SOUTHERN POLICY CENTRE

Levelling up: making the case for investment in the central South

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Southern Policy Centre

Levelling up: making the case for investment in the central South[1]

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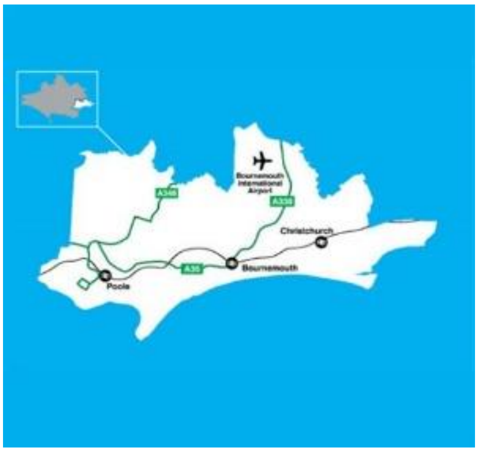

[1] In this report we define the central South as including the local authority areas of region: Bournemouth, Christchurch & Poole, East Dorset, Southampton, New Forest, Eastleigh, Portsmouth, Isle of Wight, Fareham, Gosport and Havant

Executive summary

The central tenet of the 'levelling up' agenda focuses on the Midlands and the North[2], giving the perception that there is a difference in the level of need and requirement for support between these regions and the supposedly more affluent South East. However, this assumes that all areas within an "affluent" region provide similar life chances to their residents. This paper explores whether the affluence associated with the South East is uniform across the region and whether the characteristics of disadvantage for residents in the central South suggest some may experience poorer life chances, similar to those in selected areas of the Midlands and North. It seeks to investigate the extent to which the perception of the "affluent South East" is true, or whether it is, in places, also in need of 'levelling up'. The paper defines central South as the area within the South East that is covered by Solent LEP along with Bournemouth, Christchurch and Poole.

The paper makes comparisons at three area levels and the key points from this initial high level research seek to provoke discussion and act as a springboard for further work in specific areas:

- The aggregation of all parts of the region as lying within the "affluent South East" mask significant differences WITHIN that region, masking localities whose performance is more akin to other less affluent regions (e.g. wider areas of Southampton and Portsmouth; Isle of Wight) as well as WITHIN localities (e.g. areas of deprivation), in ways that are experienced by constituents in their daily lives.
- Initial comparisons have been done of the central South (as identified in this paper – comprising a few areas within the South East and Bournemouth, Christchurch and Poole) with selected areas of the Midlands and the North, which are most often and most strongly associated with the 'levelling up' agenda. These comparisons indicate that even at this more aggregate level, parts of the Midlands and North do not appear to be as different from parts of the central South as the 'levelling up' agenda would suggest they are. Further, many residents face similar disadvantages and poorer outcomes in parts of each region, evidenced by lower educational achievement, skills, wages and life expectancy.
- Based on this initial research, it could be argued that the worst circumstances of all are those of residents living in deprived neighbourhoods within affluent areas as they have less access to opportunities to improve their lives and they can often receive the least attention when their need is greatest. Using data on social mobility in constituencies as a basis, the paper examines the impact of disadvantage on those smaller pockets of deprivation.

[2] The selected areas are within the remit of following Local Enterprise Partnerships (LEP): D2N2 LEP, Stoke and Staffordshire LEP, Cheshire and Warrington LEP, Solent LEP and Dorset LEP (Bournemouth, Christchurch and Poole).

The solutions put forward by the Institute of Fiscal Studies (IFS) include long term policies and investment in transport and Research & Development (R&D) in areas outside London, boosting existing place-based funding programmes and focusing on the importance of local government in levelling up by resourcing a broader devolution strategy. The latter will require action at a national level, acting on one of the conclusions[3] by the Institute of Fiscal Studies - "The Chancellor should pay particular attention to the important role local governments will play in 'levelling up' - potentially as a part of a broader devolution strategy - and ensure that this is backed up with adequate funding, both for investment and for running costs." Although this was in the context of the 2020 Spending Review, it is still relevant now.

> **"Any case for the need for areas in the central South to 'level up' should consider improving the following outcomes: educational and skills equality; income equality, health inequalities access to affordable housing and social mobility."**

Any case for the need for areas in the central South to 'level up' should consider improving the following outcomes: educational and skills equality, income equality, access to affordable housing, health inequalities and social mobility. In addition to Government investment, to succeed responses <u>must</u> be driven locally and jointly by local government, health, businesses, employers and educational establishments. Given the data shows relatively poor educational attainment and qualifications and higher housing affordability ratios in some areas of the central South, the most important solutions could be developed and delivered through:

- Strong local leadership and partnerships across public sector, businesses and educational establishments, supported by Government funding beyond capital investment, to design long term programmes that help people to enhance their economic opportunities by acquiring the necessary education, skills and qualifications to achieve better paid jobs and improve their social mobility.
- Deeper understanding of the inequalities within regions and communities, addressing the causes of disadvantage (poverty, deprivation, education, skills, health, housing and jobs) and for a greater emphasis on quality, affordable homes, skills and good jobs, as well as vibrant town and city centres.
- Place specific solutions, based on evidence which informs a deep understanding of what the barriers are, and therefore, how best to address them. They must include design and delivery of projects to improve access to affordable housing.

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[3] Key Finding 10, IFS Green Budget 2020: Chapter 7, Levelling up: where and how? Alex Davenport and Ben Zaranko

- Facilitation by the Social Mobility Commission, taking up their offer to work with local and regional leaders and employers to think through the avenues through which the right opportunities can be provided to boost social mobility.

Further research areas could include:

Bournemouth, Christchurch and Poole: Ranks very weak or weak in five out of six Future Growth Potential strength indicators and low average weekly workplace earnings; is more vulnerable to short term impacts of exposure to COVID-19.

Southampton: While business start-up rate is high, it is accompanied by a very high business churn rate, highlighting the need to provide more support to new businesses so that they can grow and flourish; below average rank for educational attainment measures for children and young people eligible on Free School Meals; poor outcomes on a number of health and life expectancy indicators.

Portsmouth: Portsmouth is in the highest group for both indices relating to levelling up and vulnerability to short term impact of COVID-19 exposure.

Isle of Wight: Ranks high in the Levelling Up index and is vulnerable to the short term impacts of exposure to COVID-19; nearly one in three residents are living in the neighbourhoods in the top 3 deprivation decile neighbourhoods.

Gosport: Is in the highest group relating to levelling up; pupils on Free School Meals have worse than national average outcomes for educational attainment from primary stage to A levels, performing either worse or same as the comparator in this paper - Bolsover.

Havant: This is the one area to perform below average in all the SMI index measures, providing an opportunity to explore holistic solutions.

New Forest: If we can agree that education plays a critical role in social mobility, then pupils on Free School Meals in New Forest East face considerable barriers in building a good life, as per the definition of social mobility. While pupils in New Forest West do better than national average till KS4, it will be important to explore the reasons for the drop in performance at A Levels to below national average.

Introduction

This paper aims to provoke discussion on whether some areas in the central South can make a case for investment in 'levelling up' by exploring similarities and differences between this region and selected areas already identified as targets for such action. It may also offer a foundation for further research to make a case for long term investments that lead to a more educated, skilled and healthy workforce, who in turn can contribute to and benefit from the economic growth of the places they live in. It does not seek to prescribe solutions or interventions. We have tried to use available data to reflect on the strong similarities between the central South and selected areas in the Midlands and North, where the Government has spoken of the need to 'level up'. The research on which this paper is based is detailed in Appendix 1.

The paper defines central South as the area within the South East that is covered by Solent LEP along with Bournemouth, Christchurch and Poole. Initial comparisons have been done with selected areas of the Midlands and the North, which are most often and most strongly associated with the 'levelling up' agenda. These indicate that even at this more aggregate level, the two regions do not appear to be as different as the 'levelling up' agenda would suggest they are.

The Government has prioritised tackling geographic inequalities and its commitment to the 'levelling up' agenda is reflected in the March 2020 Budget, which sought to deliver 'an ambitious programme of investment in communities across the country, many of whom feel left behind'.[4] The Government's National Infrastructure Strategy is supported by the 2021/22 Spending Review and the next phase of the Government's capital investment in infrastructure (£100 billion) to kickstart growth and support hundreds of thousands of jobs. The programmes of investment include:

- **Stronger Towns Fund**[5] (£3.6 billion) to invest in 101[6] towns to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills and culture
- **Future High Streets Fund**[7] (£830 million) to be invested in 72 areas across England to fund new local projects such as improvements to transport infrastructure, new homes and the transformation of underused spaces
- **Levelling Up Fund**[8] (£4 billion) to level up and strengthen communities
- **National Home Building Fund**[9] (£7.1 billion) to build more affordable, sustainable and beautiful homes across England
- **The March 2021 Budget included**:
  - Community Renewal Fund (£220 million) to pilot programmes and new approaches and will invest in skills, community and place, local business, and supporting people into employment
  - Community Ownership Fund (£150 million) to help ensure that communities can support and continue benefiting from the local facilities, community assets and amenities most important to them
  - Eight new English Freeports, including Solent

What is 'levelling up'?

There is no clear definition of 'levelling up' but in announcing its investment programmes, the Government recognised that some of the most prosperous regions have pockets of deprivation and neighbourhoods that have not fully benefited from the success of their wider regional economy (i.e. 'left behind'). Some common themes have emerged in the criteria published for the programmes:

- The Stronger Towns Fund uses a needs-based formula to select areas for funding was based on a combination of productivity, income, skills, deprivation metrics and

[4] IFS Green Budget 2020: Chapter 7 - Levelling up: where and how? October 2020, page 235
[5] Announced in September 2019
[6] Described as 100 or 101 towns
[7] Started in 2018 and this further announcement was in December 2020
[8] 2021/22 Spending Review, November 2020
[9] 2021/22 Spending Review, November 2020

proportion of the population living in towns
- The Community Renewal Fund identifies 100 priority places on the basis of an index of economic resilience which measures productivity, household income, unemployment, skills and population density
- More recently, the announcement of 100 places for the Levelling Up Fund is based on the following indicators to measure the need for levelling up: economic recovery and growth (productivity, 16+ unemployment rate, skills), improved connectivity (average journey times to employment by car, public transport or bike) and regeneration (commercial and dwelling rates)

The inevitable significant negative impact of COVID-19 on individuals, businesses and areas is not fully considered in this paper as detailed data and analysis is not available yet. Initial work from the Institute of Fiscal Studies[10] on measuring 'left behind' areas which also considers the short term impact of COVID-19 has been included.

'Levelling up' – which areas?

There are no details on specific places and communities considered as 'left-behind' and which therefore need levelling up. It is, in part a political agenda, targeted at investing in the so-called 'Red Wall' seats which fell to the Conservatives in the 2019 General Election. A further indication of the Government's analysis regarding areas that need 'levelling up' may lie in the areas that have been included in its funding programmes as well as in its statement "to ensure that Government policies that have the most impact on levelling-up are created by those living in communities outside of London and the South East, the Treasury will set up its Northern headquarters next year"[11]. More recently, the Railways White Paper published by the Department of Transport indicates its intentions to equalise spend: "Investment will be prioritised in areas that have seen less spending in the past, to level up the whole country". [12]

The areas we selected for comparison (see below) therefore, feature in the following **categories** (central South area are indicated in italics):

- **Parliamentary seat switched from Labour to Conservative:** Derby North, Bolsover, Stoke-on-Trent Central and North, Newcastle-Under-Lyme, Crewe and Nantwich, Warrington South
- **Received an allocation from the Future High Streets Fund:** Derby City Centre, Nottingham City Centre, Newcastle-Under-Lyme, Crewe and *Portsmouth*
- **Received an allocation from the Stronger Towns Fund:** Newcastle-Under-Lyme, Crewe, Warrington and *Bournemouth*
- **Identified in the list for the Communities Renewal Fund:** Derbyshire Dales, Nottingham, Bassetlaw, Stoke-on-Trent, Newcastle-Under-Lyme
- **Identified in the list for the Levelling Up Fund Priority 1:** Derby, Derbyshire Dales, Bassetlaw,

[10] Levelling up – where and how? Chapter 7, published in October 2020
[11] Spending Review 2021-22 published 25 November 2020
[12] Great British Railways: The Williams-Shapps Plan for Rail, page 26

Nottingham, Erewash, Stoke-on-Trent and *Gosport*

- **Identified in the list for the Levelling Up Fund Priority 2:** Bolsover, Broxtowe, Newcastle-Under-Lyme, Warrington, *Havant, Portsmouth, Southampton, Eastleigh and the Isle of Wight*
- **Identified in the list for the Levelling Up Fund Priority 3:** Stafford, *Bournemouth, Christchurch and Poole, New Forest*

Prominent in the list of areas selected for 'levelling up' funding[13] are constituencies which turned from Labour to Conservative includes towns and cities in the Midlands and the North. This emphasis of the Red/Blue Wall areas is not always supported by data which in turn is increasingly raising concerns about the application of criteria for the allocation of 'levelling up' funding. Such concerns are pertinent to areas in central South whose residents experience similar levels of poverty, deprivation and skills disadvantage to those in areas that will benefit from funding programmes.

However, it could be argued that as the Government recognises that it is people and communities (not geographical areas) who feel left behind, 'levelling up' may be more complex than a North/South divide based on deficits in past investment when compared to London and the South East. This point is emphasised by the Social Mobility Commission which states that "The chances of someone from a disadvantaged background getting on in life is closely linked to where they grow up and choose to make a life for themselves. It has been commonplace in recent decades to think of this geographical divide in terms of a north/south divide. The Social Mobility Index paints a more complex picture than that".[14]

"The chances of someone from a disadvantaged background getting on in life is closely linked to where they grow up and choose to make a life for themselves."

Freeports

The Government conducted a consultation process in 2020 on its proposals to have the first Freeport opening for business in 2021. Freeports are usually located around shipping ports, or airports and are designed to attract major domestic and international investment. The ambition is for them to be the hubs of enterprise which will allow places to carry out business inside a country's land border but where different customs rules apply. The UK had seven freeports between 1984 and 2012, including Southampton. In selecting areas to be designated as Freeports, consideration was given to how a freeport could bring economic opportunities to poorer regions and 'level up' the country as well as the impact of COVID-19 on local areas and ensuring freeports are "spread fairly" across England. Solent is one of

[13] Portsmouth is included in the Future Streets Fund and Bournemouth in the Stronger Towns Fund

[14] 2017 Social Commission Report

England's eight new Freeports announced as part of the March 2021 Budget and the Government has confirmed that Freeports will benefit from:

- streamlined planning processes to aid brownfield redevelopment
- a package of tax reliefs to help drive jobs, growth and innovation
- simplified customs procedures and duty suspensions on goods

Choosing areas for comparison in the central South, Midlands and the North

To compare places in the central South with those which might be within scope for 'levelling up' the latter were selected on the basis of the categories described above; details of the methodology and the factors on which the choice of areas was based is attached at Appendix 2. The paper details three different levels of comparisons based on similar populations[15] and using, as much as possible, the latest data available:
Primary Urban Area (PUA): defined by Centre for Cities as the "built-up" area of a large city or town, rather than individual local authority districts, providing a consistent measure to compare concentrations of economic activity across the UK, distinct from city region or combined authority geographies.

- Local Authority area: based on local authority administrative boundaries
- Constituency area: based on Parliamentary Constituencies (at the 2019 election)

Differences within the South East region

Regions, like everything else, can be stereotyped as prosperous (or otherwise) but this often overlooks the point that there may be significant

Table 1: *Selected areas for comparison*

Regions	Central South: population of 1,322,983	Midlands and North: population of 1,320,114
Primary Urban Area (PUAs) as defined by the Centre for Cities	Bournemouth (includes Christchurch, Poole and East Dorset) Portsmouth (includes Fareham, Gosport, Havant) Southampton (includes Eastleigh)	Derby Nottingham (includes Broxtowe, Erewash, Gedling) Stoke on Trent (includes Newcastle-Under-Lyme)
Local Authority Area Based on Nomis and Constituency data	Southampton (252,500)	Derby (257,300)
	Portsmouth (214,905)	Warrington (209,547)
	Bournemouth, Christchurch and Poole (395,331)	Stoke On Trent, Newcastle-Under-Lyme (256,400 + 129,490= 385,390)
Constituency Area Based Constituency data	Havant (125,813)	Newcastle-Under-Lyme (129,490)
	Gosport (85,283)	Bolsover (79,530)
	Isle of Wight (141,538)	Crewe and Nantwich (110,828)
	New Forest (179,753)	Derbyshire Dales and Burton (187,589)

[15] Population for PUAs: Centre for Cities and for IoW and New Forest from Nomis.

numbers of people who are unable to access the opportunities offered by the region's prosperity as a result of their own experiences of deprivation, poverty and disadvantage. The problems of stereotyping the South as being prosperous may mask their situation and also the impact of more recent economic issues for some areas. A report from the Institute for Fiscal Studies (IFS) argues that "the inequalities *within* regions are larger than inequalities *between* regions. This is especially true in the South of England. Between-region inequalities in earnings and household incomes after housing costs have in fact narrowed slightly since the early 2000s".[16]

Table 2 shows that when compared with other PUAs in the South East , the central South does not perform as well. With the exception of Brighton which features in 4 measures, the PUAs within the central South region occupy the worst ranking for the measures (marked in red), indicating that the experiences for people who live in the central South are not the same as those of other places in the South East. Interestingly the comparison in Appendix 3 shows that Southampton and Portsmouth have slightly lower life expectancies than in the South East, Hampshire and Surrey. The central South could perhaps be considered as a lower tier within the wider South East region for these purposes.

Table 2: *Comparison between central South and selected PUAs within the SE region* (Note: The red shading indicates the worst performing 2 PUAs)

	Nat Avg	BCP	So'ton	P'mth		Reading	Slough	B & H
Employment rate 2018	75.5	78.9	76.9	75.8		79.7	73.7	76
% Working age population with no formal qualifications 2019	7.9	5.3	6.7	7.1		6.4	7.2	3.3
NVQ4+ 2019	40.2	39.4	39.4	34.6		51.00	40.30	55.3
GDP per worker 2018	£67,354	£60,187	£71,760	£61,453		£83,801	£99,988	£65,994
Avg weekly workplace earnings 2019	£528	£482	£515	£503		£624	£600	£479
Business start-up rates % 2019	58.42	53.0	78.61	49.9		66.24	79.58	87.7
Business Churn rate % 2019	1.82	1.27	7.35	2.95		1.45	4.17	4.77
Pupils achieving 9-4 grades in M & E GCSE % 2019	64.89	70.54	64.37	58.42		69.22	73.69	68.71
Housing affordability ratio 2020	10	12.43	9.21	9.93		11.56	11	14.1
No of days poor air quality		50	34	31		31	25	16

[16] IFS Green Budget 2020: Chapter 7 - Levelling up: where and how?

Comparing the central South with urban areas in the North and Midlands

Similarities and differences in PUAs between central South and selected comparators

A thriving local economy with 'growth potential' is reflected in economic indicators[17] such as business start-up and business churn rates, GDP per worker, average weekly workplace, employment rate and graduate retention rate. While the journey of developing a skilled workforce starts with achievement in GCSE grades and further qualifications, the ability to attract and retain skilled people to the area also depends on factors such as housing affordability and a healthy population and environment. Table 3 shows a comparison between the PUAs in the 2 selected regions. Comparison of the economic indicators show similar performance, e.g. GDP per worker in the PUAs are in the range of £57,043 - £61,453 (except Southampton which is £71,760); graduate retention rates are broadly similar in that they average 18 - 22%, with the exception of Stoke (30%). While the average weekly workplace

Table 3: *Comparison of PUAs in the Midlands and central South* (best in the group in green and the worst in red)

Primary Urban Areas → / Indicators ↓	BCP	Stoke		So'ton	Derby		P'mth	Nott'm
Employment rate 2018	78.9	71.6		76.9	73		75.8	71.2
% Working age popu with no formal quals 2019	5.3	10.7		6.7	9.4		7.1	7.5
NVQ4+ 2019	39.4	27.4		39.4	33.3		34.6	36.30
GDP per worker 2018	£60,187	£61,359		£71,760	£57,043		£61,453	£58,064
Avg weekly workplace earnings 2019	£482	£472		£515	£639		£503	£477
Business start-up rates % 2019	53.0	35.64		78.61	44.89		49.9	40.21
Business Churn rate % 2019	1.27	1.47		7.4	1.71		2.95	0.83
Pupils achieving 9-4 grades in M & E GCSE % 2019	70.54	57.75		64.4	59.33		58.4	59.7
Housing affordability ratio 2020	12	5		9	6		10	7
No of days poor air quality	50	26		34	21		31	23

[17] Centre for Cities and Catapult – Identifying growth centres across the UK

earnings are slightly higher in central South (£499 - £542) and in Derby (£619), compared to the other areas in the North and Midlands (£449 - £497), they are offset by the housing affordability ratios in central South which are between 1.5 to 2 times higher. This could be significant as it would reduce the disposable income and the chances of home ownership. While the business start-up rates for are higher in the central South, so are the business churn rates, raising a question about support for translating entrepreneurship into sustainable businesses.

In 2020, Connected Places Catapult commissioned a report (Identifying potential growth centres across Great Britain - Connected Places Catapult, 2020) in collaboration with the Centre for Cities to analyse the characteristics that define the country's top performing innovation economies and to consider places that have the strongest potential to become engines of our future economy. This was in the context of the Government's ambitions to 'level up' and "to understand where and how public investment should be focussed in order to deliver the desired improvements in regional productivity and prosperity". The report looks at the strongest potential to join London, Oxford and Cambridge as engines of places outside of this group which have Britain's future economy. The potential to become a growth centre is based on six different indicators. These indicators combine a range of measures across the various factors associated with innovation. Together, they capture a city's relative strength across: the basic economic conditions, the R&D innovation capacities and the ability to transform innovative activities into outputs". For simplification, the values for each indicator (save for overall rank) were categorized into "very strong", "strong", "weak" or "very weak". Analysing future growth potential, it is

Table 4: *Comparison of growth potential*

Strengths → PUAs ↓	Rank in	Patent	Trademarks	University innovation	Business innovation	Skills and spillover	Infrastructure
Derby	Top 10%	Very strong	Very weak	Strong	Strong	Strong	Very Strong
Southampton	Top 30%	Very weak	Weak	Very strong	Very strong	Strong	Strong
Portsmouth	Top 50%	Weak	Very weak	Weak	Strong	Strong	Strong
Bournemouth	Top 50%	Very weak	Strong	Weak	Weak	Weak	Weak
Warrington	Top 50%	Very weak	Strong	Very weak	Weak	Strong	Weak
Nottingham	Bottom 50%	Weak	Weak	Strong	Very weak	Strong	Weak
Stoke	Bottom 50%	Weak	Very weak	Strong	Very weak	Weak	Strong

not surprising that with the exception of Derby which ranks in the top 10%, the central South areas are in the top 50% whilst the selected areas in the Midlands and North are in the bottom 50%. Therefore, residents in the central South region can certainly expect to be economically better off. However, there are some significant differences within the central South, e.g. Bournemouth rates as weak or very weak across 5 of the 6 future growth potential indicators, raising the need for further research to understand the causes and the potential solutions. So while the central South region is generally more prosperous and better placed for continued economic growth and innovation, it still poses the question whether the economic success, prosperity and potential of the central South translates in such a way that all its residents can and do benefit from this.

> **"...while the central South region is generally more prosperous and better placed for continued economic growth and innovation, it still poses the question whether the economic success, prosperity and potential of the central South translates in such a way that all its residents can and do benefit from this."**

Levelling Up Index

The IFS has also developed a Levelling Up Index[18] using quintiles to assess how left behind different areas are and the vulnerability to short term impact of exposure to COVID-19. This shows that the local authority areas of Portsmouth and the Isle of Wight are the worst off in the selected comparator group as they are in the top quintile for left-behind index as well as exposure to COVID-19. These differences within the region led to exploring comparisons of the life experiences of people in the central South region and the experiences of people living the Midlands and North which are considered to need 'levelling up'. To understand this better, comparisons have been drawn on the causes of disadvantage at two levels: a local authority area and constituency area.

Causes of disadvantage: comparing local authority areas and constituency areas

As stated earlier, the Government's investment programmes recognise that in some of the most prosperous regions, smaller areas and neighbourhoods have been 'left-behind' as they have not fully benefited from the success of their wider regional economies. This then is the starting point for outlining the similarities between specific areas and neighbourhoods in the central South and selected areas within the Midlands and North. In the tables that follow, comparisons for deprivation, poverty and health have been made on the basis of local authority areas and

[18] Levelling up – where and how? Chapter 7, published in October 2020

Table 5: *Comparison of the impact of exposure to COVID-19 and left-behind index ranking*
Key: Red indicates greatest impact

<table>
<tr><th rowspan="2">Local Authority areas</th><th colspan="3">Levelling Up Index</th><th rowspan="14">*Key for quintile rating (3rd column in Table 5):

0 is top quintile on neither index;

1 is top quintile only for exposure to COVID-19;

2 is top quintile only for left-behind index;

3 is top quintile on both</th></tr>
<tr><th>Left behind quintile (1: most left behind)</th><th>Vulnerability to ST impact of exposure to C19 (1: most vulnerable)</th><th>Quintile rating for left behind and COVID-19 exposure *</th></tr>
<tr><td>BCP</td><td>4</td><td>1</td><td>1</td></tr>
<tr><td>Stoke-on-Trent</td><td>1</td><td>3</td><td>2</td></tr>
<tr><td>Southampton</td><td>3</td><td>4</td><td>0</td></tr>
<tr><td>Derby</td><td>2</td><td>3</td><td>0</td></tr>
<tr><td>Portsmouth</td><td>1</td><td>1</td><td>3</td></tr>
<tr><td>Warrington</td><td>4</td><td>5</td><td>0</td></tr>
<tr><td>Isle of Wight</td><td>1</td><td>1</td><td>3</td></tr>
<tr><td>Derbyshire Dales</td><td>3</td><td>1</td><td>1</td></tr>
<tr><td>Gosport</td><td>1</td><td>4</td><td>2</td></tr>
<tr><td>Bolsover</td><td>1</td><td>3</td><td>2</td></tr>
<tr><td>Havant</td><td>2</td><td>2</td><td>0</td></tr>
<tr><td>Newcastle-Under-Lyme</td><td>1</td><td>2</td><td>2</td></tr>
</table>

education, skills, employment, income and Social Mobility, comparison has constituency areas, sometimes aggregating it for a local authority area.

As there seems to be no agreed definition for the term 'levelling up', for the purposes of this paper and the comparisons within it, the potential causes for disadvantage and their relationship to place based economic benefits have been used. They are based on the common theses emerging in the criteria for funding programmes, as mentioned earlier:

i. Deprivation and poverty (rank of deprivation, % of LSOAs in the top 3 deciles of deprivation, child poverty rates)
ii. Health inequality and life expectancy
iii. Education and skills (educational attainment at GCSE and A levels, no qualifications, NVQ 1-4)
iv. Employment and Income (employment rate, average income, housing affordability ratio)
v. Social Mobility (indicators for the progress made by disadvantaged children from early years and educational attainment to employment and housing affordability).

Table 6: *Comparison of deprivation and child poverty (Cheshire East for Crewe and Nantwich)*

	IMD Rank (1 is most deprived, 317 least deprived) IMD ranking up to 100 in bold					% in top 3 deprivation deciles (2019) 25% and over in bold	Child poverty rates[19] 2018/19 GB rate 18.4%) Above GB average in bold
	Overall rank	Income rank	Emp rank	Education, Skills and Training rank	Health & disability rank		
Nottingham	**10**	**21**	**51**	**14**	**14**	**70**	**26**
BCP	166	142	141	164	140	19	12
Stoke-on-Trent	**15**	**25**	**19**	**5**	**8**	**62**	**31**
Southampton [20]	**55**	104	149	**90**	**56**	**45**	**22**
Derby	**90**	**75**	**78**	**69**	**60**	**44**	**23**
Portsmouth	**57**	107	155	**79**	**90**	**35**	**20**
Warrington	175	179	148	205	92	**28**	15
Isle of Wight	**80**	**65**	**44**	**61**	114	**32**	**20**
Crewe and Nantwich*	228	240	210	256	169	15	17
New Forest	241	243	219	222	249	6	13
Derbyshire Dales	265	271	251	257	237	2	13
Gosport	130	154	147	**47**	118	**28**	15
Bolsover	**58**	**57**	**28**	**11**	**35**	**40**	18
Havant	133	118	109	**67**	123	**35**	**19**
Newcastle-Under-Lyme	150	165	115	131	**80**	24	17

i) Deprivation and poverty

A comparison of the percentage of residents living in the top three deprivation deciles (2019) shows[21] that while Nottingham and Stoke-on-Trent have significantly higher percentages of their population living in deprived neighbourhoods, deprivation levels are similar for the other areas being compared. They are in a broadly similar range in that a quarter to over a third of their residents experience the negative impacts of deprivation. Child poverty rates in Southampton, Portsmouth, Havant and the Isle of Wight are also comparable to Nottingham South,

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[19] Relative child poverty rate. % of 0-15 year olds living in households with income below 60% of median; Income measured before housing costs are accounted for. The poverty figures are classified as experimental official statistics and were published by HMRC and DWP for the first time in March 2020. Source: House of Commons Library, rounded figures are combined average for constituencies.

[20] Child poverty in Romsey and Southampton West is 11.8%

[21] Percentages have been rounded

Table 7: *Life expectancy 2017-19, Red shows worse than England average and Green shows better than England average*

	England Average	Southampton	Derby		Portsmouth	Warrington		BCP	Stoke-on-Trent
Life expectancy in years @ birth Male	79.8	78.5	78.6		78.4	79.0		80.5	76.5
Life expectancy in years @ birth Female	83.4	82.5	82.1		81.9	82.8		83.7	80.2
Life expectancy in years @ age 65 M	19.0	18.2	18.3		17.9	18.3		19.6	17.3
Life expectancy in years @ age 65 F	21.3	20.7	20.6		20.3	20.7		21.7	19.3

Derby North, Newcastle-Under-Lyme.

ii) Health

Within the South East region, children born in Southampton and Portsmouth have lower life expectancies[22] at birth, by 2-4 years when compared to England, Hampshire and Surrey. Interestingly, they have more in common with Derby, Warrington and Stoke-on-Trent. With the exception of Bournemouth, Christchurch and Poole, all other areas compared are in the lowest quintile for life expectancy, lower than the England averages and showing significant similarities, irrespective of whether they are in the central South, Midlands or the North.

iii) Education and skills

Educational attainment at school and Further Education (FE) are similar or worse for areas in the central South, e.g. Derby, Southampton, Warrington and Portsmouth have between 59-76% pupils achieving the GCSE average attainment 8 scores and percentage of pupils achieving AAB at A levels are 0-4% for Portsmouth, 3-7% for Southampton, 0-9% for Warrington and 14-19% for Derby. Similarly, in Havant, Gosport, Newcastle under Lyme and Bolsover between 41-44% of pupils achieve the GCSE average attainment 8 scores, but at A levels, Gosport and Havant seem to do better, although more work needs to be done to understand the reasons as in Gosport, one of the 2 schools offering A levels has no pupils achieving AAB, similar to that of the whole of Bolsover. The areas are comparable for NVQ+ qualifications - Bolsover (19%), Gosport (21%), Newcastle-Under-Lyme (30%), Havant (37%), Portsmouth and Derby (33%), Southampton (38%) and Warrington (41%). In all these areas, irrespective of the region, between only 1 and 2 in every 5 residents achieve this qualification.

[22] Public Health England 2018/19 data

iv) Employment and income

Employment rates are higher in the central South - all areas are within the 70-80% range, with the areas in the percentages for Midlands and North all below 73%.The average workplace earnings also show a similar range for all the areas (£448 - £515), with the exception of Derby (£619). Despite being located in the prosperous South, Bournemouth's average earnings of £482 are amongst the lowest in this comparator group.

v) Social Mobility

The Social Mobility Commission (SMC) describes social mobility as "ensuring that everyone has the opportunity to build a good life for themselves regardless of their family background". Its report[23] concluded that there is no direct correlation between the affluence of an area and its ability to sustain high levels of social mobility, with some affluent areas being among the worst for offering good education and employment opportunities to their most disadvantaged residents. It also makes the point that the biggest divide in terms of social mobility is between London (and commuter belt areas around it but not the whole South East) and the rest of the country. To change this requires 'levelling up' through ongoing investment in education, employment and housing.

The Commission developed the Social Mobility Index (SMI) as a prism using 16 indicators that are associated with the chances of someone from a disadvantaged background experiencing upward social mobility. The Index assesses which parts of the country have the best and worst social mobility outcomes in relation to the education, employability and housing prospects, including the translation of differences in educational attainment into preparation of young people for the labour market, employment opportunities and housing affordability. The emphasis on education and its role in achieving better paid jobs is critical - the findings in another report[24] from the SMC found was that in areas of high social mobility, educational achievement accounts for almost all the earnings difference between individuals from deprived and affluent families.

> **"…within the apparently prosperous central South, children and young people on FSM (free school meals) are consistently disadvantaged through their education and skills journey…"**

The comparison between the two regions can be done through assessing the performance of disadvantaged children, young people and adults in the two regions, based on the definitions used by the Social Mobility Commission. The comparisons have been drawn only on the basis of constituencies because this gives a better picture of the hidden disadvantage for some residents

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[23] 2017 Social Commission Report, Government press release published on 28 November 2018

[24] Differences in opportunities across England, September 2020

growing up and living in the prosperous South Coast which blight their life chances dramatically. Their situation is camouflaged by the wider economic performance, growth and prosperity of the region. As with all other data, the health warning is that definitions for attainment are different depending on the data sources. The greatest similarities are in the Social Mobility Index (SMI) which shows that in all these areas, the most consistent underperformance is in:

- Average attainment 8 score for pupils eligible for children eligible for Free School Meals (FSM)
- Percentage of young people eligible for FSM that are in education, employment or training (positive destination) after completing KS4
- Percentage of young people eligible for FSM at age 15 achieving 2 or more A-levels or equivalent qualifications by the age of 19
- Average earnings- median weekly salary of employees who live in the local area (full-time and part-time)
- Percentage of families with dependent children who are owner occupiers (incl. shared & full ownership)

The tables set out in Appendix 4 clearly show that within the apparently prosperous central South, children and young people on FSM are consistently disadvantaged through their education and skills journey, leaving them ill prepared to take advantage of the economic opportunities in the region. It also shows that people who face disadvantage in the central South have more in common with people in selected areas of the Midlands and the North than in other parts of the South. While it shows that the highest priority for action is in Havant, the other constituencies are not far behind, including the New Forest East, Gosport Bournemouth and Christchurch.

Comparison of social mobility in constituencies within the selected regions

Comparing the Social Mobility Index for constituencies presents some interesting points that will need further research. Most strikingly, in all the selected constituencies social mobility is a significant issue with educational attainment and average earning proving to be consistent barriers. The similarity in the experiences of people facing the effects of deprivation and disadvantage shows that they have a lot in common with people who face similar barriers in the selected areas of the Midlands and the North. The comparisons have been done on the basis of PUA for BCP and Stoke (they have similar size populations when taken as PUAs) and constituency areas for the others.

Bournemouth, Christchurch and Poole compared with Stoke-on-Trent and Newcastle-Under-Lyme: Despite the relative prosperity, the experiences of people who face disadvantage in BCP is comparable to those in the selected areas in the Midlands and the North. The low average earnings combined with the higher costs of housing, will no doubt leave some residents in BCP with less disposable incomes.

Southampton and Derby: While social mobility in the 2 constituencies in Derby is clearly worse than average in all aspects except for average wages in Derby North and housing affordability, the constituencies which include Southampton are very much comparable when educational attainment and average earnings are compared, showing the striking similarities between the experiences of disadvantaged people in both cities (and the wider area covering Romsey).

Portsmouth and Warrington: Warrington was chosen as a comparator with Portsmouth for two reasons: a) it has a similar population size and b) it is located just north of the other areas chosen as comparators in this paper. While the similarities are obvious, Warrington South in particular does better on a number of key indicators from secondary school onwards. It will certainly be worth understanding how educational attainment improved after GCSEs.

> "The comparisons made so far show greater similarities between the selected areas and act as a trigger for discussion and further work on whether and where a case can be made for 'levelling up' in the central South."

Gosport, Havant, IoW, New Forest, Bolsover, Newcastle-Under-Lyme, Derbyshire Dales and Burton: In these selected constituencies, the one area to do below average in all the SMI index measures is Havant and as education plays a critical role in social mobility, pupils on Free School Meals, even in parts of the New Forest, face considerable barriers in building a good life, as per the definition of social mobility.

Summary of the comparisons

The following tables show a comparison of key economic, educational and other indicators in the central South and comparators from the Midlands and North of England. All face common challenges, notably:

- Poverty and deprivation, with more than 25% % of LSOAs (Lower Layer Super Output Areas have an average population of 1500 people or 650 households) in the top 3 deciles of deprivation with worse than GB average child poverty rates and lower than average life expectancy
- Education and skills (educational attainment at GCSE and A levels, no qualifications, NVQ 1-4)
- Economy, employment and income (employment rate, average income, housing affordability ratio)
- Social Mobility (overall index)

The comparisons made so far show greater similarities between the selected areas and act as a trigger for discussion and further work on whether and where a case can be made for 'levelling up' in the central South. The economic and social challenges, in comparison to national averages (except air quality) or ranking in the top quintile, are shared by the selected areas in the north and south as summarised in the tables in Appendix 4. These tables illustrate where each area sits on the basis of comparison with England, showing that on many of the measures used here for 'levelling up', areas in central South are on par with the Midlands and the North and therefore they too need investment to 'level up'.

Key:

- In Tables 8, 10 and 11, the red dots show that for that indicator, the area is worse than national average and the green dot shows it is better than national average.
- Yellow boxes show no significant difference from national average
- Grey boxes mean sample size was too small
- Information is not available for full comparison of the Isle of Wight

PUAs: Table 8:

	Emp rate	GDP/ worker	Work Place earnings	Busi start-ups 2019	Business Churn rate % 2019	GCSE 9-4 grades in M&E	% with NVQ4 & above	No formal quals	Housing affordability ratio	Air quality
BCP	🟢	🔴	🔴	🔴	🟢	🔴		🟢	🔴	🔴
Stoke	🔴	🔴	🔴	🔴	🟢	🔴	🔴	🔴	🟢	🟢
Southampton	🟢	🟢	🔴	🟢	🔴			🟢	🔴	🔴
Derby	🔴	🔴	🟢	🔴	🟢	🔴	🔴	🔴	🟢	🟢
Portsmouth		🔴	🔴	🔴	🔴	🔴	🔴	🟢		🔴
Nottingham	🔴	🔴	🔴	🔴	🟢	🔴	🔴		🟢	🟢

Local Authority Areas

Table 9*: Economy, jobs and levelling up*

Key: The red dot in the last 3 columns shows inclusion in the top quintile and the green shading shows that they are not particularly affected by COVID19 and/ or have not been identified as an area that had been ‘left-behind’.

	% economically active	% with NVQ4 and above	No formal quals	% Claimant count for out of work benefits Jan 2021	Job density 2019	Levelling up index rating - in top quintile	Covid-19 short term impact - in top quintile	Levelling up - in top quintile
BCP	🟢		🟢		🟢		🔴	
Nottingham	🔴	🔴	🔴	🔴	🟢	🔴		
Southampton		🔴			🔴			
Derby	🔴	🔴	🔴	🔴	🟢			
Portsmouth	🔴	🔴	🟢			🔴	🔴	🔴
Warrington	🟢	🟢	🟢	🟢	🟢			
Gosport	🔴	🔴	🔴	🟢	🔴	🔴		
Bolsover	🔴	🔴	N/A	🟢	🔴	🔴		
Havant		🔴	🔴	🟢	🔴			
Newcastle-under-Lyme	🔴	🔴	N/A	🟢	🔴	🔴		

Table 10*: Deprivation, poverty and health; in column 1: green shading shows less than 30%*

	30% or over live in the top 3 deciles	Life expectancy in years at birth (M)	Life expectancy in years at birth (F)	Life expectancy in years at age 65 (M)	Life expectancy in years at age 65 (F)	% Children u16 in absolute low income families 2018/19
BCP		🟢		🟢	🟢	🟢
Nottingham	🔴	🔴	🔴	🔴	🔴	🔴
Southampton	🔴	🔴	🔴	🔴	🔴	🔴
Derby	🔴	🔴	🔴	🔴	🔴	🔴
Portsmouth	🔴	🔴	🔴	🔴	🔴	🔴
Warrington		🔴	🔴	🔴	🔴	🟢
Gosport						🟢
Bolsover	🔴	🔴	🔴	🔴	🔴	Not available
Havant	🔴	🟢	🟢	🟢	🟢	🔴
Newcastle-Under-Lyme						Not available

Constituency areas – challenges in the central South region only

Table 11: *deprivation, poverty, educational attainment, social mobility and housing affordability*

Constituencies		Deprivation <10% LSOAs in highly deprived	Child poverty <20%	GCSE Attainment 8 rates below national average	% of pupils achieving AAB below national average	Social mobility - overall index (over 350)	Housing affordability Ratio (7.7 or above)
Southampton Itchen		🔴	🔴	🔴	🔴	🟢	
Southampton Test		🔴	🔴	🔴	🔴	🔴	
Romsey and Southampton North		🟢	🟢	🔴		🟢	🔴
Portsmouth North		🟢	🟢	🔴	🔴	🔴	
Portsmouth South		🔴	🔴	🔴	🔴	🔴	
Bournemouth East		🟢	🟢	🟢	🟢	🟢	🔴
Bournemouth West		🟢	🟢	🔴	🔴	🔴	🔴
Christchurch		🟢	🟢	🟢	🔴	🟢	🔴
Poole		🟢	🟢	🟢	🟢	🟢	🔴
Mid Dorset & N P		🟢	🟢	🟢	🟢	🟢	🔴
Isle of Wight		🟢	🔴	🔴	🔴	🔴	
New Forest East		🟢	🟢	🔴	🔴	🔴	🔴
New Forest West		🟢	🟢	🟢	🟢	🟢	🔴
Gosport		🟢	🟢	🔴	🟢	🔴	
Havant		🟢	🟢	🔴	🔴	🔴	🔴

Key characteristics of each part of the central South

In the case of **Bournemouth, Christchurch and Poole**, while as a PUA, this area performs well against economic, educational and health measures, there are key challenges at all 3 levels:

- It ranks very weak or weak in five out of six Future Growth Potential strength indicators
- Average weekly workplace earnings are low at £482 (similar to Stoke and Nottingham)
- Air quality – worst ranking amongst the comparators
- Housing affordability ratio is high
- It is more vulnerable to short term impacts of exposure to COVID-19
- Nearly one in five residents (18.9%) live in a neighbourhood in the top three deprivation deciles
- At a constituency level, in Bournemouth West (with a social mobility index of 381), the percentage of young people who achieved AAB in 2019 was zero!

Southampton as a PUA compares well against Derby on economic performance (business start-ups, GDP per worker, employment rate) and as a city, the IFS assessment is that the city will be less affected by the impact of COVID-19 in the short term. However, there are significant issues to address:

- Despite its apparent economic success, median earnings in Southampton Itchen and Southampton Test are lower than the England average
- The difference between weekly earning of place of residence and place of work is £71.50 per week, which means that commuters in to the city enjoy an income almost 13% higher than residents
- While business start-up rate is high, it is accompanied by a very high business churn rate (7.35%), highlighting the need to provide support to new businesses so that they can grow and flourish
- Nearly half of the residents (45.2%) live in a neighbourhood in the top three deprivation deciles
- One in two pupils (55%) did not achieve the GCSE average attainment 8 score for England
- Only 3% (Southampton Itchen) to 7% (Southampton Test) of pupils achieved AAB in their A Levels in 2019; this was 14% for pupils in Southampton North and Romsey
- One in five children in Southampton Itchen and Southampton Test constituencies are growing up in poverty
- Southampton Test has a high ranking for social mobility (373)
- All three constituencies are in the below average rank for educational attainment measures for children and young people eligible for Free School Meals (secondary school attainment, positive destination after KS4, A Levels or equivalent). It is not a surprise therefore that they also experience below average earnings and in the case of Southampton Itchen and Southampton Test constituencies, home ownership
- Health: Life expectancy at birth and at age 65 years is below the England average and nearly exactly the same as that for Derby

Portsmouth: faces challenges on many fronts, both as a PUA and as a city.

- At an economic level, as a PUA, it has a lower than the England average of business start-ups, higher business churn rate, lower GDP per worker and lower average

workplace earnings. This is now accompanied by Portsmouth and Gosport being in the highest group for indices relating to levelling up and vulnerability to short term impact of COVID-19 exposure as well as in the top quintile for being impacted by being considered to be ‘left-behind’ and being affected by COVID-19
- Job density is very low in some parts, compared with the England average of .88 (Gosport .52, Havant .69)
- One in three residents live in a neighbourhood in the top 3 deciles (Portsmouth 35.2%, Gosport 28.3% and Havant 34.6%)
- The difference in wages between the workplace and residence is £89, meaning commuters earn on average 16.3% more weekly
- The GCSE attainment is lower than the England average across the board (Portsmouth, Gosport and Havant)
- At a constituency level, in Portsmouth South (with a social mobility index of 381), the percentage of young people who achieved AAB in 2019 was zero!
- The major areas all rank very high in the Social Mobility Index (Portsmouth North -466, Portsmouth South -496, Gosport -504 and Havant -437)
- Havant was the only area in the comparator groups to rank below average in the main measures for social mobility
- Health: Life expectancy at birth and at age 65 years is below the England average and similar to that for Warrington

Isle of Wight
- Ranks high in the Levelling Up index and is vulnerable to the short term impacts of exposure to COVID-19
- Does worse than national averages for median earnings and house affordability ratio
- Nearly one in three residents are living in the neighbourhoods in the top 3 deprivation deciles

Gosport
- Ranks 130 for IMD overall and ranks 47 (1:most deprived) for IMD relating to Education, Skills and Training
- Has nearly a third of its residents (28%) living in the top 3 deprivation deciles
- Pupils on Free School Meals have worse than national average outcomes for educational attainment from primary stage to A levels, performing either worse or same as the comparator in this paper - Bolsover

Havant
- Ranks 133 for IMD overall and ranks 67 (1:most deprived) for IMD relating to Education, Skills and Training
- Has more than a third of its residents (35%) living in the top 3 deprivation deciles
- This is the one area to perform below average in all the SMI index measures, providing an opportunity to explore holistic solutions

New Forest
- Pupils on Free School Meals in New Forest East face considerable barriers in building a good life, as per the definition of social mobility. While pupils in New Forest West do better than national average till KS4, it will be important to explore

the reasons for the drop in performance at A Levels to below national average

Conclusions

"Levelling up has become shorthand for big infrastructure and connectivity investments, but it's clear that making it a reality for the public will take investment in local places, jobs and homes. The levelling up agenda needs to be reset around hyper-local targeted investment and building community resilience." Karen Finlayson, Regional Lead for Government, PWC

"The causes of disadvantage have been here for decades and therefore, addressing them effectively will require long term, well-funded and sustained programmes."

The analysis of data in this paper demonstrates that:

- We cannot treat all areas in the South East as being homogenous in nature, particularly when it comes to prosperity and the distribution of the benefits of such prosperity on all residents. The areas within central South identified in this paper are consistently below our South East comparators on most measures.
- While the areas in the central South perform better on some measures when compared to the areas in the Midlands and the North, they have more in common when the impact of poverty, deprivation, poor educational attainment and low social mobility is concerned - being poorer on some measures and equal on others. This means they cannot be deemed to be part of the 'prosperous' South and should not be ignored when identifying priority places for 'levelling up' investment programmes.

Investing in big infrastructure alone is not the solution to addressing the challenges faced by the central South areas. As the wage differentials between residents and commuters and the Social Mobility Index rating show, those who are disadvantaged need long term programmes to help them get the right skills for accessing the well pad jobs created and sustained by strong economies. This will have to be through sustained investment in joined up programmes that bring together education, health, business and apprenticeships to create and sustain pathways which help local people to develop the education and skills, be healthy and improve their productivity, supported by investment in affordable housing. These investment programmes will have to be targeted and tailored to meet the needs of whole areas (Havant and the Isle of Wight), specific neighbourhoods in cities and children and young people on free school meals in places like the New Forest and constituencies such as Christchurch.

These programmes require Government investment but to succeed they must be driven locally and jointly by local government, health, businesses, employers and educational establishments.

They require:

- A shared understanding that the causes of disadvantage (poverty, deprivation, education, skills, health, housing and jobs) outlined in this paper are not region specific to the Midlands and North. These priorities for 'levelling up' are described in a report by PWC[25] as "while much of the focus of levelling up has been on road, rail and innovative technology, our research shows the public's concerns are closer to home and that social divisions have grown during the COVID-19 pandemic. Our polling reveals a consistent call for a greater emphasis on quality, affordable homes, skills and good jobs, as well as vibrant town and city centres. If levelling up is to succeed, it needs to go deeper than the North-South divide and address the inequalities within regions and communities. Critically, the agenda needs to better respond to the public's concerns".

  The causes of disadvantage have been here for decades and therefore, addressing them effectively will require long term, well-funded and sustained programmes. The IFS Levelling up report[26] says "The UK's regional inequalities are deep-rooted and complex: even well-designed policies could take years or even decades to have meaningful effects. 'Levelling up' will need to be a long-term, multifaceted agenda if it is to succeed where other governments have failed in the past".
- Strong local leadership and partnerships across public sector, businesses and educational establishments, supported by Government funding beyond capital investment. As the SMC report[27] says, "their local knowledge and know-how will be needed to inform bespoke interventions that work in their localities to address the worst inequalities". It also highlights the opportunity for local leaders to work with businesses to invest in upskilling and play a brokering role – matching people to employment and learning opportunities.
- The solutions need to be place specific, based on evidence which informs a deep understanding of what the barriers are, and therefore, how best to address them.
- Affordable housing is a priority, as illustrated in the PWC survey, where "74% agree that the quality and affordability of housing is an important factor in the area they live and 70% agree a focus on housing would be the most effective in levelling up the country and reducing inequality".
- The PWC research also highlights that the "public holds local government as primarily responsible for their local high streets and town centres (37%) followed by businesses (25%). It is critical that local authorities and businesses rethink how they respond to shortfalls in footfall and the growing decline in store occupants and work

[25] Explore our Rethinking on levelling up polling, PWC Future of Government research programme

[26] Levelling up – where and how? Chapter 7, published in October 2020

[27] The long shadow of deprivation: differences in opportunities across England, September 2020, Social Mobility Commission

together to create places where people want to live, work and play".

- Take up the offer of the Social Mobility Commission to work with local and regional leaders and employers to think through the avenues through which the right opportunities can be provided to boost social mobility.

- Ensuring the designation of the Solent as a Freeport results in the kind of investment and regeneration that helps the most disadvantaged communities to benefit.

Suki Sitaram
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Appendix 1: Terms and Definitions

Paper Ref	Term/ Indicator	Definition	Source
	Local Enterprise Partnerships (LEPs)	LEPs are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area. There are 39 LEPs in England.	Department of Business, Innovation and Skills
	Primary Urban Areas (PUAs)	The “built-up” area of a large city or town, rather than individual local authority districts, providing a consistent measure to compare concentrations of economic activity across the UK, distinct from city region or combined authority geographies.	Centre for Cities
Tables 2 & 3	GCSE 9-4 grades in M & E % 2019	The proportion of pupils achieving grades in Maths and English at GCSE	Centre for Cities
	Working age popu NVQ+ % in 2019	The proportion of the working age population with NVQ4 (degree level qualifications) and higher.	
	Working age popu no formal quals % in 2019	The proportion of the working age population with no formal qualifications.	
	GDP/ worker 2018	The Gross Domestic Product, relative to the number of jobs in the city	
	Emp rate % 2018	The percentage of people employed in that city as a proportion of the total working age population. It measures how well functioning a labour market is, by capturing the demand for workers amongst employers.	
	Average workplace weekly earnings 2019	The average weekly wage of workers in current prices.	
	Business Start-up rate 2019	The number of new businesses started in that city, per 10,000 people.	
	Business churn rate 2019	The difference between business start-ups and business closures as a percentage of the total number of businesses in the city.	
	Housing affordability ratio 2020	The average cost of a house compared to the average wages paid to a worker in a year	
	No of days poor air quality 2019	Number of days the maximum modelled Daily Air Quality Index (DAQI) was equal to or above 4. On this scale, 1 is low pollution and 10 is very high pollution.	
Table 4	Patent	Patents per 10,000 population	Centre for Cities, Identifying growth centres across the UK
	Trademarks	Trademarks per 10,000 population	
	Business innovation	Covers: business births per 10,000 population; business churn rate - the difference between start-ups and business closures as a percentage of total business stock; private employment in science and technology (%). – this measure is the share of private-sector employees in a city, engaged in STEM and related activities	
	Skills and spillover	Covers: Density of jobs (workers per hectare Number of workers with NVQ4+ qualification living in city plus hinterland)	
	Infrastructure	Covers:	

Paper Ref	Term/ Indicator	Definition	Source
		Urban connectivity (connectivity within places) and inter urban connectivity (connectivity between places), calculated using the average of travel times between each point in the place and its centre, weighted by demand (population or employment) at each point. How well connected a place is digitally High quality office space as a share of office space in the city centre (%)	
Table 5 Left-behind Index ranking	Left behind quintile (1: most left behind)		
	Vulnerability to ST impact of exposure to C19 (1: most vulnerable)		
	Quintile rating for left behind and COVID-19 exposure *	*Key for quintile rating: 0 is top quintile on neither index; 1 is top quintile only for exposure to COVID-19; 2 is top quintile only for left-behind index; 3 is top quintile on both	
Table 6	Index of Multiple Deprivation 2019 (IMD)	1: most deprived Comparing small areas across England, identifying the most deprived small areas, •exploring the domains (or types) of deprivation, •comparing larger administrative areas e.g. local authorities and looking at changes in relative deprivation between iterations (i.e. changes in ranks) There are 7 domains of deprivation, which combine to create the Index of Multiple Deprivation (IMD2019): Income (22.5%), Employment (22.5%), Education (13.5%), Health (13.5%), Crime (9.3%), Barriers to housing and services (9.3%), and Living Environment (9.3%)	MHCLG
	IMD overall rank	Ranking of local authority areas or smaller areas (Lower Super Output Areas) 1: most deprived	
	IMD income rank	Measures the proportion of the population experiencing deprivation relating to low income (22.5%)	
	IMD Employment rank	Measures the proportion of the working age population in an area involuntarily excluded from the labour market (22.5%)	
	IMD Education, Skills and Training rank	Measures the lack of attainment and skills in the local population (13.5%)	
	IMD Health and disability rank	Measures the risk of premature death and the impairment of quality of life through poor physical or mental health (13.5%)	
	Top 3 deprivation deciles 2019	Deprivation deciles have been constructed using the Index of Multiple Deprivation (IMD) scores at lower super output area (LSOA) level where possible, and if not at district and unitary (UA) authority level or county and UA authority level. LSOAs are small geographic areas produced by the ONS to enable reporting of small area statistics	Public Health England (PHE)

Paper Ref	Term/ Indicator	Definition	Source
		in England and Wales. There are 32,844 LSOAs in England, each having a population of approximately 1,500. To create LSOA deprivation deciles for use in chart presentation and also in the calculation of the slope and relative index of inequality measures, LSOAs within England were ranked from most to least deprived and then organised into ten categories with approximately equal numbers of LSOAs in each. Since the total number of LSOAs in England is not exactly divisible by ten, the 'extra' LSOAs were allocated to deprivation deciles using a systematic method. To create district and UA or county and UA deprivation deciles these local authorities were ranked from most to least deprived within England and then organised into ten categories with approximately equal numbers of local authorities in each https://www.gov.uk/government/publications/health-profile-for-england-2018/methods-data-and-definitions#deprivation-deciles	
	Child poverty rates	Percentage of 0-15 year olds living in households with income below 60% of the median. Income is measured before housing costs are accounted for. https://commonslibrary.parliament.uk/constituency-dashboard/	Commons Library
Table 7	Life expectancy in years at birth (M&F)		PHE
	Life expectancy in years at age 65 (M&F)		
Table 9	% economically active	People who are either in employment or unemployed.	ONS - Nomis
	% with NVQ4 and above	e.g. HND, Degree and Higher Degree level qualifications or equivalent.	
	No formal qualifications	No formal qualifications held.	
	% Claimant count for out of work benefits Jan 2021	the number of people claiming benefit principally for the reason of being unemployed. The measure of the number of people receiving Universal Credit principally for the reason of being unemployed is still being developed by the Department for Work and Pensions. Consequently this component of the total Claimant Count does not yet correctly reflect the target population of unemployed claimants and is subject to revisions. For this reason the Claimant Count is currently designated as Experimental Statistics.	
	Job density 2019	The level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates.	

Paper Ref	Term/ Indicator	Definition	Source
Table 10	% Children u16 in absolute low income families 2018/19		PHE
Table 11	GCSE Attainment 8 rates below national average	Attainment 8 is an average score based on a pupil's best 8 grades in a group of GCSEs. England average - 46.9 (2019) https://commonslibrary.parliament.uk/constituency-dashboard/	House of Commons Library and Social Mobility Commission
	% of pupils achieving AAB below national average	The proportion of A-Level students achieving AAB at A-Level in at least 2 facilitating subjects	
	Social mobility - overall index (over 350)	The SMIC (Social Mobility Index by Constituency) provides local level estimates for 533 Westminster Parliamentary constituencies in England. It is based on the indicators and methodology used in the social mobility index by local authorities published by the Social Mobility Commission. The SMIC provides constituency level comparisons and rankings of 14 variables representing four life stages from early years to adulthood. "**What are the differences between different local areas in the chances that a child from a disadvantaged socioeconomic background has of doing well as an adult?"**(State of the Nation 2017: Social Mobility in Great Britain) https://commonslibrary.parliament.uk/constituency-data-social-mobility-index/#compare_constituencies	
	Housing affordability Ratio (7 or above)	Comparison if the average house price with the average salary of residents. The lower the ration, the more affordable the area is.	
Appendix 2	SMI index Early Years Attainment	% of children eligible for FSM achieving a 'good level of development' at the end of Early Years Foundation Stage	Social Mobility Commission and Commons Library
	SMI index Primary School Attainment	% of children eligible for FSM achieving at least the expected level in reading, writing and maths at the end of Key Stage 2	
	SMI index Secondary School Attainment	Average attainment 8 score for pupils eligible for children eligible for FSM	
	SMI index Positive destination after KS4	% of young people eligible for FSM that are in education, employment or training (positive destination) after completing KS4	
	SMI index A-levels or equivalent by age 19	% of young people eligible for FSM at age 15 achieving 2 or more A-levels or equivalent qualifications by the age of 19	
	SMI index Average earnings	Median weekly salary of employees who live in the local area (Full-time and part-time)	
	SMI index Housing affordability	Average house prices compared to median annualised weekly salary of employees who live in the local area	
	SMI index Home ownership	% of families with dependent children who are owner occupiers (incl. shared & full ownership)	

Appendix 2: Research

The main sources that have informed this paper are:

- Identifying potential growth centres, 2020, Centre for Cities and Connected Places Catapult
- Measuring Levelling Up, February 2020, by Centre for Cities
- The long shadow of deprivation: differences in opportunities across England, September 2020, Social Mobility Commission
- State of the Nation 2017: Social Mobility in Great Britain by the Social Mobility Commission
- Painting the towns blue - Demography, economy and living standards in the political geographies emerging from the 2019 General Election, February 2020, The Resolution Foundation
- Left behind? Understanding communities on the edge, September 2019 by Oxford Consultants for Social Inclusion (OCSI)
- Explore our Rethinking on levelling up polling, PWC Future of Government research programme

Selection of areas in the Midlands and the North for comparison

The choice of comparator areas in the Midlands and North was made on the basis of:

- Similar size populations within a broad region in the Midlands and North (Warrington was the closet to Portsmouth in population size)
- Established benchmarking groups where possible (e.g. for Children's Services, the DoE's tool identifies the following as closest demographic neighbours: Portsmouth, Southampton, Bournemouth, Christchurch and Poole in the South and Derby and Stoke-on Trent in the Midlands)
- The economic performance and potential of the cities, towns and regions
- Whether they turned from Labour to Conservative in the 2019 General Elections, and therefore are anecdotally identified as Red/Blue wall areas (Derby North, Bolsover, Broxtowe, Stoke-on-Trent Central and North, Newcastle-Under-Lyme, Crewe and Nantwich, Warrington South)
- Whether they have been/ likely to be allocated funding through various levelling up funding programmes
    - Future High Streets Fund: Derby City Centre, Nottingham City Centre, Newcastle-Under-Lyme, Crewe and *Portsmouth*
    - Stronger Towns Fund: Newcastle-Under-Lyme, Crewe, Warrington and *Bournemouth*
    - Communities Renewal Fund: Derbyshire Dales, Nottingham, Bassetlaw, Stoke-on-Trent, Newcastle-Under-Lyme
    - Levelling Up Fund Priority 1: Derby, Derbyshire Dales, Bassetlaw, Nottingham, Erewash, Stoke-on-Trent and *Gosport*
    - Identified in the list for the Levelling Up Fund Priority 2: Bolsover, Broxtowe, Newcastle-Under-Lyme, Warrington, *Havant, Portsmouth, Southampton, Eastleigh and the Isle of Wight*

    - Identified in the list for the Levelling Up Fund Priority 3: Stafford, *Bournemouth,*
    - *Christchurch and Poole, New Forest*
- In the case of the New Forest and Isle of Wight, in addition to the above, areas with similar rural characteristics have been selected (Crewe And Nantwich and Derbyshire Dales)

Appendix 3: Health

Life expectancies in Southampton and Portsmouth compared neighbouring areas, region and England (2017-2019)

https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/0/gid/1000049/pat/6/par/E12000002/ati/102/are/E06000008/iid/90366/age/1/sex/1/cid/4/page-options/ovw-do-0

	Life expectancy in years @ birth Male	Life expectancy in years @ birth Female	Life expectancy in years @ age 65 Male	Life expectancy in years @ age 65 Female
England	**79.8**	**83.4**	**19.0**	**21.3**
South East	80.8	84.3	19.6	22
Hampshire	81.4	84.7	20.0	22.3
Surrey	82.1	85.3	20.3	22.6
Southampton	78.5	82.5	18.2	20.7
Portsmouth	78.4	81.9	17.9	20.3

Appendix 4: Social Mobility Index comparison

Note: Boxes in red show below average performance - SMIC variable values compare mean (average value of the whole sample) and maximum values (maximum value achieved in the whole sample).

Bournemouth, Christchurch and Poole compared with Stoke-on-Trent and Newcastle-Under-Lyme

Key: BE: Bournemouth East; BW: Bournemouth West; C: Christchurch; ND&P: North Dorset and Poole;
NuL: Newcastle-Under-Lyme; SoT C: Stoke-on-Trent Central; SoT N: Stoke-on-Trent North; SoT S: Stoke-on-Trent South

SM Index %	Avg	Max	BE	BW	C	Poole	ND&P		NuL	SoT C	SoT N	SoT S
Early Years Attainment	53	71	57	54	57	54	56		56	52	55	59
Primary School Attainment	39	62	41	36	25	36	30		37	35	35	35
Secondary School Attainment	39	54	46	43	36	46	43		35	36	36	38
Positive destination after KS4	88	95	88	81	92	88	92		91	86	91	89
A-levels or equivalent by age 19	34	65	26	30	33	32	37		35	25	26	24
Average earnings	£443	£750	£421	£393	£413	£429	£408		£415	£387	£369	£393
Housing affordability	8	31	8	9	11	9	10		6	4	4	5
Home ownership	65	87	61	60	72	65	75		69	59	62	66

Southampton and Derby

SM Index % (except average earnings)	Avg	Max	Soton Itchen	Soton Test	Romsey & Soton N		Derby North	Derby South
Early Years Attainment	53	71	60	52	66		52	48
Primary School Attainment	39	62	48	41	35		30	36
Secondary School Attainment	39	54	35	38	37		37	30
Positive destination after KS4	88	95	86	85	89		87	83
A-levels or equivalent by age 19	34	65	28	26	31		25	26
Average earnings	£443	£750	£410	£402	£472		£458	£393
Housing affordability	8	31	7	7	9		5	5
Home ownership	65	87	55	50	70		62	56

Portsmouth and Warrington

SMI Index %	Avg	Max	Portsmouth North	Portsmouth South		Warrington North	Warrington South
Early Years Attainment	53	71	58	60		50	52
Primary School Attainment	39	62	35	37		42	25
Secondary School Attainment	39	54	34	42		35	36
Positive destination after KS4	88	95	81	83		88	92
A-levels or equivalent by age 19	34	65	22	26		26	34
Average earnings	£443	£750	£419	£443		£428	£496
Housing affordability	8	31	7	7		5	6
Home ownership	65	87	64	46		67	79

In the selected constituencies below, the one area to do below average in all the SMI index measures is Havant and if we can agree that education plays a critical role in social mobility, then pupils on free school meals even in parts of the New Forest face considerable barriers in building a good life, as per the definition of social mobility.

Gosport, Havant, IoW, New Forest, Bolsover, Newcastle-Under-Lyme, Derbyshire Dales and Burton

Key: NuL: Newcastle-Under-Lyme; IoW: Isle of Wight; C&N: Crewe and Nantwich; NFE: New Forest East; NFW: New Forest West; DD: Derbyshire Dales and Bur: Burton

SMI Index %	Avg	Max	Gosport	Bolsover	Havant	NUL	IoW	C&N	NFE	NFW	DD	Bur
Early Years Attainment	53	71	57	54	47	56	57	46	59	58	55	57
Primary School Attainment	39	62	32	43	38	37	37	29	40	39	37	35
Secondary School Attainment	39	54	34	36	36	35	33	36	34	39	39	36
Positive destination after KS4	88	95	84	86	86	91	89	83	82	93	92	93
A-levels or equivalent by age 19	34	65	26	26	23	35	26	24	27	29	25	26
Average earnings	£443	£750	£448	£361	£407	£415	£386	£394	£427	£404	£442	£386
Housing affordability	8	31	6	5	9	6	7	5	9	11	7	6
Home ownership	65	87	63	67	61	69	64	70	71	68	74	68

About Southern Policy Centre

Southern Policy Centre was established in 2014 as the independent think-tank for the region of central southern England. We focus broadly on the area from Dorset to West Sussex and the Isle of Wight to Oxfordshire.

The region is often not recognised by central government and SPC exists to try and redress this by providing a politically neutral, constructively critical space for discussion on issues that affect the region.

SPC specialises in improving public policy making by conducting research into the social challenges facing society and we have established a strong reputation for leading public debate and setting the agenda across a wide range of regional issues.

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