

# OVERCOMING DEPRIVATION AND DISCONNECTION IN UK CITIES

The poorest areas of towns and cities do not always benefit from periods of economic growth in their wider regions. In some important ways, they can remain disconnected from the prosperity experienced by residents of wealthier neighbourhoods. This research looks at these issues from the perspective of housing and labour market interactions in the UK's most deprived neighbourhoods. It finds that there is a need to reconnect economic growth strategies with poverty alleviation initiatives.

The research is based on an analysis of neighbourhoods across the UK that are in the 20 per cent most deprived in each nation's most recent deprivation indices.

## Key points

- Not all 'deprived' areas are the same: there is a great deal of diversity across the UK.
- In some areas, there has been a tendency for conditions to worsen over time.
- Local jobs do not mean local employment for residents of deprived areas – in many poorer areas jobs are filled by residents from more prosperous areas.
- Some areas experience 'double disconnection'; they are not well connected to jobs or housing in their cities – there are 524 of these areas across the UK.
- The geography of poverty matters. There is often a mismatch between where people live and where jobs are located.
- Skills also matter: sometimes skills, and not geography, are the main barrier to employment.
- Successive waves of area-based urban policies have helped some areas, but they cannot 'solve' the problem alone – wider poverty alleviation strategies are needed.
- Inclusive growth strategies which address poverty *and* economic growth in combination may offer a way forward.

## The research

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# BACKGROUND

This research provides an in-depth analysis of patterns of neighbourhood deprivation and disconnection across the United Kingdom. The focus is on those areas which, for various reasons, do not seem to benefit fully from periods of economic growth in their wider city regions. We develop two area typologies around housing and labour market trends and identify a number of key issues which we believe may have a negative impact on the life chances and opportunities for people living in some of the nation's most deprived areas.

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## Divided cities, disconnected neighbourhoods

Cities are home to a disproportionate share of the UK's most deprived neighbourhoods. For example, 61 per cent of Liverpool's small areas (lower layer super output areas – LSOAs) are within the most deprived quintile on the English Indices of Deprivation 2015. With few exceptions, the United Kingdom's major cities have large concentrations of deprived neighbourhoods, the location of which have changed little over time. It is also a striking feature of cities that they are often very spatially divided between rich and poor.

## Understanding deprived neighbourhoods

Our analysis helps us understand why, and how, some neighbourhoods remain perpetually disconnected from the wider economic success of the cities they sit within. We find:

- **Not all 'deprived' areas are the same:** there is a great deal of diversity across the UK, requiring different policy responses in different places.
- **'Double disconnection':** some areas are particularly poorly connected to their wider labour market areas *and* their wider housing market areas. There are 387 inner urban areas across the United Kingdom in this situation (and 524 when we include outer urban areas).
- **'Residualisation':** in some areas, over time, there has been a tendency for local conditions to stagnate, or worsen, in relation to housing and jobs. This may have a prolonged negative impact on social mobility.
- **The job proximity paradox:** despite the geographical proximity of large numbers of jobs next to many deprived neighbourhoods, these jobs are often not held by local residents.

## Connecting places to growth

We believe there is a need for policy interventions to help bridge the gaps between urban economic growth and perpetual disconnection in the UK's poorest neighbourhoods. There is an opportunity here to help foster inclusive growth which helps lift neighbourhoods out of poverty.

There is no clear strategic vision of how to regenerate low-income neighbourhoods, with policy across the UK, particularly in England, underdeveloped. We believe our typologies should form part of a diagnostic tool for prioritising and targeting investment as some areas are more in need than others, even if they all appear to be among the '20 per cent most deprived'. We recommend that policy responses should be based on:

- **Long-term intervention:** transformative change requires long-term interventions beyond that of even the 10-year lifetime of programmes like New Deal for Communities (NDC). Twenty years may be a more appropriate timeframe.
- **A whole household approach:** Households should be the focus of interventions given that it is the level at which poverty is experienced and also where disadvantaged household members interact.
- **A 'life course' approach:** support should be available throughout the life course and from early years onwards.
- **People and places:** new initiatives need to be focused on people as much as place in recognition that past programmes may have transformed the physical infrastructure of neighbourhoods but failed to make significant inroads in terms of social and economic outcomes for individuals.
- **The opportunities provided by public service reform:** the current agenda of public service reform provides opportunities to align provision across different service areas (e.g. employment, health and housing), pool resources, avoid duplication and address challenges in a holistic approach.
- **A focus on prevention:** a need to ensure that interventions target causes (e.g. housing) rather than symptoms (e.g. homelessness).
- **Community involvement:** a genuine commitment to involve local communities directly in the process of designing interventions rather than through top-down programmes.
- **Maximising the use of planning and procurement levers:** to extract social value in the form of jobs and training opportunities.

We believe devolved funding and freedoms could be directed more clearly towards improving the lives of households in low-income neighbourhoods in a far more systematic way than has been attempted before. Growth strategies at the city-regional level need to be tied to poverty alleviation at the local level. This should include greater emphasis on employment sectors most likely to deliver jobs that benefit households in poverty, and focusing more on improving job quality in sectors where low-skilled work predominates.

Future devolution should also include some form of social deal which explicitly links economic growth objectives to social outcomes. This could see key city-regional institutions and constituent local authorities invited to bid for devolved funding to deliver predominantly revenue-focused programmes to support inclusive growth. In the same way that strategic economic plans made the case for Local Growth Fund monies, a new statement of strategic and policy intent would form the basis for negotiating devolved or additional funds through such a social deal.

## Conclusion

Overcoming deprivation and disconnection at the neighbourhood level is not an easy task. It requires coordinated, long-term attention and investment. But it also requires an approach that is sensitive to local conditions. As we have shown in our report, deprived areas across the UK differ significantly in how connected or disconnected they are from their wider housing or labour markets. Our research therefore represents a first step towards a better understanding of the geography of neighbourhood disconnection across the UK, but we recognise that this is only part of the story. Nonetheless, there is clear evidence that more could be done to help lift some areas out of poverty and that, in many places, a rising tide has not lifted all boats. To ensure that no neighbourhoods are left behind, future growth strategies must be more inclusive, and ensure that poverty alleviation is a central feature of the policy landscape.

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## About the project

This research explored patterns of housing and labour market disconnection at the neighbourhood level across the UK. Using the latest deprivation indices, in combination with commuting and migration data, we developed two neighbourhood typologies. We then combined these in an attempt to understand more about the nature of neighbourhood-level disconnection in the UK.

## FOR FURTHER INFORMATION

This summary is part of JRF's research and development programme. The views are those of the authors and not necessarily those of JRF.

The full report, *Overcoming deprivation and disconnection in UK cities* by Alasdair Rae, Ruth Hamilton, Rich Crisp and Ryan Powell, is available as a free download at [www.jrf.org.uk](http://www.jrf.org.uk)

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