labour has is to convince voters that we have the economic competence to deliver on shared economic values. The respected psephologist Paula Surridge said when discussing red wall seats that 'Labour has been moving away from working class voters for some time, but when Corbyn took over this became turbo-charged'.¹⁰

// Labour was seen as non-aspirational and unpatriotic.

Rossendale and Darwen

Voter loyalty to parties has weakened

British voters are now less likely to express loyalty to parties than at any other point in modern electoral history. We felt this particularly strongly in the North where, in many of the seats we lost, voting Labour was once seen as a cross-generational and social duty.

Of course, low voter loyalty does not only affect Labour. It is also a product of a greater unpredictability in our politics, in which nearly half of all voters switched their votes from one party to another between 2010 and 2018.¹¹ We have to be willing to address this new reality and see voters as more than supporters to turn out on election day; we must also work hard to develop stronger relationships with voters in order to address perceptions of us as isolated in London and not in tune to concerns in the North.

¹⁰ Mattinson, 2020

¹¹ Fieldhouse *et al.*, 2019

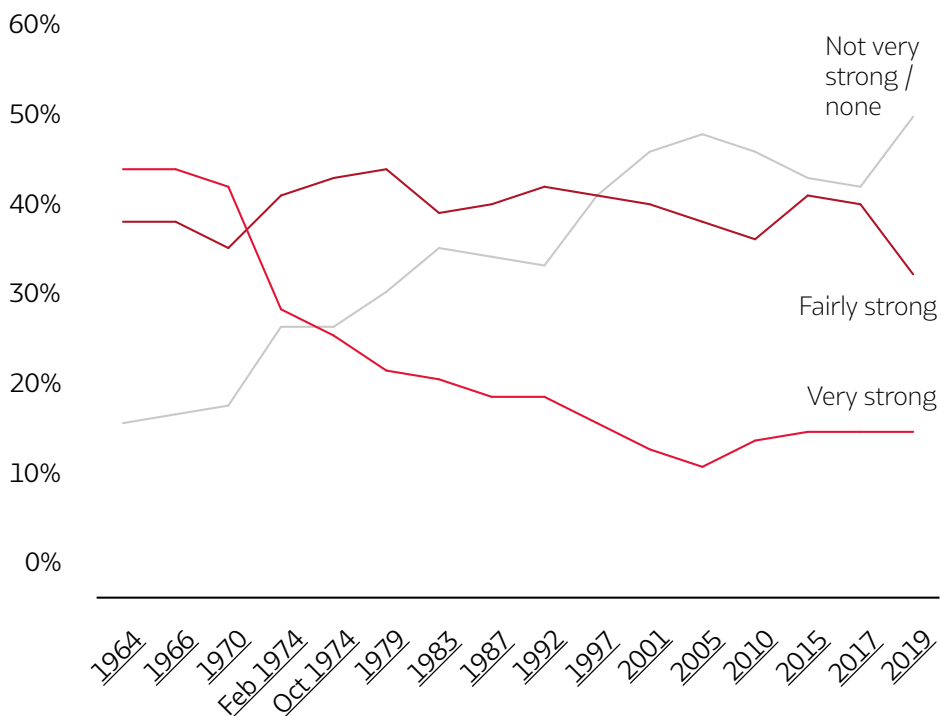
II [There has been a disconnect between local politicians and national politicians and involvement and opportunities to feed in to campaigns on the ground.

Bishop Auckland

Class is now a poor predictor of voting patterns

One of the most significant trends in this new volatility is the decline of traditional conceptions of class in how we vote. Since the turn of the century, the voting divide between middle class voters (ABC1) and working class voters (C2DE) has disappeared. In 1974, Labour

Strength of party identity



% of respondents. Note: 2019 indicates voting intention. Source: [British Election Study, 1964–2017](#); [Yougov, 2019](#)

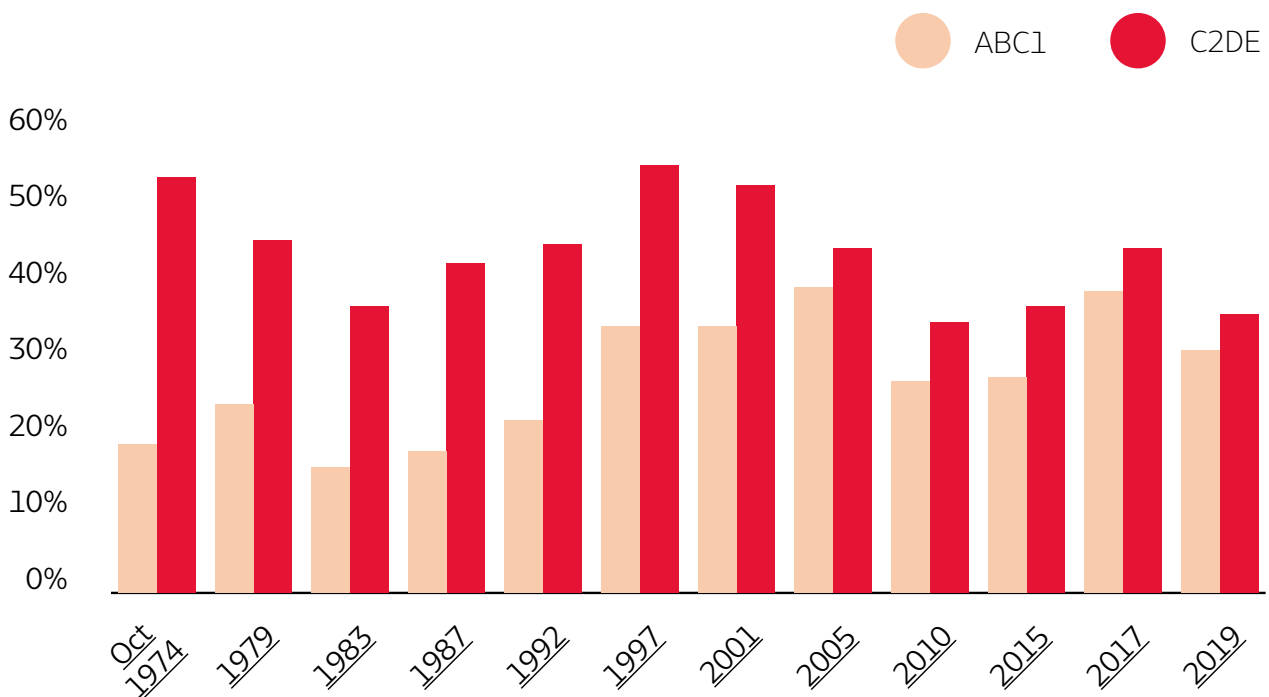
II The loss of jobs in primary industry - mostly railway engineering and railway operations - has destroyed the strength of the trade unions, undermined community solidarity and the traditional 'class loyalty' has largely vanished.

Crewe and Nantwich

reliably turned out over half of working class voters (53 per cent), yet only a fifth of middle class voters. Since 2005, we have drawn almost equal support from both groups.

We have much work to do to re-establish trust with former voters. We should achieve this not by casting back to a past era, but by making sure we listen to their

Labour share of class vote



Source: [Ipsos MORI, 1974-2019](#)

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concerns and aspirations, and more often tune our policies and outlook to their priorities. The greatest risk for Labour is that, in this newly-turbulent politics, we fail to listen to our former voters or make efforts to reconnect with them, and allow another party to build lasting links.

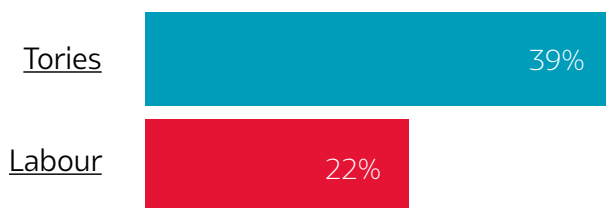
Northern and national identities

Voters who care deeply about Northern and national identity have become a powerful political force, a group which wants to see their pride reflected better in their representatives and government. Northern identity, in all its diversity, is much stronger than for any other region in England. Labour has frequently failed to act strongly enough on this strength of identity: contributing to the alienation of

many former voters and fuelling a disconnect between party and place. To be proud of your area is to want to see it do better, and to have your passion recognised more widely. On national identity, most voters who identify as English tend to value patriotism and self-governance over more controversial topics.¹²

Northern voters are proudest of their identity

Who best represents 'British values' ?



Among those who say they 'have a lot of respect for British values'. Source: [RSA, 2020](#)

Pride in identity is enormously strong in the North. Almost twice as many people in the North East, North West, and Yorkshire and the Humber express very strong feelings of regional identity than any other area of the UK, even those with prominent identities, such as the South West.

Voters can see us as a London-centric party, unwilling to listen

¹² [English Labour Network, 2020](#)

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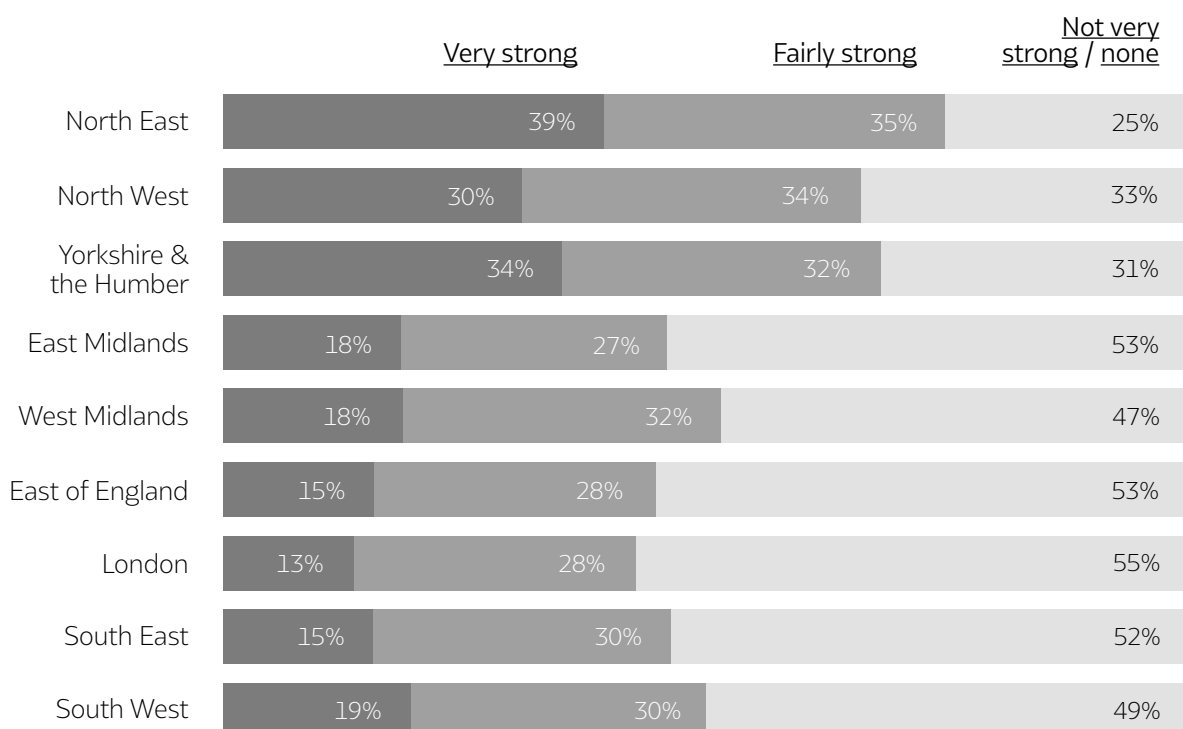
to their concerns, despite Labour’s roots in the North and many strong Northern MPs fighting this perception. Almost three-quarters of Northern voters think we no longer represent its traditional voters here. All our survey responses described huge pride in their local areas, and how we were often seen to ignore this, particularly when local representatives and campaigners weren’t consulted on proposals

which would have affected their area, or when national policies were not seen to fit local priorities.

|| [There was] a sense of the party being out-of-touch (both at national and local level).

Manchester Withington

Strength of regional identity across England



% of respondents. Source: [Yougov, 2018](#)

Part I The Long Retreat

These identities are built around a common narrative and collective values unique to the North, which also reflects diverse cultural and social heritages, from Tyneside to Merseyside and many other places in-between: from wards to villages, towns, cities and regions. They are not ‘imagined communities’ but concrete characters, shaped by a shared sense of community, fellowship and history, and pride in landscapes, sports teams, buildings and symbols.

II Communication recently has been poor (2017 manifesto was not really relevant to the North East), Labour leadership was seen as too London-centric and focused on metropolitan issues rather than what matters locally.

Bishop Auckland

In 2019 we were presented as isolated, uncaring and untrusted by our opponents and the media. To even begin to reverse this, Labour

Asking Northern voters:

Does Labour no longer represent its traditional voters?



% of respondents. Amalgamated 10-point scale.
Source: Ashcroft Polls, 2020

needs a stronger Northern voice, in parliament and across the country, talking about Northern issues and reflecting patriotism and pride in a diverse Northern identity, while listening to local concerns.

If we fail to do this, then we are limiting our appeal to large parts of the North. There is broad support for new regional representation which listens to local views.¹³ If Labour is to talk about devolving power, then we need to recognise this, ensuring that any proposals meaningfully take control away from Whitehall, make sense culturally and geographically, and are not

¹³ Yougov, 2018

Part I The Long Retreat

portrayed as more politicians for
more politicians' sake.

**// Labour has
failed to engage with
communities.**

Newcastle East

Part II — 2016 And After



Old Coal Staithes, Blyth

Brexit and the party's leadership were overwhelmingly cited by deserting 2019 voters as reasons for their decision. Indeed, this was strongly reflected in our survey of councillors, candidates and MPs across the North. It would be a mistake, however, only to rely on a leadership change and the likelihood that Brexit is not going to be a major

issue at the next general election and assume that this alone will allow us to win back the seats that we have lost since 2010. Our defeats have also been the product of other factors which predated Jeremy Corbyn or Brexit, although these two issues catalysed and provided an easy shorthand for them.

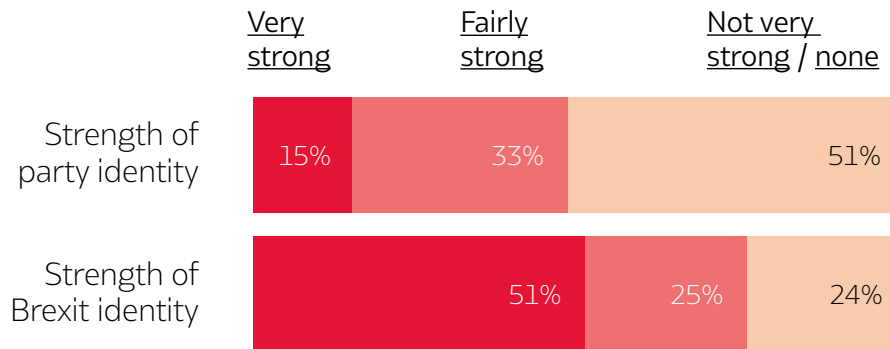
Brexit defines divides long in the making

As old divisions have waned in importance, they have been replaced by powerful cultural faultlines. These existed before Brexit, yet ‘leave’ and ‘remain’ helped define them in 2019: a boundary that fell neatly across many of the issues which have been pulling our voters apart for decades.

Following the Brexit vote, how people felt about these new cultural

faultlines, such as multiculturalism, globalisation, feminism and immigration, mapped clearly onto Brexit divides. And, while 72 per cent of socially moderate people voted Leave, only 21 per cent of liberal voters did.¹

Where before voters with different cultural views could more easily support the same party, Brexit and the cultural faultlines it represents



% of respondents. ‘Not very strong / none’ includes ‘not very strongly’, ‘not strongly at all’ and ‘no id’. Source: [Yougov, 2019](#)

¹ [British Social Attitudes, 2017](#)

transcended party at the general election. Over three-quarters of people had a strong Brexit identity in 2019, whereas less than half felt the same about party.

Though many of our voters in 2019 voted remain, in those Northern seats lost in 2017 and 2019 Brexit-supporting former Labour voters played a crucial role, either in voting for the Conservatives or choosing to stay home. Of course, this is much more than about Brexit. Had it not been an issue in 2019, almost all voters in the North would have still voted the same way. ²

Some of these former voters will be very difficult to get back, and Labour will have to work hard to rebuild trust lost in recent years. We must demonstrate our solidarity with them in upholding and strengthening Northern identities and values, which will help voters to focus on Labour's areas of strength, such as health and public services. There are grounds for optimism here. Already, 23 per cent of former

“ Brexit is the obvious reason for our supporters to finally turn their backs on us, and it is that feeling, rather than unbridled commitment to the Tory Party, that has driven the loss of seats; people wanted to give the Labour Party a kicking so that it wakes up and recognises why it exists.

York Central

Labour voters in Northern seats we lost in 2019 would vote for the party again, ³ and recent polling has shown that these same voters overwhelmingly want a trade deal rather than a no-deal Brexit. ⁴ Labour shouldn't try to re-fight Brexit battles. Instead, we should show voters that we have turned a page on Brexit and encourage them to look at us afresh.

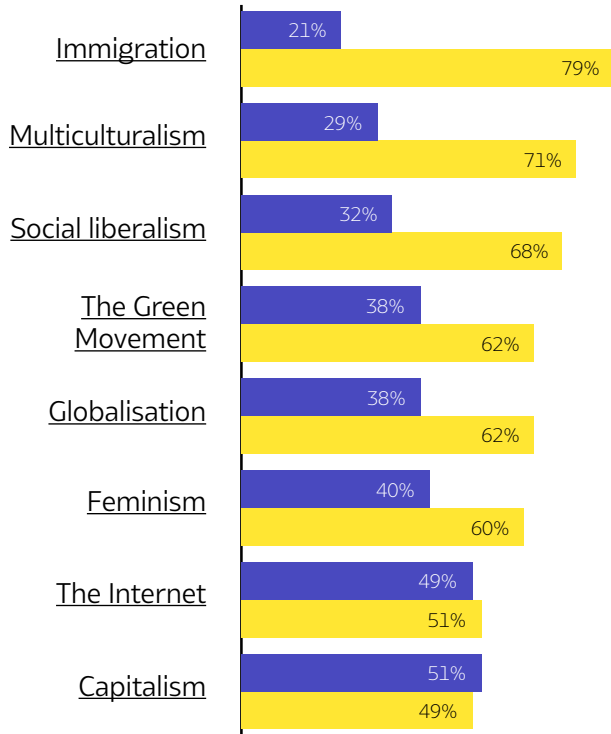
² Ashcroft Polls, 2020

³ ECFR, 2020

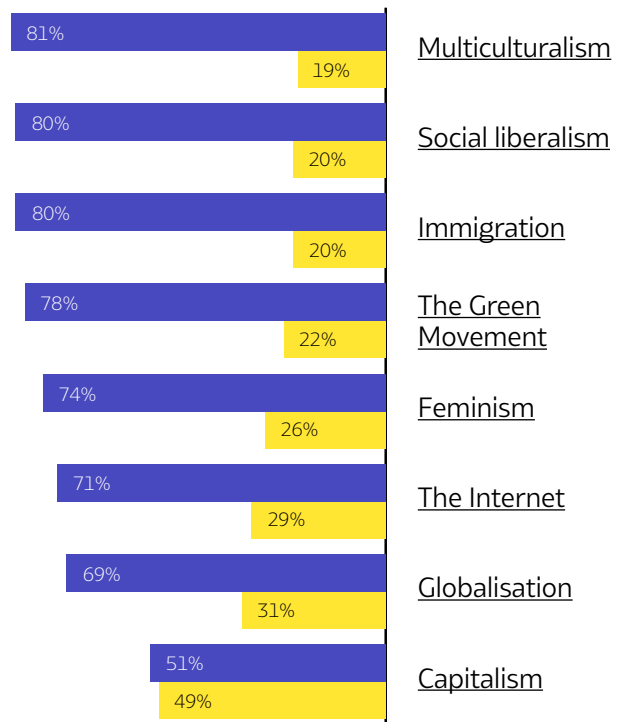
⁴ Best for Britain, 2020

Part II 2016 And After

How did the people who thought these were a force for good vote?



How did the people who thought these were a force for ill vote?



● Leave ● Remain

% of respondents. Source: [Ashcroft Polls, 2016](#)

Opinions on the party leadership hardened after 2017

For a party which was struggling with new cultural and social divides, and increasing alienation from former Northern voters, a leader at the election who was perceived as weak or indifferent on many issues important to them only exacerbated this decline.

Voters began to form concrete opinions of Jeremy Corbyn during the 2017 campaign, when he became more nationally known. Where once they were willing to give him the benefit of the doubt over a largely discredited Theresa May, two years of news about Brexit disagreements, antisemitism, party unity, and his position on the Salisbury poisonings and national pride more broadly, ensured these opinions were not positive. Among voters who initially liked his leadership, indecisiveness and trust were major factors in their dislike of him after 2017. ⁵

Clearly, opinions were partly shaped by issues of identity and culture, such as a perceived lack of patriotism. A feeling that Labour was obsessing over some liberal issues, particularly foreign policy, also helped to alienate more socially moderate voters. Even among Brexit supporters who switched to the Conservatives, the leadership was a bigger factor in their decision. ⁶

|| The issue which came up most frequently was the perceived failings of Jeremy Corbyn as leader and as a possible future Prime Minister, coupled with the labour manifesto. People liked certain policies in it but it was too wide ranging and scattergun that people didn't believe we could deliver on it.

Bury North

⁵ Yougov, 2019

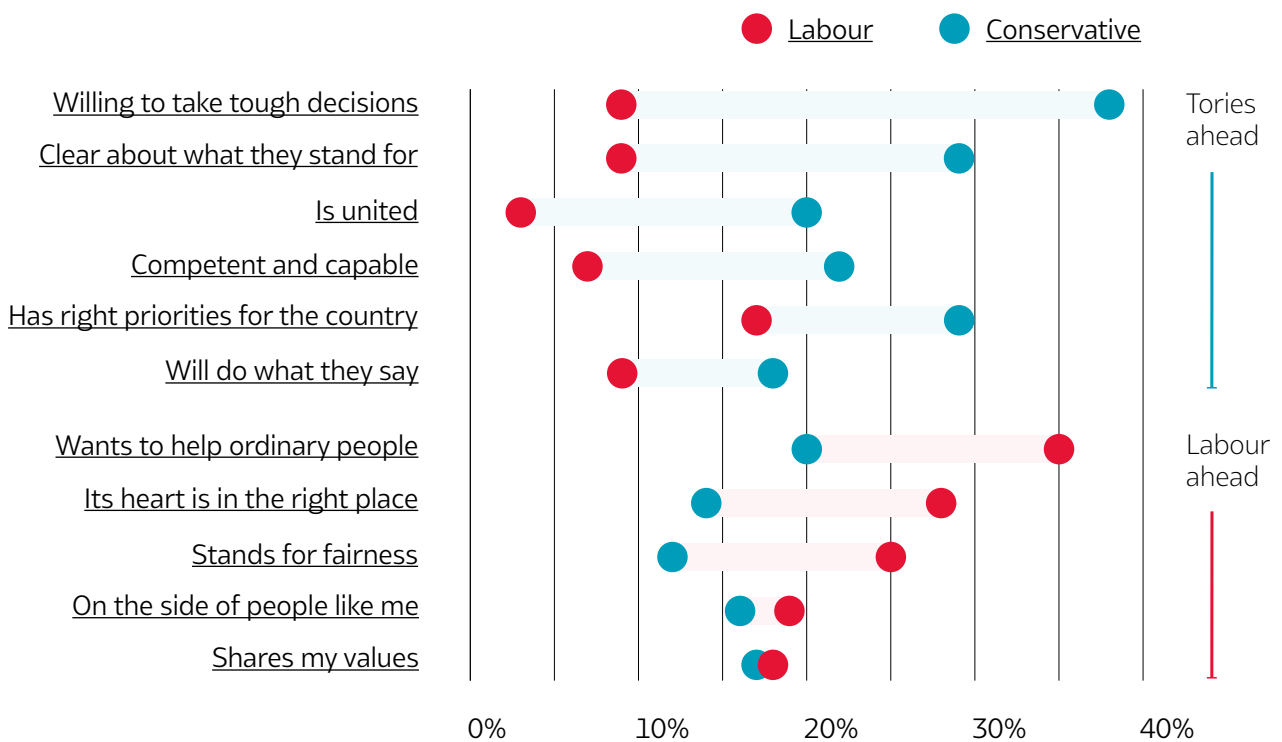
⁶ Opinium, 2019

Part II 2016 And After

Part of this personal unpopularity was also rooted in long-term perceptions of Labour’s competence and trust, effectively shaped by other parties over the last decade. We have not done enough to counter these. At the election, the Conservatives were seen as far more credible

on a swathe of important issues, including willingness to take tough decisions, general competence and caring about local issues. We were only ahead on fairness and good intentions, though most voters did not believe we meant what we said.

Which statements do you think apply to the two main parties?



% of respondents; multiple-choice selection. Source: [Ashcroft Polls, 2020](#)

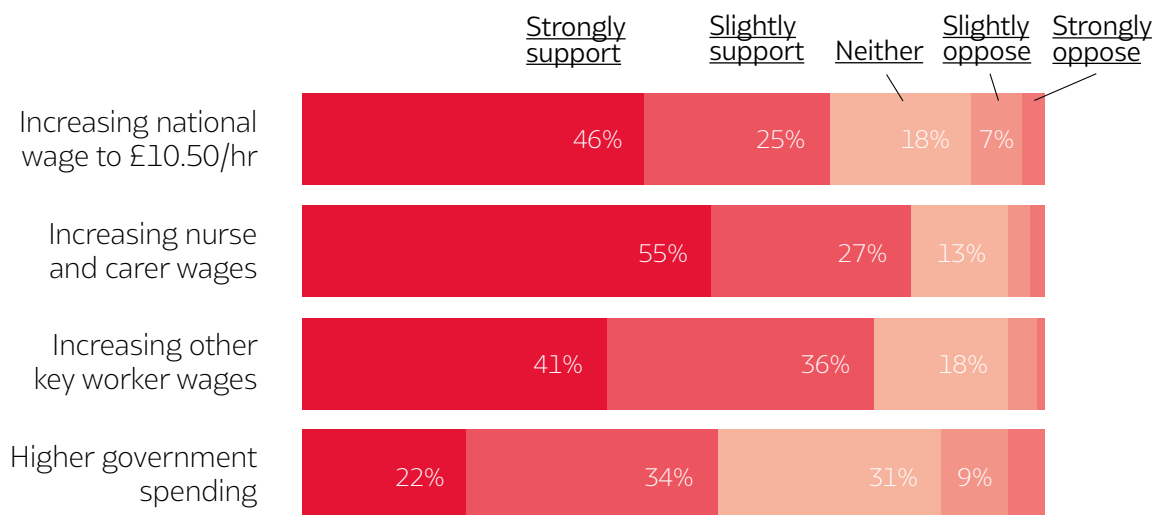
Voters still support Labour policies and values

The growing importance of identity and culture should not blind us to the enduring popularity of some of our policies and signature issues. Some proposals, such as increasing the minimum wage and investing in public services, have significant

support in the country, when handled correctly.

These cross-generational issues—health, investment in public services and making the economy work for all—are the reasons voters stuck

National support for Labour policies and values



% of respondents. Source: [ECFR, 2020](#)

with us in 2019.⁷ Though the UK is increasingly divided nationally along generational, cultural and political lines, when brought together and encouraged to engage, we are often able to find compromise.⁸ Labour should make the most of this.

II We lost connection with disinterested but traditional Labour voters. Failed to offer a coherent but relatable and understandable policy narrative.

Lancaster and Fleetwood

Though most voters still associate us with fairness and a strong desire to help ordinary people, in recent elections we have allowed the Tories to define themselves favourably on traditional Labour areas, as in 2019 when they led polling on the NHS.⁹ Again, though some voters may support policies from the 2019 manifesto, they often express

disbelief that we will be able to deliver them, a sentiment reflected by almost all of those who answered our survey.

Covid-19 and a bad Brexit deal will disproportionately hit underfunded and left-behind Northern communities, particularly towns; we have already seen how much more the North suffers under lockdown. At the same time, it is unlikely Boris Johnson's promise to 'level up' will result in the wholesale economic change the North needs (see *Section III*). To help these areas, Labour needs to focus on unifying areas of policy, and build a programme to truly rebalance towards Northern economies, with a renewed commitment to competence and trust.

⁷ Ashcroft Polls, 2019

⁸ Engage Britain; Britain Thinks; 2019

⁹ Page, 2019

Part III — What To Expect



Scarborough, North Yorkshire

While we have dedicated the majority of this report to unpicking the foundations of Labour's many defeats, it is important also to look to the future and what the Tories will do to hold on to power. Bereft of any real growth agenda, what we have seen so far is promises of spending on

Tory-held and target seats, doing little to address the needs of the region as a whole in this time of crisis.

Our investigation: an analysis of the ‘levelling up’ agenda

We looked at two key planks of the government’s ‘levelling up’ agenda for England—the *Towns Fund* and the *Future High Streets Fund* (FHSF)—in our investigation. The Towns Fund is a £3.6 billion scheme, originally announced by Theresa May as the ‘Stronger Towns Fund’ in March 2019, intended to boost local economies in deprived towns. The Future High Streets Fund allocates £1 billion from the Towns Fund to develop town centres.

Both funds must be competitively bid for, though importantly councils may only bid if they have been shortlisted by the government. A total of 101 towns have been shortlisted for the Towns Fund, and 101 for the FHSF. Selected councils do not automatically qualify for funding but, once shortlisted, are allocated funds to develop their

bids—up to £173,029 for the Towns Fund and £150,000 for the FHSF.¹

Towns Fund money goes to Tory-held and target seats

The first part of our investigation focused on the allocation of Towns Fund money. By matching the 101 shortlisted towns to parliamentary seats using OS data, we found that:

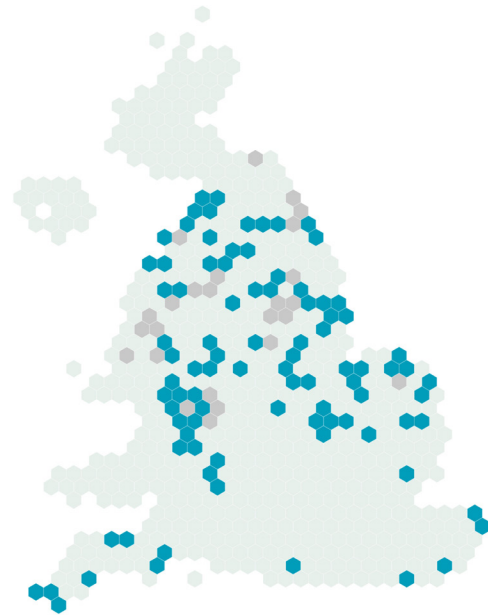
- **Over three-quarters (76 per cent) of seats in-line to receive money from the Towns Fund were Tory-held or target seats at the 2019 election.**²
- **Of the top 20 Tory target seats in the North at the 2019 general election, 80 per cent are in-line to receive funds.**

¹ [Towns Fund](#) and [Future High Street Fund](#)

² Target seat defined as a majority of less than 5,000. You can find a full list of seats and towns in [Appendix 3](#).



Constituencies in-line to receive money from the Towns Fund



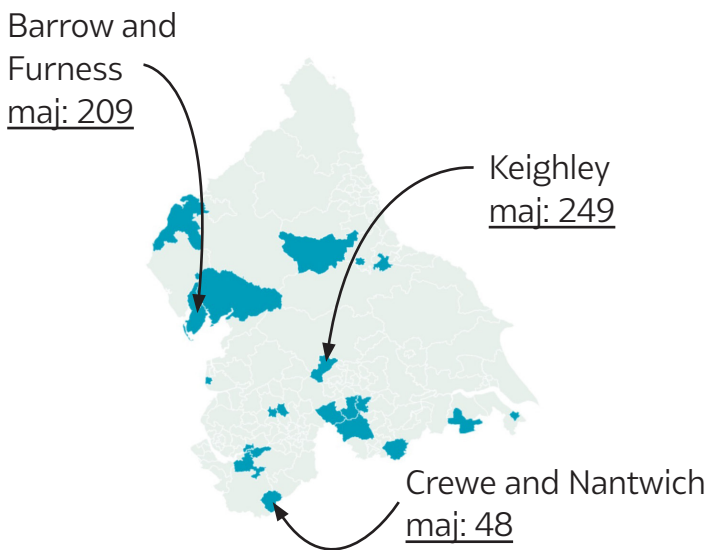
Over three-quarters were Tory-held or target seats at the 2019 election

Mapping: ODI Leeds, Flourish
[Click here to access the interactive map](#)

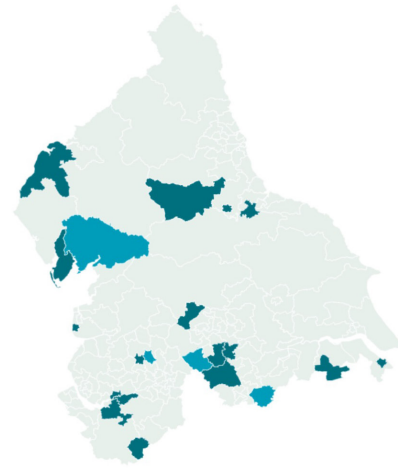
The seats containing multiple shortlisted towns—those who could potentially receive the most funding—were some of the most marginal going into the election, such as Calder Valley (majority 609), Scarborough and Whitby (3,435), and Copeland (1,695).

Northern seats account for over a third of towns selected. All but one of the top 20 Northern target seats in-line to receive funding fell to the Tories at the 2019 election.

Part III What To Expect



Top 20 Tory target seats in the North at the 2019 election



80% are in-line to receive money from the Towns Fund

Mapping: ODI Leeds; Flourish
[Click here to access the interactive map](#)

In July the National Audit Office published a report into the Towns Fund selection process.³ It outlined a ‘traffic light’ system, where the Ministry for Communities, Housing and Local Government (MCHLG) removed the 50 per

cent least deprived English towns, ranking the remainder on key economic indicators, such as income deprivation, qualifications and productivity, before dividing them into high, medium and low-priority by region. While ministers

³ [National Audit Office, 2020](#)

Part III What To Expect

accepted officials' advice to shortlist all 40 high-priority towns, they subsequently handpicked the remaining 61 towns, ultimately selecting 12 low-priority and 49 medium-priority towns.

Using our previous model, we found that:

- **All of the low-priority towns chosen by ministers were in Tory-held or target seats at the 2019 election.**
- **92 per cent of the medium-priority towns chosen were in Tory-held or target seats.**

Although officials insisted ministers provide strong written rationales for their choices, frequent justifications were generic including 'poor transport links' and 'geographic spread', and it is notable that despite repeated references to 'potential for investment', not a single low-priority town chosen scored highly on the ministry's own investment opportunity scale.⁴

The North lost out in the ministerial selection process as well: officials recommended 51 towns overall were chosen from the North, but ministers only chose 43.

Medium-priority northern towns also lost out to lower priority towns. Cheadle, the lowest-ranked town in the North West and a Tory marginal seat, was selected from the low-priority group, whilst Salford, Bootle, and Blackburn—with scores almost ten times greater—were left out. All three of these medium-priority towns are in safe Labour seats.

Since our investigation concluded, the Public Accounts Committee have also published their report: 'Selecting towns for the Towns Fund', concluding that the selection process for the fund was not impartial and that the MCHLG had a weak and unconvincing justification for not publishing any information on the process it followed.⁵

The clear manipulation of this fund for party political

⁴ See the web-only appendix to the NAO report.

⁵ [Public Accounts Committee, 2020](#)

purposes demonstrates what will undoubtedly be the Conservative government's strategy for the next general election: incumbent MPs will trumpet infrastructure projects and investment in their constituencies. This is likely to be continued following the Chancellor's announcement in the November spending review of a £4 billion 'Levelling Up Fund', which seems designed to be linked to individual MPs support in order to be successful. Big spending promises are one thing though, delivery is another, as we set out below.

Almost all levelling up funds spent on consultants

The second part of our investigation looked at how levelling up funds were spent, through analysis of both the Towns Fund and the Future High Streets Fund.

We sent freedom of information (FOI) requests to each of the 136 councils directly responsible for the

202 shortlisted towns, as well as the government, asking how they had spent money—allocated if spending figures were not available—on their bids, and where that money came from. The full database of responses is available in *Appendix 5*.

We found that:

- **Councils had spent on average 86 per cent of the funding from both schemes—a total of over £10 million so far—on consultants.**
- **Some councils across the country, such as Rossendale, Tendring, Tamworth and Lancaster, were contributing up to £250,000 of their own money towards their bids, despite the government's promise of limited self-funding of bids for the FHSF and none for the Towns Fund.**⁶
- **Despite being launched over a year ago, as of early September only 18 per cent of money for Towns Fund**

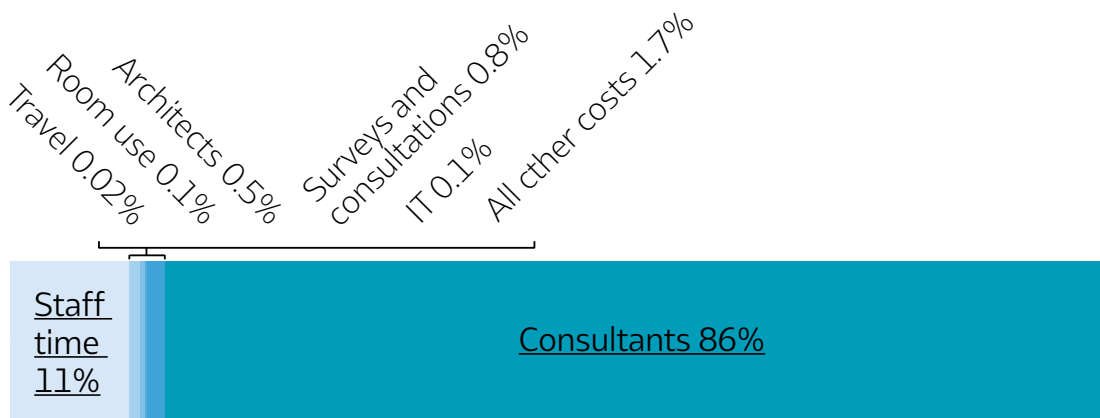
⁶ Based on responses to our FOI requests.

bidding had been spent by councils. Some councils had not received all of their allocated funding; many told us that they were waiting on government guidance, even before the Covid-19 pandemic.

In summary

Overall our investigation found that public money which should have been spent on improving the lives and communities of some of the most deprived towns in the North was selectively parcelled out to politically important areas for the Conservative Party. Furthermore, those areas who do receive funding, find the money comes in unmanageable, time-limited lump sums rather than the regular funding councils desperately need.

Towns Fund and Future High Street Fund spending



Mean of two schemes. Towns Fund accurate as of 11/09/20; FHSF accurate as of 06/10/20. See Appendix 5

Part III What To Expect

There will be a future competitive round of bidding for the Towns Fund, as well as numerous other programmes, including the *Regional Growth Fund*, *Local Growth Fund*, *City Deals*, *Restoring Your Railway Fund*, the *Getting Building Fund*, and the recently announced *Levelling Up Fund*.

Labour should probe and highlight the government's so-called 'levelling up' agenda at every turn. We need to hold the government to both the letter and spirit of its promises—public money to help left-behind areas must be fairly allocated—and develop our own programme to truly rebalance towards Northern economies. Central to our critique should be that all these initiatives are Whitehall-led and decided, relying on ad hoc, politically divisive decisions rather than a genuine attempt to see parts of the country given the power and the resources to shape their own destiny.

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Written in Bw Glenn Sans and Source Serif



