



12 July 2022

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## New research shows residents in 'left behind' neighbourhoods uniquely vulnerable to rising cost of living

A combination of high levels of indebtedness, financial insecurity and fuel poverty means that people living in England's most 'left behind' neighbourhoods will be hardest hit by the cost of living crisis.

The findings, revealed in new research published today (Wednesday 13<sup>th</sup> July) by the All-Party Parliamentary Group for 'left behind' neighbourhoods as part of its inquiry into levelling up, shows the great financial pressure on residents in those parts of England identified as being 'left behind'.

The new research, ['Financial vulnerability in 'left behind' neighbourhoods'](#) and ['Child maintenance and fuel poverty in 'left behind' neighbourhoods'](#), produced by Oxford Consultants for Social Inclusion (OCSI) found:

- 'Left behind' areas face higher levels of risk of financial hardship, including fuel poverty and food vulnerability, than other deprived areas, according to a series of measures produced by the British Red Cross of vulnerability to rising costs
- People living in 'left behind' areas have seen a sharper rise in fuel poverty than those in other deprived areas and England as a whole. Between 2011 and 2020 the proportion of households in fuel poverty in 'left behind' areas rose by 8.8 percentage points, compared with rises of 6.6 percentage points in other deprived areas and 2.3 percentage points across England.
- Areas identified as 'left behind' are also disproportionately affected by rising energy caps. The majority of 'left behind' wards are found in areas with a relatively high default tariff cap, with 142 of the 225 wards identified as 'left behind' (63.1%) in areas with a default tariff cap which is above the national average.
- More than a quarter of people living in 'left behind' areas are income deprived (26.7%) – this is higher than across other deprived areas (25.9%) and England as a whole (12.9%). Children living in 'left behind' areas are twice as likely to be income deprived than the national average (34% compared to 17.1% across England).
- A relatively high proportion of children in 'left behind' neighbourhoods live in households with a Child Maintenance Support (CMS) arrangement. Not only are they more likely to have maintenance owed from the CMS, with 98.7% of 'left behind' areas having a higher proportion of households with unpaid or underpaid child maintenance arrangements than the national average, but children are also less likely to receive childcare support from absent paying parents.

Typically located in post-industrial areas in the East and West Midlands and north of England, as well as coastal areas in the South East, neighbourhoods identified as 'left behind' rank within the top 10 per cent of most deprived areas according to the [Index of Multiple Deprivation](#) and the top 10 per cent of areas most in need as measured by the [Community Needs Index](#), meaning they lack places and spaces to meet, digital connectivity and transport and an active and engaged community. People living in 'left behind' neighbourhoods have worse social and economic outcomes than people living in other, similarly deprived areas, experiencing higher unemployment, poor health outcomes, and lower levels of education attainment. This suggests the vital importance of accessible social infrastructure to the health and wellbeing of local communities.

The All-Party Parliamentary Group for 'left behind' neighbourhoods will consider the OCSI research alongside expert testimony at its inquiry session on 13<sup>th</sup> July, as part of its inquiry into levelling up. This will assess the extent to which the government's levelling up policy programme – as set out in the recent Levelling Up White Paper – aligns with the needs and aspirations of people living in 'left behind' areas, and its potential to improve their prospects. The inquiry's second session explores levelling up economic outcomes, examining missions relating to living standards, digital connectivity and transport infrastructure, and the impact of the cost of living crisis. It will consider examples of how local community-led organisations are effectively developing strategies that can support the most 'left behind' neighbourhoods.

**Co-chair of the APPG for 'left behind' neighbourhoods the Rt Hon Dame Diana Johnson DBE MP** said: "This research for the APPG highlights the stark reality of the financial pressures faced by residents in 'left behind' areas – including areas such as Bransholme and Orchard Park in my Hull North constituency.

"With rising fuel costs, growing food poverty and worrying levels of financial insecurity, this research should be a wake-up call for the Government. It underlines the need for urgent action to address the cost of living crisis that will hit communities that have the least the hardest. This research shows that to genuinely 'level up' direct investment and funding must be targeted where it is needed most. Otherwise many of the most deprived will fall even further behind."

**Paul Howell MP, Officer of the APPG for 'left behind' neighbourhoods and co-chair of the second inquiry session** said: "It is clear from this research that to improve economic outcomes for those communities, such as mine in Sedgefield, that for far too long have been 'left behind', we need to invest in people as well as places.

"As well as tackling financial inequality we must tackle the underlying social issues that also hold people back from reaching their full potential. For levelling up to be a success, we need to support community efforts and locally-led solutions and approaches that tackle the wide range of causes of inequality. Cost of living challenges mean the need for a Community Wealth Fund to do this has never been more timely and important."

**Barbara Slasor, community development lead for Gaunless Gateway Big Local** said: "The cost of living is the last thing we need. We are quite a resilient community with a hell of a lot of skills which could provide a better future and a bit of work for people moving forward. But until they start putting in a consistent amount, on a larger scale, with a more cohesive approach, nothing's going to change. They need to create jobs, create hope, create transport links."

## ENDS

For more information or to request an interview contact:

Jessica Wenban-Smith on [communications@localtrust.org.uk](mailto:communications@localtrust.org.uk), 020 3588 0428 (forwards to mobile)

Interviews are available with the APPG's Officers and Local Trust, secretariat to the APPG. Biographies are available on request:

**The Rt Hon Dame Diana Johnson DBE MP:** Labour Member of Parliament for Kingston Upon Hull North since 2005, co-chair of the All- Party Parliamentary Group for 'left behind' neighbourhoods.

**Paul Howell MP:** Conservative Member of Parliament for Sedgefield since 2019, Officer of the All-Party Parliamentary Group for 'left behind' neighbourhoods.

**Matt Leach,** Chief Executive of Local Trust, place-based funder of the Big Local programme, providing at least £1m to each of 150 communities in England, and secretariat of the All-Party Parliamentary Group for 'left behind' neighbourhoods.

**Barbara Slasor,** community development lead for Gaunless Gateway Big Local since January 2017. Barbara is from Newcastle upon Tyne and now lives in County Durham, close to Bishop Auckland. As a paid worker, working for Gaunless Gateway Big Local, Barbara takes action on decisions made by a partnership of local residents, who decide how they want to use £1.15m of Big Local funding to meet community needs.

## NOTES TO EDITORS

The [All-Party Parliamentary Group \(APPG\) for 'left behind' neighbourhoods](#) is a cross-party group of over 75 MPs and Peers committed to designing and advocating for policy solutions for the most 'left behind' neighbourhoods across England. Members of the APPG have endorsed the [Community Wealth Fund](#) as one solution to improve the social and economic prospects of residents in these neighbourhoods by providing long-term, targeted investment in the social infrastructure that is urgently needed in these areas.

### How are 'left behind' neighbourhoods identified?

['Left behind' neighbourhoods](#) are identified by combining data from the Community Needs Index (CNI) and Index of Multiple Deprivation (IMD). The CNI identifies areas that have poor connectivity (physical and digital), low levels of community engagement and a lack of community spaces and places. The IMD ranks areas based on their levels of social and economic deprivation. Neighbourhoods that rank amongst the most deprived 10% in both the IMD and the CNI are classified as 'left behind', numbering 225 places in total.

### About the APPG's inquiry into levelling up

Over the course of 2022, the APPG's inquiry will assess the likelihood of the government achieving its levelling up objectives, by considering the extent to which the Levelling Up White Paper's policy programme aligns with the needs and aspirations of people who live in the most deprived or 'left behind' neighbourhoods. Each line of inquiry is structured around the levelling up focus areas and medium-term missions.

Inquiry sessions will consider research measuring current performance in 'left behind' neighbourhoods on these focus areas and missions and identify key issues on which the White Paper is silent or could contain more impactful proposals. On completion of evidence

gathering and analysis, the APPG will recommend additional measures to support a long-term, positive programme of change for communities with the most need.

The full OCSI reports commissioned to inform the inquiry session can be found here:

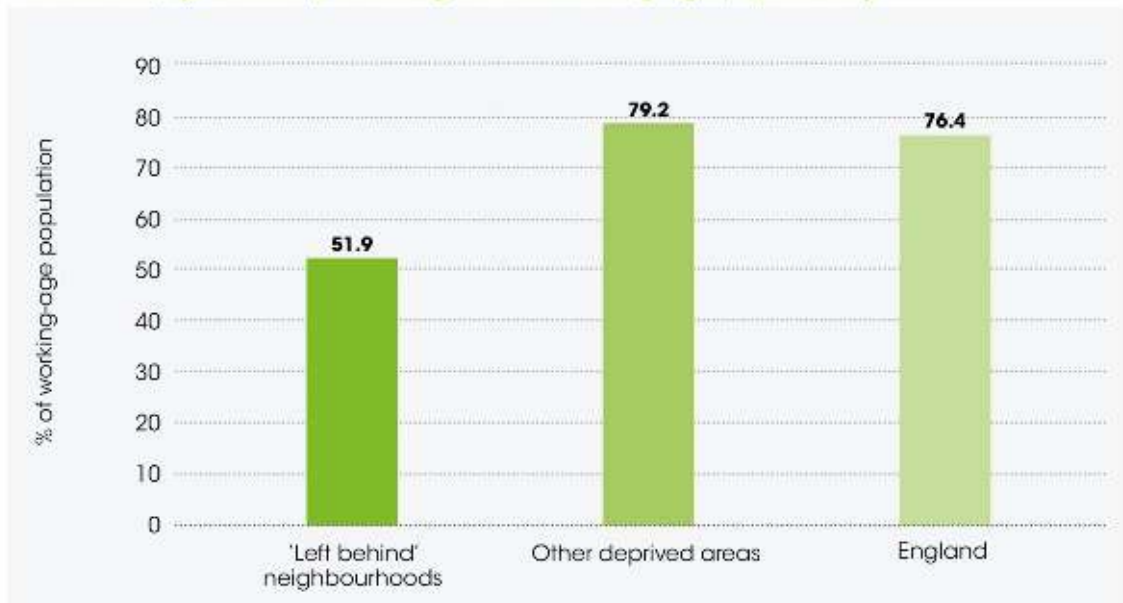
- <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2022/06/Levelling-Up-White-Paper-Missions-1-4-Inquiry-Session-2.pdf>
- <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2022/06/Financial-vulnerability-in-LBNs-2021.pdf>
- <https://www.appg-leftbehindneighbourhoods.org.uk/wp-content/uploads/2022/06/Child-maintenance-and-fuel-poverty-in-LBNs.pdf>

### Appendix: the cost of living challenges in 'left behind' neighbourhoods

#### **People living in 'left behind' neighbourhoods have less access to employment opportunities and a higher concentration of employment in low paid part time roles...**

There are notably fewer jobs in 'left behind' neighbourhoods compared with other equally-deprived areas. In 2020 there were 51.9 jobs per 100 working age people in 'left behind' neighbourhoods, compared with 79.2 in other deprived areas and 76.4 in England as a whole.

**Jobs density (jobs as a percentage of the working age population)**



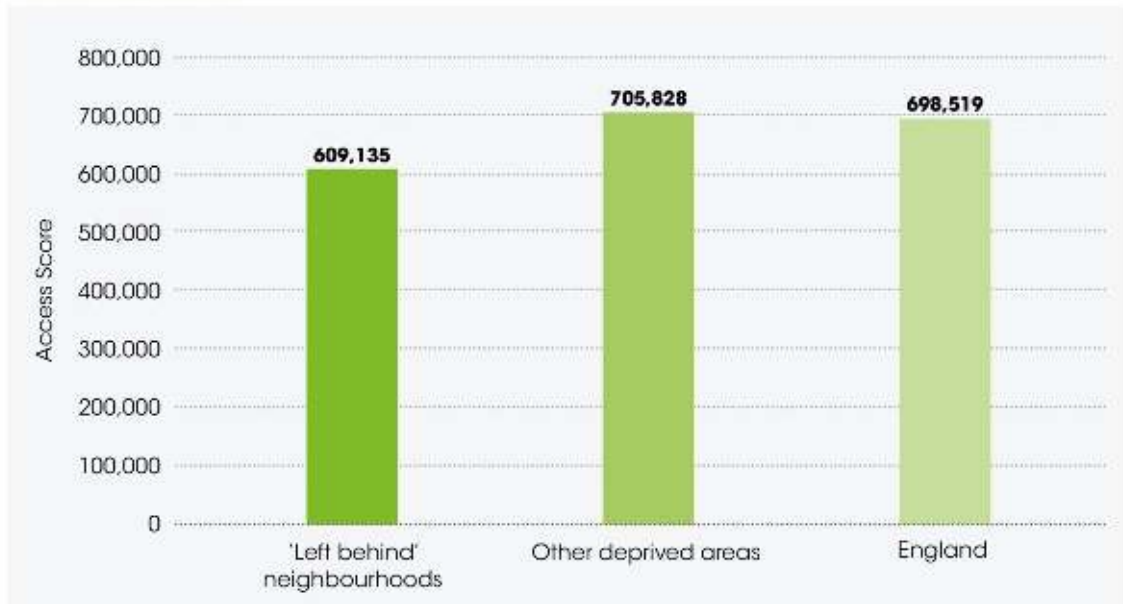
Source: BRES 2020

On average, people living in 'left behind' neighbourhoods have slightly longer travel times to employment centres by all modes of transport than across other deprived areas<sup>1</sup>. Moreover, the wider labour markets in which they operate have considerably fewer job opportunities than in other similarly deprived areas. The chart below shows the *Jobs Access Score* across 'left behind' neighbourhoods, deprived non-'left behind' neighbourhoods and England as a whole. This measure captures the reachable number of jobs within 15 minutes, 30 minutes,

<sup>1</sup> Department for Transport (DfT) 2019 Journey Time statistics <https://www.gov.uk/government/statistics/journey-time-statistics-england-2019/journey-time-statistics-england-2019>

60 minutes and 90 minutes travel time by both driving and public transport. A higher score indicates greater levels of job accessibility. As can be seen in the chart, there are fewer jobs within reachable distance in 'left behind' neighbourhoods.

### Job Access Score



Source: UK Onward 2021

### ... Leading to lower labour market participation (with more than one-in-four working age residents in receipt of out of work benefits)

People in 'left behind' neighbourhoods are more likely to be in receipt of out-of-work benefits than across other similarly deprived areas (as shown in the table below).

	'left behind' neighbourhoods	Other deprived areas	England
Out of work benefits (DWP - Aug 2021)	25.8	24.3	13.5
Working age benefit claimants (DWP - Aug 2021)	40.8	39.1	23.4

More than one-quarter (25.9%) of working age adults in 'left behind' neighbourhoods are in receipt of out-of-work benefits. This group have among the lowest incomes in the UK, as out-of-work benefits are set at below the minimum wage.

There is also evidence of greater 'in-work' poverty in 'left behind' neighbourhoods - with 40.8% of working age adults receiving any form of benefit (including for those *in work* on low incomes) - above the average across other deprived areas. These adults have been impacted by the removal of the temporary £20 per week uplift to Universal Credit.

### 'Left behind' neighbourhoods face higher levels of financial, food and hardship vulnerability than other deprived, non 'left behind' neighbourhoods

The British Red Cross have pulled together a series of measures of vulnerability to rising costs - using a combination of the benefits measures (explored above) and broader measures

including proportion of people who do not have a standard or better bank account; people who view themselves as drawing on savings or running into debt, people without savings, access to food stores and homelessness. They have produced three composite indicators to assess vulnerability to financial shocks (the risk of indebtedness), food vulnerability (the ability to access food) and hardship (the need for emergency loans). On each of these measures 'left behind' neighbourhoods are identified as being more vulnerable than across other deprived areas and England as a whole.

*NB: it is important to note that these figures were compiled before the recent rising inflation, and people may now be even more vulnerable.*

Indicators	'Left behind' neighbourhoods	Other deprived areas	England
Financial vulnerability index rank	35,578.0	35,089.9	20,347.2
Food Vulnerability Index Score	274.1	243.3	198.0
Hardship Fund Vulnerability Index Score	189.4	188.7	131.0

Source: British Red Cross, 2020

'Left behind' neighbourhoods also have higher levels of personal debt than other deprived neighbourhoods and England, with an average debt of £587.20 per person aged 18+, compared to £499 in other deprived neighbourhoods and £581.90 across England as a whole (source: UK Finance, March 2021). This is likely to have grown in the intervening year as rising costs could push more people in 'left behind' neighbourhoods into severe indebtedness.

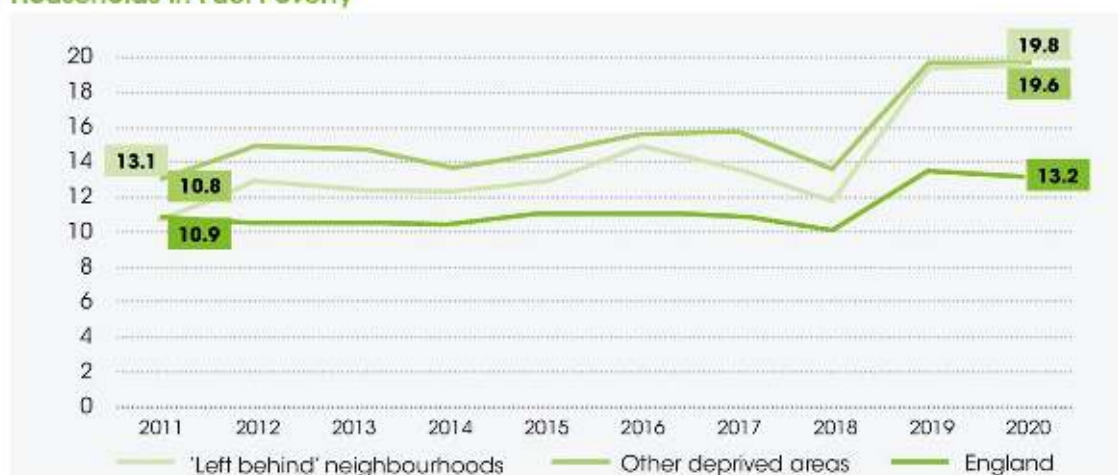
**People living in 'left behind' neighbourhoods have seen a sharper rise in fuel poverty than across other deprived areas and England as a whole - 213 of the 225 'left behind' neighbourhoods (94.5%) have higher levels of fuel poverty than the national average**

The chart below compares the proportion of households in fuel poverty between 2011 and 2020 in 'left behind' neighbourhoods and comparator areas. The definition of fuel poverty is based on the *Low Income High Costs framework*, where a household is in fuel poverty if a) their required fuel costs are above average (the national median level), and b) were they to spend that amount they would be left with an income below the official poverty line.

People living in 'left behind' neighbourhoods have seen a sharper rise in fuel poverty than across other deprived areas and England as a whole. In 2011 a lower proportion of households in 'left behind' neighbourhoods were experiencing fuel poverty than the national average. However, between 2011 and 2020 the proportion of households in fuel poverty in 'left behind' neighbourhoods rose by 8.8 percentage points, compared with rises of 6.6 percentage points in other deprived areas and 2.3 percentage points across England as a whole. As of 2020, just under one-in-five households (19.6%) in 'left behind' neighbourhoods lived in fuel poverty, broadly in line with the average in other deprived areas (19.8%) and above the average across England as a whole. This is likely to have risen considerably since 2020, with ONS figures from February 2022 showing 12-month inflation rates for gas and electricity are at their highest level since early 2009, with gas at 28.1% and electricity at 18.8%<sup>2</sup>. In total, 213 of the 225 'left behind' neighbourhoods (94.5%) have higher levels of fuel poverty than the national average.

<sup>2</sup> Source: Office for National Statistics (ONS) Energy prices and their effect on households  
<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/energypricesandtheireffectonhouseholds/2022-02-01>

## Households in Fuel Poverty



Source: Department for Business, Energy and Industrial Strategy

One of the key drivers of rising energy costs is the increase in default tariff caps for electricity. These caps are not applied equally across each region. The table below presents the default tariff caps at zero level of consumption for electricity based on a Single-Rate Metering Arrangement – for each region, alongside the number of 'left behind' neighbourhoods in the region.

	Standard Credit	PrePay/Meter	Other Payment Method	'Left behind' neighbourhoods
Southern Western	£200.86	£196.49	£179.46	1
Northern	£190.93	£187.12	£170.03	56
Yorkshire	£189.51	£185.78	£168.69	28
Midlands	£188.05	£184.40	£167.30	31
N Wales and Mersey	£186.04	£182.50	£165.40	26
<b>GB Average</b>	<b>£177.83</b>	<b>£174.75</b>	<b>£157.60</b>	
East Midlands	£175.67	£172.71	£155.56	17
Southern	£170.70	£168.02	£150.85	7
North West	£166.49	£164.04	£146.84	28
South East	£164.36	£162.03	£144.82	12
Eastern	£150.64	£149.08	£131.81	19
London	£129.47	£129.09	£111.73	0

Source: OfGem April 2022 - September 2022

'Left behind' neighbourhoods are disproportionately affected by high energy caps. The majority of 'left behind' neighbourhoods are found in areas with a relatively high default tariff cap, with 142 of the 225 'left behind' neighbourhoods (63.1%) in areas with a default tariff cap which is above the national average. By contrast, there are no 'left behind' neighbourhoods in the London energy region (where the default tariff cap is lowest).

### **People living in 'left behind' neighbourhoods are also more likely to have additional costs associated with managing a long-term health condition**

Another specific challenge in 'left behind' neighbourhoods is the relatively high levels of people with a limiting long-term illness or disability. Those with long-term illnesses are more likely to have additional costs associated with managing their condition and are likely to be especially adversely affected by rising fuel and food costs.

The table below shows the proportion of people claiming the main disability benefits across 'left behind' neighbourhoods, other deprived areas and England. Incapacity Benefit, Employment and Support Allowance and the two Universal Credit components shown in the table are applicable where people have limited or no capacity to work due to poor mental or physical health, illness or disability, according to various conditions for claimants. Disability Living Allowance, Personal Independence Payment and Attendance Allowance are payable to people with long-term illness or disability that require social care support to manage their conditions – regardless of their employment or financial circumstances.

	'Left behind' neighbourhoods	Other deprived neighbourhoods	England
Incapacity Benefit/Employment and Support Allowance (Nov-2021)	8.0	7.1	4.2
Universal Credit claimants: No work requirements (May-2022)	8.4	7.3	3.9
Households on Universal Credit - Limited Capability for Work Entitlement (Feb-2022)	6.1	5.9	3.0
Disability benefit (DLA) (Nov-2021)	3.4	2.9	2.0
Personal Independence Payment (PIP) (Feb-2022)	13.4	11.2	6.8
Older people social care benefit (Attendance Allowance) (May-2020)	14.4	14.5	12.5

Source: Department for Work and Pension (DWP)

For five of the six principal health-related benefits, 'left behind' neighbourhoods show a higher claimant rate than across other deprived neighbourhoods, while 'left behind' neighbourhoods shows considerably higher claimant rates than the national average across all health-related benefits.

The Personal Independence Payment claimant rate in 'left behind' neighbourhoods is approximately double the national average (13.4% compared to 6.8%). PIP helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health and began to replace Disability Living Allowance (DLA) as the main disability benefit for working age people from April 2013. These costs are likely to have risen considerably as part of the cost of living challenges.