

Breaking the cycle

centre for
progressive
policy



Local Trust

Delivering good jobs for
'doubly disadvantaged'
neighbourhoods

October 2024



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Executive summary



Executive summary

About this report

The newly elected government has committed to ‘making work pay’, which is central to their broader missions-based approach aimed at tackling complex, long-term challenges.¹ The early decisions of the new government – especially this autumn’s Budget and the forthcoming Spending Review – will set the tone for how those missions are delivered over the next decade.

In this report, we set out how the government can deliver for those communities facing the most acute set of economic and social challenges – communities we call **doubly disadvantaged**. These communities will be a test case of the commitment to deliver growth and opportunity for all places and people. This report’s insights and recommendations have been informed by detailed discussions with community practitioners, residents and local government leaders and shaped through an expert advisory group.

What ‘good work’ means to people in doubly disadvantaged neighbourhoods

Building on Local Trust’s previous work with Oxford Consultants for Social Inclusion (OCSI),² we explore the characteristics of around 1,300 hyperlocal areas (LSOAs) in 669 wards³ across England which are ‘**doubly disadvantaged**’: facing both high material deprivation and relatively low levels of social capital and social infrastructure. These places have low levels of civic engagement, limited social networks and a weakened sense of belonging and trust relative to other places. They are home to about 2.3 million people (including 1.3 million of working age) and can be found across the length and breadth of England:

Figure 1: Where can doubly disadvantaged neighbourhoods be found?



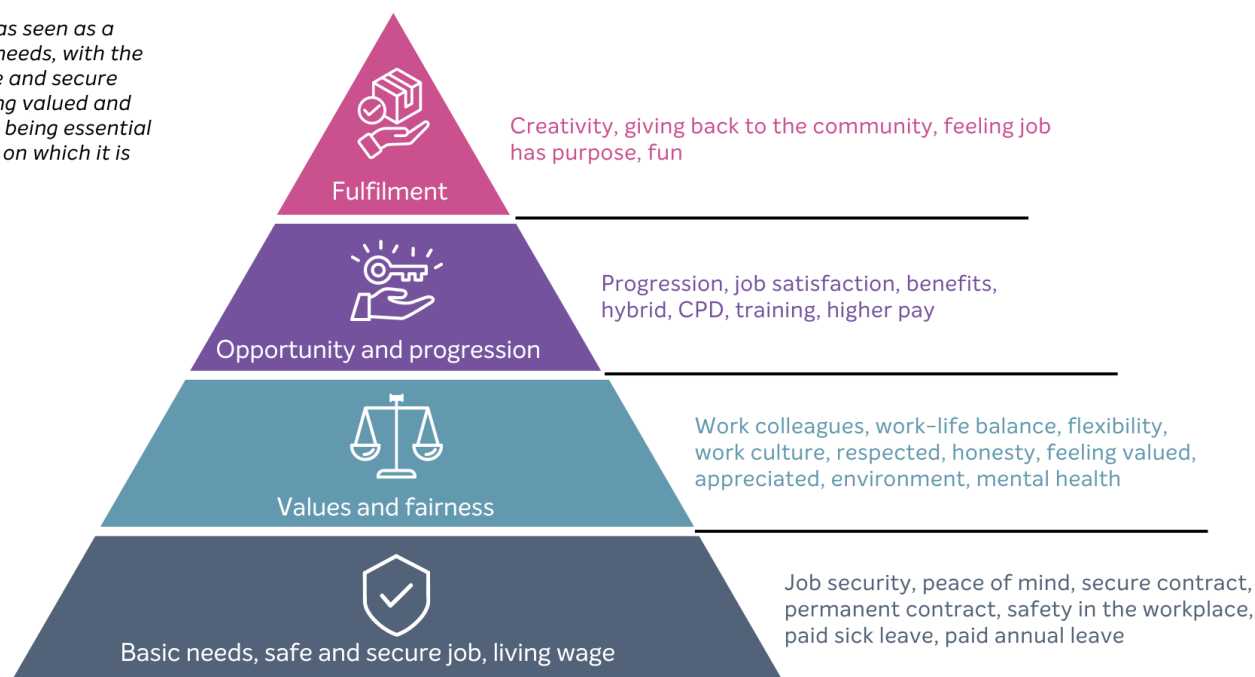
Source: OCSI (2023)

-
- 1 Labour Party (2024) Labour’s plan to make work pay
 - 2 OCSI (2024) Left behind neighbourhoods. N.B. these areas are at LSOA, areas with an average population of 1,500 people or 650 households. For more information see: OCSI (2024) LSOAs, LEAs and lookups : A beginner’s guide to statistical geographies
 - 3 Precise number to be confirmed, subject to final analysis. The 2023 index identifies 1,315 LSOAs across 669 wards, compared to the 2019 index which identified 1,468 LSOAs in 225 wards. The increased number of wards with a doubly deprived neighbourhood suggests such places are becoming more diffused across England.

We worked with these doubly disadvantaged communities to identify what ‘good work’ means to them, through a series of focus groups. We found that their definition – in common with the views we heard from other experts – set out a **minimum threshold for good work: a living wage, secure hours, flexibility and respect** in work, and a clear path for progression over time. While people don’t mind commuting out of their immediate area to work, they feel strongly that good work ought to be available to people in all communities.

Figure 2: What is good work?

Good work was seen as a hierarchy of needs, with the basics of safe and secure work and being valued and treated fairly being essential cornerstones on which it is based.



Source: Infographic reproduced from Qualitative Research Report: Good Work by Survation

The reality: caught in a trap of ‘no jobs or bad jobs’

Our evidence presents a sobering picture of how doubly disadvantaged places’ economies measure up against this ideal of ‘good work’.

Nearly half of those living in doubly deprived neighbourhoods are economically inactive, while job density is around 50% lower than in other deprived or non-deprived areas. These areas are therefore characterised by their very high prevalence of people out of work and scant local job opportunities.

Transport options to access jobs elsewhere are worse than in other areas, and the few available positions tend to offer low pay and poor conditions. Of these neighbourhoods, 43.4% are considered among the ‘least engaged with the internet’, despite just 8.8% of England fitting this category. **We also present new evidence to show how improvements in economic circumstances are less likely to trickle out to these areas.** Doubly disadvantaged areas are uniquely isolated from broader economic achievement.

While average household incomes might appear similar to those in other deprived areas, this is largely maintained through a heavier reliance on the welfare system. All of this contributes to poor health, with life expectancy and rates of preventable deaths considerably worse in doubly disadvantaged areas. Indeed, between 2009 and 2019, life expectancy in doubly disadvantaged areas fell from 78.1 to 77.8 years, while non-deprived areas saw a slight increase from 81.8 to 82 years over the same period.

We argue that doubly disadvantaged neighbourhoods are therefore stuck in a trap of ‘**no jobs or bad jobs**’. Their communities are caught in a vicious cycle where the limited available employment opportunities are overwhelmingly insecure, low-paying, and offer little potential for career advancement. These conditions are self-reinforcing: the lack of good job opportunities discourages investment in skills and education, which in turn limits access to better-paying jobs, further entrenching the economic and social disadvantages of these communities. This ongoing cycle of poor-quality employment perpetuates other socioeconomic challenges, including high levels of ill health, making it even harder for residents to find good employment.

This trap has been compounded by the fact public policy has largely turned a blind eye to the challenges facing the most deprived communities, and at worst actively contributed towards them. The last decade has been characterised by disinvestment in local government, the decimation of local community infrastructure like youth clubs and libraries, deep cuts to public health budgets and the end of Sure Start. It is striking that fourteen years have passed since the last dedicated programme for neighbourhoods in the form of the New Deal for Communities – which evidence suggested was working and reaping a return on investment before it was shut down. With the most disadvantaged communities having been largely forgotten in Whitehall, economic inactivity has risen and the desperate need for intervention to break the cycle has grown.

What can be done to help? Our analysis suggests that **no single policy lever will work**, as the current set of challenges are self-reinforcing. Through our work, especially Local Trust's engagement with the Big Local network, we also believe that all the doubly disadvantaged communities have assets and potential that – if harnessed – could help meet all five of the government's missions on growth, health, crime, opportunity and the climate transition. They can and should be supported – **original analysis in this report finds a consistently positive relationship between investment in social capital or social infrastructure and economic growth.**

Breaking the cycle: charting a renewal for neighbourhood policy

Given the unique structural economic precarity of these communities, there is a clear case for long-term, broad-based investment to support good jobs and economic resilience. In this regard, the new government can underscore its commitment to its critical growth and opportunity missions by doubling down on breaking the vicious cycle of inactivity and exclusion facing these places.

With an eye on the Spending Review in 2025, this report recommends putting doubly disadvantaged neighbourhoods at the heart of Whitehall's drive for growth everywhere, and as a critical feature of new devolved powers for regional and local government. Crucially, this ambition must be matched with dedicated funding and resource – much of which we argue can be repurposed through existing funding and assets.

Overall then, we argue that national legislation and regulation for good work is not the only way to improve the supply of, and access to, good jobs, particularly in highly disadvantaged communities. Much can also be done by re-focusing former levelling up programmes, expanding the Community Wealth Fund and ensuring doubly disadvantaged neighbourhoods sit clearly within the emerging devolution framework. The report's recommendations therefore set out critical first steps towards a whole of government approach to good work in the most disadvantaged neighbourhoods.

Recommendations

Embedding neighbourhood policy at the heart of government by:

1. Creating a Neighbourhoods Unit for good jobs under the direction of the Office for the Deputy Prime Minister.
2. A new National Programme of Neighbourhood Renewal – initially led by the Neighbourhoods Unit – to lead strategy and co-ordination of cross government activity and funding on good jobs in doubly disadvantaged neighbourhoods.
3. The programme would focus on spearheading a new approach to labour market policy – away from welfare to work and towards supporting and enabling people to move from economic inactivity to positive, healthy activity, as recommended by Barnsley's Pathways to Work Commission.

Providing the financial resource for neighbourhood renewal by:

4. **Ministry of Housing, Communities and Local Government (MHCLG)** accelerating the consolidation of local funding pots using good jobs in disadvantaged places as a key objective for future funding allocations.
5. Ring-fencing a proportion of the UK Shared Prosperity Fund and Levelling Up Fund for doubly disadvantaged neighbourhoods.
6. Rolling out and expanding the proposed Community Wealth Fund, based on an expansion of the Dormant Assets Scheme, to drive long-term targeted investment in social infrastructure for doubly disadvantaged neighbourhoods.

Embedding neighbourhood policy in the devolution framework by:

7. Ensuring additional funding and regulatory powers are conditional on combined and local authorities having clear plans for driving up good jobs in the most disadvantaged neighbourhoods. First steps in this regard should include:
 - a. The government requiring Local Growth Plans to explicitly address how low income – and especially doubly disadvantaged communities – will have access to new growth opportunities.
 - b. Skills England, requiring combined authorities to explicitly consider doubly disadvantaged neighbourhoods in their Local Skills Plans.
 - c. Combined authorities using the process of bus franchising to re-evaluate existing routes and address public transport ‘cold spots’ for doubly disadvantaged neighbourhoods.⁴ Such activity could help expand the labour market and increase the range of employers that people in deprived areas can reach.

We recognise these recommendations are necessary but not sufficient. Our expectation is that by establishing the solid foundations for co-ordinated systems approaches and initiatives including complementary funding at national and local level, we can **build the momentum for a long-term transformation in good work for doubly disadvantaged communities.**



4 All-Party Parliamentary Group for Left Behind Neighbourhoods (2021) Connecting communities: improving transport to get ‘left behind’ neighbourhoods back on track

Table of recommendations: first steps for neighbourhood renewal

Situate neighbourhood policy at the heart of government

Problem	Solution	Lever
Neighbourhood policy has faced long-term neglect as there has been a lack of governance and structure prioritising it from the centre.	Embed a new institution at the heart of government and a sponsor minister to lead on cross-government co-ordination of neighbourhood policy.	Create a Neighbourhoods Unit for good jobs under the direction of the Office for the Deputy Prime Minister.
A lack of strategy from the centre on doubly disadvantaged neighbourhoods has led to piecemeal and uncoordinated policy and action.	The NDC in the 2000s demonstrated that cross-government leadership and action can improve lives for the most disadvantaged places and reap a return for the taxpayer.	Create a National Programme of Neighbourhood Renewal – initially led by the Neighbourhoods Unit, it would lead strategy and co-ordination of cross-government activity and funding on doubly disadvantaged neighbourhoods.

Provide the financial resource for neighbourhood renewal

Problem	Solution	Lever
Tight fiscal situation means there is likely to be little additional resource for investing in doubly disadvantaged neighbourhoods.	Repurpose the plethora of existing local government funds to provide resources to places based on need and consistent with the Labour government's broader missions.	Accelerate consolidation of local funding pots using good jobs in disadvantaged places as a key objective for future funding allocation.
Doubly disadvantaged neighbourhoods need investment now to start making headway on this agenda.	Target existing underutilised local funding streams to be redirected at doubly disadvantaged neighbourhoods.	Ring-fence proportion of UK Shared Prosperity Fund and Levelling Up Fund for doubly disadvantaged neighbourhoods.
Doubly disadvantaged neighbourhoods are particularly disadvantaged due to a lack of social infrastructure.	Dedicated long-term investment to create more social infrastructure in doubly disadvantaged communities.	Roll out and expansion of Community Wealth Fund to drive long-term targeted investment in social infrastructure for doubly disadvantaged neighbourhoods.

Embed neighbourhood policy in the devolution framework

Problem	Solution	Lever
There is a risk that existing and new devolved regional authorities will assume prosperity will trickle out to the most deprived neighbourhoods, but we know these communities are isolated from broader economic success.	Taking on additional funding and regulatory powers should be conditional on having a dedicated programme for driving up good jobs in the most disadvantaged neighbourhoods.	<ul style="list-style-type: none"> The government should require Local Growth Plans to explicitly address how the most disadvantaged communities will have access to new growth opportunities. Skills England should require combined authorities to explicitly consider doubly disadvantaged neighbourhoods in their Local Skills Plans. Combined authorities should use the process of bus franchising to re-evaluate existing routes and address public transport 'cold spots' for doubly disadvantaged neighbourhoods.

Introduction



Introduction: bringing growth and opportunity to doubly disadvantaged neighbourhoods

About doubly disadvantaged neighbourhoods

This report focuses on doubly disadvantaged neighbourhoods. These are communities ranging from one to 3,000 people, or 400 to 1,200 households, representing a total of 2.3 million people across England. The uniqueness of doubly disadvantaged neighbourhoods stems from their lack of social infrastructure – civic assets, connectedness and engaged communities – alongside a high level of material deprivation. They are situated the length and breadth of the country but are particularly concentrated in post-industrial areas and to some extent on the coast. This report is dedicated to understanding what life and work is like in these places, and making recommendations to support the first steps in a transformation in good work for the people that live in them.

Linking into the government's missions

The new government has been elected with a commitment to 'Make Work Pay', delivered by bringing a new missions-based approach to government. That missions-based approach is premised on tackling head-on some of our most complex, long-term challenges, and doing so by reimagining partnerships across agencies and sectors.⁵

The early decisions of the new government – especially this autumn's Budget and the forthcoming Spending Review – will set the tone for how those missions are delivered over the next decade.

We know that national policies and programmes play out differently in different communities. There is no 'one size fits all'. To be effective, new national initiatives will need to be sensitive to the needs of different communities – and be delivered in partnership with them.

For instance, CPP's previous work has found that there is a plausible path to supporting economic development in communities beyond knowledge-intensive, city-centre industries, with pockets of economic potential in manufacturing or tradable services spread across England.⁶

In this report, we consider the case of communities that struggle under both acute material deprivation and low levels of social infrastructure and capital – communities we term 'doubly disadvantaged'.

The last Labour governments took the challenge of supporting these communities seriously. Local Trust research with the Centre for Regional Economic and Social Research has found that the New Deal for Communities initiatives of the 2000s did deliver lasting change for the communities they worked with.⁷ Local Trust's experience delivering Big Local programming across the country has shown that all communities have assets they can leverage if given the right tools.⁸

That relative lack of opportunity does not mean that these are places that lack assets, strengths and a proud sense of identity – far from it. But they have been denied access to the social and economic opportunities available to others for too long. These communities are the test case for the new government: if we can deliver good work in these communities, we can deliver it everywhere.

5 Mazzucato, M. and Dibb, G. (2019) Missions: A Beginner's Guide

6 Centre for Progressive Policy (2023) Open for Business: Unlocking investment in low-earning economies

7 Crisp, R. et al. (2023) A return to neighbourhood regeneration? Reassessing the benefits of a national strategy for neighbourhood renewal. Centre for Regional Economic and Social Research and Local Trust

8 Local Trust (2024) The Big Local story: A summary of our learning from the Big Local programme

Our approach: listening to communities; engaging those trying to drive change locally; and interrogating the data

No single research method would be able to capture the complexity of views, experiences, opportunities and challenges across England's doubly disadvantaged neighbourhoods. In this report, we use a mixed methods approach, combining qualitative interviews with professionals working in local government and community development, focus groups with residents, interviews with community leaders of Big Local areas, and quantitative statistical analysis to develop our argument and inform our recommendations.

Through early 2024, we conducted eight focus groups with residents in doubly disadvantaged neighbourhoods:⁹ five in post-industrial communities; two in northern metropolitan areas; one in a growing southern community; and two in more remote coastal communities.

In parallel, CPP engaged members of the IGN – a network of local and combined authorities across the UK who are pioneering new approaches to delivering inclusive growth in their communities – and Local Trust engaged Big Local leaders who have been active in trying to improve opportunity in their area. We interviewed around twenty-nine practitioners in total, with the places represented set out in our acknowledgements.

The comments of focus group members and practitioners both materially shape our analysis and are used throughout the report to illustrate key points.

We assembled an advisory group, chaired by Matthew Taylor, which provided expert advice on the project's scope, methods and insight before helping to shape the report's final recommendations.

This qualitative evidence is complemented with quantitative, desk-based research, which we set out throughout the rest of this report.



9 Delivered by Survation.

**Defining our
approach: which
places are ‘doubly
disadvantaged’?**

1



Defining our approach: which places are ‘doubly disadvantaged’?

In 2018, Local Trust commissioned OCSI to develop a new, quantitative index – the Community Needs Index¹⁰ – to assess a community’s access to places to meet, quality civic services, community and civic engagement, and physical and digital connectedness.

In this report, we take the latest version of the Community Needs Index and the latest version of the Index of Multiple Deprivation to explore the characteristics of communities that score in the bottom decile on both. These ‘doubly disadvantaged’ communities across England therefore face a double – and, we will argue, reinforcing – disadvantage: they are both economically deprived and lack essential social infrastructure.

In this context, there are approximately 1,300 LSOAs within 669 wards across England,¹¹ encompassing communities with a total population of around 2.3 million. These areas are relatively small, ranging from one to 3,000 people, or 400 to 1,200 households (reflecting our contention that we need to look at the issue through the lens of the ‘hyperlocal’).¹²

These communities can be found the length and breadth of England:

Figure 3: Where can doubly disadvantaged neighbourhoods be found?



Source: OCSI (2023)

Doubly disadvantaged neighbourhoods are predominantly found on the edges of post-industrial towns and cities, with a substantial number scattered across the coast. As we will set out below, they are often situated in housing estates on the fringes of towns and cities, where the combined lack of economic resources, social infrastructure and poor connectedness creates significant barriers to social and economic mobility.

With such a large number of doubly disadvantaged neighbourhoods, it would be wrong to present them as a monolith. In this report, we will explore the difference by region or by type of place that emerge across doubly disadvantaged neighbourhoods.

It is also clear that being doubly disadvantaged is not destiny: there are communities that have seen substantial progress in turning around their economies over the past decade, and communities that have slipped back.

¹⁰ OCSI (2023) Community Needs Index 2023

¹¹ The 2023 index identifies 1,315 LSOAs across 669 wards, compared to the 2019 index which identified 1,468 LSOAs in 225 wards.

¹² OCSI (2024) Left behind neighbourhoods. N.B. these areas are at LSOA, areas with an average population of 1,500 people or 650 households. For more information see: OCSI (2024) LSOAs, LEPs and lookups: A beginner’s guide to statistical geographies

CASE STUDY: Long-term productivity growth in the Warwick Ahead Big Local area

Broader evidence from the Big Local programme suggests that long-term improvement in local civic assets and social capital can reduce many of the barriers to economic activity and spur local growth.

One example is the Simpsons Lane estate, which was built in Knottingley, on the outskirts of Wakefield and Leeds, in the 1960s to house the workers of local mines, power stations, and workers in Knottingley's glass industry. The miners' strikes and pit closures were the start of a long period of subsequent decline as workers moved out and the estate became more run down. The area is now classified by OCSI as doubly disadvantaged.

Decline on the Simpsons Lane estate was the result of a simultaneous loss of social infrastructure and connectedness. The local health centre, the estates' social club, and key facilities like libraries, churches and youth clubs have all been closed. Today, the estate is disconnected from surrounding areas after 6:00pm when the final bus connection departs.

In this context, the Warwick Ahead Big Local (covering the Simpsons Lane estate) has sought to rebuild the sense of community once structured around employment on the estate. In 2012, the community outlined – through their Big Local – a handful of top priorities: creating greater employment opportunities; more legitimate ways to make money; and getting more people into work.

The Big Local has established a community shop where residents can come together, host community activities and learn new skills. The community shop hosts weekly Citizens Advice support sessions for residents, and Leeds Credit Union drop-in sessions for financial advice. The Big Local also established a small grants programme to support local businesses and facilities, such as a local hairdresser who would otherwise be forced to close. These grants have also supported local youth services and their workers, sustaining the only youth centre in the area.

From 2011 to 2021, a similar time period to the operation of the Warwick Ahead Big Local, the neighbourhood saw a 153% increase in real gross value added (GVA) – among the highest productivity gains of any doubly disadvantaged neighbourhood in the country. This compares to an average productivity growth of 17% in other doubly disadvantaged neighbourhoods, and 24% in the average English neighbourhood over the same period. While much of this economic improvement is likely coincidental rather than causal, this growth covers the same period as the activities undertaken by the Big Local, which have encouraged people into work, stimulated local employment opportunities, and facilitated connections across the community.



Glossary of key terms used in this report

- **LSOA:** hyperlocal units of statistical measurement developed by the ONS based on census data. LSOAs have an average population of 1,500 people or 650 households.
- **Ward:** units of statistical measurement based on electoral wards (as of May 2022). The average UK ward has a population of around 7,800, but they vary much more in size (from as low as 1,000 residents to over 30,000) and may cut across LSOAs.
- **Community Needs Index (CNI):** an area-based measure developed by OCSI, based on social infrastructure, social capital and community infrastructure in a place.
- **Index of Multiple Deprivation (IMD):** the official measure of relative deprivation in England, based on lack of a wide range of indicators such as income, employment, health, housing or training.
- **Doubly deprived:** the set of places (wards in 2019, LSOAs in 2023) that are in the bottom 10% of both the CNI and the IMD.
- **Other deprived:** the set of places (wards in 2019, LSOAs in 2023) that are in the bottom 10% of all places in the IMD, but not in the CNI.
- **Social capital:** the level (and nature) of relationships and networks amongst people. Generally divided in 'bridging' and 'bonding' social capital, reflecting networks across different types of people and within social groups respectively.
- **Social infrastructure:** the physical places and spaces in an area that provide meeting spaces (as well as other services) for people, enabling social capital development.
- **Civic capacity:** the capacity of a local community to self-organise and deliver socioeconomic change in response to local priorities.

We use the terms 'neighbourhoods', 'areas' and 'communities' interchangeably throughout this report. In previous reports, Local Trust used neighbourhoods as synonymous with wards, based on evidence suggesting larger communities, typically ranging in population from 3,000 to 10,000, are the appropriate scale for neighbourhood-level interventions. We recognise that these terms are imprecise and imperfect. In particular, individuals' sense of their own local area may be bigger or smaller than official definitions, and may cut across administrative boundaries.

Analysis: low pay and insecure work is the norm

2



Analysis: low pay and insecure work is the norm

Even compared to other deprived areas, doubly disadvantaged neighbourhoods rely on a small number of insecure and low paid jobs

Economic life in doubly disadvantaged neighbourhoods is unlike that of other areas. They rely on a disproportionately small number of jobs that are, generally, insecure and low paid – even when we look at other places facing similar levels of deprivation. And they are more disconnected from the wider regional economies that sit beyond their immediate boundaries. Opportunities to access high-paying, high value added ‘good jobs’ are restricted by missing or expensive public transport.

This section sets out the nature of the economic challenges facing doubly disadvantaged communities. Informed by data, as well as the insights that we have drawn from our interviews and focus groups, we characterise the challenge in delivering good work in doubly disadvantaged areas as two-dimensional:

- **Looking within doubly disadvantaged area boundaries:**
jobs available hyperlocally in doubly disadvantaged areas are relatively scarce and overwhelmingly ‘bad jobs’.
- **Looking beyond doubly disadvantaged area boundaries:**
the economies of doubly disadvantaged areas are more likely to be disconnected from their wider regional economies, limiting residents’ access to good employment opportunities elsewhere.

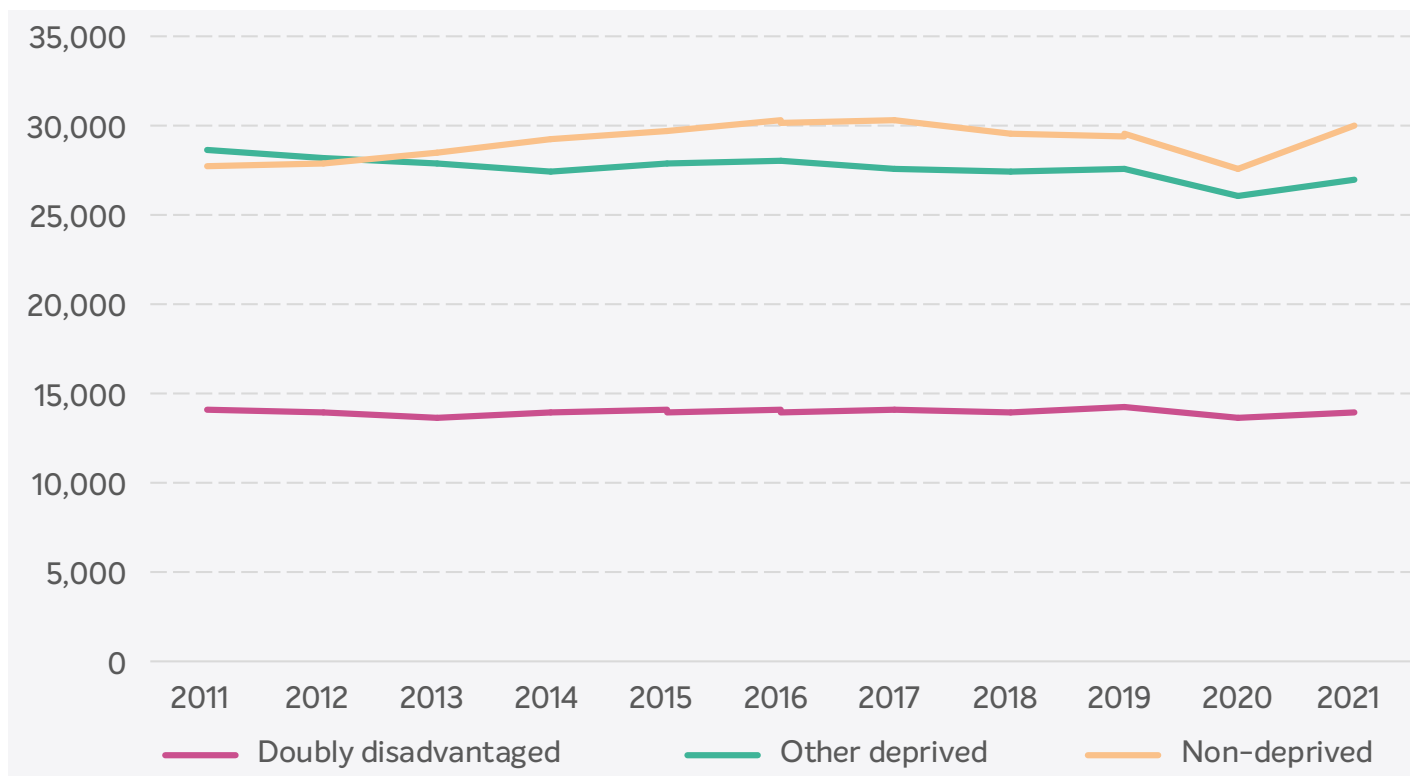
The economies of doubly disadvantaged neighbourhoods produce far less than other places, relying on low wage sectors and part-time work more than elsewhere

The economies of doubly disadvantaged areas underperform drastically compared to other deprived areas, as well as areas with low deprivation.

As Figure 4 demonstrates, growth in economic output in doubly disadvantaged areas has been virtually non-existent for the past few decades, while the gap in output with other areas has widened. On average, **economic output in doubly disadvantaged areas is less than half that of other deprived areas.**

Figure 4: Doubly disadvantaged neighbourhoods show drastically lower levels of economic output than other similarly deprived and non-deprived areas, and this gap has only widened with time

Real gross value added (GVA) per capita, (£), 2011–2021

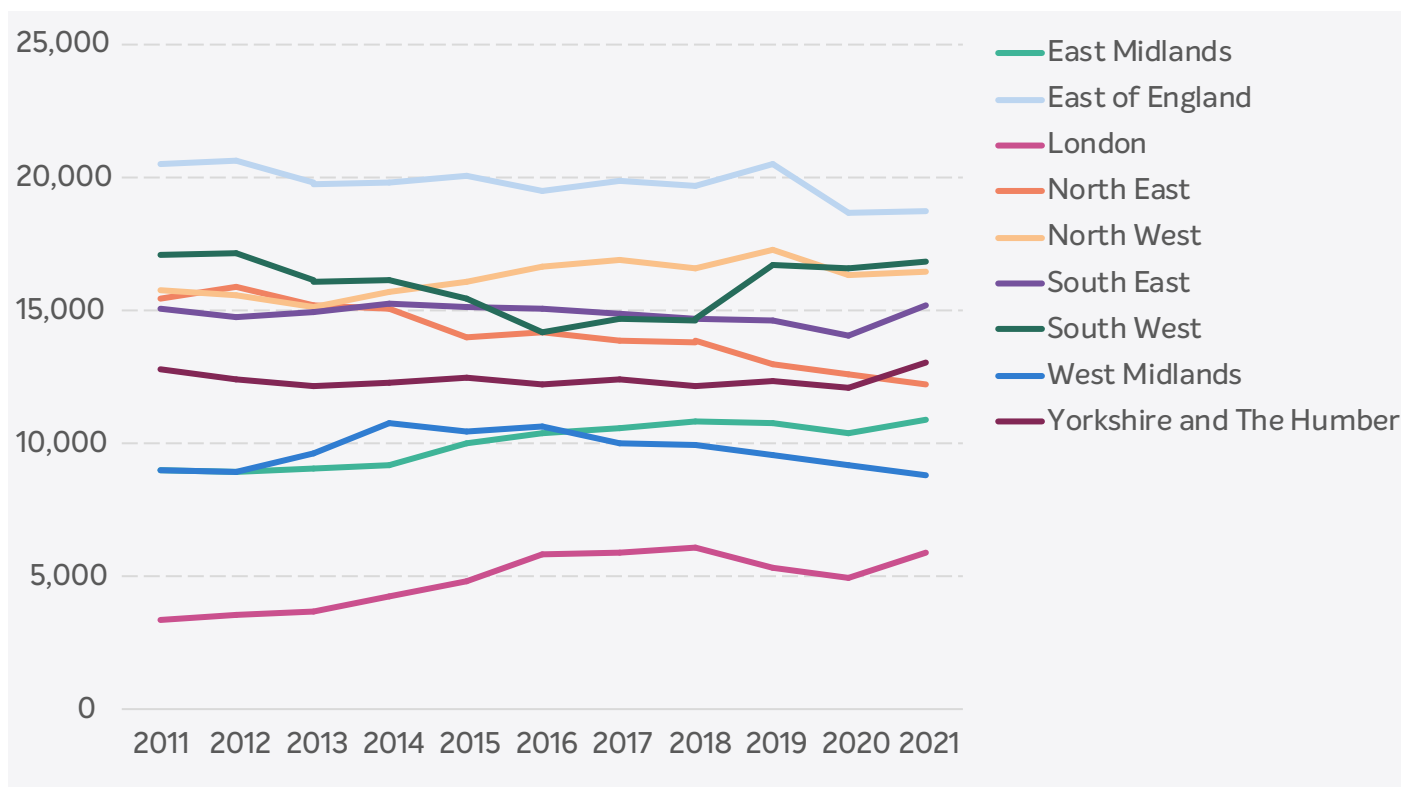


Source: Analysis of ONS UK small area gross value added estimates (2024)

There is also substantial regional variation *within* doubly disadvantaged areas. As Figure 5 shows, GVA per capita in doubly disadvantaged areas in the East of England is triple that of doubly disadvantaged communities in London.

Figure 5: Though economic output is generally lower in doubly disadvantaged areas than in other comparable areas, there exist notable regional variations

Real gross value added (GVA) per capita, (£), 2011–2021



Source: Analysis of ONS UK small area gross value added estimates (2024)

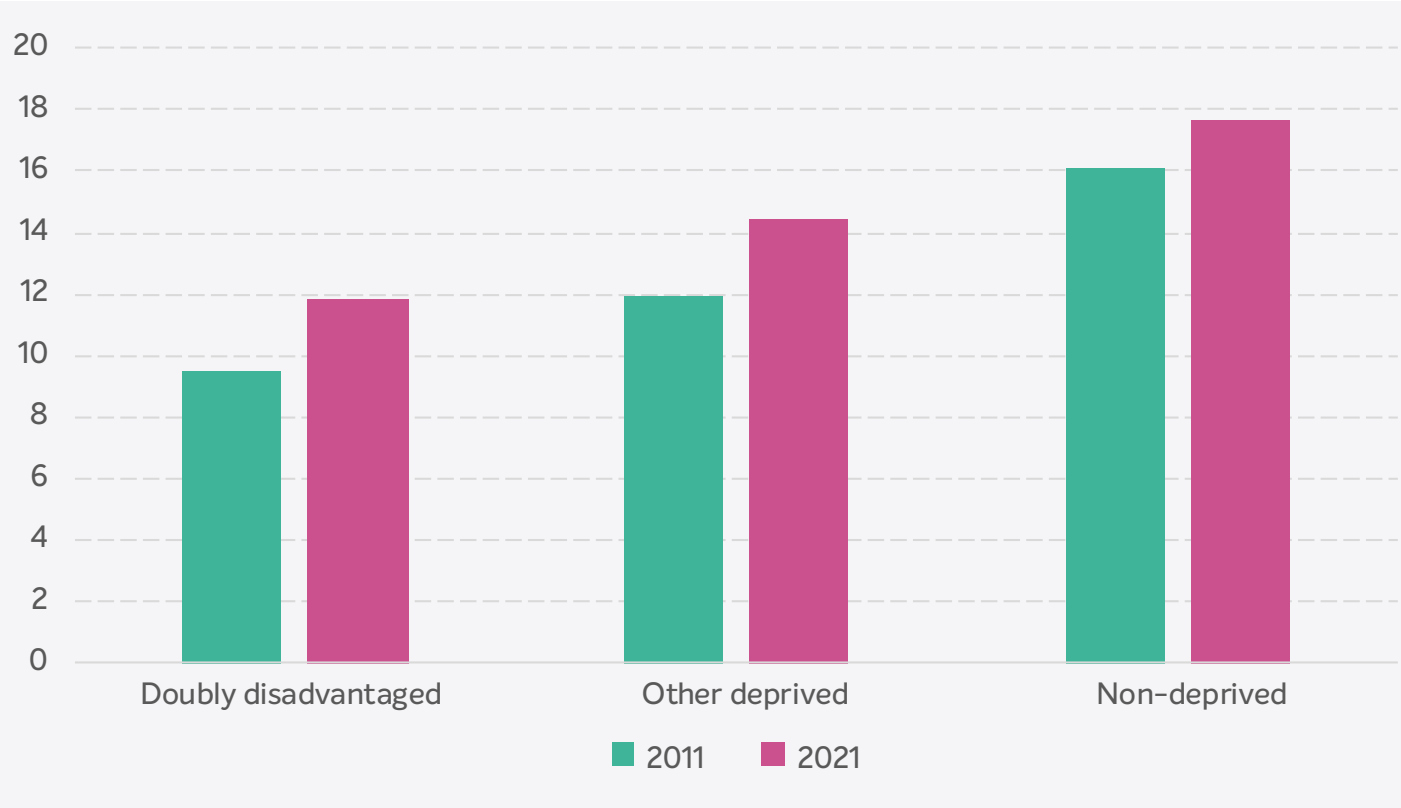
The underperformance of doubly disadvantaged areas can be explained, in part, by the composition of their economies.

Over half of all workers in doubly disadvantaged areas are employed in the low-paying sectors of retail, health and education, and in general **residents are far more likely to work in routine and manual occupations** than in any other type of community. Fewer than a quarter of workers are employed in managerial or professional roles, compared with 27% in other deprived areas and 41% in England as a whole.

Nearly 33% of jobs are part-time, as opposed to 31% in other deprived and non-deprived areas, and as Figure 6 shows, self-employment and small business ownership is notably lower in doubly disadvantaged areas than other deprived and non-deprived areas.

Figure 6: Self-employment rate is much lower for people living in doubly disadvantaged areas, though it has improved since 2011

Self-employment rate (% of population in employment), calculated over total people in employment



Source: Census 2011 and 2021

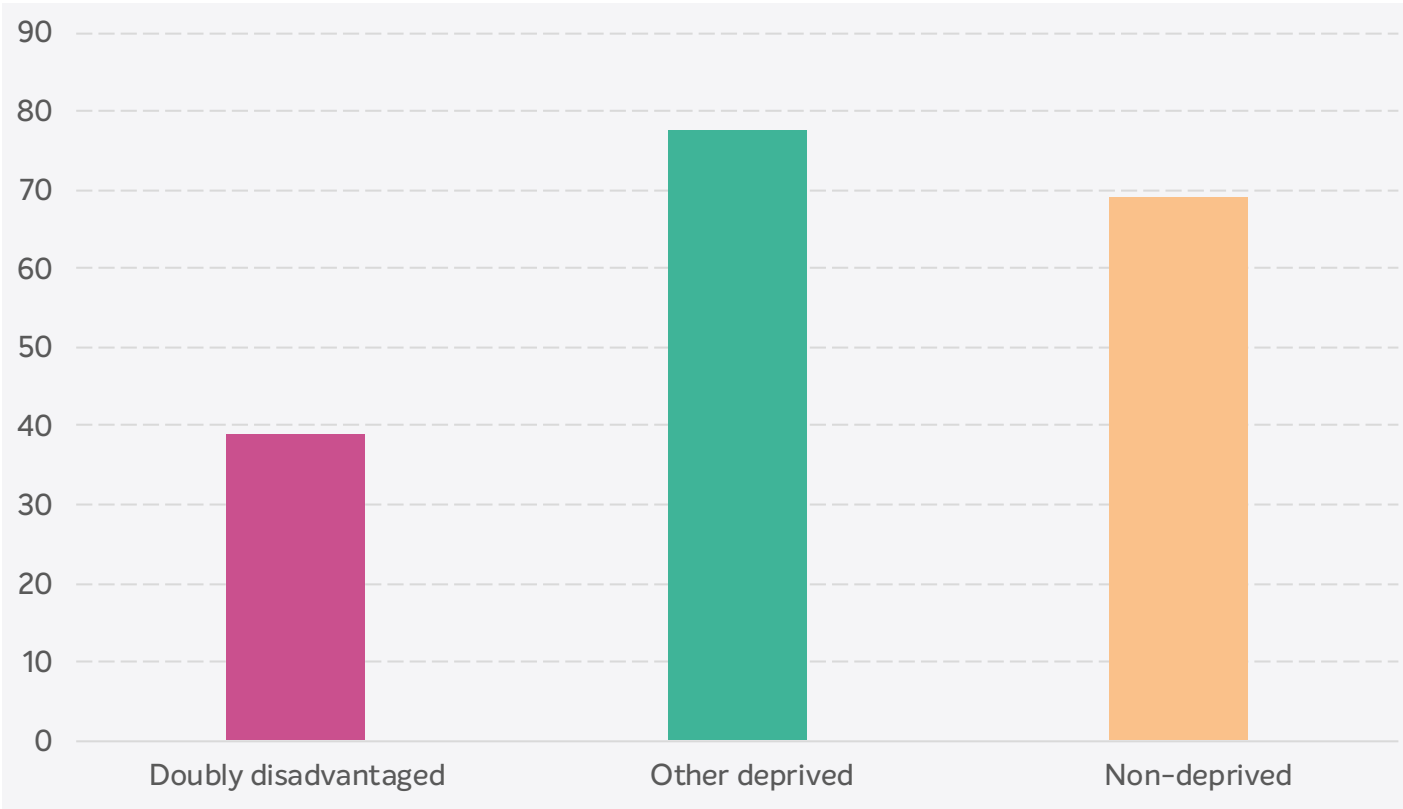
Doubly disadvantaged neighbourhoods tend to suffer from a chronic lack of job opportunities and fewer chances to access quality work beyond their borders

The theme of too much low-paid, low-skilled work in doubly disadvantaged areas emerged clearly in our focus groups and Big Local interviews.

One participant in **Wakefield** in West Yorkshire was frustrated at ‘a lot of low-level skilled [jobs]... a lot of warehouses and there’s a power station... very blue collar roles’. Another in **Harwich** in Essex said that ‘there isn’t that much opportunity for local [people]’, while a participant from **Stoke-on-Trent**, reflecting on the jobs in their neighbourhood, said ‘I don’t think you’ll find any... massively paid jobs’.

Employment opportunities – irrespective of quality – are few and far between *within* doubly disadvantaged areas. Figure 7 shows that the number of jobs relative to the size of the working age population in doubly disadvantaged areas is just under half that of other deprived and non-deprived areas. The ‘job density’ of doubly disadvantaged areas in some regions is slightly higher – around fifty in the East of England and North West – yet still drastically lower than other types of area.

Figure 7: Doubly disadvantaged areas have considerably fewer local jobs compared to other deprived as well as non-deprived areas
Jobs density, count of jobs per working-age population



Source: BRES (2022)

From our focus groups, residents provided accounts of their experiences of types of ‘bad work’ prevalent within their areas. Working practices that emerged as common and widespread across their local jobs markets were: poor pay (particularly for younger workers); unreasonable and uncertain hours; a general overdependence on zero-hour contracts. Such practices are increasingly common in many of the sectors that doubly disadvantaged areas’ economies are dependent upon – particularly retail, health and social care, and hospitality.

‘I think there’s enough restaurants... but a lot of the restaurant workers are on zero-hours contracts. So, there are jobs in the restaurant industry and the bar industry but if it’s not busy they will be sent home.’

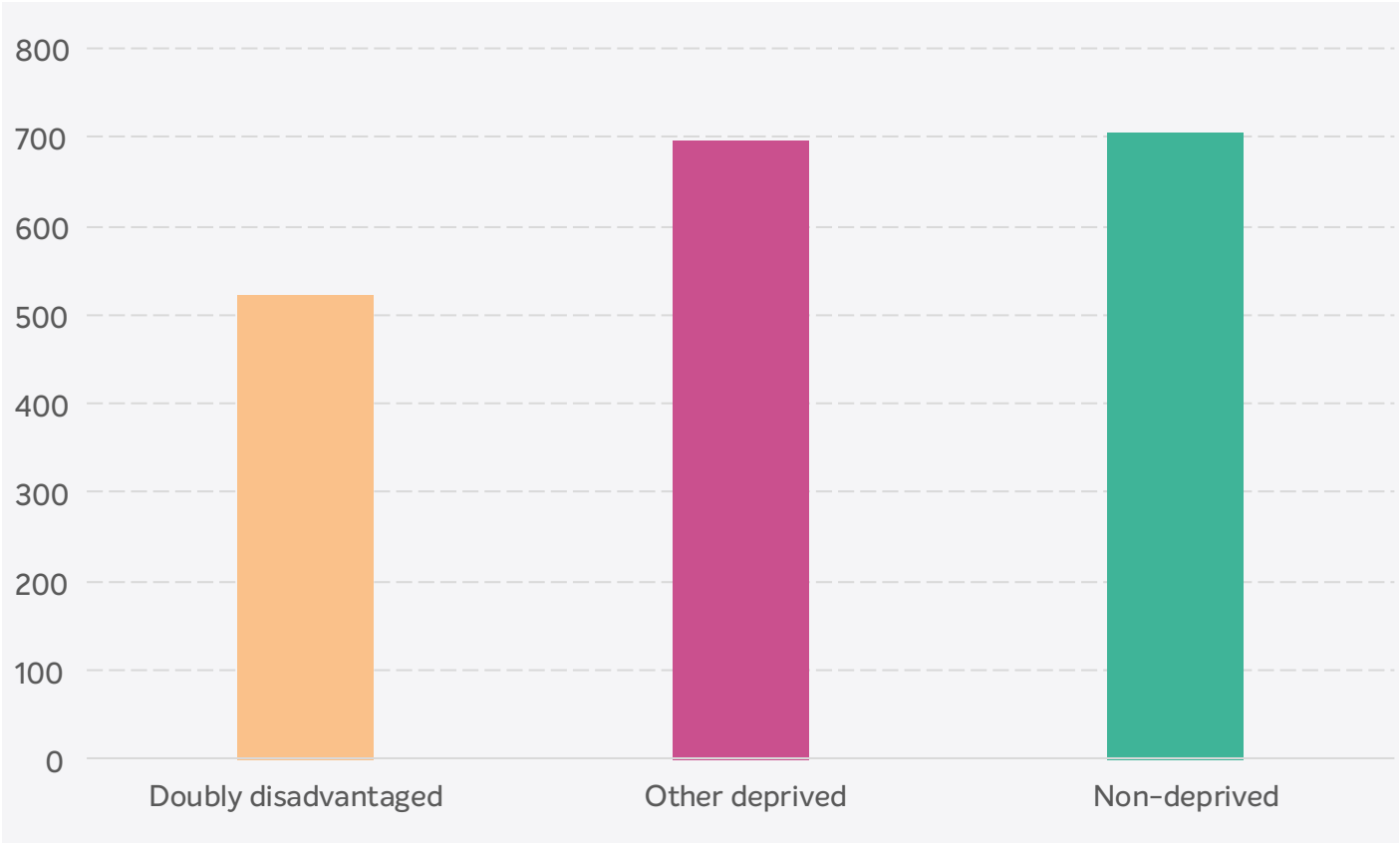
– Basildon participant

‘You’ve got the clothes shop staff then you’ve got the service industry staff... your bars, restaurants and all that sort of stuff, which is not very good.’

– Basildon participant

Doubly disadvantaged areas not only face a shortage of job opportunities locally but they also tend to be more cut off from employment options further afield, as shown in Figure 8. This is partly due to their geographical location – areas outside of London are mostly found on the outskirts of towns and cities or scattered along the English coast, making access to jobs even more difficult.

Figure 8: Doubly disadvantaged communities have significantly lower levels of connectivity to jobs than other areas
Job access score (2021)



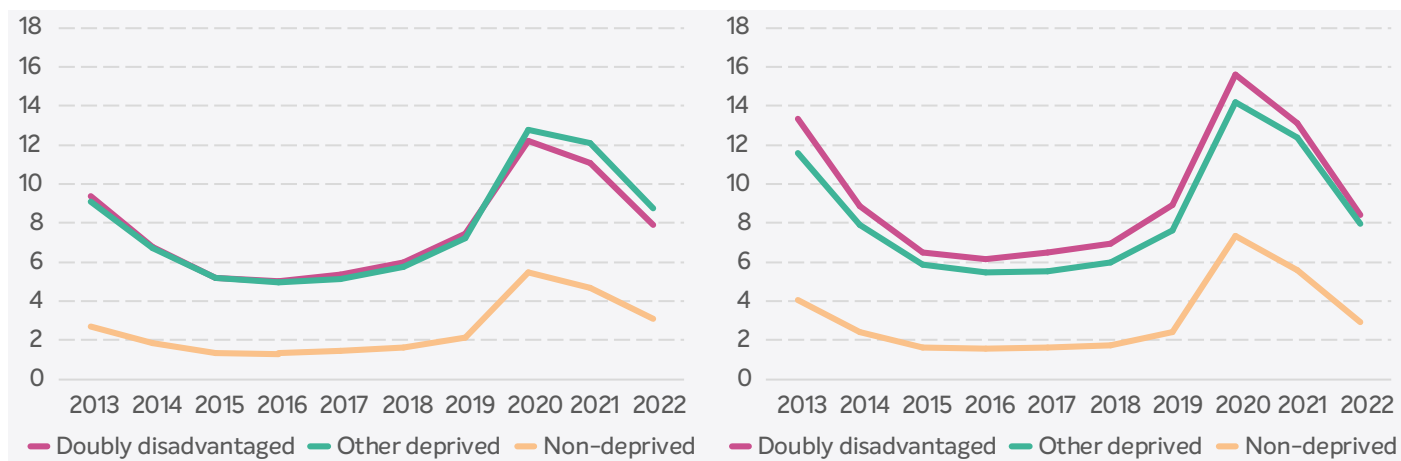
Source: Onward
This connectivity measure, developed by UK Onward with the TravelTime API, calculates job accessibility by car and public transport within 15, 30, 60 and 90 minutes. It accounts for all journey stages, including walking, driving, parking and public transport delays. The final score is a weighted average of jobs accessible by both models, with higher scores indicating better accessibility.

High levels of economic inactivity and reliance on the welfare system

In previous decades, we would have expected doubly disadvantaged neighbourhoods to be characterised by high rates of unemployment. As Figure 9 shows, unemployment continues to loom large – with rates often double the national average, particularly among young people. But it is now lower than in previous decades and shows signs of converging with the rest of the economy.

Figure 9: The unemployment and youth unemployment gap between doubly disadvantaged and non-deprived areas has narrowed over time, but significant differences persist

Unemployment rate (% of 16+ population) and youth unemployment rate (% of population aged 16–24)

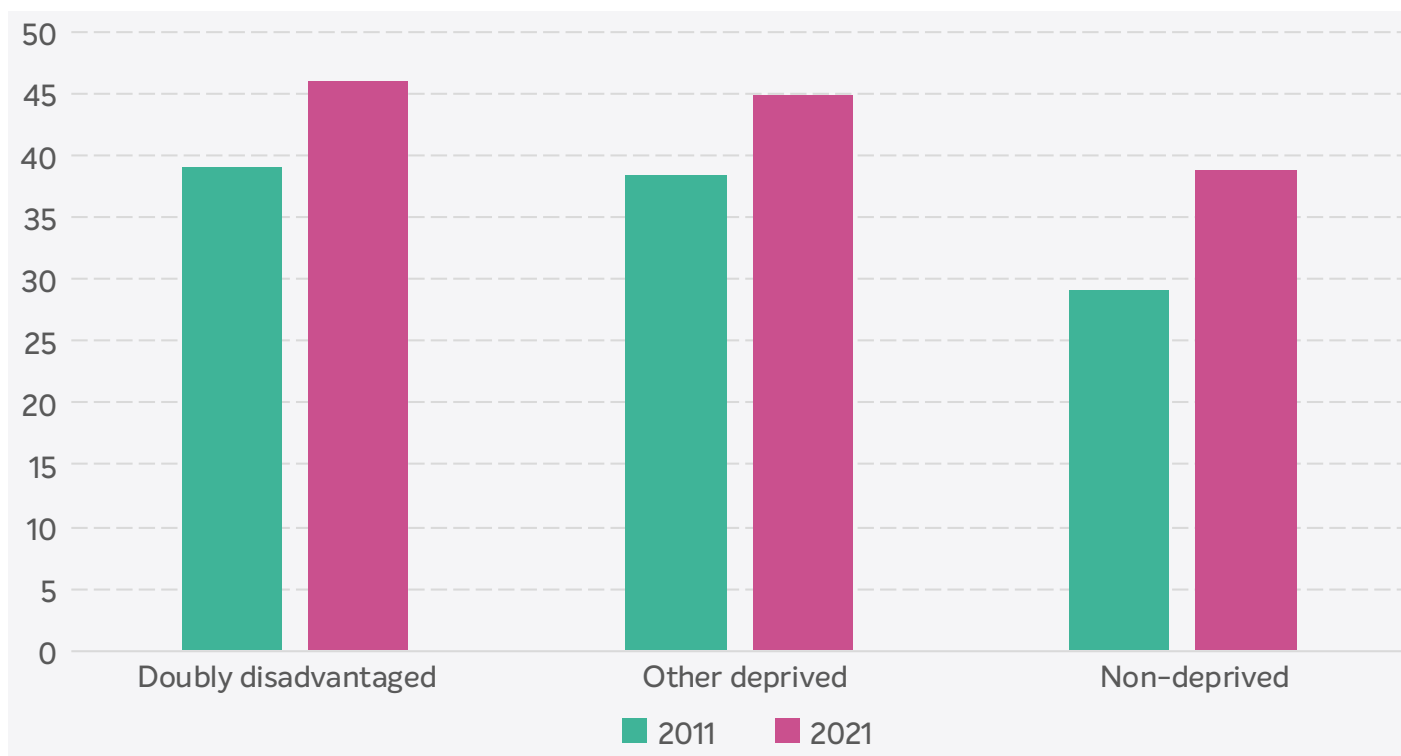


Source: Analysis of Nomis Claimant Count Data

Unemployment has instead been increasingly replaced by inactivity, predominantly due to ill health. As Figure 10 shows, **almost half of the adult population residing in doubly disadvantaged areas is economically inactive and this is higher than other deprived and non-deprived areas.**

Figure 10: Doubly disadvantaged areas endure the highest rates of economic inactivity, which has worsened over time

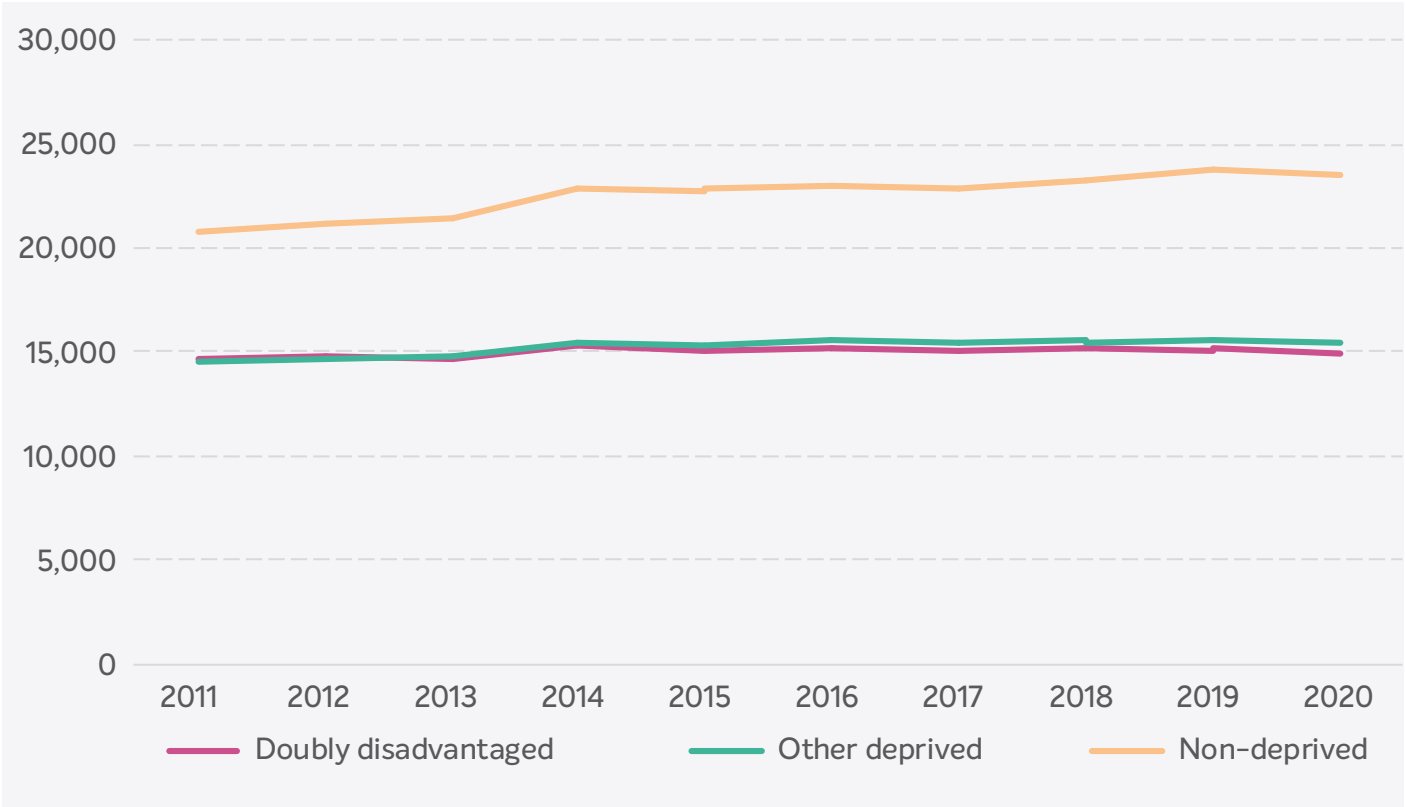
Inactivity rate (% of population aged 16+), 2011 and 2021



Source: Analysis of Census 2011 and 2021 data

Despite the challenges of inactivity, unemployment and the prevalence of low-paid, insecure jobs, household incomes in doubly disadvantaged areas have remained largely comparable to those in other deprived areas due to welfare payments (though, as Figure 11 demonstrates, a small gap with other deprived areas has emerged since 2014, and both places have far lower incomes than non-deprived areas). Though as we will see later in this report, the punitive nature of the welfare system often acts as a further deterrent to seeking and finding work.

Figure 11: Doubly disadvantaged neighbourhoods suffer from sharper income stagnation compared to other deprived and non-deprived areas
Real gross disposable household income (GDHI) per capita, (£), 2011–2020

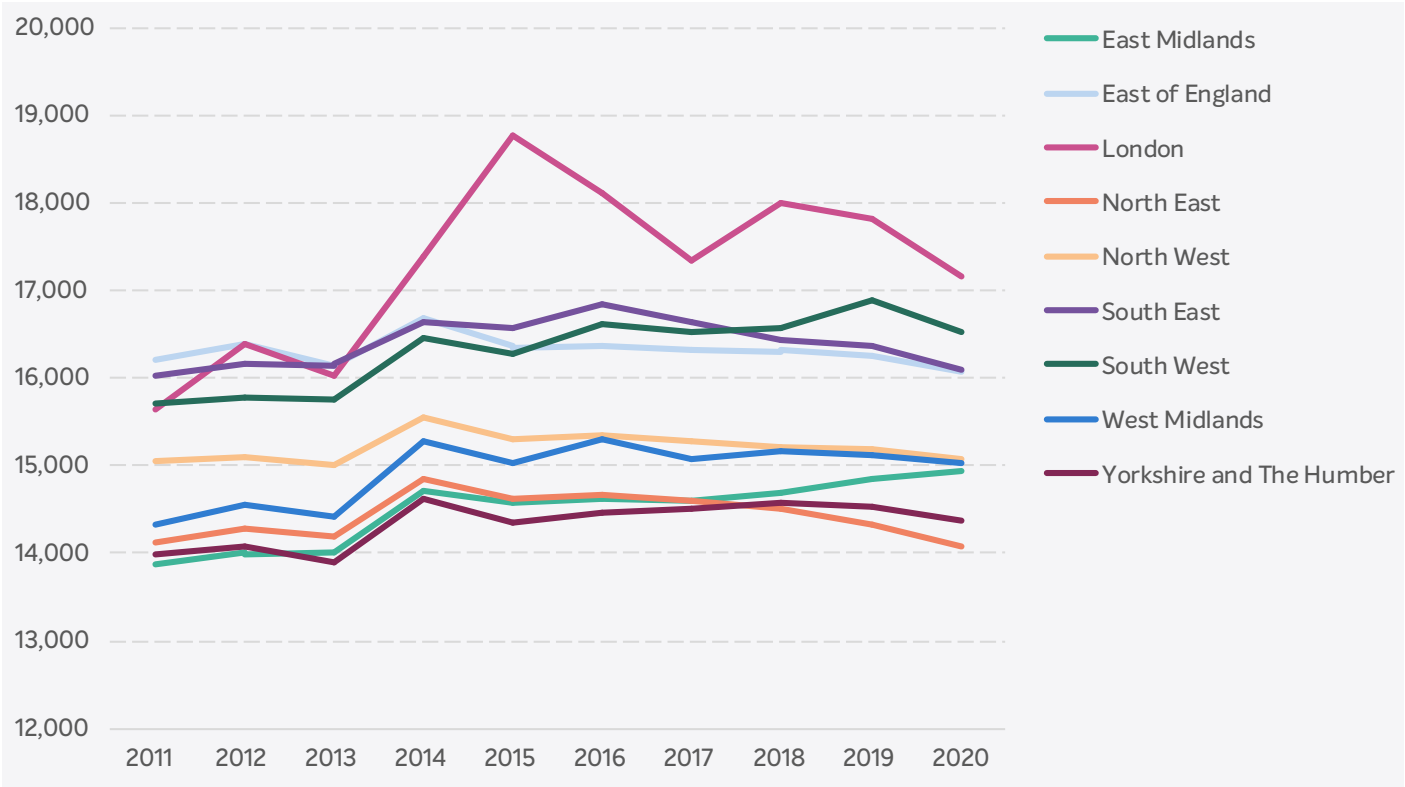


Source: Analysis of ONS UK gross disposable household income (GDHI) for other geographic areas (2024)

Figure 12 demonstrates that among doubly disadvantaged neighbourhoods there are persistent, and growing, gaps in household incomes across regions. Though these areas are unanimously disadvantaged, their fortunes have differed – people living in disadvantaged London neighbourhoods, for instance, saw incomes rise during the 2010s before falling back, while average incomes in the North East have remained flat over the same period.

Figure 12: Household income in doubly disadvantaged neighbourhoods varies by region, with London and the South West leading, while the North East lags behind

Real gross disposable household income (GDHI) per capita, (£), 2011–2021



Source: Analysis of ONS UK gross disposable household income (GDHI) for other geographic areas (2024)

Identifying the “bad jobs trap”

3



Identifying the “bad jobs trap”

The economic failures create a trap of ‘no jobs or bad jobs’ for doubly disadvantaged neighbourhoods, in turn driving further socioeconomic challenges

We have set out so far that doubly disadvantaged neighbourhoods are distinctive even relative to other disadvantaged areas. They are marked out by the physical isolation of their communities and the relative lack of economic dynamism – with work concentrated in low-pay, insecure and sometimes low-competition sectors.

In this chapter, we try to make sense of how doubly disadvantaged communities ended up in this position.

We argue that doubly disadvantaged neighbourhoods find themselves trapped in a (generally) persistent cycle of poverty and disadvantage. As detailed in Box 1 below, our statistical analysis reveals that the economies of doubly disadvantaged areas tend to be less connected to their surroundings compared to other areas.

Even if we were able to develop the wider regional or sub-regional economy, the ripple effects will not automatically reach these neighbourhoods, or at least not at the same pace as elsewhere, deepening their relative deprivation and leaving them further behind. This underlines the need for a specific focus on doubly disadvantaged areas, with interventions tailored to their unique needs to ensure their prospects can be effectively overturned.

Box 1: Growth dynamics in doubly disadvantaged neighbourhoods – a spatial lag model

Our study explored how economic growth in one area can influence growth in neighbouring areas.

Using a spatial lag model – including a term representing economic growth in neighbouring areas in the previous period – we can test how growth ‘spills over’ across neighbourhoods (‘spatial dependence’). Generally, we expect this term to be positive and significant – growth (or recession) in neighbouring places is good (or bad) for other neighbours. We also employ a fixed effects term, which controls for characteristics that are unique to each area and remain constant over time. That ensures that the differences observed in economic growth between areas are not due to these unchanging characteristics but rather to the actual interactions between neighbouring areas.

We found that **doubly disadvantaged areas stand out for their lower levels of spatial dependence** compared to other deprived and non-deprived areas. For all types of place, spatial dependence was present (terms were significant), but the coefficient was around 10% lower for doubly deprived neighbourhoods. This means that doubly disadvantaged places are less affected by the economic circumstances of their neighbours, over time, than other places. That may be due to lower levels of cyclicity in their economies (they experience neither the booms nor busts of other areas), or a lack of ‘spillovers’ from economic change (like gentrification).

Census data suggests that (in 2021 at least), **doubly disadvantaged neighbourhoods saw the lowest migration flow of residents in and out of any type of community** (around 9% of the population that year, compared to around 11% in other deprived and around 14% elsewhere).

Moreover, those who are moving out of doubly disadvantaged neighbourhoods are more likely to be those in employment. When workers leave these neighbourhoods, they take valuable human capital with them, leaving behind a population more likely to be unemployed or underemployed. This deepens economic stagnation, reducing the area’s ability to attract businesses and support local services.

As a result of this relative spatial and economic isolation, we diagnose doubly disadvantaged communities as being stuck in a trap of **‘no jobs or bad jobs’**. The communities are caught in a cycle where the limited available employment opportunities are overwhelmingly insecure, low-paying and offer little potential for career advancement. These conditions are self-reinforcing: the lack of good job opportunities discourages investment in skills and education, which in turn limits access to better-paying jobs, further entrenching the economic and social disadvantages of these communities.

We pinpoint five key constraints to good job growth – each of which makes indigenous jobs growth harder than it ought to be, and cumulatively accounting for the ‘trap’ facing doubly disadvantaged areas – that emerged through our qualitative and quantitative research:

- 1. Educational barriers:** low qualifications and limited access to decent training opportunities further restrict residents’ employment prospects, confining them to low-skill, low-pay jobs. The lack of clear professional pathways and the inaccessibility of higher education contribute to long-term unemployment, leaving many residents unable to improve their circumstances.
- 2. Connectivity:** weak transport links and poor digital access isolate doubly disadvantaged areas from wider economic opportunities, restricting access to jobs and services, and rendering these communities disconnected from broader economic progress.
- 3. Economic inactivity due to ill health:** both a product of and a contributor to community stress and lack of purpose associated with low-quality jobs, ill health further entrenches poverty and exacerbates mental health issues.
- 4. Declining (trust in) public services:** exacerbated by austerity over the past fourteen years, residents report high levels of distrust in government or a sense of abandonment. Local councils and Jobcentres are perceived as disconnected from the realities of these communities.
- 5. Structural barriers to employment:** the complexity and risks associated with the benefits system (including an emphasis on ‘any job’ rather than ‘good jobs’ in the welfare system), alongside a lack of childcare, create strong disincentives for pursuing better employment. The financial risks of leaving the benefits system and the lack of affordable, flexible childcare particularly impact women, keeping many out of the workforce.

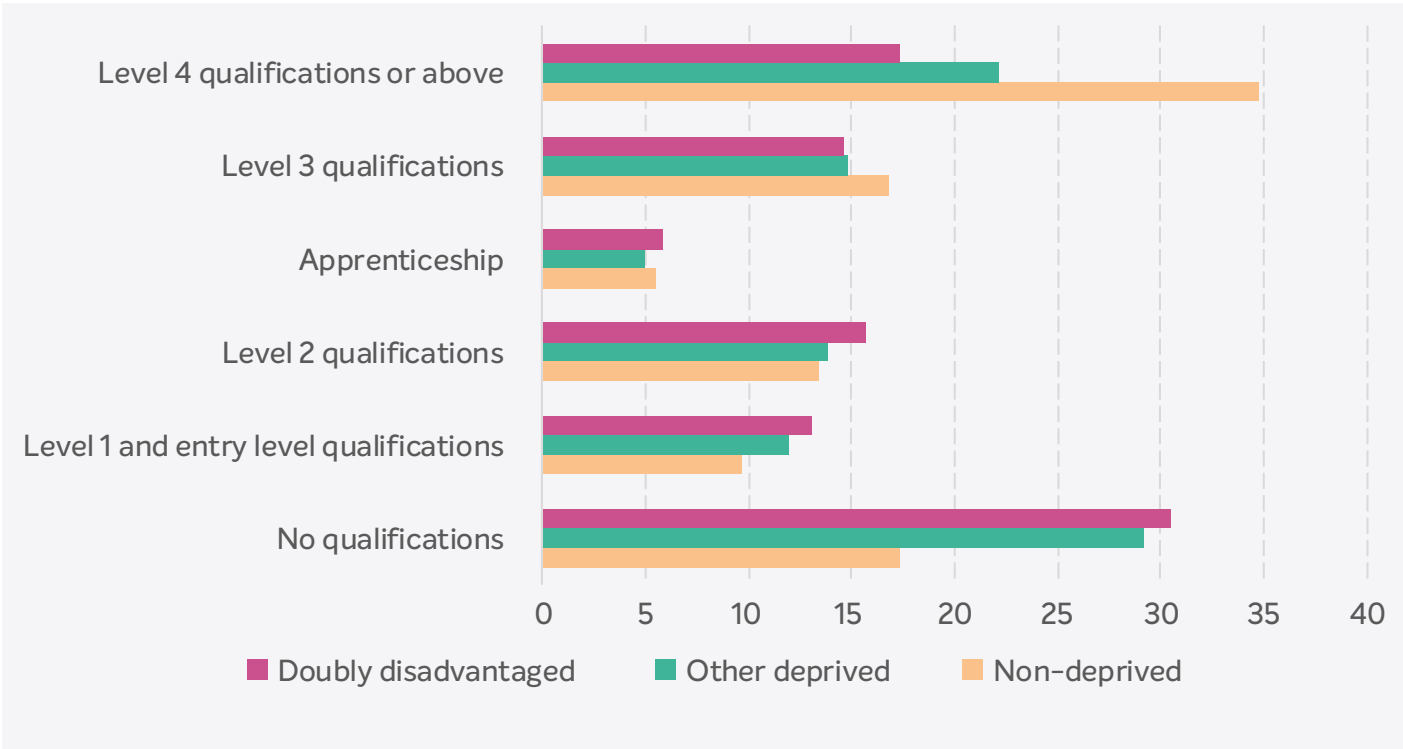


Qualifications are low, and lack of clear professional pathways disincentivises investing in training

Fewer qualifications and a lack of basic skills limit peoples’ employment opportunities and can lead in turn to long-term worklessness.

As Figure 13 illustrates, residents in doubly disadvantaged communities are more likely to have no qualifications, and less likely to have higher Level 4+ qualifications, than other areas – including other deprived areas. Residents of these areas are more likely to lack basic literacy, numeracy and IT skills than the national average.¹³

Figure 13: Residents of doubly disadvantaged areas are more likely to lack qualifications and less likely to achieve higher education
Qualification levels (% of population aged 16+)



Source: Analysis of Census 2021

Residents of doubly disadvantaged areas expressed concerns about the dwindling availability of training and apprenticeship opportunities in their areas. When opportunities do exist, they are often limited to a few sectors, such as construction and certain trades, and are frequently perceived as low paying.

Many residents feel they lack the necessary support to pursue qualifications, with costs cited as a significant barrier. Additionally, some residents noted that the scarcity of opportunities leads to an exodus of the most skilled individuals, perpetuating the cycle of low-skilled, low-paid work in their communities.

‘There are so many factors that are on young people and people today... say, you know, they decide at twenty-five, “You know what, I’m ready to get these qualifications.” There’s not as much support for them, even though they may be ready then. It’s like, we cut them off at nineteen, it’s like, “No more free education for you.’

– Great Yarmouth participant

13 OCSI (2020) Left-behind Areas: Economic data dive

‘When I was younger, there used to be more opportunities... like, say, for example, in libraries, there used to be CV helpers... I think the kids are all out and about and they don’t know what to do with their lives.’

– Wakefield participant

‘There’s no clear pathway... My partner... wants to... learn coding but it’s like, “What kind of coding?... What course do you do?” We looked online and it’s just like, so unclear.’

– Wakefield participant

Poor transport and digital isolation trap residents in doubly disadvantaged neighbourhoods, cutting off access to good jobs and essential services

In our focus groups and across our interviews with practitioners, weak and expensive public transport came through as one of the most significant barriers to residents in doubly disadvantaged areas accessing good work.

‘I think there are so many jobs where if you don’t drive, and people can’t afford to learn, I think that’s a really big problem because they’re stuck relying on public transport, which is terrible... and... people are at a disadvantage.’

– Wakefield participant

‘Quite visible to me as somebody who’s originally from the South East [is] how [transport in the area] is really designed to get people into [the centre] and then back out. There’s nothing around and I feel like [greater investment in transport infrastructure across the area] would have such a positive impact for people’s employment opportunities, particularly in those kind of left behind areas.’

– Local government officer, northern combined authority

Another dimension of isolation that constrains residents in doubly disadvantaged areas is digital isolation. The issue is less one of a lack of broadband access – which is relatively uniform across doubly disadvantaged areas – but a lack of engagement with digital services.

Nearly 85% of doubly disadvantaged neighbourhoods are classified as ‘e-withdrawn’ or ‘passive and uncommitted users’. Of these neighbourhoods, 43.4% are considered among the ‘least engaged with the internet’, despite just 8.8% of England fitting this category.

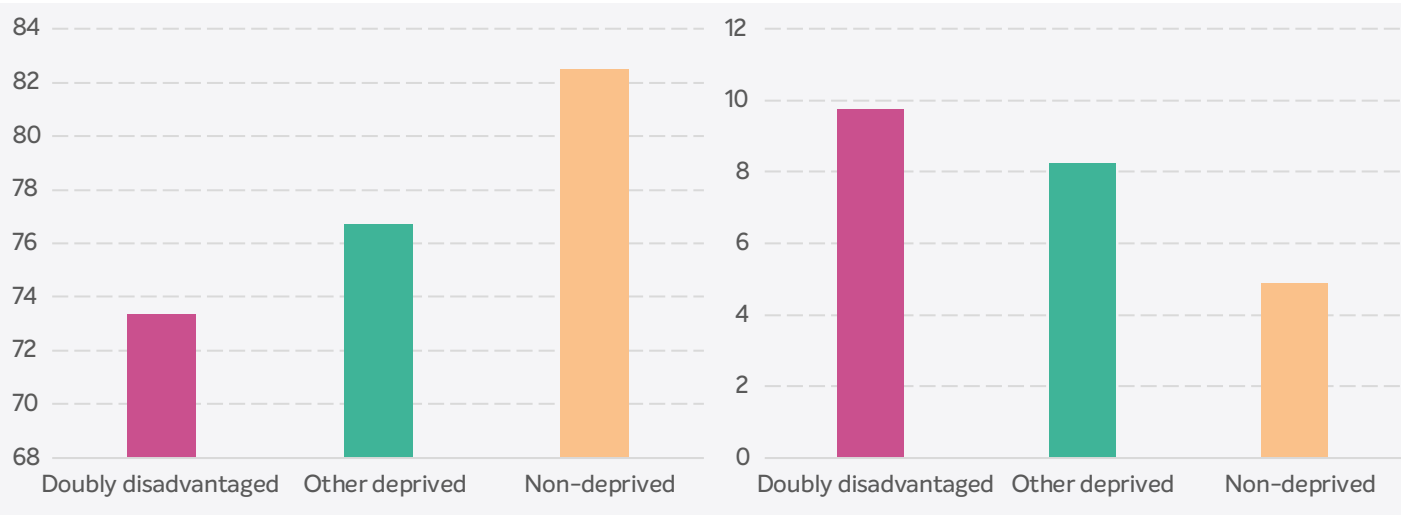
The lack of digital skills (or confidence in using them) has significant consequences. We heard from Big Local leaders about people who struggled to access Jobcentre support due to requirements to complete online documentation; and similarly, how the rise in online pre-booking requirements and decreased flexibility were reducing access to Jobcentres and other public services.

Doubly disadvantaged neighbourhoods face the worst rates of ill health of any community in England, and they have seen the biggest rise over the last decade

Poor health is a major issue affecting doubly disadvantaged areas. A significantly higher percentage of residents report living in bad or very bad health (10%) compared to those in other deprived areas (8%) and non-deprived areas (4.7%). Life expectancy and rates of preventable deaths are also considerably worse in doubly disadvantaged areas. Between 2009 and 2019, life expectancy in doubly disadvantaged areas fell from 78.1 to 77.8 years, while non-deprived areas saw a slight increase from 81.8 to 82 years over the same period.

Figure 14: Residents of doubly disadvantaged areas are less likely to report good health and more likely to describe their health as poor or very poor

People reporting own health as Good (Panel A) and Bad (Panel B), (All usual residents)



Source: Analysis of Census 2021



As a result, more than one in ten (10.5%) of residents of working age are out of work due to long-term ill health, compared to just 3.5% in non-deprived areas.

Figure 15: Doubly disadvantaged areas endure the highest rates of economic inactivity due to long-term sickness and disability
Inactivity rate due to long-term sickness or disability (% of population aged 16+)



Source: Analysis of Census 2011 and 2021 data

Poor health is widely recognised by both practitioners and residents as both a cause and consequence of worklessness and low-quality jobs. Unemployment, and employment in poor quality jobs, can have a negative impact upon health, while poor health also makes finding and maintaining a job more difficult. This has a particularly damaging effect on mental health, leading to a loss of motivation.

‘Health and mental health is a massive [barrier]... lots of disabilities and impairments... they wouldn’t suit some of the jobs available and don’t even go there and, you know, approach the employer.’

– Big Local interviewee

‘All jobs got it [referring to traits of good jobs]... gives you a sense of purpose... around here we have people who are third, fourth generation families who have never worked... a lot of people now tend to get a lot of mental health [issues]... because they don’t have a purpose to life.’

– Big Local interviewee

■ ‘We know that a big proportion of our economic inactivity is a result of ill health.’
– **Local government officer, metropolitan area**

Recent work from Local Trust stresses the importance of the capacity of citizens to work with different tiers of the state to co-create local initiatives that protect health and improve well-being where they live,¹⁴ as well as the case for change via social prescribing and a shift towards preventative services.

Civic capacity – such as community groups, neighbourhood associations and local facilities – plays a vital role in supporting health and well-being. Higher levels of civic capacity can help tackle loneliness, promote healthy lifestyles, support families and improve advocacy activity.

But, by definition, these assets are lacking in doubly disadvantaged neighbourhoods – making them more susceptible to issues like chronic stress, anxiety, depression, and increased rates of alcohol use and smoking.



¹⁴ Local Trust (2024) Towards a neighbourhood health service: A new partnership between community and the state

Despite their efforts, public institutions (and, sometimes, employers) are seen as part of the problem, not the solution

Residents in doubly disadvantaged areas often feel let down by the deteriorating condition of their public services, a consequence of austerity measures that disproportionately slashed budgets in these areas.¹⁵ These places continue to receive less local authority and independent trust funding per capita than the national average, and even less than other similarly deprived neighbourhoods.¹⁶

This funding shortfall poses significant challenges to improving access to good work, a concern widely recognised by both residents and local practitioners.

■ ‘I think it just is a [symptom of a] funding crisis.’

– Local government officer, London borough

■ ‘For me, long-term funding solutions are essential – no more bidding for it. If we have something like a growth plan, it should be linked to addressing inequality, helping people into jobs and upskilling. The funding behind it should be designed to deliver on these goals.’

– Local government officer, northern city

In our focus groups, we heard about how local councils are seen as unresponsive and disconnected from the realities of these communities. Severe budget cuts, such as those in Stoke-on-Trent, have led to the complete elimination of career services, further eroding public trust and transparency. Conversely, it was clear from some focus group participants that trust within the community remains a pathway to accessing public services.

■ ‘My [children’s] school told me to go to Wakefield College, for adult learning, and I actually did an English and Maths on adult learning and my school prompted me to do that and it was free.’

– Wakefield participant

Jobcentres, too, face significant criticism, with many residents and focus group participants feeling they are more focused on regulating benefits and ticking bureaucratic boxes than genuinely helping people find work.

Many described a frustrating cycle of being pushed into generic training courses that had little relevance to their career goals, without receiving any personalised support. This box-ticking exercise appeared more about meeting internal targets than providing meaningful assistance.

While some appreciated the courses provided by adult learning centres, they also noted that such initiatives often seemed more about fulfilling Jobcentre requirements than offering real job prospects. The support available at Jobcentres was viewed as being less effective than community-based support.

¹⁵ Local Trust and OCSI (2019) *Left behind? Understanding communities on the edge*

¹⁶ All-Party Parliamentary Group for Left Behind Neighbourhoods (2023) ‘Left behind’ neighbourhoods: definition, experience, and opportunity

‘I’ve done a course at adult learning... it was free courses. It wasn’t so much, “Oh, well, if you do this, you know, we will find you a job or we’ll help you find a job,” it was just something you put on your CV, do this because at the same time, it meant the [Jobcentre] left me alone for a bit.’

– Harwich participant

Focus group participants also expressed scepticism about the value and quality of available training, with many unsure about the skills and training options on offer or how to access them. In places like Basildon, some residents appreciate the job support provided, but many find the bureaucracy and clunky online systems frustrating, particularly for those lacking digital skills.

Recruitment practices in doubly disadvantaged communities often exacerbate issues with job access, a reality that residents are acutely aware of as they struggle to navigate the informal methods used by employers.

Word-of-mouth recruitment, in particular, creates barriers for those outside established networks, with jobs frequently going to those ‘in the know’. This is especially true in areas with specific local industries, like the port in Harwich, where opportunities are often limited to those with insider connections.

‘The best job is the tractor plant and it’s a closed shop so you’ve got to know someone to get in there.’

– Basildon participant

‘You could have all the qualifications, but if someone doesn’t know you, then you probably won’t even get your foot in the door.’

– Great Yarmouth participant

Box 2: Employer power in doubly disadvantaged communities

An emerging evidence base suggests that in more peripheral areas – like doubly disadvantaged communities, even within metropolitan areas – employers tend to have more power when it comes to setting wages, translating to lower pay for workers. In such places, there are usually fewer employers, giving them more control over wages. This issue is particularly concerning because the gap between these areas and more prosperous ones is not closing, making it even harder for workers in these disadvantaged areas to secure fair pay.^{17, 18}

From the employers’ perspective, there is a constant challenge to balance economic and operational pressures with the need to provide quality jobs. Many employers feel forced to rely on insecure contracts and shift fixed costs to variable ones, leading to unstable, low-quality jobs.¹⁹

There is a growing recognition among some employers of the benefits of adopting ‘good work’ practices, such as paying the Living Wage. They acknowledge that higher wages can boost productivity and staff retention, reduce turnover costs and enhance their public image, ultimately attracting better candidates and customers who value corporate social responsibility.²⁰

17 Dhatta, N. (2024) Local monopsony power. Centre for Economic Performance

18 Competition and Markets Authority (2024) Competition and market power in UK labour markets

19 Living Wage Foundation (2024) Employer interviews on good work and the living wage. Unpublished interviews

20 Ibid.

Public policy – the structure of the benefits system, and childcare deserts – also holds people out of employment or in low quality employment

When we spoke to practitioners, the benefits system consistently emerges as a significant barrier to improving employment rates in doubly disadvantaged areas.

There was a common perception in our focus groups that Jobcentres are not perceived as being designed for people that are actively looking for work. This stems from their reputation as a place to go to get signed up for benefits, as well as their lack of personalised support for job seekers.

Over 30% of working-age individuals rely on some form of income, health or workless benefits in doubly disadvantaged areas, compared to the national average of 17.8%. This reliance is deeply intertwined with the complexity and perceived risks of the benefits system, which many residents find difficult to navigate.

This complexity often deters people from accepting employment, especially when the financial security provided by benefits seems more reliable than the uncertainty of low-wage work. As one Big Local practitioner pointedly observed, ‘Why should people lose in excess of £250 a week to get a job for £150 a week? Show me the financial reason why you’d want to give up your benefits to work for less money.’

Transition out of the benefits system is seen as being fraught with risks that many residents are unwilling to take. There is a pervasive fear of losing their safety net if a job doesn’t work out, particularly given the uncertainty around re-qualifying for benefits if employment falls through. Academic research has found this fear to present itself in the everyday realities of welfare recipients trying to move into paid work, with a participant in research carried out by Ruth Patrick saying:

‘I got my job, but they didn’t pay you, like a month in hand... So... I couldn’t sign off because I would have had no money to get to the job, so what I did was went to the work... then I had to sign on just to cover rent and to get me food... And then I got caught, working and signing on... I told them, I was just going to do it until I get my first pay and then tell them... And they... gave me a slap on the hand... How do you win in this time?’²¹

A local government official from a northern city region highlighted this issue, stating, ‘The system should support people transitioning back to work, not penalise them. Many are afraid to take that step because they can’t afford to risk losing their safety net.’

In addition to challenges around the welfare system, childcare was one of the most widely cited challenges to gaining employment in our focus groups. Women especially found the childcare system to be overpriced, limited in availability and inflexible to meet different working patterns.

‘I would love nothing more than to go to work and provide for my son... there isn’t the flexibility around [work] because I don’t drive, I don’t have... childcare... like some people do... you know, grandparents or friends or whatever.’

– Harwich participant

21 ‘Dan’, a participant in research carried out by Ruth Patrick and published in Patrick, R. (2017) *For Whose Benefit?: The Everyday Realities of Welfare Reform*. Policy Press

‘I don’t have anybody to help look after my children. So, if I’m working 9 to 5, I’ve got nobody to pick my kids up from school unless it’s a... childminder. But then, I’m going to be working to pay the childminder. So, what’s the point then? I’m not saying what’s the point, because I want to go to work and provide for my children. But I’m just really, really struggling at the minute.’

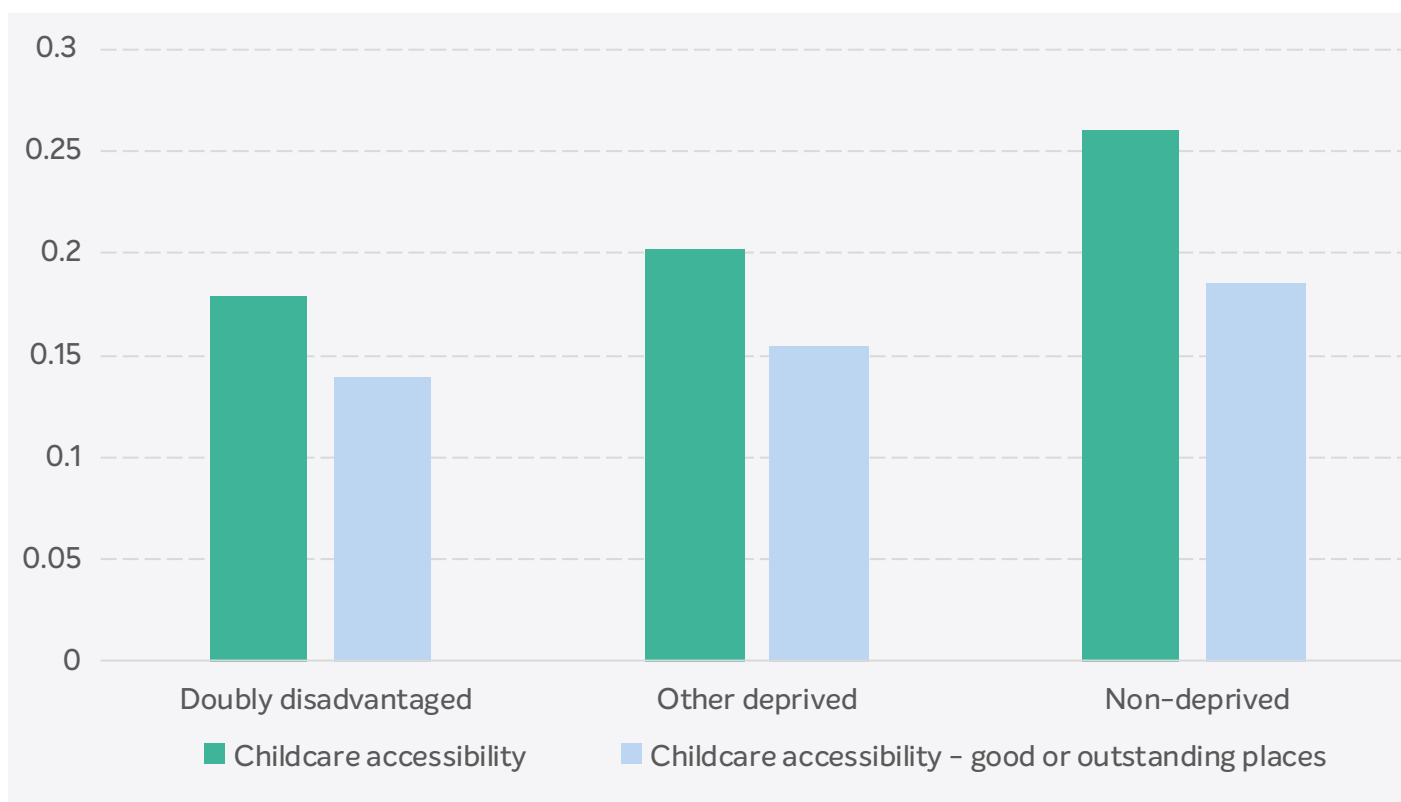
– Wakefield participant

While our dysfunctional childcare system is a barrier to good employment everywhere, it is an acute barrier for many living in doubly disadvantaged areas. **There are just seventeen childcare places per 100 children aged under seven, compared to twenty in other deprived areas and twenty-six in non-deprived areas.** Access to high-quality providers is even more limited, with just fourteen places per 100 children.

As Figure 16 highlights, those living in doubly disadvantaged areas are, on average, physically further away from childcare providers, particularly providers that are rated good/outstanding by Ofsted.

Figure 16: Childcare accessibility is a serious concern in doubly disadvantaged neighbourhoods, with even fewer high-quality options available

Equivalent number of childcare places per 100 children aged 0 to 7 years



Source: Analysis of ONS Childcare accessibility by neighbourhood (2024)



What do
communities
think “good jobs”
look like?

4



What do communities think “good jobs” look like?

In order to start moving towards solutions for doubly disadvantaged communities, it is vital to understand how residents perceive good work, and to design a framework for policy interventions with this firmly in mind.

There is no universally agreed definition of ‘good work’. Given the concept is so subjective, we would expect it to vary from place to place and from person to person. But our research suggests that there are some basic common features to how people understand good work.

To explore how residents in doubly disadvantaged places think about good work, we commissioned Survation to conduct a series of focus groups in these places across England. These focus groups include post-industrial areas such as Wakefield, Sunderland and Stoke-on-Trent; coastal areas such as Harwich and Great Yarmouth; and more metropolitan areas including Salford and Basildon.

In these focus groups, we found that *“good work” was seen as a hierarchy of needs, with... safe and secure work, and being valued and treated fairly being essential cornerstones on which it is based’.*

Figure 17 below summarises the hierarchy of value those we spoke to derive from work. First comes basic needs like job security, permanence of contract, having a safe workplace, paid sick leave and annual leave.

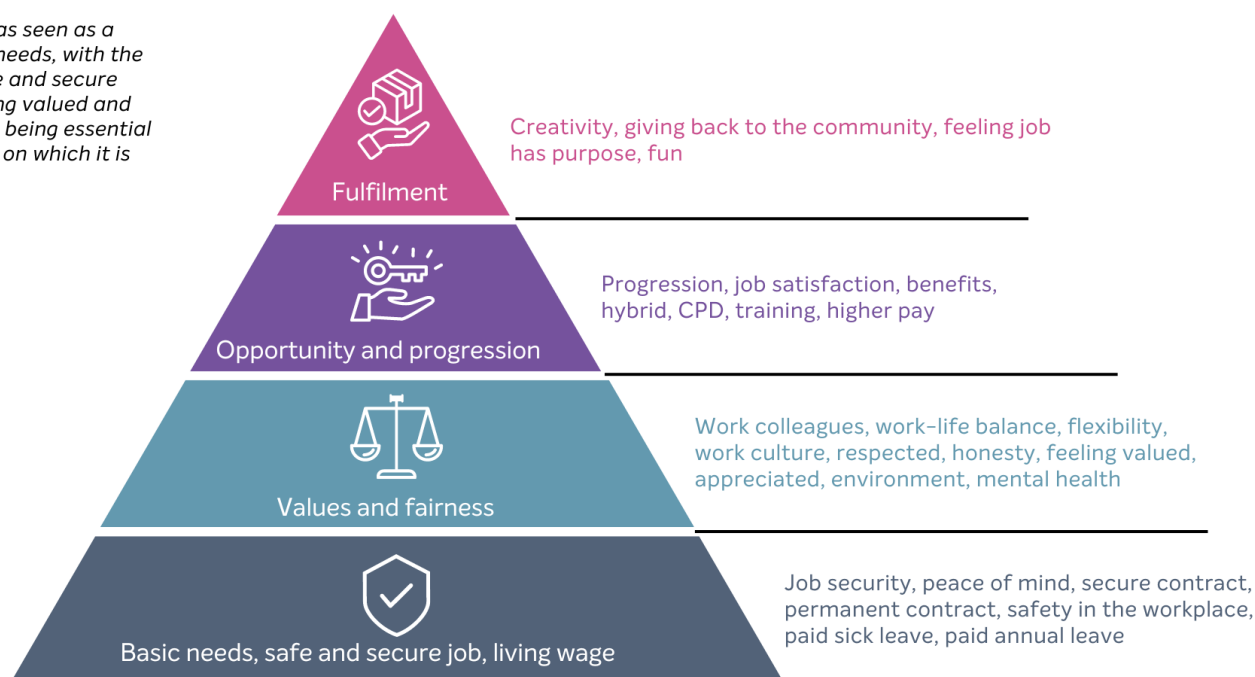
Next comes workplace values and fairness: things like having good colleagues, work-life balance, flexibility and feeling respect.

Third, people seek opportunity and progression. This is reflected in perceptions of training opportunities or a pathway to higher pay.

Finally, people seek what they describe as ‘fulfilment’ and ‘purpose’ from work.

Figure 17: What is good work?

Good work was seen as a hierarchy of needs, with the basics of safe and secure work and being valued and treated fairly being essential cornerstones on which it is based.



Source: Infographic reproduced from Qualitative Research Report: Good Work by Survation

Local economies fall short of expectations on the basics: job and contract security, and personal and financial safety...

The majority of participants were ‘consistently’ concerned with the lower two levels of this hierarchy: issues of safety and security and feeling valued and being treated fairly at work.

Participants expressed a desire for what they considered ‘fair pay’, rather than focusing on specific amounts. Many participants favoured fixed-term contracts, seeing them as offering greater stability and security. By contrast, they associated their local economy with unstable employment, zero-hours contracts, seasonal and agency work.

When asked to imagine ‘good work’, participants would reflect on values too: being fairly treated, with a work-life balance and flexibility. A healthy workplace is important not only for strong relationships between colleagues being built and maintained but also where the health and well-being needs of employees are understood and respected.

In our focus groups, the type of jobs available were seen to vary across different types of doubly disadvantaged areas. Coastal communities, for instance, relied more on seasonal work than inner-cities. Even though the people we spoke to saw work as generally being available locally, they saw it as mostly in low-paid, insecure and seasonal roles, offering little in the way of security, progression or fulfilment. Accessing good work might require moving to another region altogether, which was seen as fundamentally unfair.

In our focus groups, the type of jobs available were seen to vary across different types of doubly disadvantaged areas. Coastal communities, for instance, relied more on seasonal work than inner-cities. Even though the people we spoke to saw work as generally being available locally, they saw it as mostly in low-paid, insecure and seasonal roles, offering little in the way of security, progression or fulfilment. Accessing good work might require moving to another region altogether, which was seen as fundamentally unfair.

‘Because it’s not an affluent area, you feel very limited, people are going to either commute out to do those higher paid... jobs or settle for more lower paid [jobs]. If convenience is important to you, you’re going to settle for working in a local school or supermarket I suppose.’

– **Wakefield participant**

‘The jobs are tourist-based, they are seasonal and, even if they’re not seasonal, the hours drop significantly.’

– **Great Yarmouth participant**

‘I used to work for a company that was in Manchester and it was worth paying the train fare to Manchester to work there for the Manchester raise in salary, basically, than working here.’

– **Stoke-on-Trent participant**

‘I don’t think I would live where I live if I wasn’t able to work from home, or... do hybrid working, because I couldn’t... go to my office, because my office is based in Widnes even though I live here; I couldn’t go there five days a week. And I definitely couldn’t get there on public transport.’

– **Manchester participant, mixed age group**

...but people in doubly disadvantaged neighbourhoods share the same aspirations as others for valuable and meaningful work

Participants were clear that they want to feel like their work has broader value and opportunity. This was particularly true for younger participants, especially in metropolitan areas such as Manchester and Wakefield.

Participants felt frustration by a lack of opportunities with current employers, and saw existing training and development programmes as inadequate. As well as aspiring for progression and growth, participants also expressed a desire for employees to receive greater remuneration outside of salaries, including through company vehicles, additional holiday leave and performance-related bonuses.

‘Being happy is so important. I think you don’t really realise it until you have a bad time at work... Because if you’re not happy at work, it pervades the rest of your life. You’re feeling sick on an evening and stuff, thinking about going in.’

– **Wakefield participant**

‘A good work–life balance, progression, development opportunities such as gaining qualifications... It’s a job that’s actually challenging. There’s nothing worse than being in a mundane job where you’re bored.’

– **Stoke-on-Trent participant**

‘Say, like, company cars, extra holidays. Bonuses for whatever amount of time you’ve worked there or if you’ve put in more hard work than anybody else. More opportunities. Those who have higher to grow when you’re already in a high-paid place.’

– **Manchester participant, younger group**

Communities’ views of good work tally with those of policymakers and practitioners

As well as commissioning Survation to hold a series of focus groups with residents, we also carried out a series of interviews with people working in both local and combined authorities that are part of the IGN, and with colleagues involved in resident-led partnerships under the Big Local programme, which empowers communities to drive long-term change in their neighbourhoods.

From these interviews, it was clear that professionals working with communities have a broadly similar conception of good work to those communities.

In the first instance, their emphasis is on quantity of jobs that meet basic conditions on fair pay and job security. But they are also more likely to point to systemic challenges or opportunities: the issues facing specific sectors like social care; or the chance to link good employers with local communities supported by complementary public services.

‘Understanding the employee base... is really important from an employer perspective, because if it is predominantly women, then how are you supporting flexible work and childcare... and then in terms of career development... are [we] enabling people to access jobs in particular sectors and enabling people from hard to reach communities to access jobs.’

– **Local government officer, southern city**

‘[Regarding a local employer]... they do some really fantastic work in the community... and... recruit from the local community as well... One of the things that they’ve done is implement a flexible shift pattern so people can do the school drop off and the school pickup and work the hours in between... They spoke at one of our events earlier this year and said that... the level of retention and the loyalty that you get from your staff by implementing those kinds of measures has been really significant.’

– **Local government officer, northern city**

Big Local community leaders shared similar views of good work. They emphasised the importance of a *‘living wage rather than minimum wage’* to allow people to cover basic necessities. Big Local leaders also argued that ‘any job could be a good job’, if it offered a reasonable chance at career progression and opportunities for professional developments. Stability and flexibility were coveted, particularly as they related to an individual’s well-being and family commitments.

Finally, we find that this local consensus is broadly shared by policymakers. The International Labour Organization defines good work as *‘a fair income, security... and social protection for all’*.²² The Chartered Institute of Personnel and Development defines good work as *‘fundamental to individual wellbeing, supports a strong, fair society, and creates motivated workers, productive organisations and a strong economy’*.²³ The 2017 Taylor Review also highlighted the different dimensions of good work and how they evolve over a career; the review shared our analysis that pay is only one aspect of quality work, to be balanced alongside fulfilment, development, work-life balance and flexibility.²⁴

Fair pay and security are the foundations upon which good work is built, but this should be the floor, not the ceiling, of our ambitions. However, too many people in doubly disadvantaged neighbourhoods lack even the basics when it comes to good work.

Not everyone expects – or wants – work to be the main source of value in their life, but we can clearly go much further in designing jobs that are more financially rewarding, fulfilling and empowering for individuals in these communities.

²² International Labour Organization (2024) Decent work

²³ Chartered Institute of Personnel and Development (2024) CIPD Good Work Index 2024: Survey report

²⁴ Taylor, M. (2017) Good Work: The Taylor Review of Modern Working Practices

Unlocking good jobs and opportunity through social capital

5



Unlocking good jobs and opportunity through social capital

Social infrastructure – like community centres, libraries and parks – refers to the physical spaces that enable social interactions and bring communities together. Social capital, on the other hand, is the network of relationships, trust and norms that bind a community. While social capital grows through social interactions, it thrives on strong social infrastructure.

Doubly disadvantaged neighbourhoods, by definition, lack this vital infrastructure. The absence of social infrastructure leads to a deficit in social capital, ultimately stifling the economic potential of these areas, as social capital is a crucial driver of economic growth – a point we explore in this section. **Our novel analysis (in Box 3) finds robust positive links between three different indicators of social capital (grants to community groups) or social infrastructure spending (density of community-owned assets and new grants) and economic growth.**

High social capital makes development easier and local economies more resilient

Academics studying social capital make a distinction between ‘bonding’ and ‘bridging’ social capital.²⁵ In the simplest terms, bonding networks connect people who are similar, while bridging networks connect people who are different.

In doubly disadvantaged neighbourhoods, we can think about bonding capital as the strength of ties within the community, and bridging capital as the strength of ties across to other communities.

Our qualitative analysis suggests that doubly disadvantaged areas aren’t devoid of social relationships – often far from it. Many residents report trust between their immediate community and neighbours, indicating the presence of bonding capital.²⁶ The relative stability of doubly disadvantaged communities (with fewer people moving in and out of them) may be part of the reason for this.

However, our analysis of relative isolation of doubly disadvantaged communities points to a lack of bridging capital, which may cut off residents from beneficial external networks, including job opportunities.

‘Without that social capital... people might be less able to attend skills courses or apply for jobs... It’s not just a case of us putting on courses, but it’s a case of us understanding where the barriers are, what do we need to do to create those conditions [so] that people are more able to access these opportunities.’

– **Local government officer, northern region**

²⁵ Putnam, R. (2001) *Bowling Alone: The Collapse and Revival of American Community* – Revised and Updated. Simon & Schuster

²⁶ Local Trust (2024) *Social network analysis: Qualitative research report*

CASE STUDY: Social capital and economic growth in Lawrence Weston

Lawrence Weston is a post-war housing estate in north-west Bristol, built in the late 1940s and early 1950s. It has a population of approximately 7,000 people, the majority of whom are families and young people. Poor transport links have left the estate cut off – socially and economically – from the city. Nearly a third of children live in poverty, a stark contrast to the 14% average across the South West of England. Unemployment is significantly higher than the national average and the housing stock has been neglected over time.

Ambition Lawrence Weston (ALW) was set up in 2012 to take action after a further decline in local services and the closure of local facilities. Their goal is to oversee and deliver local regeneration on behalf of a resident-led partnership. Supported by a £1.15 million grant under the Big Local programme, ALW has prioritised creating and keeping more wealth locally, ensuring that money invested circulates around as many businesses and people in the area as possible and subsequently remains within the local economy.

A key strategy that has enabled ALW to deliver growth for the local area is through partnership working between residents, businesses, community groups and local government. ALW facilitates the 'Lawrence Weston Community Network', which brings together all of the 45+ organisations in the area to encourage joint projects and initiatives. Additionally, their programmes and policies are guided by extensive consultation within the community to identify key needs and issues.

After discovering that 70% of residents were struggling with energy bills, ALW partnered with Bristol Energy Cooperative to build a solar farm. It generates enough electricity to power 1,000 homes a year, with profits reinvested back into community projects. In 2020, ALW secured planning permission and external funding to build a community-owned wind farm. The 4.2- megawatt turbine will power 3,500 homes and is expected to generate £300,000 a year for the community.

These profits are reinvested into community programmes like the Lawrence Weston Job Club, which acts as an intermediary between residents and local employers to fill vacancies and connect locals with work. ALW provides personalised employment services including CV assistance, interview coaching and training courses on a weekly basis. ALW also piloted a free shuttle service to connect isolated residents with their services – eventually supporting a business case that led to a public transport provider opening a new bus service in their historically disconnected area.

In total, ALW estimates that from the initial £1.15 million in Big Local funding, they have been able to leverage in a further £15 million in external funding and investment from partners to tackle deprivation in Lawrence Weston, collaborating with a range of actors and funders including the Bristol City Council, the European Union, and the West of England Combined Authority. Their success has been built on good social capital defined by strong relationships and partnerships which have targeted local needs, stimulated growth and made the area a better and more connected place to live.

Social infrastructure is not just a means to an end but an end in itself: a peer reviewed cost-benefit analysis of the Big Local programme found a net benefit of £64 million to residents across four years in terms of improved life satisfaction.²⁷ But as well as improving quality of life for people in doubly disadvantaged communities, there is a clear link between social capital and economic development.

Most directly, community infrastructure like libraries or community centres play a vital role in stimulating local economies, as well as fostering social and human capital. These institutions tend to buy and hire locally, boosting the local workforce and creating environments that are more attractive for investment.²⁸ They also create networks of public and social goods that connect people to jobs, opportunities and crucial information.

Economists believe that social capital boosts economic outcomes by reducing so-called transaction and monitoring costs, making resource allocation more efficient in goods, labour and capital markets. When distrust prevails, resources get wasted.²⁹

In turn, social capital appears to play a role in tackling unemployment and economic stagnation. Family, friends and social contacts are often key in job searches and success³⁰ and places with higher levels of social capital are more resilient in the face of economic shocks.³¹

Box 3: An instrumental variable approach to measuring the impact of social capital on economic growth

The two-way relationship between social capital and economic growth (more growth enables more investment in community assets and relationships; stronger assets and relationships make it easier to grow the economy) can make it difficult to identify the precise impact of raising social capital on growth.

To address the challenge of two-way causation, we can use a statistical method called Instrumental Variables (IV) regression. In IV regression, we introduce an additional variable, known as the instrument, that helps us better understand the cause-and-effect relationship flowing in one way (from social capital to growth). To be valid, the instrument should be linked to levels of social capital but should not directly affect economic growth.

We used two instruments: rates of drug crime and voter turnout. We measured social capital through three different methods: major grant funding to community groups per head (from 150 grant-giving organisations); Big Lottery funds, 2004-2023; and the density of community-owned assets.

We found that higher levels of social capital significantly contribute to stronger economic growth. With both instruments and all three variables, we find robust positive links between social capital (grants to community groups) or social infrastructure spending (density of community-owned assets and new grants) and economic growth.

This means if we could increase the number of engaged citizens, resourcing for social capital and stronger networks, then we are also more likely to deliver economic success.

27 Popay et al. (2023) Investigating health and social outcomes of the Big Local community empowerment initiative in England: a mixed method evaluation

28 Kammer-Kerwick, M. et al. (2022). Asset-Based, Sustainable Local Economic Development: Using Community Participation to Improve Quality of Life Across Rural, Small-Town, and Urban Communities

29 Fukuyama, F. (1995). Trust: The Social Virtues and the Creation of Prosperity. Free Press

30 Putnam, R. (2001) Bowling Alone: The Collapse and Revival of American Community - Revised and Updated. Simon & Schuster

31 Ibid.



Recommendations

6



Recommendations

A framework for good jobs in doubly disadvantaged neighbourhoods

‘I think you have to battle for every job that’s going or you have to sacrifice something.’

– Wakefield participant, younger group

The uniqueness of doubly disadvantaged neighbourhoods stems from their lack of social infrastructure – civic assets, connectedness and engaged communities – alongside a high level of material deprivation.

This report has revealed the vicious downward cycle that doubly disadvantaged neighbourhoods find themselves in. High levels of economic inactivity drive higher levels of exclusion and sickness, leading to yet higher levels of inactivity. Not only does this impose a huge economic cost for those households and communities but it also leads to greater support needs from the social security system, increasing its cost, as well as reduced tax revenue and higher healthcare costs.

Nearly half of all households in doubly disadvantaged neighbourhoods are economically inactive, while job density is around 50% of the rate in other deprived or non-deprived areas. For people living in these neighbourhoods, improvements in the economic circumstances of neighbouring areas does not trickle down and out. They are stuck in a trap of no jobs or bad jobs. Their options and opportunities remain severely limited.

Given the unique structural economic precarity of these communities, there is a clear case for long-term, broad-based investment to support good jobs and economic resilience. In this regard, the new government can underscore its commitment to its critical growth and opportunity missions by doubling down on breaking the vicious cycle of inactivity and exclusion facing these places.

With an eye on the Spending Review in 2025, this report recommends putting doubly disadvantaged neighbourhoods at the heart of Whitehall’s drive for growth everywhere, and as a critical priority of new devolved powers for regional and local government. Crucially, this ambition must be matched with dedicated funding and resource – much of which we argue can be repurposed through existing funding and assets.

Overall then, we argue that national legislation and regulation for good work is not the only way to improve the supply of, and access to, good jobs, particularly in highly disadvantaged communities. Much can be done by re-focusing former levelling up programmes, expanding the Community Wealth Fund, and ensuring doubly disadvantaged neighbourhoods sit clearly within the emerging devolution framework. The report’s recommendations therefore set out critical first steps towards a whole of government approach to neighbourhood policy on good work.

Situating neighbourhood policy at the heart of government

To ensure good jobs in doubly disadvantaged neighbourhoods is prioritised across Whitehall, we propose a **Neighbourhoods Unit** aligned with the new system of mission boards, and hosted by the Office of the Deputy Prime Minister given her prominent dual Communities and Good Work ministerial briefs. The unit would seek to lead the co-ordination of cross government activity – nationally, regionally and locally – and identify relevant funding streams for doubly disadvantaged neighbourhoods.

Building on past initiatives such as the previous Labour government’s New Deal for Communities (NDC) – which improved health, employment and community capital^{32,33} – the unit would also establish a new **National Programme of Neighbourhood Renewal**. This would focus on addressing the multifaceted barriers to good work in the most disadvantaged communities – such as health, skills, connectivity, lack of social capital and childcare. As with NDC, the programme would prioritise cross-sector collaboration between residents, local government, the NHS, public health and mental health services, and civil society organisations to understand and address hyperlocal needs and to co-design and deliver interventions with communities.

32 Batty, E. et al. (2010) The New Deal for Communities Experience: A final assessment. Centre for Regional Economic and Social Research

33 Crisp, R. et al. (2023), A return to neighbourhood regeneration? Reassessing the benefits of a national strategy for neighbourhood renewal

The programme's key overarching objective should be raising labour market participation in good jobs for people living in these communities. The programme would therefore be at the forefront of spearheading a new approach to labour market policy – away from welfare to work and towards **supporting and enabling people to move from economic inactivity to positive, healthy activity** as recommended by Barnsley's Pathways to Work Commission.³⁴ In this regard, there are several emerging place-based models of employment support for those who are currently out of the workforce due to ill health or disability that are achieving promising results, and so part of the national renewal programme must focus on scaling up and rolling out the best performing of these to the most disadvantaged communities.

Examples of such projects include: WorkWell, focused on people with ill health;³⁵ Jobs Plus, which works with housing associations and their residents;³⁶ and the IGN's employment support programme in Barking and Dagenham, focused on those with learning disabilities.³⁷

Box 4: The New Deal for Communities:

The last Labour Government developed the NDC alongside its national reforms, including the introduction of the National Minimum Wage. From 1999, the NDC targeted thirty-nine of the poorest neighbourhoods in the country, providing £50 million in funding for each neighbourhood and establishing multisector partnership boards which brought together residents, local government, NHS trusts and civil society. It was credited with delivering 'transformative change',³⁸ improving thirty-two of thirty-six target indicators across metrics of health, education, crime, housing, work and community over a ten-year period. And it delivered broader benefits worth £3-5 for every pound invested by the public sector.³⁹

Finding the financial resource

The NDC invested £2.5 billion over the course of its lifespan⁴⁰, and given the vicious cycle that doubly disadvantaged neighbourhoods face, dedicated long-term spending and investment will be required again. Currently, there are a multitude of different local and regional government funds with many different stated objectives that might be repurposed here. **MHCLG should continue working on simplifying and consolidating these funds and should consider the objective of delivering good work and ensuring local people can benefit from it – particularly in places which currently have little** – as a key unifying aim for future funding allocations to both combined and local authorities.

More specifically, in the short term, **dedicated funding for good jobs in doubly disadvantaged neighbourhoods could be provided as part of the replacement to regional programmes like the UK Shared Prosperity Fund (UKSPF) or Levelling Up Fund**. UKSPF is the UK's £2.56 billion replacement fund for the European Social Fund, put in place in 2022 and due to end in March 2025; in its first year, it saw a £429 million underspend. Where it is passed through to mayoral combined authorities or local authorities, there should be a minimum required spend in doubly disadvantaged neighbourhoods focused on removing the barriers to good jobs.⁴¹

This ring-fenced funding should be dedicated towards both creating the conditions to attract better jobs (i.e. through business support and attracting investment within these communities) and supporting people to be able to access those jobs in their neighbourhood and beyond (i.e. through improving health, skills, connectivity, and social capital and infrastructure).

Alongside repurposing existing funding pots, we recommend ramping up the Community Wealth Fund (CWF), targeting doubly disadvantaged neighbourhoods to rebuild their social and civic capacity, allowing them in turn to deliver services and design new projects in support of local regeneration and good work.

34 Barnsley Metropolitan Borough Council (2024) Pathways to Work Commission Report.

35 <https://www.gov.uk/government/publications/workwell>

36 <https://www.communitiesthatwork.co.uk/our-work/jobs-plus>

37 <https://inclusivegrowthnetwork.org/resource-hub/supported-employment-programme-in-barking-and-dagenham>

38 Batty, E. et al. (2010) The New Deal for Communities Experience: A final assessment. Centre for Regional Economic and Social Research

39 Crisp, R. et al (2023) A return to neighbourhood regeneration? Reassessing the benefits of a national strategy for neighbourhood renewal

40 Between 1999-2000 and 2007-08, the 39 NDC partnerships spent a total of £1.71bn on some 6,900 projects or interventions. A further £730m was levered in from other public, private and voluntary sector sources. For more details see Batty et al (2010).

41 Savage, M. (2023) Almost all UK councils have not spent total share of levelling-up fund. The Guardian

As this report has shown, the uniqueness of doubly disadvantaged neighbourhoods stems from their lack of social infrastructure – civic assets, connectedness and engaged communities – alongside a high level of material deprivation. Harnessing and rebuilding such infrastructure will play a key role in breaking the cycle and supporting long-term community resilience. The CWF would help address this lack of hyperlocal social infrastructure through the provision of a fund that is long term, dedicated to specific neighbourhoods and designed in partnership with local communities and civil society organisations. The principles for the CWF commands widespread civil society support,⁴² and the previous government was already consulting on the design of such a fund and had passed secondary legislation to enable it.

In terms of resourcing the CWF, the new government should quickly pick up the mantle for delivering an expanded Dormant Assets Scheme which could provide nearly £900 million to social and environmental causes.⁴³ It should **explicitly commit to ring-fencing a sizeable part of this for doubly disadvantaged neighbourhoods through the CWF**. When initial details of the CWF were announced by the previous government in 2023, £87.5 million was earmarked for the Fund between 2024 and 2028 – 25% of total dormant assets. An expanded Dormant Assets Scheme could therefore more than double the size of the proposed CWF over the course of this parliament to £225 million. If realised, this money should go where it is most needed – prioritising the long-term transformation of doubly disadvantaged neighbourhoods.

Harnessing the opportunity of devolution to embed community-led neighbourhood policy

The new government has committed to widening and deepening devolution in England over the course of this parliament. This is likely to be achieved through the creation of new combined authorities, with the expectation that all regions will gradually attain similar powers to the trailblazer deals struck with Greater Manchester and the West Midlands. This push for further devolution is viewed through the prism of supporting growth everywhere – the assumption being that overcentralisation has helped contribute to a system of deep spatial inequalities both between and within regions.

We should use the opportunity of greater devolution to embed more effective neighbourhood policy – with regional and local government working in partnership with local communities and civil society organisations to break the cycle of disadvantage. Neighbourhood renewal will need to be driven and led locally with residents. The role of the proposed Neighbourhood Unit operating out of Whitehall can provide high level guidance, capacity building and some funding from the centre to enable this.

There is a risk, however, that without properly accounting for doubly disadvantaged neighbourhoods within the devolution framework, emerging combined authorities (and some pre-existing ones) will prioritise high levels of regional growth and simply assume increased prosperity will trickle out from richer neighbourhoods to poorer ones. But as this report has shown, doubly disadvantaged neighbourhoods are by definition isolated communities – unable to capitalise on broader economic gains. **Regional and local authorities must therefore explicitly plan for neighbourhood renewal as part of their key economic objectives, and ensure there are accountability mechanisms in place for assessing progress.**

In this context, we recommend incorporating doubly disadvantaged neighbourhoods into the government’s devolution framework such that **taking on additional funding and regulatory powers should be conditional on having a dedicated programme for the most disadvantaged neighbourhoods**. As part of a ‘double devolution’ programme via the English Devolution Bill, combined authorities in England working with local authorities should be mandated to develop strategic plans, with a targeted focus on good jobs in doubly disadvantaged neighbourhoods. This should include commitments to supporting and enabling capacity building and social infrastructure as key components of their development strategies.

The nature of these disadvantaged communities, with their multiple reinforcing social and economic challenges, will require a focused approach, using all combined and local authority levers: skills, transport, housing, infrastructure and broader convenorship with businesses and civil society.

⁴² Community Wealth Fund (2024) About us

⁴³ Government response to the consultation on expanding the Dormant Assets Scheme, see: <https://www.gov.uk/government/publications/the-dormant-accounts-scheme/government-response-to-the-consultation-on-expanding-the-dormant-assets-scheme>

In order to take concrete next steps on this agenda, we further recommend:

- The government should require **Local Growth Plans** to explicitly address how communities that have high levels of deprivation, and especially doubly disadvantaged communities, will have access to new growth opportunities, as part of its sign-off process. In this context, we echo recommendations from the recent Metro Dynamics–Future Governance Forum report, that Local Growth Plans should include a ‘local place plan’, to ensure residents are able to influence from the ground up, reinforcing the importance of neighbourhood regeneration being as important as large scale infrastructure projects to economic development.⁴⁴
- **Skills England**, which will partner with combined authorities, should require combined authorities to explicitly consider doubly disadvantaged neighbourhoods in their Local Skills Plans.
- Combined authorities should use the process of **bus franchising** to re-evaluate existing routes and address public transport ‘cold spots’ for doubly disadvantaged neighbourhoods.⁴⁵ Such activity could help expand the labour market and increase the range of employers that people in deprived areas can reach.

These recommendations should be viewed as essential first steps, but they are not sufficient. Transport planning will need to go beyond bus franchising; the delivery of upskilling and reskilling programmes will need to embed disadvantaged communities over the long term; and growth plans will need to instil genuine action rather than just warm words. We know many combined and local authorities are already delivering good practice in this regard, and the opportunity of greater devolution, combined with support on capacity building from the centre, should enable many more places to scale up existing and new initiatives.

More than the sum of its parts – a whole of government approach for good jobs in doubly disadvantaged neighbourhoods

Taken together, this set of recommendations represents the beginning of a journey for better jobs in doubly disadvantaged neighbourhoods rather than its end point. The proposed Neighbourhood Unit and programme of renewal, complemented with repurposed funding to channel money into the most deprived communities and worthwhile cross-sector programmes, can start to make some national headway. Meanwhile, the opportunity of devolution means that new systems approaches and interventions can avoid being as top down as the initiatives of the past, and may therefore be embedded enough locally to survive further changes of government in Westminster – something that cannot be said sadly for the NDC.

But it is only a start. We require a strategy that harnesses all levers and tiers of government to support neighbourhood renewal. This report, for instance, has not gone into detail on the punitive nature of the benefits system, cuts to mental health and public health provision, and lack of early years education and childcare for low-income parents – all of which severely limit the opportunities for those living in the most disadvantaged communities. Neither have our recommendations touched on the New Deal for Working People, which should see a step-change in employment rights, reducing the precarity of work through legislation and enforcement – particularly relevant to communities where precarious work or no work at all is currently the norm.

In short, our hope is that by establishing the solid foundations for co-ordinated initiatives and complementary funding at the local level, we can build the momentum for a genuinely long-term whole of government approach to delivering good jobs in doubly disadvantaged neighbourhoods. The prize of breaking the vicious cycle of inactivity and exclusion is a big one – for the people and communities, for the local economies and ultimately for the Treasury. The government’s defining mission of growth everywhere will depend on driving growth where opportunity is hardest to find.

44 Lucas, B. and Hopkins, E. (2024) Impactful Devolution 01: A new framework for inclusive local growth and national renewal. Report for Metro Dynamics and Future Governance Forum

45 All-Party Parliamentary Group for Left Behind Neighbourhoods (2021) Connecting communities: improving transport to get ‘left behind’ neighbourhoods back on track

Table of recommendations: first steps for neighbourhood renewal

Situate neighbourhood policy at the heart of government

Problem	Solution	Lever
Neighbourhood policy has faced long-term neglect as there has been a lack of governance and structure prioritising it from the centre.	Embed a new institution at the heart of government and a sponsor minister to lead on cross-government co-ordination of neighbourhood policy.	Create a Neighbourhoods Unit for good jobs under the direction of the Office for the Deputy Prime Minister.
A lack of strategy from the centre on doubly disadvantaged neighbourhoods has led to piecemeal and uncoordinated policy and action.	The NDC in the 2000s demonstrated that cross-government leadership and action can improve lives for the most disadvantaged places and reap a return for the taxpayer.	Create a National Programme of Neighbourhood Renewal – initially led by the Neighbourhoods Unit, it would lead strategy and co-ordination of cross-government activity and funding on doubly disadvantaged neighbourhoods.

Provide the financial resource for neighbourhood renewal

Problem	Solution	Lever
Tight fiscal situation means there is likely to be little additional resource for investing in doubly disadvantaged neighbourhoods.	Repurpose the plethora of existing local government funds to provide resources to places based on need and consistent with the Labour government's broader missions.	Accelerate consolidation of local funding pots using good jobs in disadvantaged places as a key objective for future funding allocation.
Doubly disadvantaged neighbourhoods need investment now to start making headway on this agenda.	Target existing underutilised local funding streams to be redirected at doubly disadvantaged neighbourhoods.	Ring-fence proportion of UK Shared Prosperity Fund and Levelling Up Fund for doubly disadvantaged neighbourhoods.
Doubly disadvantaged neighbourhoods are particularly disadvantaged due to a lack of social infrastructure.	Dedicated long-term investment to create more social infrastructure in doubly disadvantaged communities.	Roll out and expansion of Community Wealth Fund to drive long-term targeted investment in social infrastructure for doubly disadvantaged neighbourhoods.

Embed neighbourhood policy in the devolution framework

Problem	Solution	Lever
There is a risk that existing and new devolved regional authorities will assume prosperity will trickle out to the most deprived neighbourhoods, but we know these communities are isolated from broader economic success.	Taking on additional funding and regulatory powers should be conditional on having a dedicated programme for driving up good jobs in the most disadvantaged neighbourhoods.	<ul style="list-style-type: none"> The government should require Local Growth Plans to explicitly address how the most disadvantaged communities will have access to new growth opportunities. Skills England should require combined authorities to explicitly consider doubly disadvantaged neighbourhoods in their Local Skills Plans. Combined authorities should use the process of bus franchising to re-evaluate existing routes and address public transport 'cold spots' for doubly disadvantaged neighbourhoods.

Appendix



Appendix

A. Growth dynamics in doubly disadvantaged neighbourhoods – a spatial lag model

Model specification

This analysis explores the effect of economic growth in one area on neighbouring areas using a spatial lag model. This model is designed to capture the interdependence between spatial units and quantify how economic changes in one neighbourhood affect others nearby. The spatial lag model is specified as follows:

Where:

- represents economic growth in neighbourhood i at time t
- is the spatial lag term, capturing the economic growth in neighbouring areas at the previous time period
- is the spatial weights matrix, defining the connection between neighbourhoods
- is the coefficient of the spatial lag, indicating the strength of spatial dependence (how much the economic growth in neighbouring areas influences the target area)
- represents time-varying variables affecting economic growth in neighbourhood i at time t
- represents time-invariant characteristics of the neighbourhood
- captures fixed effects that control for unobserved heterogeneity between neighbourhoods
- is the error term

To account for time-invariant neighbourhood characteristics, a fixed effects term was included in the model. This controls for unobserved factors that remain constant over time, such as historical infrastructure, demographics or geographical features. By including fixed effects, we ensure that the observed differences in economic growth are not influenced by these static factors but rather by the interaction between neighbouring areas.

Findings

The coefficient for the spatial lag term was significant across all types of neighbourhoods, confirming that spatial dependence exists in economic growth dynamics. However, the magnitude of the spatial dependence was around 10% lower for doubly disadvantaged neighbourhoods compared to other deprived and non-deprived areas. This suggests that economic growth (or decline) in neighbouring areas has a weaker influence on doubly disadvantaged areas. Two potential explanations for this finding include:

1. Lower economic cyclicity: doubly disadvantaged areas may experience fewer economic fluctuations and are less exposed to economic booms and busts.
2. Reduced economic spillovers: economic changes such as gentrification may have less impact on these areas, possibly due to structural barriers preventing the benefits of economic spillovers from reaching them.

Policy implications

The results suggest that doubly disadvantaged neighbourhoods are less integrated into broader regional economic dynamics compared to other areas. This has important policy implications, indicating that strategies relying on regional economic spillover effects may be less effective in these areas. Tailored interventions that address the specific structural barriers limiting economic integration may be required to promote growth in doubly disadvantaged neighbourhoods.

B. Instrumental variables approach to measuring the impact of social infrastructure on economic growth

Overview of the methodological approach

This analysis aimed to disentangle the two-way relationship between social infrastructure and economic growth. Social infrastructure can both influence and be influenced by economic growth, which presents a challenge in isolating its specific impact on growth. To address this issue, we employed an Instrumental Variables (IV) regression, a method that establishes a causal relationship by accounting for potential endogeneity.

Regression model

IV regression introduces an external variable, known as the instrument, which is correlated with the endogenous explanatory variable (social infrastructure), but not directly related to the dependent variable (economic growth), except through its effect on social infrastructure. This method allows for a more confident identification of the one-way causal effect of social infrastructure on economic growth.

Selection of instruments

For this analysis, two instrumental variables were used:

1. **Rates of drug crime:** Areas with higher drug crime rates tend to have lower levels of community cohesion and social infrastructure. However, these crime rates are unlikely to directly affect economic growth, making them suitable instruments.
2. **Voter turnout:** Voter turnout acts as a proxy for civic engagement and participation, key components of social infrastructure. It influences social infrastructure levels but does not directly cause economic growth beyond this pathway.

These instruments satisfy two key conditions:

1. **Relevance:** they are correlated with social infrastructure.
2. **Exogeneity:** they do not directly affect economic growth except through social infrastructure.

Measurement of social infrastructure

Three proxies were used to measure social infrastructure:

1. **Major grant funding to community groups per capita:** this reflects investment in local communities and social infrastructure, sourced from 150 grant-giving organisations.
2. **Big Lottery Fund allocations (2004–2023):** this measures public investment aimed at fostering social infrastructure over nearly two decades.
1. **Density of community-owned assets:** this proxy highlights the physical and social infrastructure of communities, representing tangible resources available to foster social relationships and community engagement.

Measurement of social infrastructure

- a. **First-stage regression:** The endogenous variable (social infrastructure) is regressed on the instruments and other exogenous control variables. The predicted values of social infrastructure were then used in the second-stage regression.

Where:

- is social infrastructure
- represents the instruments (drug crime rates and voter turnout)
- represents other exogenous control variables
- is the error term

- b. **Second-stage regression:** The b) predicted values of social infrastructure (were regressed on economic growth, along with other exogenous control variables. The coefficient of the predicted social infrastructure value (represents the causal effect of social infrastructure on economic growth.

Where:

- is the predicted social infrastructure from the first stage
- represents exogenous variables
- is the error term

Across all models, using the chosen instruments and the three measures of social infrastructure, we found a robust positive relationship between higher levels of social infrastructure and stronger economic growth. This implies that investments in social infrastructure significantly contribute to economic performance. The IV estimates were larger in magnitude than the ordinary least squares (OLS) estimates, confirming the presence of endogeneity that the IV method corrects.

Diagnostic tests and robustness checks

Several diagnostic tests were employed to ensure the robustness and reliability of the IV estimates:

1. **Weak instrument test:** The Kleibergen-Paap rk Wald F-statistic was used in the presence of heteroskedasticity to test the strength of the instruments. A value above the critical threshold (ten) suggests that the instruments are sufficiently strong.
1. **Endogeneity test:** The Durbin-Wu-Hausman test confirmed the presence of endogeneity in social infrastructure. A rejection of the null hypothesis indicated that the IV method was necessary, as OLS estimates were likely biased.
1. **Overidentification test:** The Hansen's J-test was conducted to ensure that the instruments are valid. A non-significant result suggests that the instruments are uncorrelated with the error term.

Policy implications

The results indicate that fostering social infrastructure can generate significant economic benefits. Expanding social infrastructure through engaged citizens, increased community resourcing and stronger networks is not only a pathway to improved social outcomes but also a critical driver of economic success.

Acknowledgements

This report was written by Dan Turner, Tanya Singh, Connor Drake and Ben Franklin. The authors would like to express their deep gratitude to the members of the advisory group, whose invaluable insights and guidance have been crucial to the development of this report. Special thanks are extended to Matthew Taylor (Chair), Helen Barnard, Stephen Aldridge, Dr Sarah Crozier, Martha Crawford, Jay McKenna, Nick Kimber, Patrick Craven, Sarah Snelson, Lynsey Sweeney and Morgan Wild for their support throughout this process. And we'd like to thank the Local Trust team, in particular Margaret Bolton, Madeleine Jennings and Kyle Vanelli for their thoughts and comments which helped shape and improve this report.

We are also sincerely grateful to the representatives from various institutions who generously gave their time and expertise during interviews with local government leaders and practitioners. Thanks are due to officers from London Borough of Barking and Dagenham, Bristol City Council, Greater Manchester Combined Authority, Leeds City Council, Liverpool City Region Combined Authority, North East Combined Authority, South Yorkshire Combined Authority, West Midlands Combined Authority and Essex County Council.

Finally, the authors would like to acknowledge the support from the Big Local initiative and the team at OCSI, whose collaboration has been integral to the success of this research.

Responsibility for any errors or omissions lies with the report's authors.

About the Centre for Progressive Policy

The Centre for Progressive Policy (CPP) is an economic thinktank dedicated to understanding and delivering inclusive economic growth. We combine leading quantitative analysis with on-the-ground insights from our Inclusive Growth Network (IGN) to propose robust, grounded policy for local, regional, national and UK-level policymakers.

CPP was founded following the Royal Society of the Arts' Inclusive Growth Commission in 2016, itself established to understand what held back local economies across the UK – and how to make them more prosperous – in the wake of the EU referendum.

Our work spans a diverse range of policy areas – looking at how we understand and define inclusive growth, and at specific policy themes such as industrial strategy, health, childcare and early years, and fiscal policy. We host the IGN, a community of fourteen local and combined authorities across the four nations of the UK committed to pioneering new approaches to delivering inclusive growth at the local level.

About Local Trust

Local Trust was established in 2012 to deliver Big Local, a National Lottery Community Fund-funded programme which committed £1 million each to 150 neighbourhoods across England. The £217 million originally provided by The National Lottery Community Fund to support this programme is the largest single-purpose Lottery-funded endowment ever made, and the biggest ever investment by a non-state funder in place-based, resident-led change.

Designed from the outset to be radically different from other funding programmes, at the heart of Big Local is a vision of empowered, resilient, dynamic, asset-rich communities making their own decisions on what is best for their area. Local Trust's mission has been to try and transform left behind places, building capacity in areas which have little supporting civic activity to enable more people and communities to build local assets and social infrastructure.

At the heart of Local Trust's work is the belief that long-term funding and support to build capacity gives residents in hyper-local areas agency to take decisions and to act to create positive and lasting change.

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