NEIGHBOURHOOD TRAJECTORIES AND SOCIAL EXCLUSION: TOWARDS A CITIZENSHIP OF PLACE

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ABSTRACT

This submission develops a set of arguments around the *path dependency* of places – how previous policy eras shape the trajectory and outcomes of places - and the tensions between social inclusion policies and practices on the one hand and competitiveness on the other. Path dependency results from previous legacies of the built form and access and eligibility rights. The 'narrative' of places, the categories and descriptions used in delineating neighbourhoods and shaping policy is also influential. A coherent line of research is demonstrated which has revolved around the definition, measurement and scale of deprivation and housing's role in social exclusion and competitiveness debates. Originally focused at household and individual level, the enquiry shifted to the role of neighbourhoods and places in terms of their 'compositional' and 'environmental' meaning. The thesis revolves around the concept of *participation standards* and the underpinning principles of citizenship arising from denial of access to relative 'norms and standards'. This highlights tensions in the competing goals of *competitiveness* and *inclusion* in housing and urban policy at different scales resulting in differential speeds and experiences of place. Logically this would suggest that the evolution of citizenship and participation can legitimately embrace the concept of *citizenship of place*.

200 words

CRITICAL REVIEW

Introduction

This submission is in accordance with paragraph 7.5.1 of the University of Birmingham's guidelines on submission for PhD by publication (Section 7 of the Regulations PhD by Published Work – Assessment and Award Requirements) which states that:

> "A candidate for the degree of PhD by published work (as specified in section 5) shall submit a body of work broadly comparable to that submitted for other doctoral degrees of the University, based upon research with a common theme in the form of a series of publications.
>
> The submitted work should demonstrate that the individual:
>
> (i) has made a substantial original contribution and addition to knowledge in a coherent line of research;
> (ii) has provided evidence of knowledge of the general field in which the subject of the research lies;
> (iii) has the ability for independent critical judgement.
>
> A common theme with an identifiable link must run throughout the work submitted."

Paragraph 7.5.3 sets out the format of the submission and what it shall comprise:

> (i) an abstract: a succinct summary of the work containing all of the main concepts and conclusions of the work. It shall be no more than 200 words in length;
> (ii) a critical review of 5,000 to 10,000 words stating the aims and nature of the research, the inter-relationship between the material published and the main contribution and/or addition to learning of the work;

(iii) a summary sheet numbering the submitted papers, chapters, monographs and books (all of which must have been published) and a copy of each publication numbered as per the summary sheet;

(iv) a statement, in the case of multi-authored, joint or collaborative work, of the extent of the candidate's own contribution, substantiated by the co-author(s) or collaborator(s). It is expected that the candidate will normally have been the primary author.

The total word length of the published work should be broadly comparable to that of the standard route PhD (i.e. up to 80,000 words)". The following sections deal with these requirements in turn.

Aims and objectives and nature of the research

The overall aim has been to contribute to effective interventions that benefit disadvantaged people and communities. The research and publications cover the period 1994-2010 (see Table 1 below) and developed out of a social policy perspective on household and individual level accounts of poverty (Lee and Townsend, 1994). Whilst this approach informed the early research outputs (paper [2], [3], [4]) the enquiry turned towards spatial manifestations of poverty and the role of 'place' (paper [9]) (see also Trickett and Lee (2010) as part of this set of arguments). This has been explored in relation to *compositional* (quantity and definitions) and *environmental* (facilities and connection to the broader social and economic system) meanings of deprivation and social exclusion (see Noble et al, 2006).

The research connects to debates on citizenship and social rights through the work of Townsend and the empirical measurement of 'participation standards' (Townsend, 1979). Townsend's seminal contribution to poverty studies, *Poverty in the UK*, systematically demonstrated objective measures of poverty through separate empirical estimates of material and social deprivation demonstrating how this disadvantage was relative over time and across space[1]. The work submitted can be considered as a

[1] In this work he was highly influenced by the work of Marshall (1958): citizenship was relative to norms and customs and evolved from the extension of civil, political and social rights through the 18th, 19th and 20th centuries respectively.

contribution to discourses upon *participation standards* and the principles of citizenship arising from denial of access to relative norms and standards. Establishing the relative norms and standards that differentiate places and concomitant policy responses raises a number of questions at the heart of citizenship debates: what are the drivers and manifestations of deprivation? What is the role of housing in poverty debates? What are the policy implications arising from different interpretations and narratives?

Table 1 Papers in support of the PhD submission[2]

No.	Date	Title and contribution
1	1994	*Housing and Spatial Deprivation: Relocating the Underclass and the New Urban Poor*, Urban Studies, Vol.31, No.7
2	1995	*Area Measures of Deprivation*, CURS, The University of Birmingham and Joseph Rowntree Foundation (ISBN 0704416190)
3	1997	*Poverty, housing tenure and social exclusion*, Bristol: Policy Press (ISBN86134063X)
4	1999	*Where are the Socially Excluded? Continuing Debates in the Identification of Poor Neighbourhoods*, Regional Studies, Vol.33, No.5, pp.483-486
5	1999	*Spatial and Social Divisions within British Cities: Beyond Residualisation*, Housing Studies, Vol.14, No.5, pp.625-640
6	2000	*Changing Housing Markets and Urban Regeneration in the M62 Corridor*, Housing Corporation, Manchester (ISBN 0704422093)
7	2003	*Changing Demand for Housing: Restructuring Markets and the Public Policy Framework*, Housing Studies, Vol 18, No. 1, pp.65-86
8	2004	*The Role of Housing in Delivering a Knowledge Economy*, Built Environment, Vol 30, No. 3, pp.235-245
9	2009	*The Creative Economy and Social Sustainability: Planning for Opportunity and Growth*, Built Environment, Volume 35, number 2, 2009 pp.267-280
10	2010	*Building Sustainable Housing Markets: reflections and lessons from a decade of changing demand and housing market renewal*, Chartered Institute of Housing) (ISBN 9781905018277)

To understand the differentiated experience of poverty across space the body of work has therefore been situated within a historical, path dependent framework; i.e., how the past shapes the trajectory of a place (Kay, 2005; Robertson et al, 2010). It is important, however, to differentiate between path *dependency* on the one hand and path *determinacy* on the other. However, the reinvention of housing and neighbourhoods (the *flexible specialisation* of housing) is dependent on the adaptability of housing and the ability of neighbourhoods to reinvent themselves and

[2] A more detailed version of this table can be found at the end of the critical review in the Summary Sheet section.

appeal to a new set of consumers (households). Flexible specialisation refers to the way in which capital and industrial processes inhabit niche markets and are responsive and adaptable to market change (Piore and Sabel, 1984). The way in which we understand patterns of deprivation has therefore been highly influenced by the process of urban, housing and planning policy. Rex and Moore's study of race, community and conflict in Sparkbrook, Birmingham can be considered a description of the path dependency of neighbourhoods and how immigration facilitated the *flexible specialisation* of housing (Rex and Moore, 1967). It is also an explanation of subsequent paths of development of black and minority ethnic housing markets and why and how the particular pattern of segregation within a city such as Birmingham arose. At an individual level path dependency has surfaced in the culture of poverty thesis (Lewis, 1964) and the underclass thesis (Murray, 1990) i.e., a highly deterministic account of individual and household trajectories and outcomes. It is however, more relevant to understanding the trajectory of neighbourhoods and the drivers of change resulting in differentiated experiences of poverty and social exclusion.

The inter-linked objectives of the research have therefore been an exploration of the measurement and meaning of deprivation and the role of housing and neighbourhood within debates on poverty and social exclusion. The path dependency of place has a crucial bearing upon the measurement of deprivation and the location of poverty. The restructuring of housing and the role of the state in the provision of subsidised housing in the UK over the past four decades has played a central role in determining differentiated trajectories of neighbourhoods and place. The Right to Buy and the restructuring of the management and ownership of housing stock resulted in a profusion of studies and analysis of the social and economic changes that this wrought. Changes in housing policy throughout Europe, but especially after 1975 in the UK led to rapid privatisation and asset restructuring (Stephens, Whitehead and Munro, 2005). Sales of housing and the differentiation of the social and private sectors resulted in significant spatial and social cleavages. However, the precise nature of these differences was highly dependent on local circumstances and was highly differentiated.

The body of work divides into two complementary themes covering a phase concerned with epistemological and theoretical issues concerning the measurement of

area based deprivation, social exclusion and poverty and a second phase concerned with the competitiveness of cities and regions, the function of declining neighbourhoods and the role of housing in reconnecting neighbourhoods. Taken together the body of work engages with several overarching themes: epistemological issues concerned with measuring deprivation and social exclusion, path dependency of place, neighbourhood trajectories, changing demand and competitiveness. The work collectively suggests that the development of new perspectives on the *citizenship of place* – arising from deficits in the participation standards of places and the differential speed of places resulting from different abstract connections to emerging economic opportunities and technological advance. These themes are developed in the conclusions whilst the following sections sets out the *contribution and addition to knowledge*.

MEASURING POVERTY AND THE ROLE OF HOUSING

The first phase of work can be summarised as a consideration of some of the limitations of an area measures approach to understanding participation standards and deprivation at neighbourhood level. The research was informed by the view that official methods tend to be susceptible to spatial autocorrelation and systematic bias in the treatment of housing as an independent variable in the analysis of poverty at area level.

Measuring and mapping deprivation

Epistemological and theoretical issues concerning the definitions and measurement of area based deprivation are dealt with in two of the papers: paper [2] *Area Measures of Deprivation* and paper [4] *Where are the Socially Excluded? Continuing Debates in the Identification of Poor Neighbourhoods*; paper [3] *Poverty, Housing Tenure and Social Exclusion* & paper [5] *Spatial and Social Divisions within British Cities: Beyond Residualisation* examine the role of housing within debates on poverty and social exclusion and the implications for policy of different definitions of poverty and social exclusion using housing as an independent variable.

Research underpinning these papers involved measuring and mapping spatial variations of deprivation and subsequently developing these methods into more systematic accounts of places using a variety of data sources and GIS techniques[3]. During the 1980s and 1990s, the role of tenure in poverty debates and council housing in particular was being questioned. Assumptions about the role of council housing as a proxy variable explaining area poverty and the poor estate was driving policy perspectives on intervention, renewal and regeneration. The thrust of evidence and policy had led to the development of policy perspectives and narratives on housing that were 'partial' including the Department of Environment's analysis: *Mapping Local Authority Estates using the 1991 Index of Local Conditions* (DoE, 1997) and New Labour's policy directive on tackling 'worst estates' (SEU, 1998). The New Labour Government, in adapting its agenda for social exclusion, built on evidence assembled by its predecessors; its early statements about neighbourhoods with concentrations of deprivation drew on the *Mapping Local Authority Estates* research which was commissioned under the Conservative administration of the mid-1990s. The methodology used in *Mapping Local Authority Estates* resulted in a disproportionate focus on areas with more than 50 per cent council housing and identified 1370 of the most deprived local authority estates – the 'worst estates'. This was referred to at the launch of the Social Exclusion Unit and in the first public speech of the Prime Minister in June 1997 which took place at a council housing estate (the Aylesbury Estate) in the London Borough of Southwark:

> "I have chosen this housing estate to deliver my first speech as Prime Minister for a very simple reason. For 18 years, the poorest people in our country have been forgotten by government. They have been left out of growing prosperity, told that they were not needed, ignored by the Government except for the purpose of blaming them. I want that to change. There will be no forgotten people in the Britain I want to build" (SEUa, 1998).

The choice of a council estate as the location of this speech was symptomatic of political thinking about the location and causes of social exclusion and the role of housing in these debates. Paper [2] challenged this by signalling that there were methodological weaknesses in the identification and selection of deprived

[3] Some of the techniques such as 'adjacency analysis' were summarised in paper [7] *Changing Demand for Housing: Restructuring Markets and the Public Policy Framework* and paper [10] *Building Sustainable Housing Markets*.

neighbourhoods for policy purposes. The research for paper [2] involved a review of approaches to measuring and mapping deprivation using the 1991 Census and the use of housing indicators in constructing narratives of deprivation and place. This was the first systematic analysis of the models of 'deprivation' used by academics and policymakers available at the time[4]. Whilst practitioners in the field treated the Jarman index and the Townsend Index as interchangeable, the study showed how each of the models or indices of deprivation measured a different concept i.e., 'deprivation', 'low income', 'underprivilege' and 'area stress' which were measured using different indicators. The research evaluated these different approaches and identifying key issues related to 'double counting', 'weighting' and *ecological fallacy* that had been associated with the construction of indices (Holtermann, 1971). This raised questions about the normative framework for understanding deprivation at an area level and the role of housing within this. Papers [2] and [3] argued for a more differentiated account of housing and for a more nuanced understanding of narratives of place and neighbourhood that differentiate between people and places with different spatial and personal trajectories.

Results from the research underpinning paper [2] showed that the distribution of deprivation varied significantly dependent on which index was used. When comparing the most deprived decile of wards in Great Britain on each index, 16.5%, 23.5% and 40.3% were located in London and the South East region according to the SOCDEP, Breadline and Index of Local Conditions (ILC) indexes respectively (Lee, Gordon and Murie, 1995, pp. 40). The geographical distribution was skewed largely because of the inclusion of proxy indicators which were not carefully justified or linked to existing evidence on poverty. The research showed that the ILC was not the most appropriate index in terms of urban policy as it was highly susceptible to *spatial autocorrelation* (Cliff and Ord, 1970) i.e., the way in which the clustering of phenomena is not random but results from a set of systematic biases. In this respect the ILC made assumptions about the environmental deprivation associated with the presence of flatted accommodation and the study showed that of all the indexes and

[4] It included indices constructed by a number of academics working in related fields including Vera Carstairs at the University of Edinburgh, Prof. George Smith at the University of Oxford, Professor Brian Jarman at St Mary's Hospital Medical School, Imperial College University of London and Professor Ludi Simpson who was working between academic and practitioner roles at Manchester University and Bradford City Council.

methods reviewed, the ILC recorded the highest correlation against children living in flats (Lee et al, 1995, p32):

> "It is significant that variables which are highly spatially correlated (lacking amenities and children in flats) are included in [the ILC]. This would explain a large degree of the variance in the type of urban metropolitan area targeted by [the ILC] compared with the other indexes in this study" (Lee et al, 1995, p53).

The study found that whilst all approaches to measuring and mapping deprivation using Census data are flawed, a more 'valid' measure to identify areas of deprivation could be yielded by calculating weights appropriate to data available at enumeration district level from individual responses in the Breadline Britain survey (Mack and Lansley, 1985). The paper continues to have an impact on the methodological issues of measuring deprivation across space[5]. It has been recognised as providing the most systematic review of available methods used for targeting and determining policy:

> "There are relatively few attempts to compare and contrast the various indexes. One of the more thorough exceptions is the previously mentioned study by Lee, Murie and Gordon. It compares 10 indexes, considering their theoretical bases, their components, their methods of combination and the reasons why they may produce different results. It is an excellent source for anyone wanting more detail" (Carr-Hill and Chalmers-Dixon, 2005, p.95).

The research provided a robust and independent critique of methods of measurement used by government for the purpose of developing urban policy. The government's measure (the ILC) was found to be based on a set of non-randomly distributed variables which biased London and the south east region. These findings were used to compare deprivation against regeneration spend in a separate research report evaluating the Single Regeneration Budget (SRB)[6]. SRB involved a competitive bidding process which incorporated an element of need with half of the allocation allocated on the basis of deprivation: "fifty per cent [of funds] based on regions' shares of district level deprivation, as set out in the Index of Local Conditions" (HoC, 1995, p.25). However, in practice a significant proportion of deprived districts

[5] The paper has almost 100 citations; see the appendix for details of impact and citation for each of the papers submitted.

[6] The author carried out analysis of the relationship between investment and 'need' for two SRB evaluation reports in 1996 and 1997 conducted by the Centre for Urban and Regional Studies and led by Prof. John Mawson.

received no funding with relatively 'affluent' districts receiving a greater share than more deprived districts. The North West region in particular received significantly less than would be expected given its share of deprivation. However the systematic bias and spatial autocorrelation (as a result of the inclusion of particular indicators in the ILC) meant that the scale of mismatch between levels of deprivation and regeneration funding was distorted by the ILC as a measure.

When the ILC was replaced by the Index of Local Deprivation (ILD) in 1998 the changes at the local level (ward and enumeration district) included the dropping of the *children in flats* indicator. The change was not minor and the effect was summarised in paper [4] which compared the distribution of deprivation on the ILC and the updated ILD. By re-working the indicators and standardising the geography for the ILC and the updated ILD, paper [4] showed that the proportion of very deprived enumeration districts (EDs) changed significantly as a result of dropping the children in flats indicator. Using the ILC, London represented 59% of the 5% most deprived EDs whilst 28% of the very deprived areas were located in the North and Midlands' regions. Under the newly revised ILD the respective share altered substantially so that 34% of the very deprived areas were located in London and 53% in the North and Midlands' region. As regeneration funds were partly determined on the basis of need, these changes in the underlying distribution of deprivation resulted in a distribution of resources away from the South and London to the North and Midlands regions.

Poverty, housing tenure and social exclusion

Housing and planning policy is highly instrumental in determining the *observed* spatial patterns of deprivation. As paper [2] demonstrated this is largely because of the emphasis placed upon particular variables used in determining classifications of area deprivation (eg: housing tenure, housing condition, housing amenities etc.) and on the fixed and path dependent nature of housing and physical space. But it is also due to the distributional aspects of housing including the operation of social housing allocation systems (Prescott-Clarke et al, 1988) and filtering of the housing market in determining patterns at neighbourhood level. Papers [3] and [5] demonstrate how the meaning of housing tenure in different contexts alters, highlighting how an emphasis on 'worst council housing estates' confused a set of underlying processes whilst

overlooking problems outside these estates. These papers had been a necessary corrective as a result of right-to-buy policies, a decline in private renting and an expansion of home ownership from the mid-1960s onwards which changed the characteristics of those entering the social rented sector as well as altering the household characteristics of home ownership.

The competitiveness and connectedness of neighbourhoods was further challenged between 1995 and 2005 as deregulation, liberalisation and economic restructuring (coupled with residualisation) resulted in increasingly differentiated patterns of poverty and housing demand at the local level. Whilst there was an undeniable increase in the extent to which council housing estates are and were amongst the most deprived areas in the UK, papers [1], [3] and [5] challenged this perspective by providing a spatial analysis detailing highly differentiated patterns of disadvantage according to material deprivation and housing tenure. Deprivation would play out differently across cities dependent on previous policy legacies and consumption patterns (path dependency). To test this, research informing paper [3] examined the association between patterns of multiple deprivation and housing tenure. This was one of the first pieces of research to use the Sample of Anonymised Records (SARS)[7] to explore how far national patterns of poverty and housing tenure were replicated at local level. The evidence pointed to a more differentiated pattern: of cities with different starting positions developing along different trajectories. The 'quartered' or 'dual city' (Mollenkopf and Castells, 1992) was therefore a template that could not be abstracted to the British case. A more differentiated pattern was apparent which was dependent on place specific contexts and legacies. The most deprived areas of cities were not always exclusively areas of council housing indicating that housing and regeneration policies targeted exclusively at areas of council housing would exclude some disadvantaged groups (e.g., ethnic minorities) - policy needed to be tailored to local circumstances.

Paper [5] *Spatial and Social Divisions within British Cities: Beyond Residualisation* (Lee and Murie, 1999) summarised the evidence on poverty, housing tenure and social exclusion and took the debate forward in a new direction. The paper argued for

[7] A newly created product derived from the census which allowed access to cross-tabulation of all variables for 1% of households and 2% of individuals.

a set of frameworks and policy perspectives that looked beyond residualisation of council housing and was more sophisticated in understanding the dynamics between tenures. It presented evidence of greater fragmentation and differentiation between tenures and noted that a framework based on assumptions about the residualisation of social housing was no longer adequate and that low demand and void rates in the private sector meant that:

> "…parts of the home ownership sector are equally unattractive. Divisions within the home ownership sector and fragmentation have begun to be more apparent. Rather than a framework relating to divisions between tenures and to residualisation it is now appropriate to develop a framework which incorporates these elements but also places emphasis on divisions within tenures and on changing aspirations and household strategies" (paper [5]: Lee and Murie, 1999, p637).

Whereas the earlier papers had a broad field of citation, paper [5] was cited against a more focused set of themes embracing mainly planning, housing policy, economic restructuring, segregation, social mix and neighbourhood analysis. The paper was pivotal in drawing together the research on area measures of deprivation and the interaction of housing and social exclusion. It called for the development of a more interactive and dynamic research agenda on housing and 'place' that understood the dynamics and interaction of tenures within a broader spatial frame of reference.

BEYOND RESIDUALISATION: COMPETITIVENESS AND THE RESCALING OF HOUSING

A significant element of the author's research has been concerned with understanding how neighbourhoods lag behind a 'mainstream' which affects participation in wider society. This requires i) a more comprehensive development of proxy indicators of household/individual level deprivation aggregated to the area level and ii) an analysis of the wider function and trajectory of neighbourhoods and how places connect at different spatial scales. This set of enquiries connects to a broader urban and regional studies literature concerned with the dynamics of housing and labour markets (Allen

and Hamnett, 1991), processes of *rescaling* (Uitermark, 2002), sustainable communities (Page, 1994; ODPM, 2003) and connecting neighbourhoods with different legacies to the emerging economy (Florida, 2002; ODPM, 2003a; Parkinson et al, 2004; Marvin et al, 2006). If poor neighbourhoods are uncompetitive and lagging behind the mainstream, then what is the role of housing and planning in these debates and what is the response?

This phase is therefore concerned with a wider set of drivers impacting on the competitiveness of neighbourhoods. The *rescaling* of the problem as a result of asymmetry between housing and labour market processes means that policies targeted at areas displaying symptoms of exclusion and disadvantage do not address the underlying causes of the problem. The processes of exclusion and spatial manifestation lie elsewhere. Whilst the focus of the first phase of research was upon compositional meanings (quantity and definitions), the second phase is more concerned with understanding the future role and trajectory of neighbourhoods within the context of the region or sub-region. Its objective is in understanding how poor neighbourhoods, built in different economic eras, can be reinserted into a competitive regional economy and connected to emerging knowledge and creative economies.

Path dependency and neighbourhood trajectories

The papers variously illustrate how the reconnection to emerging opportunities of neighbourhoods built in previous economic eras needs to consider the path dependency of space and place. Path dependency is inextricably bound with the *trajectory* of a neighbourhood measured through various forms of capital (i.e., productive, social, human, physical, institutional and 'symbolic' capital) (Putnam, 1995; Bourdieu, 1986) at a variety of spatial scales; a path dependent approach looks for explanations of different trajectories and paths of development: "...what happened at an earlier point in time affects the outcomes of a sequence of events later on" (Robertson, McIntosh and Smyth, 2010, pp.259). Crucially, the neighbourhood trajectory is mediated by the asymmetrical relationship between labour markets and housing markets (Allen and Hamnett, 1991).

Paper [1] links to a set of ideas that embodied the notion of aspirations, niche markets, competitiveness and the *flexible specialisation* of housing that was emblematic of the

low and changing demand debate of the late 1990s. The paper was based on a study of the housing market in Lancaster and Morecambe in the early 1990s and analysed the impact of changes in the consumption of housing and spatial patterns of deprivation. The paper characterised the way in which initial 'shocks' to the economic system (the role of tourism in the seaside resort of Morecambe) did not immediately manifest themselves as housing problems. The process was organic and asymmetrical with the spatial manifestations and implications for housing of the changed economic role emerging in the longer run[8]. Whilst economic shocks affecting the competitiveness of industrial production are met by industries ability to adapt through flexible specialisation and the development of niche products to meet market demand, housing, as a fixed and positional good, has limited flexible specialisation or means by which to change its client base. Neighbourhoods and housing adapt to the changed aspirations and uses of its fixed form. The precise nature of that niche offering is determined largely by what went before. In the case of Morecambe the spatial outcomes arose out of the re-use of bed-and-breakfast and lodging house accommodation built in the early 20th century but which lost its role in the 1970s and early 1980s. Disinvestment and a loss of its competitive advantage in tourism resulted in the town losing its 'role' (Bagguley et al., 1990) and led to the search for a new role and client group to fill the empty hotel rooms.

Post-Fordist legacies require new methods of interpretation and the trajectory of places is not determined or predictable using positivist, linear methods of estimation. As Agarwal notes in the context of decline and restructuring of seaside resorts: "[it] is not necessarily associated with the course of the lifecycle or a particular capitalist phase, but is the outcome of interactions between internal and external forces, and that restructuring must incorporate a greater appreciation of place distinctiveness" (Agarwal, 2002). The place distinctiveness of Morecambe reflected the asymmetry between economic and housing market functions resulting in trajectory of decline that needed to be addressed in a systematic way. The paper concluded that "new patterns and concentrations of poverty are better explained by an approach which incorporates the housing dynamic as it relates to structuring where the poor live" (Lee, 1994,

[8] Some commentators have analysed the way in which these asymmetries are concealed by individual behaviour and responses to shocks as well as official definitions and measurements of worklessness e.g., Beatty and Fothergill's analysis of coal mine closure found only limited evidence of increased unemployment after coal mine closure in South Yorkshire (Beatty and Fothergill, 1996).

p.1191). Half a decade later the low and changing demand debate necessitated a change in approach for housing strategy and the need to incorporate an understanding of cross-tenure housing dynamics. It required an understanding of the trajectory, drivers and function of areas and a broader understanding of the sub-region and the region. Housing had been exposed to processes of *rescaling* whereby the role of housing and neighbourhoods is constantly being referenced to a broader set of spatial parameters. The 'local' manifestations of changing and low demand for housing in the mid to late 1990s in England are an example of how housing began to be interpreted within a larger and cross-cutting spatial framework and reflects the way in which the region had become "the prime geographical unit in the new round of capital accumulation" (Uitermark, 2002, p.744). In order to understand the function and trajectory of a particular neighbourhood or estates, it needed to be put into a broader context of demand at this wider spatial scale in order to assess the asymmetry taking place between different forms of capital – specifically the physical and productive spheres of the housing stock and the labour market.

Path dependency indicates a need to differentiate between deprived areas and understand their longer term trajectory and function from the perspective of different starting points. EU funded research undertaken by the author[9] demonstrated the different function and trajectory of neighbourhoods in Birmingham that were similarly deprived when compared to official measures of deprivation such as the ILD. Differences in the importance of the spheres of integration (the state, market and kinship[10]) in different neighbourhoods were partly explained by their path dependency (Lee, Murie and Oosthuizen, 2001). Sparkbrook (inner city Birmingham) and Pool Farm (a peripheral housing estate on the south west edge of Birmingham) displayed similar levels of deprivation on official measures. However, household interviews revealed differences in the level of kinship and reciprocity explained by their function and trajectory. Pool Farm had experienced state support and intervention in the provision of council housing in the 1950s and 1960s and state support of support for manufacturing through the nationalisation of British Leyland at Longbridge in the 1970s. This contrasted with a high degree of entrepreneurialism in

[9] URBEX: The Spatial Dimensions of Urban Social Exclusion and Integration: A European Comparison (http://www2.fmg.uva.nl/urbex) (see: Lee, Murie and Oosthuizen, 2001; 2006).
[10] The analytic framework for this study was based on a framework from the existing literature at the time (Polanyi, 1944; Harvey, 1973).

neighbourhoods with a large ethnic minority population that received less benefits from state sponsoring of inner city manufacturing and was restricted access to council housing through the imposition of eligibility criteria which discriminated against immigrants (Rex and Moore, 1967). Residualisation of the Pool Farm estate resulted from processes of de-skilling, migration, right-to-buy and professionalisation (Hamnett, 1994) and resulted in a highly transient and residualised community. In Sparkbrook the lesser role of the state and impact of RTB meant a different trajectory and role of the state. Residents chose to live close to existing networks (there was a high positive approval rating for the neighbourhood) and shared cultural values; this led to a greater role for reciprocity that substituted state mechanisms of state support or the market and characterised the area as 'congregated' rather than 'segregated' (Lee, Oosthuizen and Murie, 2006).

Low and changing demand

The popularity and market appeal of different neighbourhoods was a theme that was therefore developing in the literature which demonstrated how areas with similar levels of deprivation differed in popularity, function and trajectory (Burrows and Rhodes, 1998; Murie, Nevin and Leather, 1998). The author developed separate area analyses for a number of local authorities and sub-regional bodies in the north and midlands of England (see for example Lee, 1998; Lee and Nevin, 2002). This research demonstrated how deprivation and popular/sustainable neighbourhoods were not mutually exclusive categories and the work reflected interest in changing demand and changing aspirations for housing within a broader spatial context.

The phenomenon of changing demand for low-income housing was a major housing policy issue at the end of the 1990s and shaped a great deal of the subsequent policy landscape concerning the strategic role of housing, its fit with the governance of planning at the regional and sub-regional level, the delivery of sustainable communities and the role of housing-led regeneration and renewal. The characteristics of low demand were outlined in a series of papers and reports between 1997 and 2003, which identified growing volatility in tenancy turnover, significant falls in waiting lists for social housing and increasing vacancy rates (Bramley and Pawson, 2002; Murie, Nevin and Leather, 1998; Keenan, 1998; Webster, 1998; Holmans and

Simpson, 1999). But the significant thrust of the analysis during this period (1997–2003) was demonstrating the interdependencies of places operating at different spatial scales. It combined analyses that inter-related demographic, social and cultural trends analysed across administrative boundaries. This created a greater shared understanding of how investment at regional and sub-regional level interacted.

Paper [6] *Changing Housing Markets and Urban Regeneration in the M62 Corridor*, was pivotal to this approach in developing a sub-regional, cross-boundary and tenure neutral perspective. The paper was innovative by developing a methodology for highlighting 'areas at risk' of low demand[11]. The M62 report (as it became known) demonstrated how deprivation was not a primary cause of low demand as areas with above expected levels of deprivation (according to the Index of Multiple Deprivation) (IMD 2000) were widespread throughout the North West, whilst the worst aspects of low demand and abandonment were affecting discrete neighbourhoods. The newly created IMD included a 'housing deprivation' domain, which had little discriminatory potential in identifying areas at risk of changing demand. The inclusion of indicators such as *homeless households in temporary accommodation* and *household overcrowding* in the IMD's housing domain, reflected a set of housing issues that predominantly affected London and South East and the indicators were insensitive to the particular housing market circumstances of the North West especially in the context of changing demand for housing and area abandonment. The M62 report showed that relatively few wards in the study area appeared in the top 100 nationally on the IMD's housing deprivation measure, however, the M62 study area had some of the worst aspects of abandonment[12]. The research therefore challenged the taxonomy of official measures of housing-related social exclusion in a similar fashion to the earlier reports and papers on deprivation. It had a significant impact on policy as well as a contribution to academic debates concerning the spatial interaction of housing and labour markets (Hincks and Wong, 2010) and the question of 'scale' in housing-led regeneration (Pinnegar, 2009). The paper continues to provoke debates on the epistemology of housing market research and its policy implications, especially in the

[11] The areas at risk methodology was developed by the author and subsequently used to identify housing market renewal pathfinder boundaries - see appendix to paper [10] for details.
[12] Parallel research conducted in Liverpool and reported in paper [7] found vacancy rates of 30% or more in a contiguous area of Kensington in Liverpool.

context of gentrification debates and critiques of 'romanticised' academic research (Allen, 2008; Webb, 2009).

Having recognised the scale and cross-tenure nature of the problem in April 2002 the government declared nine Housing Market Renewal (HMR) Pathfinders. The role of the M62 study was widely acknowledged (see Appendix 3):

> "Housing-market analysis undertaken by the Centre for Urban and Regional Studies (CURS) at the University of Birmingham (commonly referred to as the 'M62 study') was replicated across a number of subregional markets in northern England and provided a core contribution to the evidence base underlining both the selection of the initial nine pathfinder areas and their subsequent detailed definition", (Pinnegar, 2009, p. 2916-2917).

The Pathfinders were set up to take the lead on market restructuring by providing a focus on changing demand across broader housing market areas. The Pathfinders each encompassed between two and five neighbouring local authorities. Pathfinders were set up to cover significant parts of the metropolitan housing markets of Tyneside; East Lancashire; Oldham and Rochdale; Merseyside; Greater Manchester (two Pathfinders); East Yorkshire; South Yorkshire; Birmingham and the Black Country; and North Staffordshire.

Competitiveness and neighbourhoods

Evidence of low and changing demand ignited a debate concerning the appropriate scale for delivering services and meeting the needs of a modern economy out of which emerged *city regions* - 'functional entities' that were increasingly acknowledged and supported (ODPM, 2006) as a mechanism for building urban and regional competitiveness and reducing regional imbalance. City regions became an embodiment of *rescaling* and housing's role within the political economy of the region. It introduced a more embedded set of analyses, linking the economy and the role of housing and the neighbourhood. But it had a clear economic agenda: whilst the competitiveness of cities is dependent on a set of relationships beyond the core city boundary, housing is but one of a series of factors that are viewed as essential to the delivery of the competitive service and knowledge-based economy. Housing's role in

delivering social inclusion had therefore been re-articulated as a component of *regional competitiveness* (see, HoC, 2005, para. 7).

The differential speeds of places resulting from the asymmetry of housing market and labour market processes meant that some places were being 'left behind'. Low demand and abandonment reflected these differential speeds and the Sustainable Communities plan (2003) and the Northern Way in England (2003) were responses to address these differential speeds. Competitiveness in this context meant inserting neighbourhoods into the emerging economy; housing market renewal, therefore became emblematic of the kind of cross-boundary approach central to the city-region model.

During the late 1990s the competiveness and abandonment themes were most distinctively combined in inner city Liverpool. Paper [7] *Changing Demand for Housing: Restructuring Markets and the Public Policy Framework*, summarised findings from a research programme commissioned by Liverpool City Council in order to understand the thematic and spatial drivers impacting on the competitiveness and sustainability of housing markets in Liverpool. The research team published nine separate reports for the city of Liverpool including eight in which the author was involved or was principal researcher (see: Nevin, Lee and Phillimore, 1999; Nevin and Lee, 2001a; Groves et al, 2001; Nevin and Lee, 2001b; Nevin, Hall, Lee, Srbljanin, 2001; Lee and Nevin, 2002; Nevin and Lee, 2003). Competitiveness and abandonment was captured using a range of measures and dimensions and was evidenced most startlingly in Kensington and Granby where almost a third of the housing stock was empty and abandoned in 2000 (government guidance at the time recommended an optimal vacancy rate across tenures of around 3%). Whilst there are generic lessons, causes of the process of abandonment in Liverpool were highlighted within a wider spatial, thematic and chronological set of drivers:

- Decentralisation of planning and the emergence of New Towns during the 1950s and 1960s led to outward migration;
- Expansion of university education impacted on a new generation during the 1960s and 1970s and resulted in new career trajectories outside the city;
- The failure to diversify the economy during the 1970s and 1980s led to an asymmetry between housing aspirations and jobs;

- The response and strategy of households in the face of recession and widespread unemployment in the 1970s and 1980s – redundancy payments, paying off mortgages etc. concealed the problem;
- The expansion of higher education (students) and the switch to portable subsidies (housing benefit) during the 1980s reinvented parts of the housing market (flexible specialisation) - right-to-buy policies fragmented the market and provided an opportunity for reinvention;
- The failure of housing strategy locally to isolate and deal with the problem is worsened by making additions to affordable housing stock and by a fragmented governance framework whereby multiple housing associations operating in the city in the 1990s had different investment strategies[13].

The overall impact of the failure to accommodate these key signals resulted in cumulative disadvantage and social exclusion by creating a highly volatile housing market affected by national and global economic pressures, the failure of sub-regional planning and a failure to interpret sub-regional housing market dynamics. The fractured political and governance infrastructure delivered further contradictions which added to the endemic problems of low demand. As a result, Liverpool's population almost halved from just over 850,000 to less than 430,000 between 1945 and 2000. Whilst the manifestation was local, the causes of the problem were manifold and located at a variety of spatial scales including the sub-regional and regional level. In this sense the problem had been *rescaled* (Uitermark, 2002) - a narrow focus on 'worst estates', 'worst neighbourhoods' or 'worst streets' would have very limited effectiveness in resolving the underlying problems. Investment and policy decisions needed to take a broader temporal, thematic and spatial perspective in order to reconcile the sequencing of both housing and economic investment in the wider sub-region. The Liverpool research and the processes that culminated in population loss, extreme rates of abandonment and a dislocation of the housing market from economic opportunities is a history of processes and interventions that affect further states of development. The trajectory of inner city neighbourhood's of Liverpool and similar neighbourhoods affected by population loss and low demand are and were 'path' dependent on previous policy eras and interventions.

[13]This is discussed more fully in *Competitiveness and social exclusion: The importance of place and rescaling in housing and regeneration policies* (Lee, 2010, p193-194).

Planning for opportunity: the knowledge economy and renewal

Two papers considered housing market renewal in the context of competitiveness and the emergence of the creative and knowledge based economy; paper [8] *The Role of Housing in Delivering a Knowledge Economy*, Built Environment, 2004 and paper [9] *The Creative Economy and Social Sustainability: Planning for Opportunity and Growth*, Built Environment, 2009. The 2004 Built Environment paper focused on the absence of any discussion of the role of housing and the path dependency of space that contributed to future opportunities for growth and the development of a creative class in Richard Florida's 'Creative Class' thesis (Florida, 2002). Florida's thesis demanded that cities be diverse in order to attract talent and implied that the niche market and flexibility be a hallmark of the creative, knowledge economy:

> Without diversity, without weirdness, without difference, without tolerance, a city will die. Cities don't need shopping malls and conventions centres to be economically successful, they need eccentric and creative people. (Florida, 2002).

But what did this imply for those Fordist spaces that reflected an earlier economic era? In previous eras mass production was reflected and reinforced by mass consumption of housing with monolithic suburban housing estates and rows or columns of identical terraced and flatted accommodation. This was the antithesis of weirdness. Diversity (and *weirdness* to borrow from Florida) demanded a range (diversity) of housing that reflected post-Fordist niche production methods as well as aspirations and living arrangements. This had significant implications for the emergence of a creative or knowledge economy in low and changing demand neighbourhoods. Central to the 2004 *Built Environment* paper was the argument that a creative class could not emerge independently. The paper set out a framework for understanding the path of development and asymmetry of housing market and labour market processes as follows: phase i) Production of Primary Manufacturing and Raw Materials, ii) Increased Productivity and Personal Mobility, iii) The Maturation of Housing Markets and iv) Housing as an Investment; and drew on evidence from an ESRC funded project to map out the location of Longbridge employees across all income levels and skills. This demonstrated the degree of dispersal in the labour

market as a result of successive waves of housing investment, transport infrastructure and increased wealth amongst higher skilled employees. Whilst the early phase of the Longbridge car plant's development meant that there was a close spatial relationship between housing and the factory, over time this relationship loosened. The housing stock became less attractive to more skilled workers as the housing market matured and as housing was seen as a major investment opportunity. The housing stock therefore became out of step with the aspirations of workers of different skills and incomes and was not sufficiently diverse to provide the competitive advantage to capture a creative or knowledge class.

Paper [9] built on the 2004 Built Environment paper in exploring the role of planning in delivering a sustainable built environment while accommodating the aspirations of knowledge and creative workers. The paper raised questions about the path dependency of neighbourhoods and the role of planners in shaping or enabling the market while balancing the needs of a future economy with policy goals of social cohesion and inclusion. Part of the discussion involved an innovative methodology pioneered by the authors used to highlight the degree of 'exposure' of neighbourhoods to economic change[14]. The method assessed the development path (path dependency) of neighbourhoods based on occupational (SOC) and industrial (SIC) classifications of employees at neighbourhood level. The housing characteristics for occupational and industrial categories were identified and future 'exposure' to economic change matched using SOC and SIC forecasts. This provided a 'spatial benchmark'[15] of economic forecasts and commentary upon how constrained or assisted neighbourhoods are and their ability to connect to new economic opportunities such as the knowledge economy or creative economy. The paper offered a new perspective on reconciling the housing needs arising from economic forecasts and identifying opportunities for planning to reduce a form of *spatial mismatch* (Houston, 2005) between deprived communities and areas of growing economic opportunity. The paper concluded that while there is a proactive role for housing in attracting and retaining knowledge and creative types, the role and size of the knowledge and creative class should not be over estimated. Construction and investment need to

[14] This had been used in reports to the Sheffield and Leeds City-Regions in 2006 and 2007.
[15] i.e., by using our understanding of path dependency and spatial mismatch it translated economic forecasts into their likely spatial impact – using current consumption patterns as a set of outcomes 30-40 years in the making.

reconcile the differential speeds of city-regional economies, especially where the path dependency of the older housing stock and neighbourhoods is not attractive to skilled households that are benefiting from knowledge growth. The paper therefore attempted to reconcile these differential speeds of space by developing a methodology for assessing the extent of the spatial mismatch between current consumption and future growth potential.

CONCLUSIONS: TOWARDS A 'CITIZENSHIP OF PLACE'

The papers considered here represent a consistent line of argument seeking to illuminate the tension between competing goals of *competitiveness* and social *inclusion* illustrative of the tension between people and places. By considering these axes through the lens of planning, housing and urban policy, questions are raised concerning measurement, interpretation and implementation of policy used to address these twin objectives. Deprived spaces contain relics of past economic eras and social and economic relationships: they are *path dependent* and their ability to reconcile the *rescaling* of place arising from globalisation implies that they operate at *differential speeds*; a metaphor that reflects the distinctions between those spaces and places that are enabled and engaged with newly emerging modes of production and those that are restricted in their function and therefore less able to connect with the emerging economic opportunities.

Path dependency is a process that affects future physical development of places (eg: the limitations of planning options by building particular types of housing or the proximity of particular types of industry) but also affects the ongoing *narrative* of neighbourhoods. The way in which neighbourhoods are conceptualised, characterised and described i.e., the way in which data is assembled, meaning attached and results produced also affects the path or trajectory of a neighbourhood. The 'narrative' developed for a particular neighbourhood in the form of statistical measurement of deprivation, media representation and popular culture is representative of 'symbolic' capital, which affects the reputation and path dependency of that neighbourhood. The process and the data sources on which the narrative is founded are therefore *path dependent*. All of the papers submitted deal to some extent with the narrative of neighbourhoods and how meaning is attached to particular variables and the

consequences of these narratives, taxonomies and classifications of deprivation. In this study housing has principally been the independent variable and neighbourhoods and places the cases for analysis.

Social exclusion and the implications for housing

Throughout the work there has been an attempt at innovation in the use of data to describe different functions and trajectories of neighbourhoods in order to differentiate between deprived areas. Poverty studies have tended to focus on empirical measures of distribution: 'the lack of resources at the disposal of an individual or a household' (Room, 1995a, pp. 5–6). This reflects the empirical traditions of British social researchers and commentators such as Rowntree (1901, 1941) and Townsend (1979) who relied upon an analytical framework that was highly dependent on empirical measurement of the distribution incomes and wealth at household level. There was no significant treatment of the dynamics or explanation of the differentiated experience of poverty across space affecting different local histories and trajectories of place. This is understandable as both authors were writing or surveying in a period of considerably less 'complexity'. Central to the narrative thread that runs through the papers has been the shift from a distributional to a relational focus, afforded by acceptance of the term *social exclusion* within academic and policy debates. Initially this was closely linked to employment 'rights' and 'duties' and a focus upon labour markets presenting a dichotomy and narrowing of discourse whereby all those outside the labour market were perceived as excluded whilst those in work seemingly *included* (Levitas, 1996). Four key 'symptoms' of social exclusion: *concentration*, *persistence*, *compounded* and *resistance* explained new patterns and dynamics deprivation not amenable to traditional policy solutions (Room, 1995) and the changing meaning and role of housing, discussed throughout the research, is illustrative of the need for 'new policy solutions'. Social exclusion therefore examined the dynamics and underlying barriers that contributed to the denial of social rights:

> 'being shut out, fully or partially, from any of the social, economic, political and cultural systems which determine the integration of a person in society'

(Walker, 1995, p. 8) '...in other words inadequate social participation, lack of social integration and lack of power' (op. cit pp. 5–6).

The definitional change in poverty studies altered the angle of enquiry to throw light on a legitimate debate concerning the role of place and space whilst also acknowledging the role of the state as an exclusionary agent in these debates – it didn't just 'blame the victim'; and in policy terms it spawned a more comprehensive set of viewpoints on the meaning, measurement and experience of poverty (SEU, 1998). This shift (from a *distributional-poverty* approach to a *relational-social exclusion* approach) had significant implications for the analysis and contribution of housing. Issues of *scale and the role of place*, *process and dynamics* of housing markets and *relational* aspects of social exclusion (see Table 2) became more pertinent avenues of enquiry.

Housing as an independent variable presented considerable potential in explaining patterns of disadvantage and social exclusion; the papers submitted here use a range of case studies and data sources to reflect on the *asymmetry* between housing and labour markets to further that explanatory potential. As wealth increased, but experience diverged (especially after 1975), distributional and material disadvantage became less important than social and relational disadvantage. Understanding the narrative of the city through the lens of housing consumption has become more difficult. The Post-Fordist city, defined by economic relations of class and mass consumption and production, has given way to post-modern forms of niche consumption and expressions of individualism (Forrest and Kennett, 1998). As a result new perspectives on the 'poverty of place' have been called for (Fitzpatrick, 2005).

This renewed fascination with place has spawned a growth in 'neighbourhood effects' literature (see: Atkinson and Kintrea, 2003; Friedrichs, Galster and Musterd, 2003, Buck and Gordon (2004) which is not revisiting of the intergenerational, culture of poverty or underclass thesis (Wilson, 1987) but acknowledges that post-Fordist-knowledge economies need to develop 'narratives' of neighbourhoods and their trajectories for the purpose of understanding the implications of different *speeds* of places. As places increasingly reflect the fragmented and polarised nature of global capitalism, place has therefore become a key and defining attribute in *the new age of capitalism* (Sennett, 2006).

Table 2 Defining characteristics of poverty and social exclusion and the implications for housing

Defining characteristics	Poverty	Social Exclusion	Housing Implications
Scale and the role of place	Poverty resides at the level of the household or individual; *participation standards* (Townsend, 1979) define thresholds below or above which households or individuals are in poverty.	Individuals could be said to be experiencing social exclusion where they do not enjoy full citizenship rights or are not integrated into the market (employment), community (reciprocity) or welfare (access to services and welfare) (Polanyi, 1944; Harvey, 1973; Musterd et al, 1999). While the focus is on the individual, the role of place and space in contributing to experiences of exclusion broadens the scope and scale of influence.	Housing investment needs to be seen in a broader spatial context – e.g., the relationship between housing and the economy and existing distributional patterns of housing consumption and aspirations. The role of place and neighbourhood defines outcomes ('neighbourhood effects') which are not just determines by material disadvantage or income levels.
Distribution v. process	Poverty is traditionally defined in absolute or relative terms. Relative deprivation is ultimately concerned with the distribution of resources and incomes within society. Logically, absolute poverty must result in death and therefore the relative concept must be employed, as there must be a relative judgment about the minimum intervention necessary to sustain life.	While there are contested definitions of social exclusion (Levitas, 1996), with some arguing that social exclusion remains 'exclusion from work' and resources, it is the process of exclusion which in itself provides a lens through which to explore inequality in action.	The focus for housing should combine distributional (needs-based) approaches with process-driven accounts of housing production and consumption – for example, the role of planning and the development industry in processes of social exclusion.
Relative v. relational	Citizenship is dependent on participation. The relative theory of poverty suggests that as income goes down deprivation rises exponentially and participation rates decrease.	Social exclusion is concerned with citizenship rights, but whereas some definitions parallel a traditional 'poverty' approach, it is the role of kinship and social interaction which differentiates a social exclusion approach.	The relationship to other households and emerging opportunities not simply material housing circumstances in relation to others. This implies that residents do not have 'perfect knowledge' of other agents and the behaviour of other agents is central to understanding place outcomes (Lee et al, 2006; Kennedy et al, 2007).
Dynamics v. cross-sectional	Viewed as cross-sectional and static. Measurement is at one point in time; 'offi cial' measures such as the HBAI measure the proportion of households below 60% of median household incomes. This does not capture the proportion of households that have remained within this threshold over time.	The interaction between places and displacement effects (EP, 2004) of housing investment is a central concern for the analysis of social exclusion and the delivery of sustainable communities.	Outcomes at an individual and aggregate level require planning and housing monitoring to provide cross-classification of spatial and household data to address the question of whether the same areas are deprived over time or whether people and households move over time.

Source: adapted from Lee (2010, p.187-188).

The differential experiences of place affect our understanding of social exclusion and relative deprivation and, as these are dependent on 'participation standards' across time and place affect our understanding of citizenship.

Community and Society: towards a citizenship of place

As citizenship rights reflect an incremental development in the narrative of what it means to be a citizen (civil, political and social rights), the way in which housing contributed to the experience of poverty is a story of changing narratives: social-relational descriptions have come to the fore. The narrative shifted from blaming the victim (individual or household) to blaming place and space. Housing Market Renewal was public policy's response to problems of urban competitiveness and social exclusion: HMR was the articulation of social and spatial policies that recognised the asymmetry between societal progress on the one hand and communities and households trapped by the past legacy of economic and housing investment decisions which acted as a drag on competitiveness.

The competitiveness-HMR agenda was largely driven by an overarching narrative of *knowledge* and *creativity* (the knowledge based economy and creative industries). Knowledge and creativity demand two elements – *abstraction* (Florida, 2002) and *networks* (Musterd and Murie, 2010). As knowledge and creativity is reliant on more abstracted forms of intellectual content and extended networks (Musterd and Murie, 2010) the asymmetry between neighbourhoods and the emerging opportunities creates *differential speeds* of progress and manifests in increased economic segregation which highlights the tensions between inclusion on the one hand and competitiveness on the other. Opportunities and participation are determined by housing market and neighbourhood position analogous to distinctions between abstracted social relations dependent on networks and knowledge exchange and more immediate face-to-face and proximal relationships associated with neighbours and spatially discrete communities (but dependent on the 'right kind' of proximal spatial relationships)[16]. Abstracted relations are a feature of society (*Gesellschaft*) whilst more immediate face-to-face and proximal relationships have been associated with close neighbours

[16] This distinction echoes that of Tönnies more than a century ago when he distinguished between a large society (Gesellschaft) and a small community (Gemeinschaft) and the qualitative difference in the substance of relationships prevailing in each (Tönnies, 2004).

and spatially discrete communities (*Gemeinschaft*) in the work of Ferdinand Tönnies (Tönnies, 2004). Healey has noted how over the course of the twentieth century authoritative power has given way to 'network' power (Healey, 2005, p. 146):

> "In a world of relational complexity, the endeavour of developing strategies for the spatial development of urban regions presents an ambiguous challenge. On the one hand, the very context of dynamic complexity in a globalizing environment has created a new policy discourse that calls for more attention to coherent strategies to develop the 'assets' and 'qualities' of urban regions. On the other hand, the effort of understanding what an urban region is and drawing together a governance coalition capable of developing and maintaining an agenda focused at this scale presents, once relational complexity has been recognized, a huge intellectual and politico-organisational challenge" (Healey, 2005, p. 147).

The success of neighbourhoods is therefore dependent on levels of abstraction and networked power that extends beyond physical boundaries. We can therefore distinguish between places that are operating at different speeds and levels of abstraction and connectedness by drawing on the work of Putnam (1995) and Bourdieu (1986). Understanding the potential trajectory of neighbourhoods requires not only a measure of their current position, but an understanding of their path dependency which influences longer term outcomes. Successful neighbourhoods and citizens draw on a range of resources and different forms of 'capital' e.g., *social*, *cultural*, *physical*, *productive*, *environmental* and *human* - each operating at varying spatial and temporal scales. Bourdieu has characterised these forms of capital as resources that are developed through 'the conditions in which they emerge':

> "symbolic capital, that is to say, capital – in whatever form – insofar as it is represented, i.e., apprehended symbolically, in a relationship of knowledge or, more precisely, of misrecognition and recognition, presupposes the intervention of the habitus, as a socially constituted cognitive capacity" (Bourdieu, 1986, pp. 56).

Habitus is therefore path dependent as is the social context within which conditions emerge. The complexity of capital formation at a neighbourhood level mediated through housing market processes has been a theme throughout this research and

summarised in paper [10] *Building Sustainable Housing Markets*. But the complexity of space and the differential speeds of place embodied in different degrees of abstraction and capacity for exploiting 'opportunity' reflect a deeper resonance of *Gemeinschaft* and *Gesellschaft* – of policy and practice and cultural habitus revolving around twin poles or differential speeds. Post 1975 individualism and privatisation policies had unintended consequences for the trajectory of neighbourhoods. The 'no such thing as society' mantra broke the contract between the state and the individual. The combined effects created a greater dissonance in spatial hierarchies. Citizenship in the traditions of Marshall (1998) spoke of the accretion of individual rights bestowed on the individual. The erosion of citizenship arose from the subtle alignments of interaction afforded by stability of spatial hierarchy through subsidised housing, the restriction of credit and full employment.

The abstraction of networks and knowledge results in the differential speed of place and raises issues concerning deficits in the experience of norms and standards across space. But, do all neighbourhoods have the means to participate and be included? The state has a role because of issues of 'scale' i.e., global, national, regional, competitiveness, efficiency (not duplicating or displacing activities) and equity (ensuring that communities are not undermined through activities they cannot control). Logically this would suggest that the evolution of citizenship and participation and the role of the state can legitimately embrace the concept of *citizenship of place*.

Future research

The assumptions of citizenship have changed irrevocably. Spatial outcomes resulting from individualism and deregulation do not stop at the individual but have implications for methodologies that determining the management of space such as population forecasts, housing needs and tenure requirements etc. The research underpinning this submission for PhD has partly been stimulated by a dissonance in the methods used to articulate spatial cleavage and what to do about it. It is worth reflecting how far strategic guidance at local, sub-regional and regional level has changed in the past decade in considering the implications for future research. Compared to earlier guidance (Audit Commission, 1992) the most recent guidance

has incorporated a wider market perspective and the interaction of housing with other variables such as the performance and nature of the economy (see CLG, 2007). Abandonment and low demand challenged traditional methodologies for forecasting future demand and housing need. Despite this, Healey arrives at pessimistic conclusions regarding the transformative potential of spatial planning:

> "[strategic spatial planning] is currently undermined by serious imaginative weaknesses in addressing the concepts of relational complexity and translating them into their consequences for the spatiality of urban regions (Healey, 2005, p.152).

This is not so much an indictment of the governance frameworks to manage *scales* but a failure of imagination in the face of *relational complexity*. Such complexity needs to be understood using methodologies and techniques that incorporate multi-disciplinary and multi-'agency' approaches. Social systems have an in-built process of self-segregation – a propensity for agents (citizens) to seek out 'like mindedness' (Schelling, 1971). The behaviour of *agents* will be determined not only by social class and income status but also by the degree of social and cultural capital they seek out and acquire. This has the potential for greater and lesser degrees of stability in urban and social systems dependent on how far cleavages result from perceived 'threats' and inequalities. The role and behaviour of agents and how they interact is therefore central to understanding place outcomes. New methodologies for understanding the role of residents (agents) are emerging (Lee et al, 2006; Kennedy et al, 2007) and will need to be extended especially in the context of resilience and the ability of a social and economic systems to 'bounce back' (Coaffee et al, 2008; Rose, 2007). The next phase of research and policy development in this area will be to deliver sustainable and resilient policy outcomes by developing techniques (such as those outlined in papers [7] and [9]) identifying spatial inequalities and environmental and anthropomorphic risks[17] to assist in scenario planning and the resilience of communities and citizens.

[17] The author contributed to a workshop on planning and scenario building organised by the French Government following the Paris riots in 2007 (see: http://www.eukn.org/dsresource?objectid=153327) (Lee, 2008).

Summary

This critical review of the research and publications, submitted for consideration for PhD, has:

i) Highlighted the different drivers of deprivation at the local level[18] for the purpose of understanding where and how policy should intervene (*measuring and mapping deprivation*).
ii) Contributed to debates on social exclusion and housing's role in these debates (*social exclusion and housing tenure*)
iii) Differentiated between deprived areas in terms of their function and trajectory (*neighbourhood trajectories*)
iv) Developed models of risk of changing demand for housing (*changing demand*) and
v) Identified the spatial mismatch between neighbourhoods (*planning for opportunity*).

The body of work relates housing to both individual and place based notions of citizenship. It illustrates how the path dependency of place and relational aspects of exclusion relate to notions of 'participations standards' and the concept of citizenship. Competiveness of neighbourhoods and places is increasingly determined by abstracted sets of relations. The papers build up a set of arguments that identifies citizenship and participation standards as both concerns for both 'distributional' and 'place based' relational justice. The appendix contains copies of papers (or part chapters) submitted for consideration (pp.44-448); a list of citations (pp.449-470) and evidence of impact and recognition (pp.471-480).

10,051 words

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[18] 'Local level' includes dynamics at neighbourhood and district level but also the interaction between sub-areas.

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SUMMARY SHEET

No.	Date	Title and contribution	Type	Word total
1	1994	*Housing and Spatial Deprivation: Relocating the Underclass and the New Urban Poor*, Urban Studies, Vol.31, No.7– path dependency of space and the flexible specialisation of housing	J	6,440
2	1995	*Area Measures of Deprivation*, CURS, The University of Birmingham and Joseph Rowntree Foundation, with Alan Murie and David Gordon – indicators, spatial scale and validation of measurement of deprived areas (ISBN 0704416190)	OR	25,000
3	1997	*Poverty, housing tenure and social exclusion*, Bristol: Policy Press, with Alan Murie – path dependency and neighbourhood trajectories (ISBN86134063X)	OR	24,314
4	1999	*Where are the Socially Excluded? Continuing Debates in the Identification of Poor Neighbourhoods*, Regional Studies, Vol.33, No.5, pp.483-486 - indicators, spatial scale and validation of measurement of deprived areas	J	3,099
5	1999	*Spatial and Social Divisions within British Cities: Beyond Residualisation*, Housing Studies, Vol.14, No.5, pp.625-640; with Alan Murie – changing demand, spatial mismatch, trajectories and social exclusion	J	7,000
6	2000	*Changing Housing Markets and Urban Regeneration in the M62 Corridor*, Housing Corporation, Manchester (ISBN 0704422093) with Brendan Nevin, Alan Murie, Lisa Goodson and Jenny Phillimore – areas at risk, changing demand, spatial mismatch and social exclusion (ISBN 0704422093)	OR	11,239
7	2003	*Changing Demand for Housing: Restructuring Markets and the Public Policy Framework*, Housing Studies, Vol 18, No. 1, pp.65-86; with Brendan Nevin – path dependency and neighbourhood trajectories - primary role on data and housing markets analysis	J	3,500
8	2004	*The Role of Housing in Delivering a Knowledge Economy*, Built Environment, Vol 30, No. 3, pp.235-245; with Alan Murie– competitiveness, spatial mismatch, changing demand and social inclusion	J	2,600
9	2009	*The Creative Economy and Social Sustainability: Planning for Opportunity and Growth*, Built Environment, Volume 35, number 2, 2009 pp.267-280 with Alex Burfitt and Andrew Tice - competitiveness, spatial mismatch, changing demand and social inclusion	J	7,863
10	2010	*Building Sustainable Housing Markets: reflections and lessons from a decade of changing demand and housing market renewal*, Chartered Institute of Housing; with Ed Ferrari - competitiveness, spatial mismatch, changing demand and social inclusion (ISBN 9781905018277)	B	25,000

Key: J- Journal Article; OR-Official Report; B-Book; C-Chapter in Book

STATEMENT

1. Prof Alan Murie, Emeritus Professor Urban and Regional Studies, CURS, the University of Birmingham

From: [redacted] (Alan Murie)
Sent: 18 October 2010 11:07
To: Peter Lee
Subject: RE: PhD

Dear Peter

As discussed I am attaching below a list of papers that you may decide to use in your submission for PhD and that I had some role in. I have also set out the contribution that you made in each case and hope that this provides a clear statement enabling you to proceed.

Date	Title	contribution
1995	*Area Measures of Deprivation,* JRF/CURS	Peter Lee was the principal researcher and author
1997	*Poverty, housing tenure and social exclusion*, Bristol: Policy Press,	Peter Lee was the principal researcher and author
1999	*Spatial and Social Divisions within British Cities: Beyond Residualisation*, Housing Studies	Peter Lee was the principal researcher informing the paper; authorship was jointly undertaken
2000	*Changing Housing Markets and Urban Regeneration in the M62 Corridor*, (2 chapters and input to conclusions) Housing Corporation	Peter Lee was the principal researcher and author of Chapters 2-4 (pp.12-58) and he undertook the research for this part of the report - he developed the methodology including 'risk indices' and 'adjacency analysis' that underpinned the typology of neighbourhoods at risk and informed the policy conclusions.
2004	*The Role of Housing in Delivering a Knowledge Economy*, Built Environment	Peter Lee was the principal researcher informing the paper; authorship was jointly undertaken

Alan Murie

Emeritus Professor
CURS
University of Birmingham

2. Dr. Alex Burfitt, Senior Manager, Research Policy, Research and Studies Directorate, Audit Commission

From: Alex Burfitt [mailto[redacted]]
Sent: 28 October 2010 12:14
To: Peter Lee
Subject: The Creative Economy and Social Sustainability

Peter,

I am happy to confirm that you were the principal author on our co-authored (along with Andrew Tice) paper "The Creative Economy and Social Sustainability: Planning for Opportunity and Growth" published in Built Environment, Volume 35, number 2, 2009 pp.267-280. My name on the paper reflected my involvement in some of the underlying research rather than the drafting of the paper which was almost exclusively undertaken by you.

Kind regards
Alex

Alex Burfitt
Senior Manager, Research
Policy, Research and Studies Directorate
Audit Commission
[redacted]

3. Dr Ed Ferrari, Senior Manager, Research Policy, Research and Studies Directorate, Audit Commission

From: E T Ferrari [mailto:[redacted]]
Sent: 29 October 2010 17:16
To: Peter Lee
Subject: Building Sustainable Housing Markets

To whom it may concern:

Ed Ferrari & Peter Lee (2010) ***Building Sustainable Housing Markets***
Coventry, Chartered Institute of Housing, ISBN 978-1-905018-27-7

This letter is to confirm that the above publication was jointly authored by Ed Ferrari and Peter Lee.

Peter's contributions were critical in the inception of the project; planning the outline of the proposal with the Editor; and liaising with the Editorial team at all stages of the book's production.

While both authors were involved in writing and editing the volume, Peter contributed the following specific chapters and can claim moral rights over most of their intellectual content:

Chapter 1: The context for sustainable housing markets: social exclusion and 'rescaling'
Chapter 4: Developing local approaches to market renewal
Chapter 6: Retrospect and prospect: delivering sustainable and resilient housing markets

Peter was central in developing many aspects of the book's intellectual contribution, including the positioning of market renewal within a broader political economy; the idea of market renewal as being a form of 'rescaling'; and the implications of our arguments for the concepts of citizenship of place.

Ed Ferrari
Sheffield, 29 October 2010

Ed Ferrari

Lecturer / Undergraduate Admissions Tutor
Department of Town & Regional Planning
The University of Sheffield
[redacted]

4. Brendan Nevin, consultant Nevin Leather Associates

Through a literature review that preceded the Liverpool study Brendan Nevin identified potential Tipping Points of void and vacancy variables which informed the development of the method for identifying acute low demand in inner city Liverpool and published as part of the 2003 Housing Studies paper [7].

From: Brendan Nevin [mailto[redacted]]
Sent: 23 November 2010 10:26
To: Peter Lee
Subject: Re: PhD by publication

Peter

I am happy for you claim lead researcher for the publications in relation to the technical work.I would be grateful however if you could find a form of words which acknowledges my role in identifying the variables through the literature review i did for the Liverpool study in relation to Tipping Points and those which were used in the M62 study which originated from my work looking at abandonment in North Manchester prior to that commission. [redacted]

Best of luck
Brendan

From: Peter Lee [redacted]>
To: "brendan.nevin[redacted]
Sent: Tuesday, 12 October, 2010 14:22:32
Subject: PhD by publication

Dear Brendan,

[redacted] I am in the middle of submitting my PhD by publication and have put together 10 articles/chapters etc.. that link together concepts of *citizenship-participation standards-competitiveness* and *epistemology* (in relation to the measurement and meaning of poverty across space) and the role of housing in these debates .

[redacted]

I have included a couple of papers/reports that include you as joint author (see below); together these represent almost 40 of the 270 academic citations that the work in 6 of

the papers has generated (4 of my papers have appeared in the last couple of years and so there is no measure of academic citation impact for these).

No.	Date	Title and contribution	Type	Word total
6	2000	*Changing Housing Markets and Urban Regeneration in the M62 Corridor*, Housing Corporation, Manchester (ISBN 0704422093) (40,000 words my main contribution is on chapters 2-4 on methods and areas at risk of low demand) – themes: areas at risk, changing demand, spatial mismatch and social exclusion.	OR	11,239 (3 chps)
7	2003	*Changing Demand for Housing: Restructuring Markets and the Public Policy Framework*, Housing Studies, Vol 18, No. 1, pp.65-86 with Brendan Nevin – themes: path dependency and neighbourhood trajectories - primary role on data and housing markets analysis.	J	3,500 (half)

For the purpose of the statement of authorship I am claiming 'primary' author on 3 of the chapters in the M62 report which relate to the risk index and measuring deprivation and some input to the overall conclusions. On the Liverpool paper for Housing Studies, I would claim to be principal researcher and co-author – the aspect of the paper I am using for the thesis is the development of the analysis and the research methodology. Can we agree a form of words and get your agreement on my contribution to use against these articles?

All the best

Peter

Peter Lee
Senior Lecturer
Centre for Urban and Regional Studies (CURS)
Birmingham Business School
The University of Birmingham
[redacted]

APPENDIX 1: SUBMITTED PAPERS FOR CONSIDERATION

Paper [1] [1994] ***Housing and Spatial Deprivation: Relocating the Underclass and the New Urban Poor*****, Urban Studies, Vol.31, No.7**

Urban Studies, Vol. 31, No. 7, 1994 1191–1209

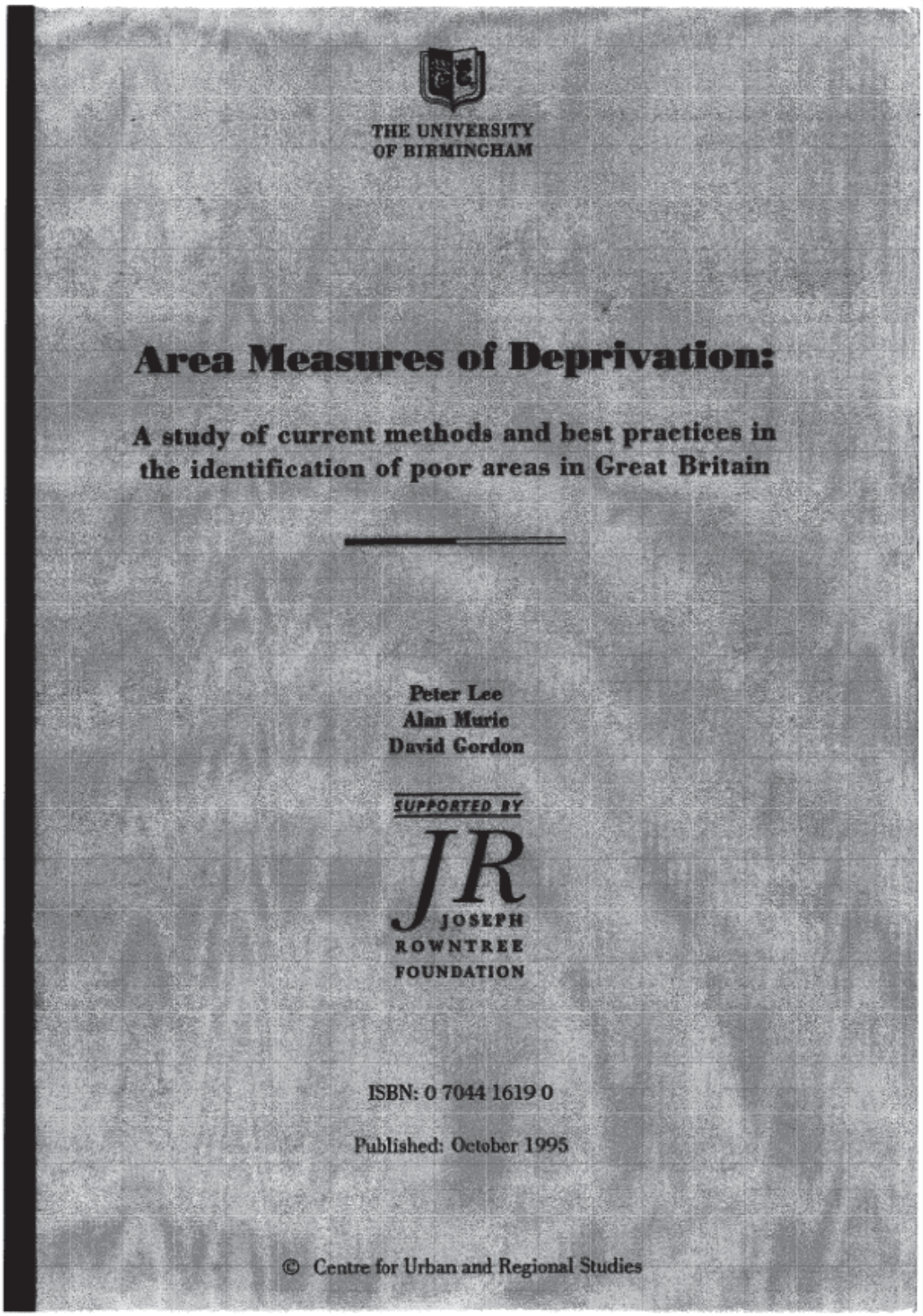
Housing and Spatial Deprivation: Relocating the Underclass and the New Urban Poor

Peter Lee

[Paper first received, September 1993; in final form, January 1994]

Summary. Poverty debates have recently focused upon the emergence of an underclass characterised by a detachment from society's normative behaviour and values. Alternative contributions invite us to view the growth in social assistance as the 'new poor' measured against the 'traditional' poor. In neither the accounts of 'new poverty' nor of the underclass is there any theorisation of space or the role that housing plays in contributing to these experiences of poverty. This paper argues that a multidisciplinary perspective must be used to understand new forms of poverty and, whilst dismissing the underclass thesis, analyses the role that housing plays in the creation and sustenance of deprivation. It concludes that new patterns and concentrations of poverty are better explained by an approach which incorporates the housing dynamic as it relates to structuring where the poor live.

Paper [2] [1995] Area Measures of Deprivation, York: Joseph Rowntree Foundation, with Alan Murie and Dave Gordon



THE UNIVERSITY
OF BIRMINGHAM

Area Measures of Deprivation:

A study of current methods and best practices in the identification of poor areas in Great Britain

Peter Lee
Alan Murie
David Gordon

SUPPORTED BY

JR
JOSEPH
ROWNTREE
FOUNDATION

ISBN: 0 7044 1619 0

Published: October 1995

Contents

Preface

This study presents the output from the first stage of a research project funded by the Joseph Rowntree Foundation concerned with housing and social exclusion. In the first phase of the project the aim has been to assess the spatial pattern of deprivation in order to develop the role that housing markets play in concentrations of poverty in the second phase of the project. The initial question of where concentrations of deprivation are located is fundamental to the wider discussion of social exclusion and of the role of housing in deprivation. However, in order to address this issue, it becomes necessary to measure and map deprivation and to engage with the literature concerned with the identification of areas with deprived or disadvantaged populations. Consequently the first part of this project has involved a detailed and systematic evaluation of different approaches to the measurement and mapping of deprivation. This work has included a consideration of the literature and of the available approaches to measurement developed in recent years. This has particularly involved the examination of indexes developed to reflect the different elements of deprivation and its multivariate nature. In evaluating these indexes consideration has not solely been based on examination of their construction or of inputs: variables used, how they are standardised into one index and how the variables are transformed or weighted; but has also involved an examination of outputs: the regional profile of 'poverty' when using different indexes, how the indexes inter-correlate and how they relate to other (external) indicators of poverty or deprivation. In the process of the evaluation, therefore, we present new analysis at ward level (England & Wales) and postcode sector level (Scotland) and in so doing provides a new analysis of deprivation in Great Britain.

Acknowledgments

The research forming the basis of this study could not have been made possible without the help, advice and assistance, not to mention the patience, of a number of people and organisations. Firstly thanks are due to the Joseph Rowntree Foundation for the funding of this research and to members of the Joseph Rowntree Advisory Committee for the advice and guidance in the early preparation of this report. We acknowledge the help of Vera Carstairs at the University of Edinburgh, George Smith at the University of Oxford, Professor Brian Jarman at St Mary's Hospital Medical School, Imperial College University of London and Steve Simpson at Bradford City Council for their assistance and advice in recreating their measures of 'deprivation', 'low income', 'underprivilege' and 'area stress' respectively. Thanks to Paul Hatton and Chris Tarpey at Birmingham University computing services and to Alex Marsh at CURS for advice on the use of hardware and software. We would also like to extend our gratitude and thanks to all the staff at Manchester Computing who have helped with the use of Census and Vital statistics data, including Keith Cole and Virginia Knight who were always on hand to offer advice and especial thanks to the late Lascelles Williams. Finally, we gratefully acknowledge OPCS in use of vital statistics and Census data, without which this analysis would not have been made possible.

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Appendix

Summary

This study of different methods of identifying areas with concentrations of deprived households provides the most systematic and comprehensive comparison and evaluation of the approaches which have been developed in recent years. It considers a range of indexes using the 1991 population census and draws attention to variations in composition, coverage and outputs as well as strengths and weaknesses where indexes are used for different purposes.

The method adopted involved the reconstruction of a number of 'deprivation' indexes at the small area level in Great Britain. This is the first time that such a large number of indexes have been compared in one study and is unique in providing a detailed comparison of the geography of deprivation covering small areas for the whole of Great Britain.

The study shows that:

- Indexes designed to embrace the different dimensions of deprivation identify different populations and areas than single variable measures. The latter highlight particular aspects of deprivation and are not good indicators of the wider concepts of deprivation.

- At the same time indexes designed to measure deprivation identify as large a proportion of people in the categories identified by single dimension measures such as unemployment or overcrowded households. Indexes of deprivation are as effective in identifying these populations but at the same time identify other aspects of deprivation. On this basis there can be no doubt that indexes are the most appropriate way of identifying areas with the greatest levels of multiple deprivation.

- At a district level different indexes for measuring and mapping deprivation produce a similar picture and identify a similar list of the most deprived districts.

- At ward and neighbourhood levels the different indexes produce different results. Which index is chosen affects which areas are identified as the most deprived.

- Indexes differ significantly in terms of how they are constructed, why variables are selected and how they are weighted. The most recent indexes have been developed in the light of the limitations of earlier approaches.

- Reflecting this, and on the basis of a wider assessment the 'best' index for identifying the most deprived wards at a national level is an index based on the Breadline Britain Survey (Gordon, 1995)completed in 1990 (shortly before the Population Census). In this study the weightings and variables selected have been modified to increase the robustness of the index as a measure of deprivation.

- The Breadline Britain Index presents a very different spatial pattern of deprivation than other indexes including the Department of the Environment's Index of Local Conditions. The latter index is particularly sensitive to regional differences in the built form (particularly the relative importance of flats in the housing stock) and is skewed towards the South East to a greater extent than studies of poverty suggest.

- The Breadline Britain Index as developed in this study shows that the poorest 250 areas in Great Britain include 57 wards in Greater London, 35 in Glasgow, 18 in Liverpool, 15 in Manchester, 11 in Birmingham and 10 in Sheffield. Using the same index the poorest 500 areas in Great Britain include 132 wards in Greater London, 49 in Glasgow, 23 in Liverpool, 21 in Manchester and 17 in Birmingham.

Summary

- In view of the sensitivity of different indexes to regional factors a narrow targeting - on 250 rather than 500 areas - is more likely to highlight the particular slant in the index. While it is logical to select the index which is least subject to such factors it is also logical to adopt a slightly less narrow cut-off and reduce the regional effect of index composition.

The economic, demographic, social and welfare restructuring which has occurred since the mid 1970s has left a wider gap between those on the highest incomes and those on the lowest (DSS, 1993, 1994; Hills, 1995). In a period of economic change some sections of the community have not shared in rising incomes and wealth. Social and economic changes at the national and global scale are increasingly being translated into spatial differences with more visible boundaries being created within cities and regions. In the 1980s the uneven nature of economic change and restructuring received considerable attention especially in relation to emerging regional differences including, in Britain, the North/South divide. The economic and social profiles of different regions were differentially affected by the restructuring and decline of traditional manufacturing industry (particularly affecting the North) and the growth of employment in financial and other services (particularly in the South). Even in this debate however it was widely acknowledged that variations within regions were just as striking as variations between them.

This agenda of variation below the regional level has received more attention recently. The increasing polarisation and inequality referred to above have rekindled interest in the spatial pattern of deprivation. At the same time the completion of the 1991 Census of Population has provided new and more up to date material for the examination and analysis of spatial variations. The data is less than perfect in terms of the variables and questions in the Census but it does facilitate comprehensive and systematic spatial analysis.

In looking at patterns of spatial variation and relating these to debates about polarisation and policy there are some major contributions already available. The evaluation of urban policy carried out for the Department of the Environment (Robson, 1995) inter alia considered how far urban policies had affected the most deprived areas. As an extension of this work the DoE commissioned a new Index of Local Conditions to better identify the areas in England with the greatest concentrations of deprivation. This index did not simply incorporate the data from the 1991 Census but involved a different approach to measurement. The resulting index has been widely used by government and other bodies seeking an authoritative basis for selection or prioritisation of areas.

This renewed interest in identifying the most deprived areas is apparent in other policy areas. The current concern with urban regeneration and the development of the Single Regeneration Budget in England involve a range of considerations and the approach is not simply to fund projects in the most deprived areas. Nonetheless the criteria against which policy would be evaluated included those of deprivation. In housing the government has expressed a renewed concern to tackle the problems of the most deprived council estates and to improve opportunities for the people who live there. For local authorities and housing associations the tasks include the development of effective local housing strategies and working together to deliver these strategies and help to regenerate estates:

> "Over the next ten years, we will tackle the problems of the most deprived estates ... Government Offices for the Regions and local authorities will work together to identify the best way of tackling the estates with the worst social, economic and housing problems... One of our aims in doing this will be to encourage the development of mixed communities. We want to break down the barriers between the old estates and the rest of the community and help construct sustainable communities where a balanced mix of households, young and old, low income and better off, homeowners and renters, live alongside each other" (DoE, 1995, p.35)

In a similar way the Report of the Commission for Social Justice stated that: "In the most disadvantaged parts of the United Kingdom, poverty, unemployment, ill-health and squalor combine to wreck people's chances." (Commission on Social Justice, 1994, p.50); and suggested investment through Community Development Trusts in the most disadvantaged areas of the UK.

The purposes behind the identification of deprived areas are clear. The role of area based initiatives is to complement social security and other policies which can better identify individuals. They include a range of policy initiatives and especially those involving investment in housing and infrastructure and designed to enable regeneration of local economies. The construction of Census based deprivation indexes can be designed to inform the targeting of these initiatives or more generally to indicate new spatial patterns of multiple deprivation. Such indexes represent one of the most important uses of social statistics especially where they inform the allocation of resources. It is against this background that this study forms the first systematic attempt to evaluate both the reliability and validity of the indexes which are most widely used in Britain.

Which areas in Great Britain are the most deprived?

The question is not a new one as the history of mapping area deprivation stretches back to the 19th century. For example, Charles Booth's surveys of London generated maps showing where the criminal classes and feckless lived. More recently examples of area based initiatives to combat high levels of social deprivation can be found in the Community Development Projects developed by the Home Office in the late 1960s; Educational Priority Areas following the Plowden Report of 1967; and Housing Action Areas and Priority Neighbourhoods developed in the mid 1970s following the 1974 Housing Act. These policies were developed in response to a growing recognition of social problems in the major conurbations following 1960s slum clearance and the view that an important way of tackling urban problems was through targeted local initiatives. Defining deprivation and identifying regions with concentrations of underprivileged or disadvantaged people has, therefore, been a key input to the formulation of policy and eventual distribution of resources, whilst, historically, interest and concern with concentrations of poverty and the interaction between place and deprivation has arguably arisen from: "..notions of association and contamination, congregation, inheritance and environmental influence" (Townsend, 1979, pp.543).

However, the question of where the poorest areas are is not as simple as it appears at first sight and what appears to be a straightforward exercise in the identification of deprived areas is more than a simple one. Preoccupations with spatial concentrations of poverty may inadvertently lead us to neglect the dispersed character of much poverty. Nevertheless, the search for a 'best' index with which to target deprived areas has resulted in the development of different approaches developed specifically for the regions and for Scotland, Northern Ireland and rival measures for England. Consequently the Index of Local Conditions is not the only approach on offer and in recognition the Commission on Social Justice has stated: "There are a number of ways to identify disadvantage, but long-term unemployment and low levels of economic activity should be priority indicators" (Commission on Social Justice, 1994, p.334).

Different approaches involve the use of different indicators. But what should these indicators be and are these the best indicators in all cases? Furthermore, what are the implications of using different measures to identify deprived communities and do these different measures all produce the same pattern of poverty? Is it the case, for example, that: "Despite the fact that all indexes [of deprivation] use different statistical methods and combinations of variables, the resulting maps are remarkably similar" (Gordon and Forrest, 1995, pp.5).

In sum, therefore, does it make any difference which index is used and is there a 'best' index of deprivation?

The answer to this last question depends on the purpose involved ie: what is the index designed to measure and which index provides the most accurate and precise measurement? If different approaches produce significantly different results this has a major implication. Measurement and targeting are fundamentally affected by the availability of data. If the aim is to look at spatial patterns referring to areas smaller than regions or local authorities and to draw up a national (or regional) picture of these patterns the decennial

Census of population provides the only data source capable of supporting the analysis. However, none of the questions in the 1991 Census was specifically designed to measure either poverty or deprivation. Therefore, any Census based index must be comprised of variables that are, at best, proxy indicators of deprivation rather than direct measures. Over the past 30 years, literally dozens of different Census based deprivation indexes have been proposed and applied which utilise different combinations of variables and different statistical methods. Many deprivation indexes seem to comprise combinations of variables that the authors think measure something 'bad'. What this 'bad' thing is often remains unclear. Furthermore, the terms 'deprivation' and 'multiple deprivation' are generally used loosely with little reference to the specific technical meanings of these terms. In some cases a variety of statistical procedures are performed on index components, usually in order to ensure equal weighting, however, the justification for such statistical procedures is often absent. Under these circumstances, it is unsurprising that the non-specialist (and often the specialist) has difficulty in selecting which deprivation index to use.

One of the aims of this study, therefore, is to inform the selection and use of indexes. This study makes detailed comparisons between a range of indexes used by government, local authorities and in academic studies of the geography of poverty whilst also considering the theoretical aspects of the nature and measurement of deprivation. The method adopted has involved the reconstruction of a number of 'deprivation' indexes at the small area level in Great Britain. This is the first time that such a large number of indexes have been compared in one study of deprivation for Great Britain. Some of these indexes have been run nationally at the district level but this study is unique in providing a detailed comparison of the geography of deprivation using the 10,511 postcode sectors and electoral wards of Scotland, England and Wales.

The Structure of this report

In Chapter Two we consider the main elements in building and evaluating an index - concepts, data and weighting of indicators. In order to make reliable and valid measurements of poverty or deprivation, these terms must first be clearly defined. It is not possible to devise 'correct' deprivation indexes, if what is being measured is not made explicit. Chapter Three examines in detail a number of indexes which have been used widely by government and local authorities. The chapter assesses the potential weaknesses of each index from the perspective of the technical criteria for constructing deprivation indexes established in Chapter Two. Chapter Three also considers the indicators used through examination of the theoretical and empirical justification for their inclusion. Chapter Four considers the indexes in terms of their outputs and compares pairs of indexes and the reason for differences in the identification of poor places. Chapter Five considers alternative methods for targeting areas and reconsiders the outputs from Chapter Four in the light of criteria developed to test the validity of the indexes. The chapter attempts to resolve the problem of choosing a 'best' index by returning to our technical criteria developed in Chapter Two and look at the relationship between the main indexes and validating criteria. Chapter Six summarises the main findings and proposes adjustments for the identification of the most concentrated urban areas in Britain and suggests refinements in the context of different research agendas. This report, therefore follows the following outline:

Chapter One Introduction **Chapter Two** Establish criteria for evaluation **Chapter Three** Identify potential measures and evaluate design **Chapter Four** Evaluate outputs and explain variation **Chapter Five** Evaluate outputs from validation exercise and select 'best' index **Chapter Six** Consider policy implications and ways forward with deprivation indexes

Census based deprivation indexes form a key element in the allocation of resources at both national and local levels. The procedure involves ranking areas on a continuum (from 'best' to 'worst') using some concept of need or resource deficiency. The 'concept', the thing that each area is being assessed against, is possibly the most important stage of creating an index. It is the chosen **concept** which will shape decisions made in subsequent stages of index construction. The concept chosen as well as the limitations of the data source have implications for the choice of variables as well as the composition of the index and the choice of methods in **weighting**, **transforming** and **standardising** variables used. Finally, where Census data is used to identify deprived areas some form of external check or **validation** is desirable; in this chapter these issues are referred to in turn.

Concept

Before an area based analysis is commenced it is important to be clear about what is being addressed. The use of the same terms (social or spatial deprivation) gives the impression that different analyses are concerned with the same thing and that there is an agreed definition. However such definitions are often unclear. Moreover, where studies are variously concerned with deprivation, disadvantage, social exclusion or poverty they are attempting to measure, estimate and describe different phenomena. These labels are not always inter-changeable.

Following Hirschfield (1993) a continuum can be suggested with the most limited definition of poverty at the top, and broader concepts at the bottom (Figure 2.1). In this continuum the narrower concepts should, in theory, be easier to address. In practice because the most appropriate variables are often unavailable the translation from a concept to a measure is always problematic. In this study and for the purpose of simplicity we concentrate on four separate but distinct concepts:

- Poverty
- Deprivation
- Social Exclusion
- Inequality.

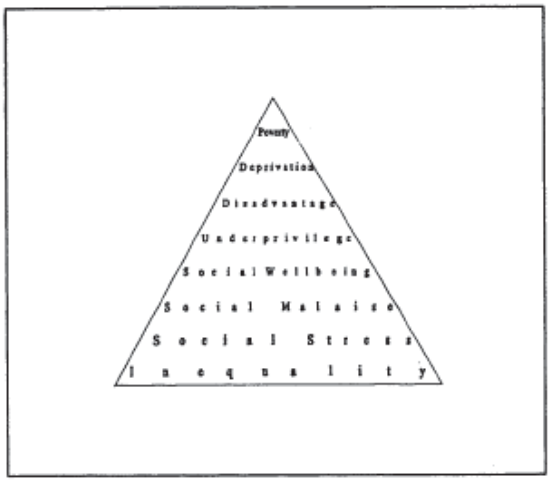


Figure 2.1 The concept continuum

Area studies attempt to show where the most concentrated regions of poverty are located. This is reflected in the titles of recent contributions: *Off the Map: The Geography of Poverty in the UK* (Philo, 1995) and *The Geography of Poverty and Wealth* (Green, 1994). However, labels such as social exclusion, deprivation and poverty are all 'abstract' concepts, especially when the focus is spatial. People experiencing poverty or deprivation feel it as a 'real' experience, which undoubtedly affects their lives. But for those outside this experience measuring such phenomena at a spatial scale becomes abstruse or abstracted from the 'experience'. There exists, therefore, a gap between the 'experience' and the 'observation'. In this report we shall return to the question of which indicators can best reflect the risk of experiencing poverty and which can be used to map deprivation. First, however, it is important to reconsider theories of poverty, deprivation, inequality and social exclusion and the use of these concepts in spatial analysis.

The Theory of Poverty

The 1990s has seen a general revival of interest, in Britain, in the study of poverty and deprivation and a number of summaries of the debate have recently been published (Alcock, 1993, Stitt and Grant, 1993, Townsend, 1993, Walker and Ashworth, 1994). There is little common ground between these authors, however there is general agreement that the concept of poverty has evolved over the past 60 years from a more 'absolute' concept to a 'relative' one (Viet-Wilson, 1992). The concept of absolute poverty underlay the pioneering work of Rowntree in York, whose ideas on 'primary poverty' were based on the minimum needed for the 'maintenance of physical health' and 'physical efficiency'. In the 1940s these 'subsistence' ideas were adopted by Beveridge as the basis for setting new benefit rates:

> "In considering the minimum income needed by persons of working age for subsistence during interruptions of earnings, it is sufficient to take into account food, clothing, fuel, light and household sundries, and rent, though some margin must be allowed for inefficiency in spending" (Beveridge, 1942).

These 'absolute' definitions of poverty are very limited conceptions of human needs, especially when considering the roles' men and women play in society. People are not just physical beings, they are social beings. They have obligations as workers, parents, neighbours, friends and citizens that they are expected to meet and which they themselves want to meet. Studies of people's behaviour after they have experienced a drastic cut in resources show that they sometimes act to fulfill their social obligations before they act to satisfy their physical wants. They require income to fulfill their various roles and participate in the social customs and associations to which they have become habituated and not only to satisfy their physical needs (Townsend and Gordon, 1989).

Poverty can be defined as where resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities. As resources for any individual or family are diminished, there is a point at which there occurs a sudden withdrawal from participation in the customs and activities approved by society. The point at which withdrawal escalates disproportionately to falling resources can be defined as the poverty line or threshold and empirical evidence identifies this effect (Townsend 1979, 1993). Relative definitions of poverty are now widely used both in the UK and in Europe and have been adopted by, amongst others, the European Commission, the Church of England and the Department of Health and Social Security (DHSS) until 1979 (See: Gordon and Pantazis, 1995).

The Theory of Deprivation

The concepts of poverty and deprivation, although they are often used interchangeably, are distinct concepts. Brown and Madge (1982), in their major study of over 100 years of literature on deprivation, argued that:

> "Deprivations are loosely regarded as unsatisfactory and undesirable circumstances, whether material, emotional, physical or behavioural, as recognised by a fair degree of societal consensus. Deprivations involve a lack of something generally held to be desirable - an adequate income, good health, etc - a lack of which is associated to a greater or lesser extent with some degree of suffering".

Similarly, Townsend (1987) has argued that: "Deprivation may be defined as a state of observable and demonstrable disadvantage relative to the local community or the wider society or nation to which an individual, family or group belongs".

Social Exclusion

More recently, the term 'social exclusion', widely used in a European context, has also emerged in the British debate. The term implies a wider approach than often adopted in debates about poverty and deprivation and is generally distinguished from poverty:

> "The notion of poverty is primarily focused upon distributional issues: the lack of resources at the disposal of an individual or a household. In contrast, notions such as social exclusion focus primarily on relational issues: in other words, inadequate social participation, lack of social integration and lack of power." (Room, 1995, pp.105).

A working definition of social exclusion was developed by the European Observatory on Policies to Combat Social Exclusion which referred to generalized disadvantage in terms of education, training, employment, housing, financial resources. Moreover, the chances of gaining access to the major social institutions which distribute these life chances are substantially less than those of the rest of the population; these disadvantages and reduced access persist over time (Room, 1995). In particular social exclusion involves an emphasis on the processes which operate to disadvantage individuals and their communities. The concept of social exclusion, therefore, brings out four aspects of the problems which currently face cities, highlighting in particular the: **compound** nature of disadvantage which creates exclusion; **persistence** of disadvantage over time; **concentration** of disadvantage on population groups or areas; and **resistance** of problems to existing or traditional policy solutions. In combination, these elements form an apparently insurmountable barrier between the life chances of the most disadvantaged people and those enjoyed by the majority of the population.

Inequality

Inequality can most obviously refer to inequality of outcomes or inequality of opportunity. Area based studies are more often concerned with inequality of outcomes. However, opportunities for particular groups, areas or regions can be assessed by examining the resources (eg: education and transport) available to permit equal access. Area based studies which use inequality as the underpinning concept to study divisions may refer to how inequalities at a local level relate to national or regional differences.

How to measure these separate concepts

The concepts of poverty and deprivation are closely linked. There is general agreement that the concept of deprivation covers various conditions, independent of income, experienced by people who are poor. The concept of poverty refers to the lack of income and other resources which makes those conditions inescapable or at least highly likely (Townsend, 1987). However, there are problems even with this definition as not all households below the threshold will be experiencing poverty. In a study of resources, deprivation and poverty Callan et al (1993) took current income and deprivation into account in the measurement of poverty as they found that a lot of households on low incomes were not suffering basic deprivation. Moreover, poverty lines based on income alone have been criticised (Ringen, 1988) whilst expenditure patterns suggest that the 'expenditure poor' and the 'income poor' are not the same group (Goodman and Webb, 1995). It is, therefore, argued that an accurate estimate of poverty would incorporate expenditure as well as income levels and would take into account savings and wealth.

The confusion between the concepts of poverty and deprivation arises because, in order to measure poverty accurately, it is necessary to measure both resources and deprivation. Since Townsend's (1979) work, poor people or households have increasingly been identified in many studies as those who have both a low 'standard of living' and low resources (Callan et al, 1993). This has led to separate measurement of standard of living (using an index of material deprivation) and of resources (usually estimated using

disposable income or gross expenditure) (Townsend, 1993). A variety of statistical techniques are used to determine the 'poverty threshold', below which people can be defined as poor. Those who fall below the 'poverty' line inevitably suffer from multiple rather than single deprivations.

The concept of social exclusion refers to a combination of processes and outcomes. For example, social housing allocation policies and long-term economic decline within an area might refer to two key processes whilst high unemployment and benefit dependency levels are 'outcome' measures for the same area. The concept, however, may not necessarily refer to poverty but to this combination of processes and circumstances which act as barriers to progress for individuals or families. The distinction between poverty and social exclusion is in the dynamics underlying the concept. Consequently, the concept does not relate so easily to mapping whilst the processes it refers to may not be confined to specific areas.

In view of these general points the most appropriate starting point for Census based analysis is the concept of deprivation. Townsend (1979) defines deprivation as the absence of resources or life chances or the presence of barriers which prevent individuals from participating fully or at all in the customary behaviour and activities enjoyed by wider society. Townsend also makes a distinction between material and social deprivation (Townsend, 1987, 1979). Social deprivation relates to roles and relationships, social contacts and membership of society whilst material deprivation is concerned with a lack of resources, amenities, goods and services and the physical environment. However, when using Census data the availability of indicators and their association between these different elements of deprivation is often far from clear. However, deprivation forms the building blocks for an understanding of poverty at an area level.

Data

In this study we are concerned with analysis of national patterns and for this reason we concentrate upon approaches which use data from the population Census. This source provides comprehensive coverage (almost 100% of the population) for very small areas (eg: enumeration district or electoral wards) and can provide accurate data on neighbourhoods. The Census is based on a full population count using a common set of questions and although there are some problems of differential response, account can be taken of these and the resulting picture is reliable and representative. However, the Census contains a limited range of variables and does not include data on income or wealth. While it is the best source for spatial analysis it is not the best source for the analysis of poverty or deprivation. Which variables to use in order to analyse poverty is a real issue. The Census can not be used directly to refer to people in poverty according to an income definition. Where the concern is only with mapping poverty and deprivation within a district the use of locally held administrative data may be preferred. But for a national analysis and comparison of small areas such data is not available. As a result the task is to select variables which provide satisfactory proxy measures of poverty or deprivation.

'Direct' and 'Indirect' Measures of Deprivation

Whilst income or wealth would be an obvious starting point in mapping poor areas the lack of such information in the Census means that other variables which relate to poverty or deprivation must be used. Because of this area based analyses of deprivation often distinguish between what has been termed 'direct' and 'indirect' measures of deprivation (Thunhurst, 1985). More clearly this refers to the distinction between:

> Groups or individuals suffering perceived disadvantage for example the unemployed (Direct); and
>
> Those at risk of disadvantage for example the elderly or lone parents (Indirect).

Carstairs and Morris refer to this distinction between 'direct' and 'indirect' Census indicators as the difference between measuring conditions in an area and the kinds of people experiencing those conditions (Carstairs and Morris, 1991a, pp.8). The problem, as they see it, is to separate out the demographic sub-groups from the 'real' entities suffering deprivation. More properly the separation of people and areas from the analysis can be identified as the ecological fallacy in area studies. Holtermann (1975), for example, concluded that there are two problems inherent in the use of Census data in attempting to discover where the poor live. Firstly, she referred to this ecological fallacy which confuses multiply deprived areas with multiply deprived households whilst, secondly, she pointed to the lack of empirical evidence linking the associated level of risk with Census indicators. These two observations are separate but related points.

The Ecological Fallacy

All of the Census based deprivation indexes constructed in this study use aggregated 1991 Census data at electoral ward level in England and Wales and postcode sector level in Scotland. Although aggregated data yields accurate results for groups of people (approximately 5,500 people at ward level), it gives no information on what individual people or households are like. For example, in a given area, we know how many households live in overcrowded accommodation and also how many do not have access to a car but we do not know how many households face both problems. This misfit between data for the area and data for the individual is the ecological fallacy.

The ecological fallacy may lead us to the conclusion that all measures of deprivation using Census data are 'indirect' measures. This is because we cannot simply read-off the whole range of possible circumstances from one variable. For example, when using the Census it cannot be certain that even apparently 'direct' measures -such as the proportion of unemployed or the proportion of households lacking a car - are always measuring disadvantage or deprivation. For example, not all the unemployed are deprived. The recently unemployed may have built up enough resources to maintain expenditure and consumption patterns similar to those that they previously had rather than those associated with poverty. Likewise having access to cars in rural areas may be a basic necessity rather than an indicator of relative affluence. The meaning of possession of a car in rural areas may be very different than in urban areas with alternative accessible transportation available.

It can be argued that any dichotomous variable in the Census has dimensions which mean that the categories can not simply be taken to fit with a deprived/not deprived dichotomy. In some contexts the general meaning of the variables will not hold true. The absence of employment has undoubted consequences for income. But what are the effects on health if employment is in industries with poor health and safety records or, given the poverty trap, the implications of low-paid employment? In the absence of data that measures each individual's or household's access to the resources and life chances which enable full integration into society, the Census only gives 'indirect' measures of deprivation. The implications of this may require a re-think on the methodological problems associated with using demographic sub-groups or 'groups at risk' (eg: lone parents) as Census indicators of deprivation. The problem that Holtermann was alluding to was the assigning of deprived status to groups or individuals where the relationship is unclear and not everyone in the category is deprived.

The realistic conclusion to be drawn from this is that all of the measures available have flaws and problems of interpretation when used to measure deprivation. Moreover, it is therefore important to build in to the analysis an indication of the likelihood that individuals or households are actually deprived when they are in a category designed to represent deprivation. This involves an analysis of validity and reliability.

Validity and Reliability

In order to determine whether a model of deprivation (or any alternative concept) is reliably targeting the areas containing concentrated populations of the poor some external check or validation should be carried out. One approach to validation is to refer to data from other surveys which demonstrate relationships between variables which are in the Census and those which are not in acknowledgement of Holtermann's observation. The most commonly applicable procedure to the social sciences is 'Construct Validation'. Construct Validation is based on assessing how well a "...particular measure relates to other measures consistent with theoretically derived hypotheses concerning the concepts (or constructs) that are being measured." (Carmines and Zeller, 1994). This jargon appears rather more complicated than it is in reality. Essentially, it means that the relative theory of poverty predicts that people who are poor are much more likely to be sick or more likely to be on a low income or display higher levels of mortality than those who are not poor. Therefore, it would be expected that areas with high levels of poverty would also be areas with high levels of ill health and mortality (all other things being equal) and/or people with low incomes. Both income and ill health can be used as validation criteria for assessing the construct validity of Census based deprivation indexes; therefore, the most valid (accurate) indexes are likely to be those with the highest correlations with ill health and low incomes (this will be dealt with more fully in Chapter Five).

Putting it together: creating an index

Index approaches to the study of area based deprivation or poverty are not simply resolved by selecting the correct theoretical framework (concept) and those variables best able to reflect that theory tested against criteria of validity and reliability. The way in which the indicators are weighted, transformed and standardised also have significant impact upon which areas are identified as falling into the 'deprived' category and the sensitivity of the index to particular dimensions of deprivation.

Standardising indicators in an index

The ranking of wards alters considerably depending on the method by which variables are standardised within an index. In area based studies of deprivation, this is an issue of considerable debate which is likely to continue (Lee, 1994; Morphet, 1992; Simpson, 1994). Some have argued for simplicity in the combining of indicators (Bradford MBC, 1993) and avoidance of complex transformation procedures (Sammons et al, 1994). However, in presenting spatial patterns of deprivation it is often necessary for the data to be standardised as adding raw values together will increase the influence of indicators with large absolute values whilst some aspects of deprivation affecting small numbers of the population may have a disproportionate effect on the index as a whole.

Let us set up an example of the effect of adding raw values/percentages where for the country as a whole unemployment of 12 per cent and the proportion of the population suffering a lack of amenities (lacking or sharing a WC or bath/shower) is 2 per cent. Taking the numbers of the population affected, in Ward A with a population of 10,000 people and an average level of unemployment and lacking amenities (ie: 12 and 2% respectively) this will refer to 1,200 persons unemployed and 200 persons in shared amenities. In Ward B (again with average levels of unemployment and lacking amenities) with a population of 1,000 the numbers involved will be 120 adults unemployed and 20 individuals lacking amenities. Clearly, whilst proportionally the wards are identical the number of people affected is very different. In a ward with a greater absolute number unemployed should the unemployment component of the index warrant a greater score than in a ward where there is a proportionally greater (but less absolute) number unemployed?

However, in this example, simply adding the absolute values of *unemployment* and *lack of amenities* together would hide or suppress the contribution of *lack of amenities* to the overall index and at the same

time may serve to artificially weight the index in a particular direction. Standardisation methods are therefore, used in the creation of an index to overcome some of these problems when variables are measured on different scales or where variables have a differential impact on the population. The techniques for standardising variables into an index have largely been based upon three techniques (the examples here refer to ward level analysis, although the same is true for any other spatial unit):

i) Z Score:

The extent to which the percentage for a ward differs from the average for all wards. This method employs the Z score technique which calculates the percentage observed based on relative proportions in the spatial unit. More properly the Z score expresses the number of standard deviations a ward is from the mean. It, therefore, gives a score based on the proportional and relative size of the phenomena (eg: unemployment) when compared to the average for all wards. The *z* score is expressed as:

$$Zi = \frac{yi - xi}{si}$$

Where *Zi* is the *Z* score for variable *i* in a given ward, *yi* is the percentage value of the variable for the ward, *xi* is the mean percentage value of the variable for all wards and *si* is the standard deviation of the variable for all wards in Great Britain. An index using the Z score calculates individual scores for each variable and sums them.

ii) Chi-Square:

The relative and absolute size of the phenomena within a ward it is taken into account when compared to the expected size of the phenomena measured against the national average. This method of standardisation uses the chi-square based on absolute (rather than percentage) values. The chi-square statistic is calculated as follows (where *o* is the observed population and *e* is the expected population):

$$chisq = \frac{(o-e)*(o-e)}{e}$$

Census data can be unreliable when technical adjustments made to Census data in order to maintain confidentiality. For example, data published at enumeration district (ED) level is randomly adjusted by the addition of +1, 0 or -1. The effects of 'Barnardisation' (random adjustment of cell counts) led Morphet (1992) to demonstrate that only when the cell count in Small Area Statistics are 17 or above, does the adjustment lead to an 'acceptable' level of error, in such cases it has been argued that the Chi-Square method should be used (Morphet, 1992).

iii) Range:

An alternative is for each indicator in the index to be divided by the range (the maximum value found across all wards). For example, a ward with a unemployment rate of 10%, where the maximum value recorded across all wards in GB was 30%, would score 0.33 for the unemployment component of an index which used this method of standardisation (10/33=0.33). This may have simplicity but is poor at reflecting the relative and absolute size of the phenomena.

Transforming Values

Transformation here refers to the normalising of data through such procedures as log transformations in order to reduce the skewness of values and dampen the variation between indicators. The argument for procedures such as log transformations is that this produces a distribution which is closer to the 'normal' curve and allows statistical techniques to be used which are dependent on a 'normal' distribution. Against this view is that of Sammons et al who argue against complex transformation techniques (Sammons et al, 1994) whilst it has been argued that untransformed indicators "....give greater weight to indicators that have very small national values and these could be argued to be less important as indicators of deprivation" (Robson et al, 1995, pp.86). The decision to transform the individual indicators of an index can, therefore, alter significantly the pattern of deprivation uncovered. If this were not the case then transformation would not be performed.

The unintended consequences of transforming values, however, might be to give each indicator equal weighting or, viewed an alternative way, increase the weight (influence) of less discriminating indicators by dampening the effects of the more discriminating indicators. For example, transforming the values of unemployment and lack of amenities may pull the distribution into a more 'normal' curve, however, lack of amenities may be spatially discrete - ie: it may be dependent on the built environment located in particularly concentrated areas of the city. Transforming values (eg: using log values) may dampen the effect of outliers and produce a more normal curve. However, when certain phenomena are spatially discrete it might be the outliers which we are concerned to examine or identify.

Weighting Indicators

Whether transformation procedures have been carried out or not it is important to incorporate weighting which reflects the relative risk of being in poverty provided by each component variable. Taking our earlier example of unemployment at a rate of 12% and lack of amenities affecting 2% of the population nationally - automatically we can see that when proportions are used unemployment has six times more influence to the overall index than lack of amenities. However, these differences in the proportional values for the index do not reflect the risk of being in poverty when unemployed or lacking amenities, they are derived proportions obtained from simply observing the population in a given state. What is required is some model of poverty or deprivation which estimates the risk of being poor if unemployed, lacking amenities or attached to other variables included in the index. The principles of validation should form the basis of a conceptually driven index where the weighted (and transformed) indicators reflect the chosen concept - an index that applies weights with no regard for how they relate to the concept being measured has possibly less value than attaching no weights at all. The important consideration, therefore, is not simply whether weights are attached to indicators but how they are derived.

Discussion and Summary

The past 30 years have seen a plethora of indexes come into use. The reasons for this explosion in competing methods can be divided into at least four separate, but not mutually exclusive categories: (i) *policy*: as we remarked in Chapter One, the emergence of spatial urban policy in the 1970s and re-emergence in the 1990s has driven the creation of new techniques for measuring area deprivation; (ii) *methodological*: the problems of 'indirect' and 'direct' measures discussed earlier lead to disagreement and competing methods; (iii) *conceptual*: as poverty is relative to time and place the indicators used will change in order to reflect changes in normative lifestyles and behaviour; (iv) *technological*: data availability and the release of more detailed information by way of cross-breaks of Census tables - made possible by technological advances in computing power - creates demand for new and more 'sophisticated' measures.

Using the Census it is easier to identify areas with characteristics associated with deprived people rather than to identify people or places in 'poverty'. The precise identification of poverty requires the measurement of incomes and resources. However, two problems arise if a strict definition is to be applied in studies based on the analysis of the Census. These are the problem of concepts and the problem with data. Both of these are related but separate issues. Firstly whilst there is no universally agreed way of measuring poverty the measure used in the Households Below Average Income reports by the DSS is the number of households on less than 50% of mean incomes and this could be one starting point (DSS, 1993). Secondly, however, there is the problem of data. The Census of population is essential for national coverage and provides excellent coverage (100% of the population) but is poor at measuring concepts such as poverty or deprivation as we have defined them because of the absence of resource and income data. Area based measures using the Census will have to confront these issues.

Using the Census in the construction of an area based deprivation index, therefore, requires several inputs. A sound **conceptual framework** with a specific focus and aim of enquiry; **choice of indicators** which properly reflect the concept chosen; a method of **standardising** and (where used) **transforming** the variables which can be justified and which does not have undue influence on the outputs (or where it does have a significant impact on the outputs this should be justified) and appropriate external **validation** of indicators as demonstration of a relationship with the concept under investigation and reflected in relevant **weights**.

In recognition of these competing methods and the methodological difficulties that have given rise to competing indexes this Chapter outlines in more detail the indexes reviewed and the reasons why they differ. Although the appearance of some of the indexes reviewed here pre-dates the 1991 population Census all of them are recreated and analysed by using 1991 Census data. Chapter Two outlined some of the technical aspects that should be considered in the construction of an index of deprivation. The central question forming the second part of this Chapter is: can indexes be rejected on purely technical grounds? We shall also look at the potential weaknesses of the indexes but first we turn attention to the indexes themselves.

The Indexes

Several indexes of deprivation were considered for inclusion in this study. There have been numerous attempts and this study could have been extended. However, several methods were not pursued as they tended to be variations on a similar theme. We were, therefore, left with the ten indexes which we present here in chronological order:

i) *Doe81*: The Department of the Environment's 1981 *Z* score (DoE, 1981);
ii) *Jarman*: Professor Brian Jarman's Underprivilege Area Score (Jarman, 1983; Jarman, 1994);
iii) *Townsend*: Professor Peter Townsend's deprivation index used extensively in social policy and health research (Townsend, 1987; Townsend et al, 1988; Phillimore and Beattie, 1994);
iv) *Scotdep*: A deprivation index developed by Vera Carstairs and Russell Morris at Edinburgh University and used in the identification of health inequalities in Scotland (Carstairs and Morris, 1991a);
v) *Matdep*: A material deprivation index reproduced from *People and Places* (Forrest and Gordon, 1993);
vi) *Socdep*: A social deprivation index reproduced from *People and Places* (Forrest and Gordon, 1993);
vii) *Bradford*: A measure of social stress developed by Bradford Metropolitan Borough Council (Bradford MBC, 1993);
viii) *Oxford*: An index developed by a team of researchers at Oxford University using a predictive model of low income (Noble et al; 1994);
ix) *Doe91*: The 1991 DoE Index of Local Conditions (Robson et al, 1995);
x) *Breadline*: An index developed from the Breadline Britain poverty survey (Gordon and Pantazis, 1995) by Dr. David Gordon at the University of Bristol (Gordon and Forrest, 1995; Mack and Lansley, 1985).

Doe81 (the Z score)

The index developed by the Inner Cities Directorate of the Department of the Environment (DoE) which was based on 1981 Census data was extensively used as a guide to urban funding and to inform decisions concerning urban policy. The DoE index (Do) was widely reproduced in the 1980s by government departments, local authorities and voluntary bodies. It became known as the 'Z score' - a name derived from the standardisation method employed to sum the indicators into one score (for details of how to calculate Z scores see Chapter Two). The DoE produced four separate 'deprivation' measures: (i) a 'basic' measure, (ii) an economic index, (iii) a social index and (iv) a housing index. Although the indicators used are the same in each, use was made of various weightings on indicators to pick up different dimensions of deprivation. The index used in this study is the 'basic' index.

Table 3.1 Indicators used in Doe81 index

Unemployed:	economically active residents unemployed
Pensioners	households with single person over 60/65
Overcrowding:	households living at > 1 person per room
Single Parents:	single parent households (dependent children aged 0-15)
Lacking amenities:	households lack exclusive use of bath and inside WC
Ethnicity:	residents in households where the head of household born in the new commonwealth or Pakistan
Weighting:	Unemployment in this index was multiplied by two in order to reflect the increased risk of deprivation from unemployment
Validation:	None
Standardisation:	Z Score
Transformation:	None

Jarman

Perhaps the most ubiquitous index along with the DoE 1981 Z score is Jarman's index of underprivileged areas. This was developed as a guide for the targeting and distribution of resources for primary health care (Jarman, 1983). The method was innovative in that it provided an input from practitioners and resulted in an element of professional consensus built into the eventual index. Jarman surveyed over 1,800 GP's in order to establish the types of *social* and *service* factors which were felt to result in an increase in workloads or features envisaged to demand more primary health care resources.

Table 3.2 Indicators used in Jarman

Under 5's:	residents under the age of 5
Unemployment:	economically active residents unemployed
Ethnic Minorities:	residents ethnic origin in New Commonwealth or Pakistan
Single Parent Hhold:	residents in single parent households
Elderly living alone:	households with elderly alone
Overcrowding:	persons in households living in housing > 1 person per room
Low Social Class:	unskilled manual workers
Residential Mobility:	persons with a different address one year before the Census
Weighting:	Weighting factors used in Jarman's UPA 1991 derived from a survey of GP's identification of stress on general practices: Under 5's * 4.64; Unemployment * 3.34; Ethnic Minorities * 2.50; Single Parent Households * 3.01; Elderly living Alone * 6.62; Overcrowding * 2.88; Low Social Class * 3.74; Social Mobility * 2.68
Validation:	Weights derived from a survey of 1 in 10 General Practitioners in England & Wales (Jarman, 1994).
Standardisation:	Z Score
Transformation:	The transformation used in Jarman follows a rather complex formula. The square root of the decimal value of the indicators is obtained and the Arc Sine calculated on these values. The next procedure is to subtract the mean of Great Britain ward transformed values and divide by the standard deviation of GB ward transformed values.

However, Jarman dropped service factors from the final index and explained this omission on the basis that service factors (such as the percentage of local authority expenditure on domiciliary care) could be

determined by those responsible for health services and, therefore, affected by administrative or political imperatives. Jarman also argued that there tended to be an element of duplication in the coverage of some service factors whilst the spatial level of analysis meant that most of the service factors were not amenable to a fine spatial scale of analysis (eg: enumeration district level).

By dropping the service factors Jarman was left with a group of 13 social factors. This list was further reduced when three of the original indicators were dropped for varying reasons: *over 65's* - dropped because of the overlap with elderly living alone; *visiting difficulties* - because this was difficult to assess in urban areas compared to rural areas where there exists a system of renumeration by means of rural practice payments; *crime rate* - omitted because of its high correlation with overcrowding and also because crime is not a Census variable. Jarman was, therefore, left with the following 10 variables: under 5's, unemployed, poor housing, ethnic minorities, single parents, elderly living alone, overcrowding, low social class, social mobility, married families. In practice *married families* and *poor housing* (lacking amenities) were not used and since 1981 the Jarman UPA (Underprivileged Area Score or Jarman Index) has been updated with new weights.

Townsend

Townsend has been used extensively in the analysis of health inequalities (Phillimore and Beattie, 1994; Townsend, 1988) and poverty (Townsend, 1987). Peter Townsend was mindful that indicators of social and material deprivation should not be combined. Social deprivation indicators were omitted from the index as his conceptual framework of material deprivation is dependent on the lack of goods, services, resources amenities and physical environment which are customary, or widely approved by society (Townsend et al, 1988, pp.36).

Table 3.3 Indicators used in Townsend

Unemployment:	economically active residents aged 16-59/64 who are unemployed
No Car:	households who do not possess a car
Rented:	households not owner occupied
Overcrowding:	households > 1 person per room
Weighting:	None
Validation:	None
Standardisation:	Z Score
Transformation:	Unemployment and Overcrowding logged

Scotdep

Table 3.4 Indicators used in Scotdep

Overcrowding:	persons living at a density of > 1 person per room
Male unemployment:	economically active males unemployed
Low social class:	persons in private households with head in social class IV or V
No Car:	persons in private households with no car
Weighting:	None
Validation:	None
Standardisation:	Z Score
Transformation:	None

Scotdep is an area based deprivation index developed by Vera Carstairs and Russell Morris at the University of Edinburgh. The index reviewed here was used in a report on deprivation, which related area based mortality and morbidity data to prevailing levels of deprivation in Scotland (Carstairs and Morris, 1991a). However, whilst *Scotdep* was used in attempting to explain inequalities in health in Scotland, it differed from the 'health based' approach of Jarman which was designed to measure the level of primary health care need at an area level. More specifically, the approach taken by Carstairs and Morris was an attempt at "...locating areas (and populations in them) on a dimension which reflects the access people have to material resources" (Carstairs and Morris, 1991a, pp.4). Scotdep is similar to Townsend with the exception that Scotdep favours *low social class* to *not owner occupied*. The choice of variables was made on the basis of life chances and material resources of individuals and communities experiencing the characteristics entailed: "Each of the indicators we believe to represent or be determinant of material disadvantage" (Carstairs and Morris, 1991a, pp.9).

Matdep and Socdep

Both Socdep and Matdep were an attempt at developing indexes of deprivation following release of the 1991 Census (Forrest and Gordon, 1993). They are included in this study for two reasons. Firstly, the distinction between material and social deprivation made by Townsend was implicit in the construction of Socdep and Matdep (Townsend, 1988). This distinction has two conceptual forms: the argument concerning the use of *direct* and *indirect* measures and the different dimensions of deprivation when taking a *social* (roles and relationships) and *material* (goods and services) perspective. Secondly, Socdep and Matdep are included here as their subsequent publication and circulation amongst local authorities may have lead to their use following the publication of the Census (Forrest and Gordon, 1993; Gordon and Forrest, 1995).

Table 3.5 Indicators used in Socdep

Unemployment:	economically active population unemployed
Youth Unemployed:	economically active 16-24 year olds unemployed
Lone Parents:	lone parent households as a proportion of all households
Elderly:	households containing a single pensioner
Long-Term Illness:	households containing a person with a limiting long-term illness
Dependent Only:	households containing dependents only (eg: single pensioner with long-term illness) as a % of all households

Table 3.6 Indicators used in Matdep

Overcrowding:	households in > 1 person per room
Lack Amenity	households lack or share use of a bath/shower and/or inside WC
No Central Heating:	households with no central heating
No Car:	households with no access to a car
Socdep and Matdep:	
Weighting:	None
Validation:	None
Standardisation:	% on each indicator divided by the range. Maximum score, therefore equals 6 on Socdep and 4 on Matdep (Minimum = 0).
Transformation:	None

Bradford

The Bradford index is more properly a *measure* of stress which is designed to *group* areas together rather than an *index* of deprivation designed to rank areas on a continuum from 'best' to 'worst'. The measure is based upon a model of area stress developed by Bradford Metropolitan Borough Council (Bradford MBC, 1993). The Bradford measure was one of the first local authority measures of deprivation to be developed as an alternative to the DoE's Index of Local Conditions - it had been widely felt that 'official' measures such as the DoE 1981 Z score underestimated the extent of poverty in northern local authorities such as Bradford.

In constructing a measure of deprivation the approach in Bradford is to reflect different dimensions of 'stress'. The avoidance in Bradford of a score or summary index is in part a reflection of the uncertainties inherent in the methodology of index construction and the desire to avoid ranking areas on a 'best to worst' continuum. Instead of ranking areas on this continuum the Bradford measure groups 'stress' types together under broad categories: *Income*, *Economic*, *Social*, and *Housing*. Indicators designed to measure a dimension of each stress type are grouped under each broad category as in Table 3.7.

Multiple stress is determined by ranking the percentages of the individual indicators. Areas score 1 if they appear in the top 10% of areas ranked on the percentage value of the indicators. For example, an area appearing in the top 10% of areas on the unemployment indicator will score 1 for the *economic* stress group. The overall score does not increase if the area also appears in the top decile for households lacking a car (also in the *economic* stress group). In order to score more than 1 on the stress measure the area must appear in the top 10% of areas on one of the indicators in a different stress group. Areas scoring highly on all three indicators in one stress group (ie: appearing in the top decile for all three *economic* indicators: *unemployed*, *no car*, *families with no earner*) will register 1 on the stress measure, whilst an area appearing in the top decile for unemployment (*economic*) and lone parents (*social*) will score 2. In this example the first area would not be categorised as an area of multiple stress whereas the second area will be identified as an area experiencing multiple problems. (In practice, however, the indicators tend to overlap in their occurrence, therefore, it would be unusual for an area to score highly on all three social indicators whilst lowly on the others). In practice the Bradford measure was adapted so that areas could be ranked on a continuum from 'best' to 'worst' enabling comparison to be made with the other indexes in this study (see Chapter Four and appendix for more details).

Table 3.7 Indicators used in Bradford

Income Stress:	**Economic Stress:**
Adults in receipt of Community Charge Benefit or Housing Benefit	Unemployment No Car Families with no earner
Social Stress:	**Housing Stress:**
Dependent only households (eg: pensioners with long-term illness) Lone Parents Large Families without a car	Overcrowded households Households lack exclusive use of basic amenities of a bath/shower or inside toilet Households without central heating
Weighting:	None
Validation:	None
Standardisation:	None
Transformation:	None

Oxford

The Oxford index was developed by a team of researchers at the School of Applied Social Studies and Social Research at the University of Oxford. The Oxford index is an index of low income rather than 'the more nebulous concept of multiple deprivation' (Smith, 1995). However, as the Census contains no information on low income it is the broader pattern of area based deprivation and how this relates to poverty (or low income) which form the outputs from the measure. Benefit data was matched to prevailing deprivation levels at the small area (enumeration district) using postcoded Housing Benefit and Income Support data for two case study areas: Oldham and Oxford. The construction of the index was based upon a group of variables in the Census which were found to be the best predictors of low income when regressed against the dependent variable *Housing Benefit claimants claiming Income Support*.

Table 3.8 Indicators used in Oxford

Male Unemployed:	unemployed males as a proportion of economically active	
Single Parents:	households with dependants that are lone parent households	
LA Rented:	households in Local Authority housing	
Overcrowding:	households > 1 person per room	
Owner Occupied:	households in owner occupation	
Born New Comm:	all residents with born in the New Commonwealth countries	
Economically Inactive:	aged 16 or over economically inactive	
Weighting:	**Variable**	**Weight**
	Male Unemployment	1.390356
	Single Parents	2.026198
	Local Authority Rented	0.310053
	Overcrowding	0.724963
	Owner Occupied	-0.069312
	Born in New Commonwealth	0.371696
	Economically Inactive	0.108772
Validation:	Income support and Housing Benefit data.	
Standardisation:	Z Score	
Transformation:	None	

Doe91 (Index of Local Conditions)

The Department of the Environment commissioned a team from the Centre for Urban Policy Studies, the University of Manchester, to construct an index of deprivation following preliminary work by CURDS at the University of Newcastle. The resulting index replaced the 1981 DoE index of deprivation (the *Z* score). Indicators for inclusion in the index were chosen which "span the main aspects of deprivation; ... are easy to understand; and which do not duplicate each other" (DoE, 1994, pp.3). Draft proposals were discussed with Local Authorities, central government agencies, the local authority associations and voluntary bodies. Factor analysis was used to identify a sub-set of indicators from the 1991 Census that would explain the most variation in spatial deprivation. This preliminary investigation of the indicators by the research team at Manchester was used to eliminate double counting (ie: variables which measure the same phenomena) and obtain the best set of variables for the index. 'Indirect' measures of deprivation (eg: lone parents, pensioners and ethnic groups) were omitted from the overall index. The argument for excluding these 'groups at risk' was on the basis that members of these groups would be picked up by more direct indicators such as Income Support claimants and the unemployment indicator. The index is assembled at three spatial scales: the local authority district, the electoral ward and the enumeration district. The three spatial units were chosen because at the smaller scales data for some indicators is either not available or not robust.

The strength of the DoE 199 Index of Local Conditions used at District level is this hierarchy of spatial scales at which deprivation is measured. In this study, however, only the data available at the small area level was used (wards and ED's). It can be argued that the DoE index is weakened by altering the spatial dimension. However, this study is concerned with identifying small areas of concentrated deprivation. Thus whilst the purpose of this study was to recreate the indexes for small areas and to assess each indexes effectiveness against common criteria, district level data was not, therefore, of central concern during this study.

Table 3.9 Indicators used in Doe91

Used at ED, ward and district level:	
Unemployment:	unemployed persons
Poor Children:	households with no earner or one parent in part-time employment
Overcrowding:	households with > 1 person per room
Lack-amenities:	households lack or share bath/shower and/or WC, or in non-permanent housing
No car:	Households without access to a car
Flat Children:	Children living in flats, not self-contained or non-permanent housing
Used at ward and district level only:	
Education at 17	17 year olds no longer in full-time education
Used at district level only:	
Long-term Unemp:	(Employment Department, NOMIS)
Income Support:	(Benefits Agency)
Low Educ (GCSE):	(Department for Education)
SMRs (health):	(OPCS, vital statistics)
Derelict Land:	(DoE, Derelict Land Survey)
House Insurance:	(Insurance company data - Crime Proxy)
Weighting:	None
Validation:	None
Standardisation:	Chi-Square (See Chapter 2 for details)
Transformation:	Another procedure used in the construction of indexes is the transformation of indicators within an index in order to reduce the skewness of the data and dampen the effect of possible outliers. A log transformation is applied to the chi-square values on all the indicators in Doe91.

Breadline

The Breadline Britain index reviewed here follows the method of Gordon and Forrest (1995). The index is based upon the characteristics of households and individuals found to be in poverty from results of the Breadline Britain poverty survey carried out in 1990. The survey was a national survey developed by Mack and Lansley and followed their consensual approach which formed the basis of their earlier research in the mid 1980s (Mack and Lansley, 1985). In the 1990 survey 1,174 adults aged 16 or over were asked about a list of 44 items, covering a range of activities and possessions, which they felt to be important. A minimum standard of living, as defined by the general population was then established. Using income data Townsend (1979) showed that at the point where income falls below a certain level disengagement from society and ensuing deprivation escalates disproportionately compared to the fall in resources available. The Mack and Lansley study found, similarly, that as resources fall there is a point at which this withdrawal from society (participation in cultural norms) accelerates.

Weights for Breadline were obtained by regressing a subset of indicators from the 1991 Census (which correspond to variables in the Breadline Britain survey) with characteristics of the poor from the results

of that same survey. Each component variable of Breadline has weights attached which reflect the degree of risk of being in poverty where each condition is present. Moreover, the interaction effects are also incorporated into the index by modelling the percentage that are poor on each component variable taking into account the other indicators. The weighted component variables are added together to give an estimated percentage poor in each ward. The index was developed in this way in order to give some meaning to the index scores - an estimated percentage poor is argued to be more intuitive than a Z score or chi-square raw value.

Table 3.10 Indicators used in Breadline

Unemployment:	economically active population unemployed
No Car:	households with no car
Rented:	households not owner occupied
Lone Parents:	lone parent households as a proportion of all households
Long-Term Illness:	households containing a person with a limiting long-term illness
Low social class:	persons in social class IV or V
Weighting:	Estimated % of Poor = (NotOwned * 0.2025) + (NoCar * 0.2174) + (LoneP * 0.1597) + (LowClass * 0.1585) + (Unemp * 0.0943) + (LongIll * 0.1079)
Validation:	Breadline Britain poverty survey
Standardisation:	Standardised by estimated % of poor in each ward.
Transformation:	None

A technical assessment

Table 3.11 summarises the construction of indexes against the four common criteria of weighting, validating, standardising and transforming indicators within an index.

Table 3.11 Construction of indexes against common criteria

	Weighting	Validating	Standardising	Transforming
Bradford				
Breadline	Weights all variables	Makes uses of poverty survey		
Doe81	Weights unemployed by counting twice		*Z Score*	
Doe91			*Chi-Square*	Logs all variables
Jarman	Weights all variables	Uses GP survey to inform weights	*Z Score*	$\frac{(\sin(\sqrt{}))\text{-}x}{sd(x)}$
Matdep			*Range*	
Oxford	Weights all variables	Uses administrative benefit data	*Z Score*	
Scotdep			*Z Score*	
Socdep			*Range*	
Townsend			*Z Score*	Logs *unemployed* and *overcrowding*

In Chapter Two we discussed the evaluatory and construction criteria for building an index. This included concepts, data (indicators), weighting and validation, transformation and standardisation techniques. In this Chapter we have considered some of the main indexes used in recent years which form the basis of this study. From the preceding discussion in Chapter Two as well as the composition of the indexes outlined above it might be possible to assess indexes on purely technical merits alone. On a first inspection of the construction of the indexes it might be possible to reject some models as inappropriate for an area based study of poverty. Perhaps the best method of assessing the 'best' index of deprivation is to keep in mind the validation of the concept as reflected in the choice of indicators and weights. With regard to indicators, three issues arise when considering their inclusion in an index:

i) Do the indicators reflect the concept being explored?

ii) What is the direction of the relationship?

iii) What is the degree of overlap between indicators?

Indicators of deprivation?

Table A3.1 (appendix to Chapter Three) summarises the variables used by the 10 indexes reviewed in this study. Whilst the choice of variables in most of these indexes is on the basis that they contribute something to the understanding of material deprivation most of them can be considered to be more than simply indexes of *material* and *social* deprivation in the way that Matdep and Socdep separate these dimensions. *Unemployment* is included (with varying definitions) in all of the indexes (except Matdep) on the basis that being unemployed is likely to ".... result in reduced incomes and straitened circumstances and moreover to impose other pressures on individuals through loss of self-esteem, and on families through the problems and tensions generated" (Carstairs and Morris, 1991a, pp.10).

Overcrowding in Scotdep was chosen as a proxy measure for income as the authors argue that the presence of overcrowded conditions indicates a lack of material resources. The overcrowding variable is included in 8 of the 10 indexes (exceptions are Breadline and Socdep). Davies et al found that overcrowding "...does not appear to be a clear cut indicator of low income...however, adults, in overcrowded households have a slightly higher chance of being in the lowest quintile of the income distribution than those with more living space" (Davies et al, 1995). *Lone parents* and *no car* are included in six of the ten indexes. Lone parents would appear to be prone to the weaknesses associated with 'indirect' measures discussed previously. Although the selection of appropriate weights would overcome this weakness. *No car* in Scotdep and Townsend is included on the basis that car ownership not only gives an indication of current material resources but also acts as a proxy for income as car ownership entails running and maintenance costs. The variable *no car* was also included in Bradford, Breadline, Doe91 and Matdep and its inclusion is supported by Davies et al (1995) who found, when using FES income data, that having no access to a car was a good predictor of low income as was unemployment.

Lack of amenities is included in only four (Doe81, Doe91, Bradford and Matdep) of the ten indexes reviewed. This reflects the fact that lacking amenities now affects only a small proportion of the population and may not be the best reflection of long-term and compounding deprivation. Many local authorities reject the measure as it usually applies to students living in dwellings in multiple occupation with temporary housing problems. *Low social class* was also in four of the indexes. In Scotdep it appears as an alternative to the tenure variable (rented households) in Townsend. Carstairs and Morris argue for its inclusion on the basis that "...being in a low social class, equally with being unemployed, places families in a position of poor access to material resources in a way that cannot be said for being aged under 5 or

Table 3.12 Lack of Amenities in Great Britain, 1971-1990

Type of Amenity	1971	1981	1990
% of households:			
WC (Toilet)	4	2	1
Lack Bath or Shower	12	4	2
Central Heating	65	41	20

Source: HMSO, 1993

Carstairs and Morris omit housing tenure from Scotdep because in their study of deprivation inclusion of the variable for Scotland would not be discriminatory. In Scotland, not being in owner occupation has less explanatory potential than elsewhere in Britain (Table 3.13). Interestingly, the tenure variable (*not in owner occupation*) was included in only three indexes: Breadline, Oxford and Townsend and its use as a measure of deprivation has become slightly muddied with the rapid rise of owner occupation amongst low income groups and the effects of negative equity over the past four years. However, when tenure is included in Breadline this is justified on the basis of a developed model of deprivation with tenure used as a predictive indicator of poverty.

Table 3.13 Tenure of households in England, Scotland and Wales, 1990

Tenure	England	Wales	Scotland
% of households:			
Owner Occupation	69.1	72.0	52.8
Private Renting	7.6	6.6	5.5
Social Housing	23.3	21.4	41.7

Source: HMSO, 1993

A variety of demographic sub-groups are used across the indexes (eg: elderly, ethnicity and children) as measures of deprivation. The use of these variables are open to the same criticisms of 'direct' and 'indirect' measures discussed previously. Whilst there are a number of indicators that only appear in one or two indexes: children in flats (Doe91), under fives (Jarman), youth unemployment (Socdep) and poor large households (Bradford).

Direction of indicators against indexes

What variation is there in the effect that indicators have upon the indexes reviewed here? Table 3.14 is based on common variable definitions in order to enable a comparison of index performance against a standardised set of variables (definitions of the variables used can be found in Table A3.2 in the appendix to this chapter). Using this common set of variables, the Table shows which variables have the most influence upon the direction of the indexes in identifying deprived areas. Oxford, for example, correlates the highest with unemployment (0.92) and has the highest overall correlation (0.95) with children living in households with no earner (poor kids). Oxford also demonstrated the highest coefficient with lone parents (0.88). This pattern of association tends to confirm Oxford's conceptual basis as an index of low income and benefit dependence and the correlations from Table 3.14 demonstrate Oxford's sensitivity to groups on benefit such as lone parents and the unemployed. This is also supported by the lowest correlation recorded against the elderly (0.19), suggesting that this group is overlooked in Oxford's

When comparing all the indexes against selected common indicators in Table 3.14 Doe81 appears to record the highest coefficient against ethnicity (0.54) but the lowest against not owned (0.63). Meanwhile Doe91 records the highest coefficient against lack of amenities (although this was extremely modest at 0.19) and children living in flats (0.64). A high correlation with children living in flats would be expected. Doe91 is the only index to include this variable and there is a certain degree of auto-spatial correlation with such an indicator - flats are necessarily located in built-up urban areas.

Table 3.14 Pearson's correlation coefficients of selected variables against indexes

Index	Unem -ployed	No Car	Over crowd	Lack Amen	Not Owned	Illness	Lone Parent	Elderly	Ethnicity	Poor Kids	Flat Kids
Bradford	0.76	0.85	0.61	0.09	0.65	0.62	0.67	0.36	0.28	0.80	0.45
Breadline	0.86	0.93	0.64	0.01	0.90	0.60	0.79	0.29	0.24	0.88	0.54
Doe81	0.84	0.85	0.73	0.13	0.63	0.51	0.71	0.33	0.54	0.83	0.53
Doe91	0.83	0.84	0.72	0.19	0.75	0.52	0.72	0.23	0.37	0.85	0.64
Jarman	0.80	0.87	0.70	0.02	0.69	0.48	0.75	0.33	0.45	0.81	0.51
Matdep	0.76	0.87	0.69	0.10	0.65	0.49	0.62	0.31	0.36	0.75	0.56
Oxford	0.92	0.89	0.75	0.02	0.76	0.53	0.88	0.19	0.43	0.95	0.61
Scotdep	0.91	0.90	0.77	0.02	0.74	0.60	0.79	0.20	0.37	0.90	0.51
Socdep	0.87	0.88	0.49	-0.03	0.63	0.83	0.73	0.53	0.16	0.86	0.38
Townsend	0.89	0.92	0.76	-0.01	0.84	0.55	0.79	0.23	0.37	0.90	0.59

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Jarman has the lowest correlation against long-term illness (0.48). This is surprising given that the Jarman index is designed to identify potential stress dimensions affecting General Practitioner's workloads. Breadline is very positively associated with rented housing (not owned) and low rates of car ownership (no car), registering the two highest correlation coefficients against these two indicators (0.90) and (0.93) respectively. Breadline, demonstrates moderate correlation with the other indicators in Table 3.14; although a notably weak correlation is with ethnicity (0.24). Townsend correlates highly with unemployed (0.89), no car (0.92) not owned (0.84) and poor children (0.90) as well as recording the second highest correlation with children in flats (0.59) despite this not being a component variable of Townsend.

Overlap and 'double-counting' of indicators

Table 3.14 considered the correlation of each index against a common set of indicators. Here we consider the inter-correlation between indicators in each index in order to assess the degree of overlap in each index more rigorously than discussed previously. Table A3.3 a} to j} in the appendix to this chapter gives details of the Spearman rank correlation coefficients for paired variables in each index. It should be noted that this is a different basis to Table 3.14 where Pearson's coefficients were used to examine relationships between a common set of indicators. The 'best' index would be one where all of the variables correlate consistently against the index as a whole whilst the correlations between variables are not too high so as to suggest multicollinearity. If for example, the association between two variables was measured as a correlation coefficient of 0.85 or above, we would suspect that multicollinearity was present and that the two variables were measuring the same phenomena. An obvious example, would be an index which includes unemployment and youth unemployment - we would anticipate collinearity in such circumstances. An ideal index is one where the paired coefficients (ie: the correlation between two variables) is greater than 0.3 on at least one pairing and not more than 0.85 on any pairing. We shall now consider the inter-correlation of variables in each index in turn:

Doe81:
None of the variables correlate very highly with each other (ie: 0.85 or above). For example, the highest pairwise correlations are lone parents/unemployment (0.73), overcrowding/unemployment (0.68) and lone parents/overcrowding (0.68). Low paired correlations are preferable as this indicates that there is little evidence of double counting in the index. Lacking amenities, ethnicity and elderly contribute little to the overall index

Jarman:
Despite the variable *elderly living alone* being accredited with the highest weighting in Jarman, this variable has one of the lowest correlations with the overall index. One possible explanation for this is that, whereas unemployment and housing conditions are susceptible to local features, older people living alone are not spatially concentrated. Residential mobility appears to be weakly correlated against all the other variables as is ethnicity.

Townsend:
All of the variables correlate highly and consistently with the index (0.80 to 0.89). None display very high degrees of collinearity (between 0.58 and 0.80).

Scotdep:
The pattern is similar for Townsend. (It should be noted that when comparing with Townsend the slightly different inter-correlations for unemployment are obtained because of different variable definitions used).

Socdep:
Variables in Socdep correlate very consistently with the overall index (0.62 to 0.91). The two highest correlations with Socdep: *dependent only households* and *limiting long term illness* also have a high pairwise correlation (0.86) as well as *dependent households* demonstrating a fairly high coefficient against elderly (0.69). This would suggest some element of double counting (collinearity), making the overall index particularly sensitive to areas with high levels of illness, elderly households and, hence, dependence. Similarly *unemployment* and *youth unemployment* are highly inter-correlated (0.86), suggesting double-counting on these two variables.

Matdep:
Lack of amenities has the lowest correlation although this is appreciably higher than comparison with other indexes where this indicator is included. However, amenities correlates poorly against the other indicators in Matdep, suggesting that there is little spatial coincidence of these deprivation components.

Bradford:
All of the variables correlate consistently with the overall index. Lacking amenities and lacking central heating are the exceptions which also have low association with other indicators in Bradford.

Oxford:
Ethnicity has a very low correlation with Oxford (0.10), whilst male unemployment (0.90) and lone parents (0.94) demonstrate the highest paired coefficients with the overall index. None display very high inter-correlations.

Doe91:
Poor children (0.80) and unemployment (0.80) have the strongest influence on Doe91. These two variables are also very highly inter-correlated (0.88) whilst poor children and no car are also highly inter-correlated (0.81).

Breadline:
Variables in Breadline correlate very consistently with the overall index (0.61 to 0.88). Paired correlations also appear to be stable; the lowest inter-correlation is 0.36, the highest 0.78.

Discussion

This Chapter has introduced the indexes reviewed in this study and assessed them according to technical criteria. In Chapter Two we set out the main criteria for constructing indexes of deprivation. As we commented in Chapter Two:

> "The use of the same terms (social or spatial deprivation) gives the impression that different analyses are concerned with the same thing and that there is an agreed definition. However such definitions are often unclear. Moreover, where studies are variously concerned with deprivation, disadvantage, social exclusion or poverty they are attempting to measure, estimate and describe different phenomena. These labels are not always inter-changeable"

This is reflected in the different component variables, methods of standardisation, transformation of variables and weightings. For example, the weighting of unemployment by doubling its value in Doe81, with no apparent justification, would seem to be an obvious flaw and perhaps grounds for rejecting the index on the basis of **validation.** Where no weights exist such as in Doe91, Bradford, Matdep, Scotdep, Socdep and Townsend the problem of **equal treatment** is encountered. Moreover, the absence of any weighting of indicators could point to Bradford's greatest weakness. All indicators have equal value which has the effect of ranking higher those wards scoring moderately highly across the stress groups but misses the incidence of 'stress' which is high on all indicators within a stress group whilst moderately low on others. A related point, therefore, is the arbitrary division of indicators between stress groups which may contribute to the volatility of the index.

Jarman's weights are based upon GP's perception of stress factors on primary health care. This emphasis in the weighting may reflect a different enquiry and raises questions concerning the **scope** of the index. Where weights are based upon models of deprivation or poverty that are external to the Census the limitations of the external source data should be acknowledged. Validating models may, for example, be insensitive in targeting the poor in specific localities or may exclude certain groups from the conceptual model of deprivation used. For example, the authors of Oxford acknowledge that housing benefit data only applies to individuals *in* households and, therefore, is not sensitive to the presence of the very vulnerable such as the roofless and, therefore, may under count potential claimants. However, these may be general weaknesses levelled at all Census based indexes. Of equal consideration should be the sample population from which the validating model was chosen. The regression weights for indicators of 'low income' in Oxford are based upon pooled data from two towns: Oxford and Oldham which may have characteristics that do not comply with the experience of deprivation elsewhere. Weights in Breadline were based upon the results from a survey of poverty, however, the sampling framework of Breadline Britain, like Oxford, may be susceptible to certain characteristics or local features dependent upon where the interviews for the survey took place. These related problems in the use of weights identified in Breadline and Oxford are what we have termed the **sample** problem (or *systematic error*).

The problem of **overlap** can occur when indicators seem to count the target population twice. In particular where Doe91 includes *children in flats* and *poor children*, a possible overlap exists whereby poor households with children and little choice but to live in local authority flats are counted twice. Socdep is also susceptible to overlap: *Elderly*, *long-term illness* and *dependent only households* might count the same groups three times at an area level. This problem of overlap may be overcome, however, if weightings are developed which reflect the interaction between indicators, however Doe91 and Socdep contain no weightings. Additionally the choice of denominators can enhance the problem of overlap. The calculation of single parents in Jarman is based upon the number of *residents* in single parent households and therefore includes a significant proportion of children under school age included in *under 5's*. Jarman and Doe91 also have a problem with the **direction** of the indicators used. Does deprivation increase for example if there is a higher proportion of recent movers or 17 year olds not in education? Jarman

calculates the proportion of residents in a ward that had a different address one year prior to the Census. As the poor have limited choices in tenure and employment the likelihood of the poor moving across areas is limited. Residential mobility in Jarman is perhaps, therefore, a measure of opportunity rather than deprivation. Similarly, the inclusion of *17 year olds not in education* in Doe91 might have very little to do with deprivation and be more a reflection of service provision and expectation. Townsend was critical of Doe81 and Jarman's 1983 index of underprivileged areas and of its effect in skewing the distribution of deprived areas towards inner London:

> "What stands out from these measures is that 'the most deprived areas of England' do not include districts drawn from the Northern Region and this flies in the face of most observation and experience" (Townsend et al, 1988, pp.35).

As previously discussed the issue of direct and indirect measures using Census data alone confuses the debate as all measures are proxy based. Validation is the key here in determining the likelihood of being deprived. The exclusion of vulnerable groups or groups at risk from Doe91 is easy to defend at district level where the use of benefit data provides coverage, however, at the smaller spatial scale proxy measures are required as the more direct measures are not available. However, whilst there was no weighting given to the variables in Doe91, logging the values might have the unintended effect of negatively weighting aspects of deprivation that are very unequally distributed spatially. Furthermore, this is acknowledged by the Department of the Environment when the department commented that the method of standardisation (chi-square) is "less appropriate for measuring precisely relatively low levels of deprivation" (DoE, 1994). This results in the index being more sensitive to urban areas. Equally, methods in other indexes maybe overly sensitive to very small values and localised conditions whilst failing to identify the majority of the poor whilst the effect of transformation can unsuspectingly lead to the inappropriate weighting of indicators.

Turning to the relationships between indicators, where used lacking amenities and ethnicity have the lowest association in all of the indexes. Very low coefficients with unemployment and a negative relationship to car ownership in some cases suggests that lacking amenities is a poor explanatory variable in area based studies. *Ethnicity* was also poorly correlated against indexes. One explanation for this might be the uneven distribution and segregation of minority ethnic populations throughout Britain. Indeed this could also hold for lack of amenities. For example, households lacking amenities may be spatially concentrated, meaning that there is a strong correlation at the higher end of the index rather than at the lower ('more affluent') end of the index. In such circumstances an assessment of what consists of the 'best' index should not be formed simply on the basis of association measured by inter-correlation between indicators or between indicators and the overall index. This is an issue which we shall again explore when we discuss outputs in Chapter Four.

The evidence of association provided by the correlations in Table A3.3 suggests that Oxford is sensitive to unemployment and lone parents but weakly correlated with other dimensions of poverty such as illness, potentially vulnerable groups such as the elderly or people in employment but on low earnings and ethnic populations. This may result from the sample from which the weightings were drawn for Oxford. Similarly, Breadline was found to be highly correlated with households in rented accommodation. If the results are skewed towards that population of the poor living in rented local authority dwellings whilst poorer owner occupiers living in overcrowded inner cities are under represented the identification of the poor will be equally biased. The auto-spatial correlation of building features may cause Doe91 to be sensitive to certain aspects of housing deprivation. Doe91 was correlated most strongly with *children in flats* and *lacking amenities* and we would suspect that this would show up in the pattern of poverty using such an index. Conversely, Jarman contains variables which are not so spatially discrete such as residential mobility (people with a different address one year prior to the census) and the elderly, who may not be concentrated in particular areas or where they are, this maybe to do with coastal and National Park

'retirement' areas. Table 3.15 summarises these potential weaknesses. It is apparent from the Table that all of the indexes reviewed in this study violates at least one of the criteria discussed. The next chapter looks in more detail at the outputs and spatial pattern of 'deprivation' resulting from the indexes presented here.

Table 3.15 Violation of criteria for assessing the construction of deprivation indexes

	Validation	Equal Treatment	Sample (Systematic Error)	Scope	Overlap
Bradford	No external model of poverty	All variables are treated equally no weights developed			
Breadline			Based on a poverty survey: maybe dependent on characteristics of respondents		
Doe81	No external model of poverty	All variables equal except unemp (*2) (see: validation)			
Doe91	No external model of poverty	All variables are treated equally and no weights are developed		*People in education at age 17* calls into question the type of enquiry offered	*Children in flats & poor children* overlap also high *correlation: unemp* and *no car*
Jarman	Validation based on GP survey (see: Scope)			GP survey - scope maybe *workloads* rather than *poverty mobility:*a measure of affluence (?)	*Lone parents* and *under 5's* overlap because of denominator used
Matdep	No external model of poverty	All variables are treated equally and no weights are developed			
Oxford			Income Support and Council Tax records; possibly sensitive to 'eligible' poor		
Scotdep	No external model of poverty	All variables are treated equally and no weights are developed			
Socdep	No external model of poverty	All variables are treated equally and no weights are developed			*Elderly, long-term ill* and *dependent only hholds*; also *unemployed* and *youth unemployed*
Townsend	No external model of poverty	All variables are treated equally and no weights are developed			

The main objective of this study is to demonstrate how important the selection of variables and the construction of indexes is in determining the geography of poverty. Chapter Three outlined the major indexes that have been in use or have been developed in recent years as well as highlighting some of the potential weaknesses when considering the selection of indicators and other construction criteria. This Chapter is concerned with some of the outputs when the indexes are recreated at ward and postcode sector level for Great Britain using 1991 Census data and this chapter deals with four related issues:

i) Where the poor are located within the regions according to each index

ii) To what extent do indexes identify the same areas as poor - does it matter which index is chosen and how far do they overlap?

iii) How many of the poor are targeted? - what is the concentration of deprivation within the 'poorest' areas according to indexes and when compared to single indicators.

iv) From the evidence of outputs what is the explanation for spatial variation between indexes?

How we define the poorest areas

Throughout the remainder of this report we make reference to the 'poorest' areas, the 'top' ranked, 'top' 10% of areas or the 'poorest' decile. When we refer to the poorest decile of areas we are ranking the 10,511 wards and postcode sectors in GB using each index and then taking the 'top' 1,051 wards and postcode sectors (10% - an arbitrary cut-off point) and refer to these as the 'poorest' areas.

By ranking wards and postcode sectors for Great Britain as a whole this study is unique as the indexes reviewed here have never been compared together at the same level of spatial analysis. For example: Doe81 (DoE, 1981) and Doe91 (Robson et al, 1995) have been used for district level analysis in England as have Socdep and Matdep (Forrest and Gordon, 1993); Scotdep was the result of a study of health and deprivation in Scotland alone (Carstairs and Morris, 1991a); Jarman has been utilised in the provision of GP funds using ward level data for England and Wales (Jarman, 1984); Breadline has been recently developed and mapped to district level in England (Gordon and Forrest, 1995) whilst Oxford is also a recent addition to the development of indexes in an English setting at enumeration district level for two local authorities (Noble et al, 1994). Finally, Townsend has been widely used but was developed as an index for use primarily in England (Townsend et al, 1988; Phillimore and Beattie, 1994).

Association and Inter-Correlation

Moreover the indexes have not been subject to testing against a range of methods across small areas of Great Britain. For example, in a comparison of a selection of indexes Carstairs and Morris (1991b) used postcode sectors for Scotland and looked at the relationship between indexes using Pearson's Product Moments correlations.

Table 4.1 Comparison of Pearson's correlation coefficients for three indexes (1981 data)

Doe81	-			
Jarman	0.870	-		
Scotdep	0.910	0.826	-	
Townsend	0.896	0.801	0.960	-
	Doe81	**Jarman**	**Scotdep**	**Townsend**

Source: Carstairs and Morris (1991b)

In reviewing several deprivation indexes Carstairs and Morris attempted to explain the variation in health using the 'best' index against a range of health indicators (morbidity, mortality, service provision and use). The relationship between indexes reviewed by Carstairs and Morris was very strong (with correlation coefficients of 0.83 or above) (Carstairs and Morris, 1991b) and the results of that study can be found in Table 4.1. Table 4.2 presents the Pearson's coefficients for the same indexes reviewed by Carstairs and Morris but recreated for the 10,511 wards and postcode sectors in Great Britain. Unlike the correlations obtained in Table 4.1 by Carstairs and Morris (1991b) there is no weighting to take into account small populations; however, despite these methodological differences there is a noticeable degree of consistency and strength of association obtained and reflected in the results in tables 4.1 and 4.2. Both Scotdep and Townsend correlate highly over the two Census periods with remarkably similar coefficients of 0.96 and 0.94 using Pearson's Product Moment correlations for 1981 and 1991 data respectively. Jarman has a noticeably stronger association with the other indexes when 1991 Census data is used and all coefficient values on Jarman show increases between Census periods. However, Jarman is based upon weightings updated since the first Jarman index was created in the early 1980s (Jarman, 1984) and this would partially explain the deviation from the coefficient value recorded by Carstairs and Morris (1991b).

Table 4.2 Comparison of Pearson's correlation coefficients for three indexes (1991 data)

Doe81	-			
Jarman	0.913	-		
Scotdep	0.866	0.884	-	
Townsend	0.903	0.899	0.943	-
	Doe81	**Jarman**	**Scotdep**	**Townsend**

Source: 1991 Census Data

The association (paired coefficients) between all ten indexes are shown in Table 4.3. The results from Table 4.3 show that all of the indexes are highly inter-correlated. Doe91 demonstrates the weakest association (with Socdep: 0.7439) and is consistently lower in association compared to other indexes in this study. The highest paired correlation was that of Townsend and Breadline (0.9478). Townsend also registered consistently high correlation coefficients with the other measures - values in excess of 0.9 against five of the other nine indexes are present. The general strengthening of association between pairs of indexes over the period (when comparing 1991 Census data results with Carstairs and Morris, 1991b) seems to point to an increase in the concentration of deprivation between 1981-91 in line with Gordon and Forrest's (1995) comparison of indexes at District level.

Table 4.3 Measures of association for the ten indexes (Spearman Rank)

Breadline	.8693								
Doe81	.9222	.8315							
Doe91	.8576	.8356	.8343						
Jarman	.8513	.8557	.9000	.7729					
Matdep	.9330	.8485	.8703	.8304	.8137				
Oxford	.9020	.8744	.9342	.8285	.8967	.8226			
Scotdep	.8926	.9126	.8738	.8392	.8766	.8508	.9094		
Socdep	.8491	.8171	.8513	.7439	.8006	.7810	.8505	.8208	
Townsend	.9065	.9478	.9165	.8543	.8940	.8700	.9355	.9312	.8126
Index	**Bradford**	**Bread**	**Doe81**	**Doe91**	**Jarman**	**Matdep**	**Oxford**	**Scotdep**	**Socdep**

Source: 1991 Census Data

Which Index: Does it Matter?

Does the correlation matrix help us in rejecting any particular index? Moreover, should the worst correlated indexes be rejected at this point? The evidence so far would suggest that using any measure of deprivation will ensure a high degree of overlap. The indexes are remarkably inter-correlated such that it seems to make marginal difference in the choice of index. These high correlations between ranked pairs of indexes and the strengthening of association over time would suggest that the polarisation of rich and poor areas has been such that independent measures of deprivation or disadvantage have become more stable in the identification of where the poor live. As Gordon and Forrest (1995) point out, the concentration of poverty has been so marked in the past decade that "...the same broad patterns can be discerned almost irrespective of the methods used to measure it. To put it bluntly, when there is a lot of poverty it becomes relatively easy to measure" (Gordon and Forrest, 1995, p.5).

In their comparison of three measures of deprivation: Townsend, Doe91 and Breadline, they found consistent patterns of deprivation at the District level for England (Gordon and Forrest, 1995). However, Gordon and Forrest were also aware that broad patterns obscure the considerable variation between indexes when ranked. This is even more marked when smaller geographical areas are mapped or ranked to show the variation within regions or districts. Therefore, this variation at the small area level might indicate that the inter-correlation between paired indexes does not tell us anything about the effectiveness of indexes in identifying the most deprived areas. For example, whilst Doe91 correlates poorly against the other measures this does not reveal how well the DoE measure is performing at identifying poor areas. Moreover, the correlation between indexes in Table 4.3 refers to the relationship between indexes when ranking all the 10,511 wards and postcode sectors for Great Britain. As we are interested only in the poorest areas it might make more sense for us to concentrate on the poorest areas and assess whether there is any consensus in the identification of these.

This point can more effectively illustrated by taking an example of two hypothetical indexes ranking 20 wards within a district as in Figure 4.1. The first five wards are identically ranked according to index A and B. However, the variation in ranked positions 6-20 would result in a ranked correlation coefficient far lower than if wards 1-5 were only in the analysis. Hence, the correlation coefficient would conceal the underlying agreement between index A and B over which wards constitute the five poorest wards. As all of our indexes are measuring disadvantage or deprivation it might therefore, be more appropriate to concentrate on the 'poorest' areas as defined at the beginning of this Chapter.

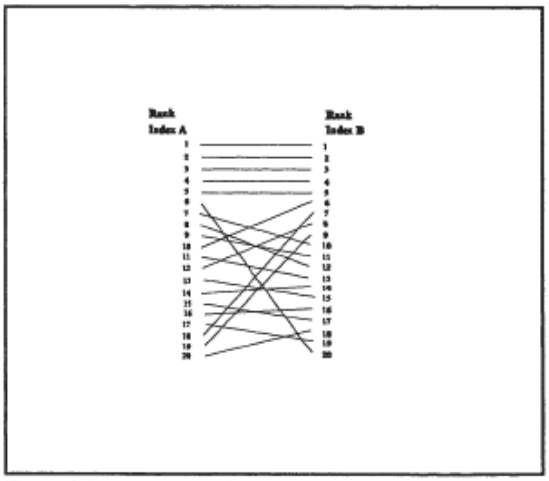


Figure 4.1 A hypothetical ranking of 20 wards

Table 4.4, therefore, shows the percentage of wards in the poorest decile (1,051 wards or postcode sectors) according to the region within which the ward or postcode sector is located.

Table 4.4 Distribution of 'poor' areas by region and index

(%) Index	Gtr London	South East	North	North West	York Humb	West Mids	East Mids	East Anglia	South West	Wales	Scot land
Bradford	24.5	4.1	9.6	15.9	7.5	5.2	3.8	1.0	2.7	6.9	18.7
Breadline	20.6	2.9	14.7	14.5	6.3	4.8	4.4	0.9	1.7	5.3	24.1
Doe81	38.6	8.8	5.3	13.0	5.7	6.4	4.2	1.1	2.7	4.9	9.2
Doe91	32.8	7.5	4.5	11.3	4.8	5.8	2.9	1.1	3.2	3.5	22.5
Jarman	30.4	8.8	7.8	14.3	6.9	5.9	4.9	1.2	3.1	4.1	12.7
Matdep	24.8	6.9	4.4	16.1	9.0	6.3	2.6	1.3	4.2	5.7	18.6
Oxford	29.9	4.2	10.0	14.8	4.9	4.8	4.1	1.0	2.4	4.9	19.1
Scotdep	21.6	3.6	11.8	15.3	7.5	6.1	4.4	0.7	1.5	6.9	20.6
Socdep	13.7	2.8	15.7	18.2	7.0	3.9	4.8	0.6	1.4	16.5	15.5
Townsend	28.4	4.1	10.1	13.0	4.8	5.1	4.0	0.8	1.3	3.7	24.7

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Greater London and the South East

Using the different measures of deprivation Table 4.4 clearly demonstrates the variation in the percentage of wards identified in the south east of England (Greater London and South East region). For example, Doe81 identifies almost 50% of the poorest areas as being locations in the Greater London and South East Region. Doe91 identifies a smaller percentage of the poorest areas in the south, although more than 40% of the poorest areas are locations in Greater London and the South East of England on this measure. All of the other measures of deprivation identify approximately 24%-30% of the poorest areas as locations in Greater London. Exceptions to this are Socdep and Breadline which identify 13.7% and 20.6% of the poorest wards respectively as locations in Greater London. At first inspection the allocation of less than 14% of the poorest wards to Greater London by Socdep seems particularly low, whilst the sensitivity of the Doe81 and Doe91 indexes to Greater London and the South-East seems counter intuitive.

Central and Northern England

Significant differences in the identification of poor areas are noted for central England. However, the majority of the poor (and indeed the population - see Table B1.1) live in the metropolitan areas and this is reflected in a smaller representation overall on each of the indexes reviewed here for the areas of East Midlands and East Anglia. There are a lower percentage of areas identified as poor locations in the North and North West of England as measured by the two DoE approaches (18.3% and 15.8% according to Doe81 and Doe91). Meanwhile, Breadline and Socdep locate almost a third of the poorest areas (29.2% and 33.9% respectively) as wards in the North and North West of England; whilst Townsend identifies a significant proportion of poor wards as lying in the North and North West of England. This is not surprising as Townsend was developed as a response to indexes which were criticised for being too sensitive to London and the South East.

The 'Celtic' Fringe

The most striking variations in the identification of deprivation are provided by the 'celtic' fringe of Scotland and Wales. Both Breadline (24.1%) and Townsend (24.7%) identify almost a quarter of the poorest areas as locations in Scotland. Doe91 is not far behind these two indexes by identifying over a fifth (22.5%) of the poorest areas in Scotland. Meanwhile, Doe81 identifies under 10% of the poorest areas as locations in Scotland and is similar to Jarman (12.7%) in this respect. The picture for Wales is more consistent and shows relatively little variation in the proportion of poor areas identified across the indexes. The exception to this is Socdep which identifies a significant proportion (16.5%) of the poorest decile as areas in Wales.

Comparing 'Poor' wards using two indexes

How much variation is there in the specific ranking when looking at paired indexes? In order to test this we looked more closely at the ranked positions of the poorest areas when comparing indexes. As we have already noted, the correlation coefficient between indexes masks the variation between rankings of poor areas and this is reflected in the differences in the identification of where poor areas are located. Again, reference to Figure 4.1 illustrates the point that whilst a coefficient may be high there is dispute over the exact rank. This leads to uncertainty over whether the same areas are being identified by indexes within the regions illustrated in Table 4.4.

As it is the poorest areas that form the sharper focus of the enquiry Table 4.5 presents the differences in rankings for the poorest (top decile) areas when comparing the rankings using Breadline and Townsend. It should be noted that these two indexes obtained the highest correlation coefficient of 0.94 (see Table 4.3) so we would expect there to be a high degree of overlap. The left hand columns in Table 4.5 show the differences when only those areas are included which appear in the poorest decile on *both* measures of deprivation (ie: to qualify an area would have to rank between 1st and 1,051st on Townsend and on Breadline). This clearly demonstrates the large degree of movement in the rank position of areas when comparing these two indexes. For example, more than 50% of the areas appearing in the poorest decile on both indexes had rank positions that differed by more than 100 positions; a small percentage (2%) moved in excess of half a decile (ie: over 500 positions) within a possible range of differences less than 890 positions.

Table 4.5 Comparison of difference in ranking of 'poor' areas: Breadline and Townsend

Difference In Rank	Poorest on *both* indexes			Poorest on *either* index		
	No.	%	Cum	No.	%	Cum
5000 to High	----	----	-----	----	----	-----
1000 to 4999	----	----	-----	32	2.6	2.6
500 to 999	19	2.1	2.1	127	10.5	13.1
400 to 499	26	2.9	5.0	77	6.4	19.5
300 to 399	54	6.1	11.1	100	8.3	27.8
200 to 299	110	12.4	23.5	151	12.5	40.3
100 to 199	256	28.8	52.3	282	23.3	63.6
51 to 99	174	19.6	71.9	187	15.4	79.0
1 to 50	247	27.8	99.7	252	20.8	99.8
Equal	4	0.4	100.0	4	0.3	100.0
	890			**1212**		

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

This has important implications for the narrowness of the 'net' drawn when tackling the 'worst' areas (eg: if policy was directed at tackling the 'worst' 100 areas) - the index chosen has, a major impact on which areas will be identified when focusing in on the top of the ranked distribution. A surprisingly small percentage of areas - less than half of one per cent - had an equal position when comparing the poorest decile rankings on both indexes; this related to four small areas: Glasgow City, postcode sector G45 (ranked 3rd); Glasgow City, postcode sector G5 9 (17th); Lambeth, Prince's ward (251st); Swale, Sheerness West ward (791st). Once again it should be noted that these relatively large recorded differences are present despite the Breadline and Townsend indexes being the highest correlated pair (0.948) in this study. The difference in rankings for areas appearing in the poorest decile on *either*

measure of deprivation is shown in the right hand columns of Table 4.5 (ie: an area might rank 500th on Breadline but appear as ranked 9,000th on Townsend). As we would expect the movement of ranked positions is shown to be even more pronounced: almost 1 in 8 (13%) of areas appearing in the poorest decile on either index had rankings that differed by almost half the decile range (ie: over 500 rank positions difference). A small percentage of areas (3% - 32 areas) differed by more than 1000 ranked positions whilst a difference in ranked position of this magnitude has the effect of placing areas in more affluent decile ranges when comparing the two indexes.

When the measure of association is lowered (using the paired coefficients from Table 4.3) the volatility measured by the difference in ward ranking positions is increased. To test this volatility comparison between Doe91 and Townsend gave us the opportunity to test the rankings between the well established, seemingly robust and frequently used measure of Townsend and the officially defined area measure of deprivation provided by Doe91. The correlation coefficient from Table 4.3 between Doe91 and Townsend was high (0.8543). However, we would expect a reduction in the degree of overlap compared with the previous worked example from Table 4.5.

The format of Table 4.6 is the same as Table 4.5. The left hand columns refer to areas or postcode sectors that appeared in the top decile on both indexes. Almost 70% of the areas appearing in the poorest decile on both indexes had rank positions that differed by more than 100 positions; a significant percentage (11%) moved in excess of half a decile (ie: over 500 positions). None of the poor areas ranked according to Doe91 and Townsend had an equal position. Once again, the movement of ranked positions is shown to be even more pronounced when comparing ranked positions for poor areas on *either* index: more than 1 in 3 areas (36%) appearing in the poorest decile of ranked areas on either index had rankings that differed by almost half the decile range (ie: over 500 rank positions difference). A very significant percentage of areas (104 areas) differed by more than 1000 ranked positions.

Table 4.6 Comparison of difference in ranking of 'poor' areas: Doe91 and Townsend

Difference In Rank	Poorest on *both* Indexes			Poorest on *either* index		
	No.	%	Cum	No.	%	Cum
1000 to 4999	---	---	-----	104	7.9	7.9
500 to 999	85	10.8	10.8	372	28.3	36.2
400 to 499	54	6.9	17.7	94	7.1	43.3
300 to 399	87	11.1	28.8	130	9.9	53.1
200 to 299	133	16.9	45.7	159	12.1	65.2
100 to 199	185	23.5	69.2	209	15.9	81.1
51 to 99	112	14.2	83.4	113	8.6	89.7
1 to 50	131	16.6	100.0	134	10.2	100.0
Equal	0	0.0	100.0	0	0.0	100.0
	787			**1315**		

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Overlap of 'poorest' rankings

A simplified way of expressing the relationship between poor areas identified on indexes is to look at the overlap between indexes and examine the proportion of areas identified as the poorest using any pair. Table 4.7 shows the percentage of areas appearing in the 'poorest' decile on a combination of two indexes. The table illustrates the overlap between indexes when comparing the appearance of areas in the poorest

decile in Great Britain using the separate measures. All possible pairs of indexes are represented in the table. The maximum overlap would be 100% with the same areas appearing in the poorest decile on a given pair of indexes. The difference in rankings shown in Table 4.5 demonstrated that where there are strong relationships between indexes, such as Townsend and Breadline, the actual ranking position can vary considerably.

Table 4.7 Overlap between paired indexes comparing the number and % of areas identified as 'poor'

Breadline	803								
	76.4								
Doe81	722	591							
	69.0	**56.2**							
Doe91	766	699	794						
	72.9	**66.5**	**75.5**						
Jarman	792	704	821	751					
	75.4	**67.0**	**78.1**	**71.5**					
Matdep	739	605	708	714	701				
	70.3	**57.6**	**67.4**	**67.9**	**67.0**				
Oxford	875	833	743	806	832	665			
	83.3	**79.3**	**71.0**	**76.7**	**79.2**	**63.3**			
Scotdep	835	816	681	702	768	675	830		
	79.4	**77.6**	**64.8**	**66.8**	**73.1**	**64.2**	**78.9**		
Socdep	721	769	542	566	614	524	709	726	
	68.6	**73.2**	**51.6**	**53.8**	**58.4**	**49.9**	**67.5**	**69.1**	
Townsend	856	890	698	787	777	672	900	852	698
	81.4	**84.7**	**66.4**	**74.9**	**73.9**	**63.9**	**85.6**	**81.1**	**66.4**
Index	**Bradford**	**Bread**	**Doe81**	**Doe91**	**Jarman**	**Matdep**	**Oxford**	**Scotdep**	**Socdep**

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

The important relationship demonstrated by Table 4.7 is whether indexes are identifying the same areas as poor not the relationship between the rankings of all 10,511 areas. For example, out of a maximum 1,051 areas in the poorest decile when pairing Bradford and Breadline, 803 or 76.4% were found to be common to both. By using Table 4.7 as a guide to the relationship between indexes there appears to be a strengthening in the association in some cases whilst a weakening in others. When using Spearman's ranking across all areas, for example, the highest degree of association in Table 4.3 is between Townsend and Breadline (0.94) a comparison of the overlap in Table 4.7, however, shows that the greatest overlap is between Oxford and Townsend (86%).

Why do Indexes Differ?

Here we look more closely at some of the extreme outliers using the comparison between indexes as well as the difference between poor areas identified on highly correlated paired indexes. Outliers are examined in more detail in order to pick up some of the extreme variation and account for the volatility between indexes.

Comparison of Townsend and Oxford:
Oxford and Townsend correlated the second highest with a Spearman's ranked correlation coefficient of 0.94 (Table 4.7); however, as we have already seen in this chapter high correlations hide the wide variation of spatial distribution when comparing the poorest areas identified by paired indexes. This

variation is better illustrated by Figure 4.2 - a scattergram of Townsend and Oxford. The figure lends a more visual demonstration of the variation when ranking postcode sectors and wards for Great Britain using separate measures. The most noticeable feature of Figure 4.2 is the fairly tight distribution at the bottom left hand of the graph (ie: the bottom decile or the 'poorest' areas), the increasing variation further down the ranking and subsequent concentration at the more 'affluent' decile of ranked areas for Great Britain. This pattern suggests that paired indexes are reasonably reliable at identifying the most deprived and affluent areas - the figure demonstrates a reasonably high level of overlap and is supported by the fact that 86% of poor areas were common to both indexes (Table 4.7). However, middle rankings appear the most volatile with some areas appearing in the poorest decile on Townsend, for example, but in the middle ranking on the Oxford index.

Looking in more detail at the extreme outliers revealed by the scattergram illustrate the reasons for some of the variance. For example, Table 4.8 contains the three areas which lie in the 'affluent' (10th) decile on Oxford and the 2nd poorest decile in Townsend (these can be clearly seen at the top left hand of Figure 4.2). The table also includes areas appearing in the poorest decile on Townsend and in the fourth decile or above on Oxford. These areas are generally, wards/postcode sectors with small populations (between 112 and 158 residents) and have between 90% and 95% of households were in rented accommodation.

Table 4.8 Extreme outliers comparing Oxford and Townsend

District Name	Ward Name/ Postcode	Number of Residents	Oxford Rank	Townsend Rank	Rank Diff
City of London	Walbrook	177	10475	1554	9051
West Lothian	EH309 (PT)	112	10480	1718	8921
Isles of Scilly	Tresco	158	10492	1441	8762
Glasgow City	G2 6	63	7358	172	7186
City of London	Farringdon	369	4749	1012	3737
Glasgow City	G2 4	104	3571	493	3078

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

The two City of London wards (Farringdon Without and Walbrook) classified as poor in Townsend (but not Oxford) had relatively low male unemployment rates (12% Farringdon and 3% Walbrook), the proportion of lone parents in Farringdon (7%) mirrored the average for GB whilst overcrowding and concentrations of ethnic populations were low in the two wards. Less than 5% of the housing stock in Farringdon was council stock in 1991 whilst in Walbrook the figure was less than 1.5 per cent. The majority tenure in both wards was rented accommodation. Rented accommodation is not an homogenous tenure category. *Furnished* rented housing may have a higher correlation with poverty than *unfurnished* (as there is an implication of resources of households with the ability to furnish their own dwellings), however, even here there are problems as furnished accommodation might service different needs depending on the locality. Furnished rented accommodation in a declining seaside town offers a quite different standard to the furnished privately let dwellings that agencies promote in areas of service growth (eg: the City of London) or where there is a high turnover of professional or service classes. Only 5% of households with dependent children had no earner in Farringdon whilst there were no 'poor children' households in Walbrook. Almost all *child dependent households* lived in accommodation above the ground floor in both wards, but with a significantly small proportion of council stock and the absence of *poor children* it might be interpreted that these wards are not deprived. We shall continue to use the example of Townsend and Oxford to examine divergences in the identification of poor areas more fully. In Table 4.7 it was noted that 900 areas are common to the poorest decile identified by Townsend and Oxford. This represented the largest overlap when comparing poor areas identified by paired indexes (ie: 900/1051=85.6%). It follows that when comparing areas ranked as poor on Townsend *or* Oxford another 302 areas are brought into the analysis (ie: 151 areas appear as poor on Townsend but not Oxford and vice versa, hence: 1051-900=151*2=302).

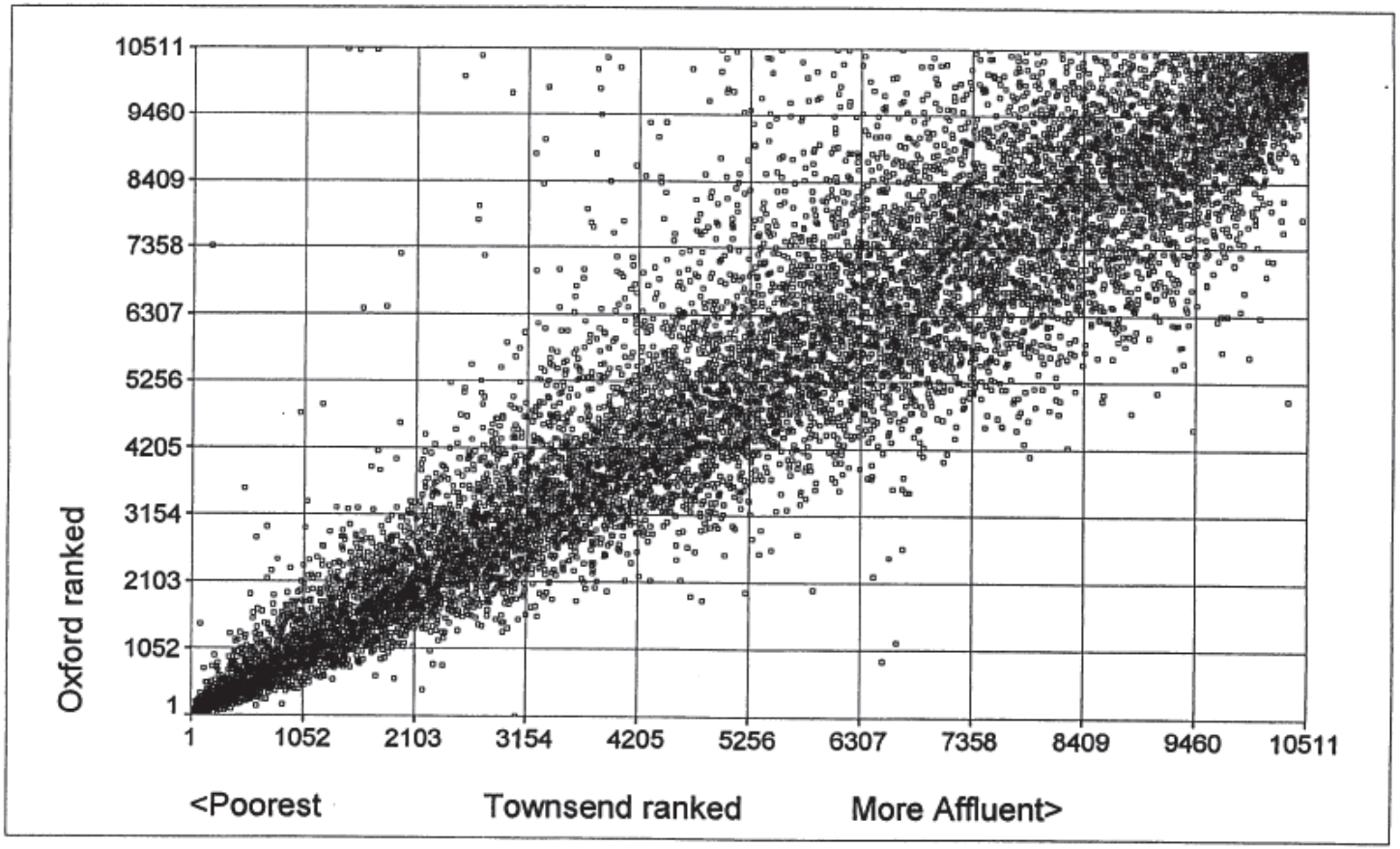


Figure 4.2 Scattergram showing variation of ranking between Oxford and Townsend

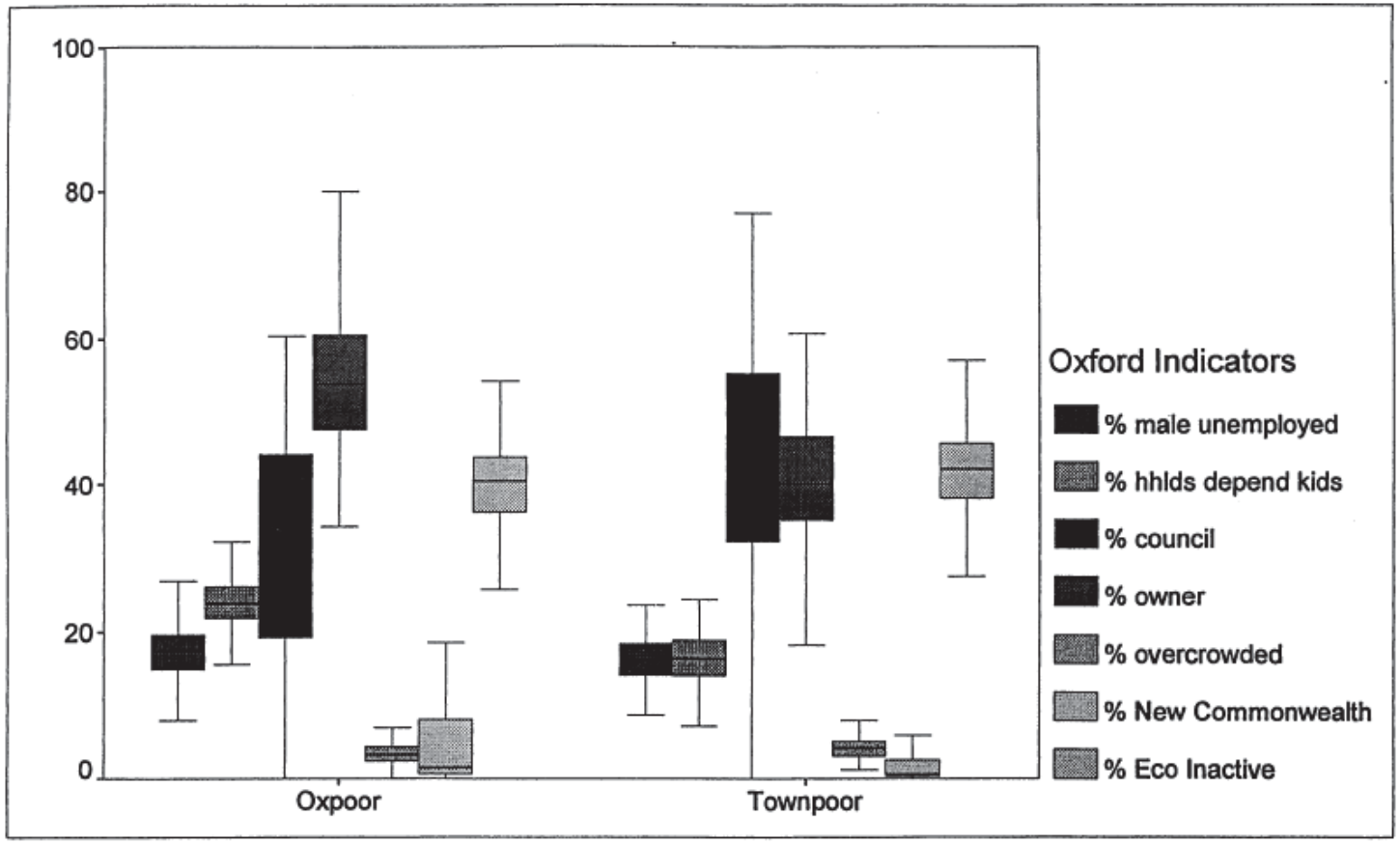


Figure 4.3 Boxplot of *Oxpoor* and *Townpoor*

For simplicity we shall refer to the 151 areas identified as poor by Townsend but with rankings outside the poor decile on the Oxford index as *Townpoor* whilst the group of areas identified as poor on Oxford but with rankings on Townsend outside the poor decile we refer to as *Oxpoor*. *Townpoor* had considerably higher levels of council housing than *Oxpoor*. On average, almost 50% of households rented their homes from the local authority in *Townpoor* whilst in *Oxpoor* the figure was nearer 30 per cent. The difference was not accounted for by high rates of private renting in *Oxpoor* - over half of the areas in *Oxpoor* had rates of owner occupation between 53% and 80 per cent. Unemployment and overcrowding offer little to explain the difference between *Townpoor* and *Oxpoor* (Figure 4.3). When Townsend is used as the measure for identifying deprived areas there is a higher degree of sensitivity towards Scotland - almost 50% of the 151 poor areas in *Townpoor* are areas in Scotland.

Breadline and Townsend

This pair of indexes had the highest correlation coefficient of 0.9478. The scattergram showing the distribution of ranked areas in Figure 4.3 illustrates more clearly the overlap between Breadline and Townsend when the rankings are compared. What is immediately apparent is the limited number of outliers or extreme variation between rankings thrown up by the diagram. There is a tight clustering at either end of the decile range and it has already been reported that the overlap between the two indexes at the poorest decile is 85% (Table 4.7). Comparison with Figure 4.2 (Townsend and Oxford) reveals the closer relationship (a high degree of linearity) between Townsend and Breadline than with Oxford across all 10,511 wards and postcode sectors. However, there are some noticeable outliers appearing at the bottom of the diagram (Figure 4.4) where there appear to be a small group of areas classified as poor on Breadline but ranked in the 3rd and 5th deciles according to Townsend (Table 4.9).

Table 4.9 Extreme outliers comparing Breadline and Townsend

District Name	Ward Name/ Postcode	Number of Residents	Breadline Rank	Townsend Rank	Rank Diff
Port Talbot	Sandfields East	6112	964	2177	1213
Argyle and	PA417	143	706	4618	3912
Bute Glanford	Trentside	1258	622	4994	4372
Renfrew	G53 7 (PT)	92	165	3060	2895

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

The significant factor influencing the difference in poor areas identified between the two indexes is the inclusion of long-term illness in the Breadline index. The proportion of households containing a person with a limiting long-term illness in Trentside was 52% in 1991. This was twice the average for wards in the Yorkshire and Humberside standard region (25%). In Sandfields East the proportion was 48% which was more than 1½ times the mean for Wales (31%). The boxplot of poor areas using Breadline and Townsend Indexes illustrates this explanation for the variation in the identification of poor areas (Figure 4.5). The diagram is similar to that in Figure 4.3 and the method of grouping areas together as *Townpoor2* and *Breadpoor* is the same as in that figure and shows that the average percentage of households with limiting long-term illness was larger in areas identified as poor in Breadline but not Townsend. Also significant from the diagram is the level and spread of households with a head from a low social class - greater significance in *Breadpoor* than in *Townpoor2*.

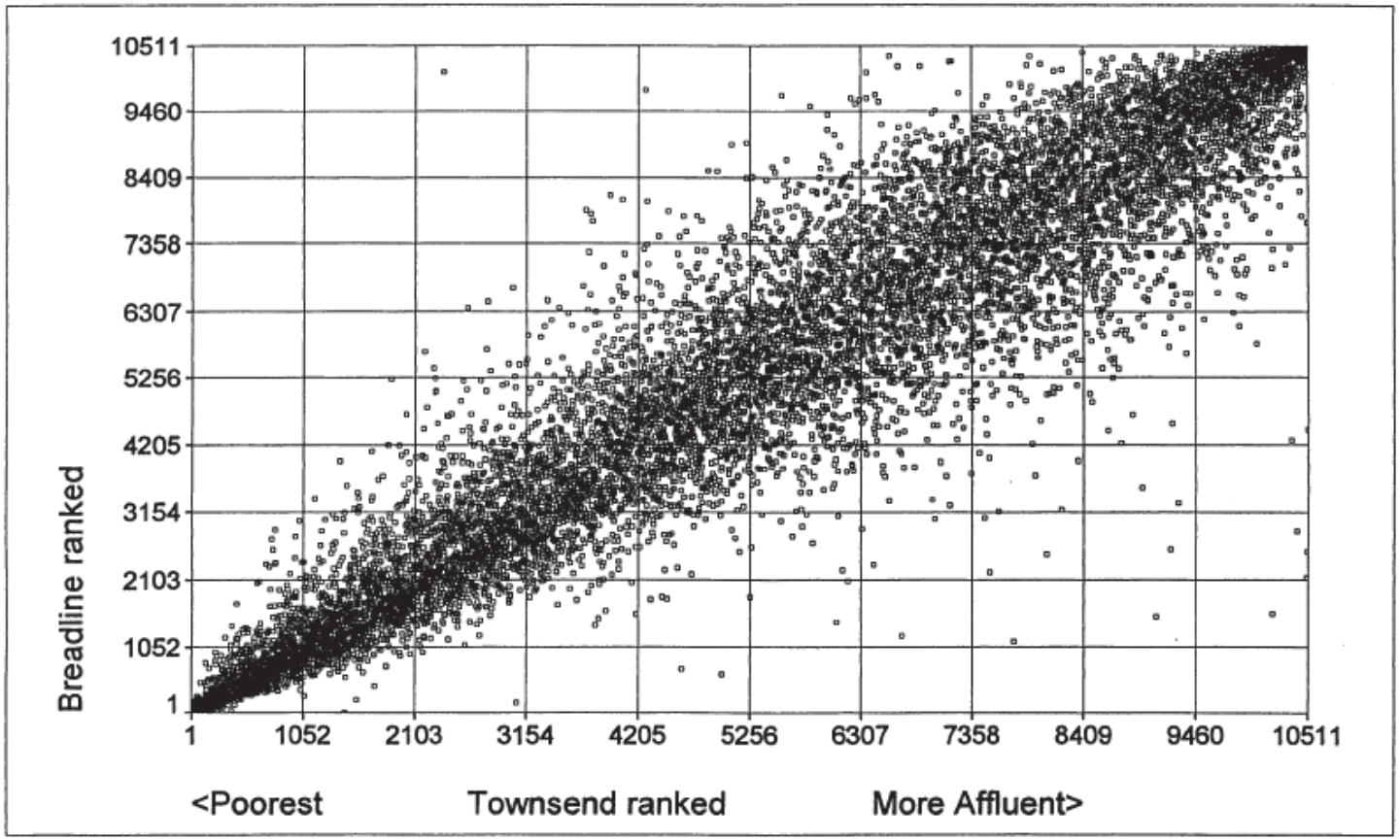


Figure 4.4 Scattergram showing variation of ranking between Breadline and Townsend

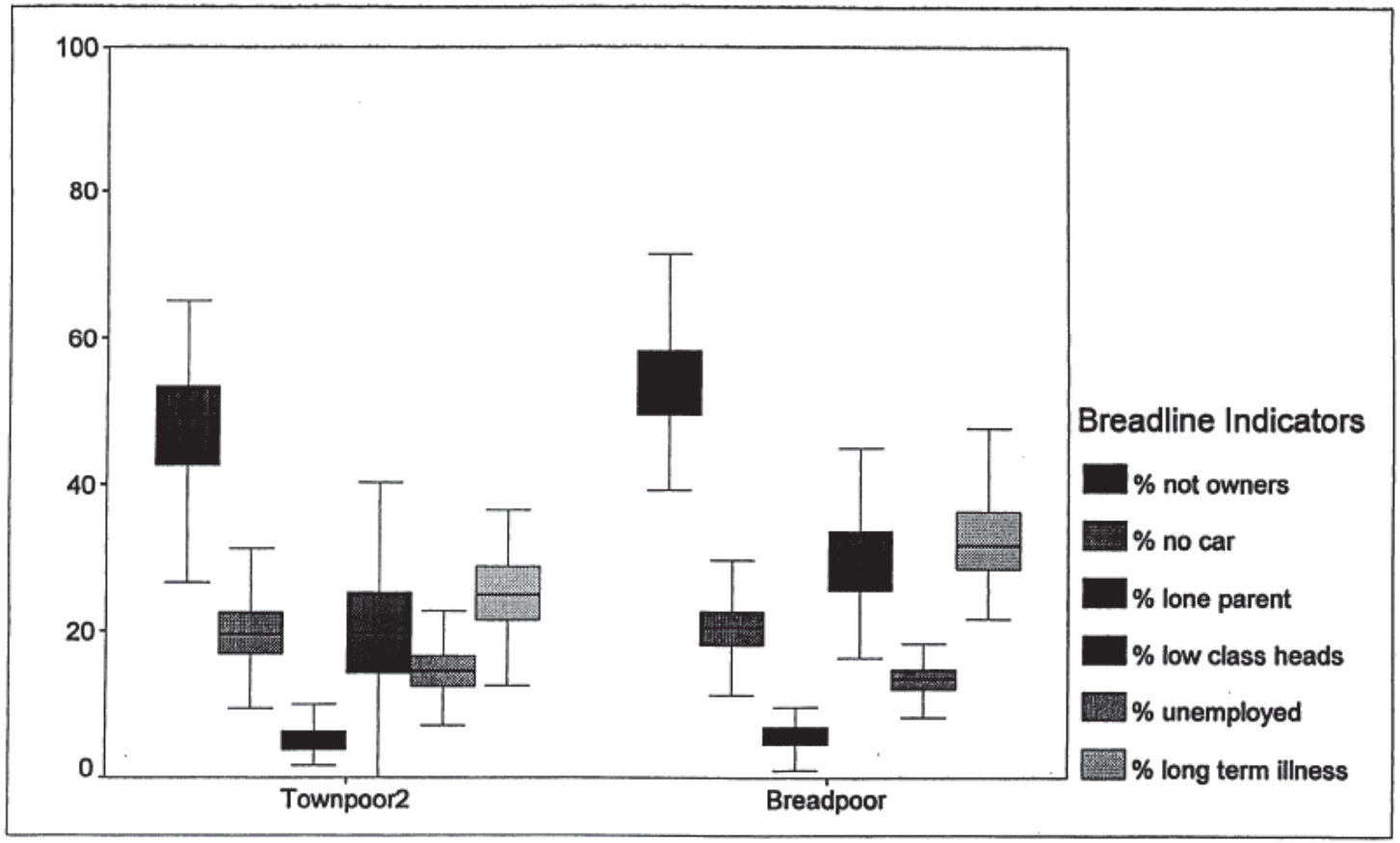


Figure 4.5 Boxplot *Townpoor2* and *Breadpoor*

The 'Kingdstanding Effect'

In Table 4.3 we saw that the correlation coefficients between indexes was reasonably high in most cases (0.78 or above) whilst very high in others (Townsend and Oxford/Breadline). In particular Bradford recorded a coefficient of 0.9 or above against four of the other nine indexes reviewed. However, as we have previously noted the underlying variation between rankings is considerable and a high correlation between indexes is not always indicative of a high overlap between targeted 'poor' areas (see in particular Table 4.7 and Figures 4.2 and 4.4 illustrating the disparity in rankings between Townsend and Oxford/Breadline). This point is reinforced if we examine the relationship between Bradford and Doe81 which recorded one of the highest correlation coefficients of all the paired indexes (0.92), whilst achieving an overlap of 69% (Table 4.7) on these two measures and when Scotdep and Breadline are compared which achieved a lower correlation (0.91) but a larger overlap for the poor areas (78%) (Table 4.7).

Variations in the identification of poor areas between Bradford and the other indexes are explained by certain transformation and index building techniques. This we have referred to as the 'Kingstanding Effect'. Kingstanding refers to an electoral ward within Birmingham district which appeared as the highest ranked ward on the Bradford index whilst ranking as low as 1,035th on the Jarman index and 320th on Doe91. This demonstrates the wide variation that can be produced in the rankings especially where areas are targeted for policy and the 'net' is drawn tightly. The variation produced by the 'Kingstanding Effect' is more properly illustrated by Figure A4.1 (in the appendix to this chapter) which demonstrates the erratic relationship between rankings on Bradford and the Doe81 index. The pattern was similar when Bradford was plotted against other indexes and is distinct from the pattern gained from plotting other paired indexes (for example Figure 4.2 which plots Townsend and Oxford). The effect illustrated in Figure A4.1 is a result of the arbitrary grouping together of stress indicators with no regard to how the indicators in each stress group relate to each other or how each indicator should be weighted However, whilst this effect is illustrative, the overall pattern may have been exaggerated due to the method of recreating Bradford for this study (more details of the method used and the Kingstanding Effect can be found in the appendix to this chapter).

Local variations: four metropolitan authorities

Variations in the identification of poor areas according to the indexes reviewed here are illustrated by the exploration of four case studies of metropolitan authorities and by examining in more detail differences in ward rankings within these authorities. (Tables A4.6 to A4.9 in the appendix to this chapter lists all of the wards for the four authorities examined here: Birmingham, Bradford, Liverpool and Newham. The tables are subdived into the ranking within each of the four districts and the ranking overall for the 10,511 wards and postcode sectors in Great Britain. Ranking is according to four of the indexes: Breadline, Doe91, Scotdep and Townsend).

Birmingham

There were 39 electoral wards in Birmingham at the time of the 1991 Census. Comparison of the ranking of wards using Breadline, Doe91, Scotdep and Townsend showed considerable amount of agreement at the more 'affluent' end of the rankings. Hence, the three most 'affluent' wards (ie: wards ranked 37, 38 and 39 in Birmingham) appeared in the same order on each of these four indexes: Sutton New Hall ranked 37th, Sutton Vesey ranked 38th and Sutton Four Oaks ranked 39th. Moreover, there was a large degree of overlap for wards ranked 18 to 36; however, there were some notable exceptions which are discussed in Table 4.10.

Table 4.10 Birmingham case study demonstrating variation in ranked indexes

Birmingham Selected Wards	Commentary
Erdington Ranked 25th and 26th on Breadline, Scotdep and Townsend but ranked 10th within Birmingham according to Doe91 which has the effect of putting Erdington in the poorest decile when using this measure.	Erdington has 407 households sharing amenities (roughly 204 dwellings), making it the fifth highest in Birmingham in absolute terms whilst the proportion sharing amenities is just above the national average (1.3%) at 1.7 per cent of households.
Nechells Ranked 1st according to Doe91 and 3rd on Breadline, Scotdep, Townsend. In the poorest decile on all four measures.	High counts of children in flats (1,509 - ranked 2nd in Birmingham), Poor children (3,434 - ranked 7th) and overcrowded households (791 - ranked 7th in Birmingham).
King's Norton Ranked lower *within* Birmingham (18th) according to Doe91 compared to Breadline (15th) and Townsend (16th). However, national rankings finds King's Norton in the poorest decile on Doe91 but not on Breadline, Scotdep and Townsend.	Proportionally none of the indicators are above the average for the district, however, all, except amenities, are higher than national average. Large absolute values for the ward push it up the rankings nationally.
Sparkhill Ranked in the poorest decile on Doe91, Scotdep and Townsend but ranked 1,174 on Breadline (ie: outside poorest 10%).	An area characterised by high absolute levels of overcrowding (894 - ranked 4th in Birmingham - 10.4%) and lacking amenities (701- ranked 2nd - 2.7%). Has reasonably high proportion of owner occupiers (59%) and only slightly above average illness (27%) resulting in low ranking on Breadline.

Bradford

There were 30 wards in Bradford at the time of the 1991 Census. Using the same indexes to compare the ranking of wards (Breadline, Doe91, Scotdep and Townsend) there appeared to be less agreement on the ranking of wards within the district compared to the case of Birmingham. For example, only one ward in Bradford (Rombalds) had the same ranking within the district across the four indexes used. But, generally, the more 'affluent' wards according to these four indexes were ranked within 1 or 2 ranked positions within the district, whilst nationally these more affluent wards were ranked well down the distribution (ie: they were regarded as more affluent wards on a national scale by these four indexes).

Table 4.11 Bradford case study demonstrating variation in ranked indexes

Bradford Selected Wards	Commentary
Keighley North Ranked 9th by Scotdep and 15th, 18th and 22nd by Townsend, Doe91 and Breadline. Nationally Scotdep places Keighley North in the poorest 10% of areas but is outside this group according to the other three indexes.	Relatively high levels of car ownership (71%), relatively low rates of unskilled headed households (27%) and unemployment (11.6%) than the district average on Scotdep variables. However, contained the 6th highest proportion (5.2%) of overcrowded households which is higher than the national average.
Little Horton Ranked 1st on Doe91 and within the poorest 100 areas according to this index and with one of the highest national rankings (17th) overall on the Doe91 measure.	Highest number of households with no car (4,308) as well as children living in flats (745).
Shipley East Ranked 5th on Doe91 and 8th, 9th and 15th on Breadline, Townsend and Scotdep respectively. Nationally in the poorest 10% of areas according to Doe91 but not on the other three measures.	Shipley East has the second highest population of children living in flats (667) and the largest overall proportion (20.2%). However, levels of unemployment, poor children, overcrowding and lacking amenities are proportionally and absolutely within average levels for the district as are levels of renter households and illness.
University Appears within the poorest 100 areas on Townsend (90th nationally) and Scotdep (6th) and within the poor 500 areas on Breadline and Doe91; whilst ranked 1st or 2nd on the four indexes *within* Bradford.	Townsend and Scotdep are particularly sensitive to high percentage of unemployment as well as overcrowding pushing University up the rankings.

Liverpool

Liverpool supplied one of metropolitan districts in which wards were consistently identified as the poorest by all four indexes. Of the 33 wards, two - Grassendale and Croxteth - had the same ranked position within the district on all four indexes, whilst between 22 and 24 wards were placed in the poorest 10% of areas in Great Britain according to all four indexes. Such overall agreement lead to few anomalies in the case of Liverpool; however, there were three wards which displayed considerable variation within the district ranking and on the national ranking overall, these were: Arundel, Old Swan and Speke.

Table 4.12 Liverpool case study demonstrating variation in ranked indexes

Liverpool Selected Wards	Commentary
Arundel Although Arundel appeared in the poorest 10% of areas on all four indexes, it displayed considerable variation in the actual ranking both within Liverpool and overall. It was ranked as low as 7th on Doe91 but between 16th and 21st on Breadline, Scotdep and Townsend.	The absence of amenities is generally low in Liverpool, however, Arundel has the largest proportion of households lacking amenities (3.7% - 3rd highest in absolute terms with 419 households). Arundel also had the 6th largest population of children living in flats (387 children) making it sensitive to Doe91.
Old Swan Doe91 ranked Old Swan 13th in Liverpool and within the poorest 10% of areas. It also appeared in the poorest decile on Scotdep, although with a lower ranking within the district (24th). Ranked 25th on Breadline and 23rd on Townsend and outside the poorest 10% of areas on these two measures.	Levels of overcrowding are slightly higher than the national average but lower than for the average in Liverpool. Because of the method used in standardising the variables this has the effect of ranking higher on Scotdep. Within Liverpool it receives a lower ranking on Scotdep because this is compared to within District levels. Ranked lower on Townsend because of lower than expected unemployment rates (17.8% - higher than national average but low for Liverpool). Ranked higher on Doe91 because of absolute high level of households lacking amenities (7th in Liverpool - 274 households) and households with no access to a car.
Speke Ranked within the poorest 10% of areas nationally on all four indexes - although only just inside the poorest areas on Doe91. Ranked within the top 10 in Liverpool according to Breadline, Scotdep and Townsend, but ranked 20th on Doe91	Speke has the lowest number of households lacking amenities (28) less than a quarter of one per cent of households pushing it down the rankings on Doe91.

Newham

Newham provided a wide degree of variation on the internal ranking of the four measures. For example, there was no consistency in the identification of more 'affluent' wards. Doe91 identified all 24 wards in Newham as 'poor' (ie: within the poorest 10% of areas nationally).

Table 4.13 Newham case study demonstrating variation in ranked indexes

Newham Selected Wards	Commentary
Kensington Ranked 2nd in Newham on Doe91, 18th, 15th and 9th on Scotdep, Breadline and Townsend respectively. This has the overall effect of placing Kensington within the top 100 areas nationally on Doe91 but outside the poorest decile on Breadline.	In comparison to other Newham wards Kensington has less than average absolute values across the indicators (although high for national figures). However, it has the 4th largest population of overcrowding (347). The next highest population (368 households) is Monega which, interestingly is ranked bottom in Newham on the Doe91 measure. Proportionally, Kensington scores consistently high across the indicators evidencing its high ranking overall.
Ordnance Ranked 1st within Newham on Breadline and Townsend and within poorest 100 areas nationally on these two indexes.	Largest percentage of rented households in Newham (86%) places Ordnance at the top of Breadline and Townsend's rankings within the district. Also highest proportion of households with limiting long-term illness (33%) makes it significantly higher overall on Breadline.

Indeed, at a district level Newham was classified as the most deprived district in England according to the DoE Index of Local Conditions. Scotdep and Townsend placed 23 and 22 wards, respectively, of the 24 wards in Newham in the poorest 10% of areas whereas Breadline identified 14 wards in Newham as poor which would seem to under estimate the level of poverty within the district compared to the other indexes.

Summary and Discussion

In Table 4.3 it was demonstrated that the spatial pattern of poverty differs considerably when using separate measures. Doe81 and Doe91 appear to be sensitive to Greater London and the South East whereas all of the other indexes in this study tended to identify more areas in the North and North West. Part of the explanation is the methods of standardisation used. For example, the difference between chi-square and Z score, however, this would not explain why highly populated metropolitan areas are identified as poor on Townsend and Oxford, for example, but not Doe91. Therefore, the difference in patterns is more certainly explained by the variables used. It is significant that variables which are highly spatially correlated (*lacking amenities* and *children in flats*) are included in Doe91. This would explain a large degree of the variance in the *type* of urban metropolitan area targeted by Doe91 compared with the other indexes in this study.

As we discussed in Chapter Three the variables used in Doe91 may make it sensitive to these particular design or building features which are necessarily or historically spatially discrete. Although the use of transformations (logging the chi square values) is designed to overcome this, it is noticeable from the case study evidence provided in Tables 4.10 to 4.12 that Doe91 is sensitive to particular dimensions of deprivation within metropolitan authorities. Children living in flats or non-permanent accommodation (although this will usually refer to flats) is included in Doe91 to represent the effect that environment has on the life chances of children. Living well above the ground floor can have detrimental effects on the development of young children associated with restricted play and activity. Whilst the Census for England and Wales does not release details of the floor level of flats, census data for Scotland reveals that 1 in 5 of households with dependant children live in flats above the ground floor, whilst significantly only 4% of households live above the 2nd floor (OPCS, Scotland, 1991).

For England the proportion of children living in flats above the ground floor level is estimated to be less than 10% (DoE, 1977). Disregarding floor level, census data reveals that whilst just over 1 in 10 children in Great Britain live in flats, the proportion varies by region. Hence, in Greater London almost 1 in 3 children live in flats (32.6%), over 1 in 4 in Scotland (27.8%), whilst the proportion is less than the national average in the rest of the regions (5.1% North, 4.6% North West, 4.1% Yorkshire and Humberside, 4.9% West Midlands, 3.0% East Midlands, 6.9% South West, 6.7% South East, and 5.0% in Wales). With such a large proportion of children living in flats in London it is unsurprising that Doe91 identifies a large proportion of areas as being in the Greater London region. Figure 4.6 shows the average percentage of children living in flats by region for the areas identified as poor using Doe91 and shows that in the areas identified as poor in Greater London and Scotland the average percentage of children living in flats was almost 60%.

Moreover, when looking at the variation in dimensions of deprivation in areas defined as poor on Doe91 but not Breadline (*Doe91poor*) and poor on Breadline but not Doe91 (*Breadpoor2*) it is noticeable that whilst unemployment rates have a broader range in the poor areas identified by *Breadpoor2* (7%-28%) compared to *Doe91poor* (9%-20%), (although the median is roughly similar) *it is the percentage of children living in flats which differentiates the two indexes and contributes to the variability in the identification of poor areas.* This pattern was similar when comparing Doe91 with other indexes. In *Breadpoor2* the median percentage on this indicator was less than 10%, and ranged from 1% to less than 20% of children living in flats. In the poor areas identified in *Doe91poor* the median was almost 30% with a range of 1.5% to almost 90%.

Conversely, indexes which include variables that are not as auto-spatially correlated may result in a more mixed pattern of 'deprivation'. Jarman is an example to illustrate this point. The weighting in Jarman is highest for elderly but this group is not as spatially concentrated as 'built form' variables such as flats and amenities or spatially segregated ethnic populations. However, as we have seen in this chapter the relationship between variables used in the indexes (expressed as coefficients) and the profile of poverty, when examining in detail the areas targeted, is least understood through analysis of correlation coefficients alone. Previous studies of deprivation indexes have tended to focus on the inter-correlation as they apply to areas across the range and assessed the reliability of indexes according to the compared coefficients. However, when areas outside the 'poorest' or target group are dropped from the analysis the association between indexes changes markedly. Analysis of ranked positions in the poorest group of areas changes considerably between indexes and the overlap between the areas identified as 'poor' on pairs of indexes is far from the maximum possible. Rather than compare indexes across the full range it is perhaps best to acknowledge that area based studies of deprivation are designed to target the poorest group - the rankings at the middle and end of the continuum can mislead when association is measured on the full range. However, by concentrating on the poorest group the variability and volatility of ranked areas using different methods of measurement is exposed and seemingly strong associations between indexes (eg: Bradford and Doe81) are found to be the product of statistical artefact.

What has emerged from this chapter, therefore, is that 'scientific' measures using correlations does nothing to reveal this underlying variation. For example, *limiting long-term illness* displays only a moderate relationship with Breadline when comparing coefficients between the indicators and the index (Table A3.3). From this we would suspect that it plays only a marginal role in the identification of poor areas. However, when explaining the difference in the identification of poor areas it is significant that illness plays a large part in the targeting of poor areas using Breadline (Figure 4.5). But, the inclusion of illness in Breadline did not have such a dramatic effect as in Socdep, which identified over 16% of poor areas as wards in Wales (this was considerably greater than any of the other indexes in this study). This is because, whilst there is the same number of variables in Breadline and Socdep the effect of double-counting (see Chapter Three and Table A3.3), as well as the effect produced by an unweighted index, effectively reduces the number of explanatory variables in Socdep. With less explanatory variables Socdep is more sensitive to extreme variations in the prevalence of long-term illness. In contrast, Breadline showed no evidence of double counting (and in any case these effects would be reduced through weighting). However, Breadline is sensitive to small populations which is also true of Townsend as it appears to be highly sensitive to small populations with high percentages of households renting their property. The overlap reflected in the pattern of poverty produced in Townsend, however, is different from Breadline.

This analysis may leave the reader with the conclusion that all of the indexes have their limitations and that the pursuit of a 'best' index is, at best, an impossible 'holy grail'. However, whilst all of the indexes have their particular weaknesses, there has been demonstrated some considerable overlap in the identification of poor areas at the 10% cut-off point. Indeed, although this was shown to be far from the maximum (Table 4.7), the diagrammatic representation of this overlap in Figures 4.2 and 4.4 showed that there is considerably more agreement at the 'poor' and 'affluent' end of the continuum compared to the middle ranges. Indexes appear to be unanimous in agreeing where the very poor and the very affluent areas are located and it is this issue of *reliability* which we shall return to in the next chapter. The variation at the margins, however, has important policy implications. For this reason it is necessary to turn once again to the basic construction techniques and consider methods for validating the outputs from the indexes.

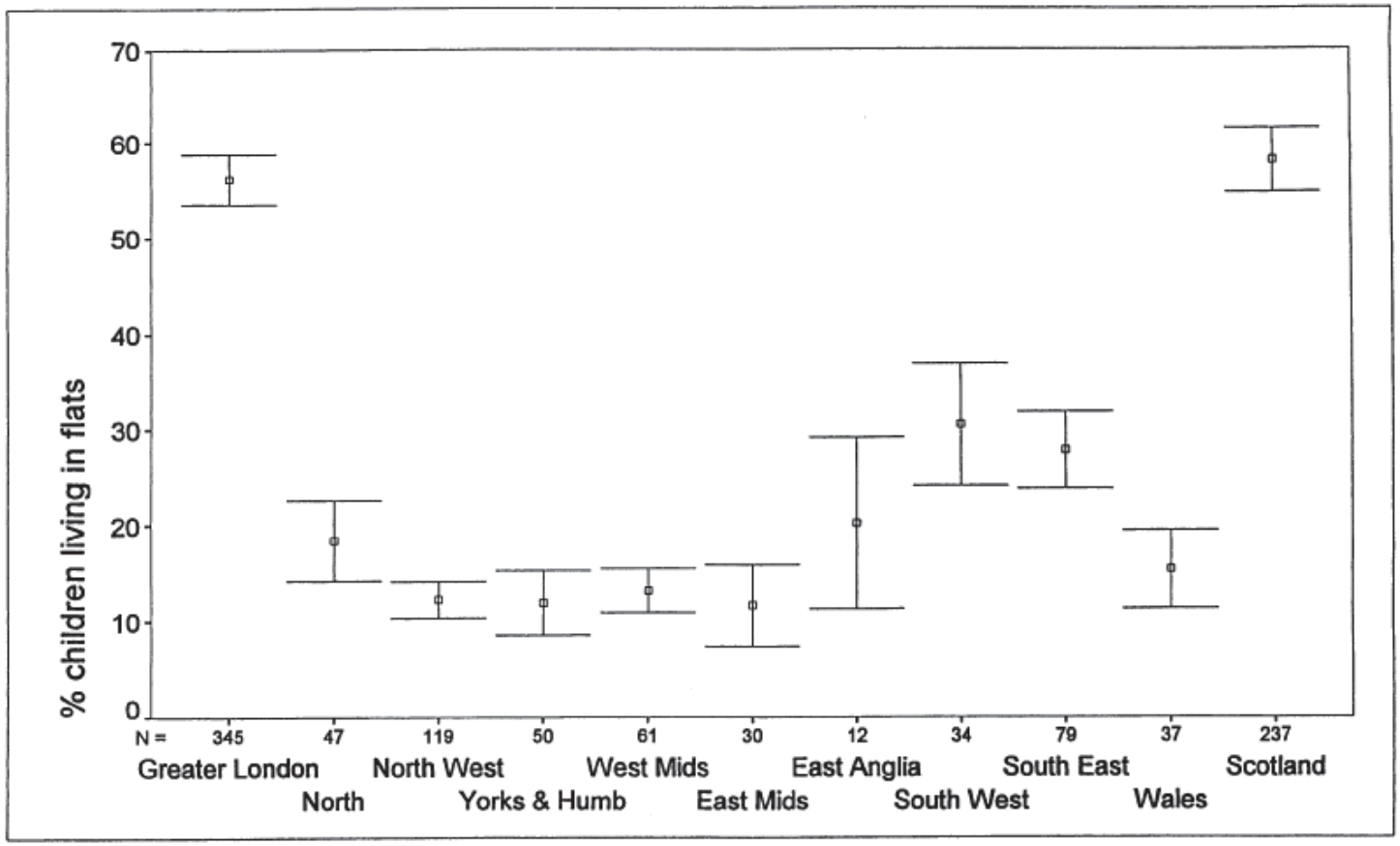


Figure 4.6 Average % of children living in flats in GB according to Doe91 by region

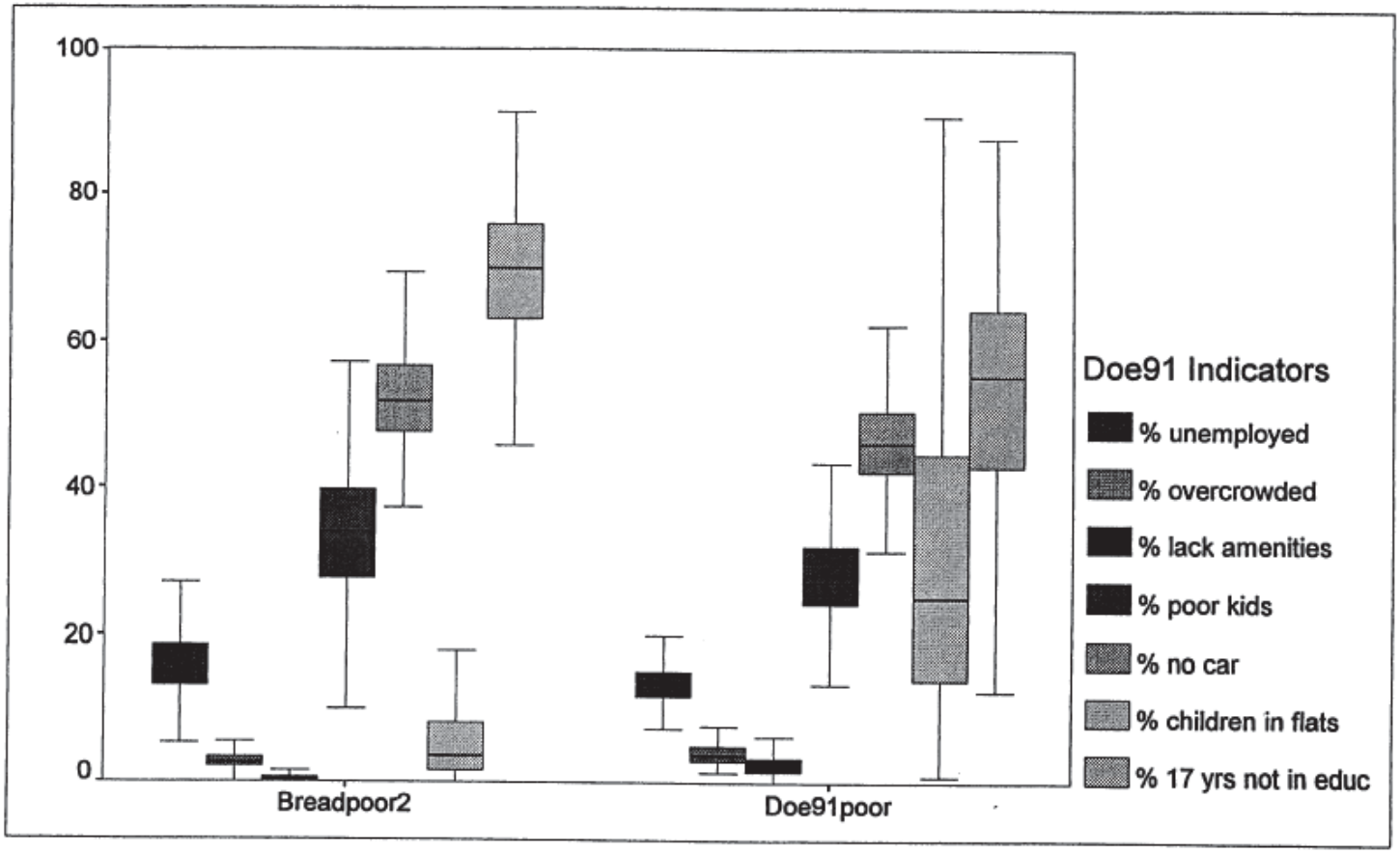


Figure 4.7 Boxplot of *Breadpoor2* and *Doe91poor*

In Chapter Two we set out the main criteria to be considered in the construction of indexes designed to measure poverty or deprivation. The criteria included *concepts*, *weighting*, *transformation* and *standardisation*. Using census data to measure deprivation or poverty is problematic as we discussed in Chapter One because census variables are not directly translatable as measures of poverty or deprivation. Because of this there is also a necessity for some form of validation in order for us to be certain that the index we have constructed is measuring some aspect of need. As we have noted in previous chapters there is considerable variation in the identification of poor areas using the separate indexes reviewed here, which makes this issue of choosing the 'best' index a real issue and which also brings into focus the methods used in the construction of indexes. However, in Chapter Three we noted how all of the indexes violate some aspect of the criteria we have identified and this makes choosing the 'best' index a difficult task. This task is made more uncertain given the varying emphasis to particular dimensions of deprivation offered by the separate measures. In this chapter we consider how the indexes correlate with separate indicators (mortality, illness and estimated earnings) which have used to validate the outputs of the indexes in this study.

However, it might be asked how this procedure of testing a deprivation index against a single validating variable can improve our confidence in a 'best' index. If a single variable, such as earnings or illness, can validate the results of our 'best' index, then why not simply use the validating measure as a proxy for deprivation? The issue is one of causality and we shall return to this again below. Moreover, use of a single 'discriminatory' indicator may yield better results as one would expect it to target a greater proportion of the poor than a composite index which, by definition, measures multiple dimensions of deprivation that may not overlap. This chapter, therefore, re-considers the use of indexes by looking more closely at single measures of deprivation both as a proxy for poverty and in validating the indexes reviewed in this study.

Alternatives to indexes: the single indicator

Given that there is a marked variation in the identification of poor areas when comparing different methods it might be appropriate to re-consider single indicators as a proxy for poverty or deprivation. The debate over the measurement of area based deprivation has once again returned to this issue of whether a single indicator is more reliable than a summary score in identifying poverty at an area level, notably through the intervention of Green (1994). The most obvious assertion for the use of a single indicator in measuring deprivation is the issue of *coverage* and *concentration*. It might be argued, for example, that an index does not pick up the majority of the target population and, therefore, is an inefficient method of targeting resources to allow maximum coverage of the poor.

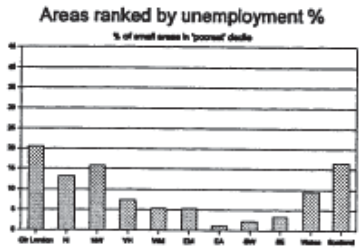
The geography of single indicators

Before dealing more fully with this issue of coverage, however, it is necessary to look more closely at the geography of poverty and assess what the pattern of poverty is when using a single measure.

Table 5.1 shows the spatial (regional) distribution of the poorest areas when ranking areas by the unemployment (men and women aged 15-59/64) rate. The table shows that the North West and North of England as well as Wales are more likely to have wards defined as 'poor' when using this single dimension of 'poverty' compared to the outputs from most of the indexes reviewed; whilst wards in Greater London and the South East of England are less likely to be identified as poor using unemployment and when comparing outputs from the indexes (see Table 4.3). Table 5.2, meanwhile, reproduces the spatial (regional) distribution of the poorest areas when ranked by an alternative single measure: the percentage of households that were overcrowded (over one person per room) at the time of the 1991 Census. The regional profile of 'poor' areas when using the single variable *overcrowding* is very different from that provided by any of the indexes reviewed here or when compared to Table 5.1 (unemployment) and shows that Locations in Greater London, the South East of England and Scotland represent almost 76% of all the 'poor' areas using this measure.

Table 5.1 The spatial distribution of the top decile of areas ranked by unemployment rate (men and women 16-59/64)

Region	No	%	Cum %
Greater London	215	20.5	20.5
North (N)	138	13.1	33.6
North West (NW)	166	15.8	49.4
Yorks (YH)	77	7.3	56.7
West Mids (WM)	56	5.3	62.0
East Mids (EM)	56	5.3	67.3
East Anglia (EA)	10	1.0	68.3
South West (SW)	24	2.3	70.5
South East (SE)	35	3.3	73.8
Wales	100	9.5	83.3
Scotland	174	16.6	100.0
	1051		

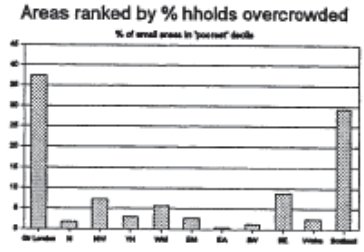


Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

However, given that Greater London contains only 7.3% of the 10,511 wards and postcode sectors in Great Britain, it therefore contains a high number of concentrated pockets of deprivation when comparison is made with the pattern one would expect if unemployment were spatially even. The North, North West and Scotland all have a greater number of wards and postcode sectors in the poorest decile than expected (given their size) when areas are ranked by unemployment. Surprisingly, Wales does not seem to have as high a number of wards with concentrated unemployment than would be expected. However, economic inactivity rather than unemployment might better characterise parts of Wales, a point to which we shall return later.

Table 5.2 The spatial distribution of the top decile of areas ranked by overcrowding (> 1 person per room)

Region	No	%	Cum %
Greater London	393	37.5	37.5
North (N)	18	1.7	39.3
North West (NW)	76	7.3	46.5
Yorks (YH)	31	3.0	49.5
West Mids (WM)	60	5.7	55.2
East Mids (EM)	28	2.7	57.9
East Anglia (EA)	4	.4	58.3
South West (SW)	14	1.3	59.6
South East (SE)	93	8.9	68.5
Wales	24	2.3	70.8
Scotland	306	29.2	100.0
	1047		



Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Using *overcrowding* as a guide to poverty identifies almost two-fifths of all the poorest areas in Great Britain as wards in Greater London. Considering that less than 8% of wards and postcode sectors in Great Britain are found in Greater London this high number of wards with concentrated levels of overcrowding means that wards in London are five times more likely to be classified as poor compared to other regions using this measure. In comparison, wards in Greater London are only three times more likely than areas in other regions of the country to be classified as poor if *unemployment* is used as a proxy for poverty. Postcode sectors in Scotland, meanwhile, are three times more likely to be ranked as poor compared to other regions when overcrowding is used. Wales and the rest of England outside Greater London have lower concentrations of overcrowding and all of the regions in England outside Greater London have less than their share of poor areas when compared with the expected level if overcrowding is used as a proxy.

Coverage

The pattern of deprivation when using single measures would, therefore, appear to be dependent on local housing and labour market conditions. This is not a startling fact in itself, but the point needs to be made if we are to arrive at a nationally representative index of poverty. However, a separate but related issue is the coverage of the single measures compared to the coverage when using an index (ie: what proportion of the target group are 'captured' in the poorest areas?). Indexes of deprivation are sometimes criticised because they tend to ignore the majority of the target population outside defined cut-off points at the higher end of the distribution. This point can be illustrated more clearly by looking at the total proportion of the *unemployed*, *overcrowded households* and *households with no access to a car* in the poorest decile of areas when ranking areas according to each of the indexes reviewed in this study (Table 5.3). The method, therefore, was to take the poorest 10% of areas according to each index (eg: the poorest in Townsend) and observe the proportion of the total unemployed, observe the proportion in overcrowded households and observe the proportion with no access to a car in those areas.

Table 5.3 Percentage of 'target' group covered by the poorest decile on each index

Index	Unemployed	Overcrowded	No Car
Doe81	30.3	40.0	-----
Doe91	30.9	38.9	30.1
Bradford	29.0	35.9	28.7
Breadline	27.4	-----	27.2
Jarman	29.2	38.1	-----
Matdep	-----	35.7	27.5
Oxford	30.3	37.0	-----
Scotdep	29.0	36.6	30.4
Socdep	25.9	-----	-----
Townsend	29.0	37.3	28.1
Poorest 10% on 1 indicator	28.9	40.3	28.8

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Each of the single indicators in Table 5.3 are defined in terms of the variable used in the composition of each individual index. In Townsend, for example, the percentage of unemployed men *and* women (16-64/59) is used as the measure of unemployment, whereas Oxford only measures *male* unemployment. However, the issue here is whether the indicator captures the majority (or a significant proportion thereof) of the 'target' population - differences in the definition of the single indicator when comparing indexes do not, therefore, affect the internal consistency of this test. The result was that the proportion of the

unemployed in the poorest areas defined by all the indexes is consistent. On average the indexes target 29% of the unemployed (according to each indexes definition) and ranged from 25.9% of the unemployed living in the poorest areas using Socdep, and 30.9% when using Doe91. This would appear to be a relatively small proportion of the unemployed captured in the 'poorest' areas. What about other single indicators? Are they as spatially dispersed as unemployment appears to be? The answer would appear to be: Yes. For example, on average 37.4% of overcrowded households live in the poorest areas defined by each of the indexes reviewed. This ranged from 35.7% of households living in overcrowded housing conditions in the poorest areas defined by Matdep to two-fifths (40%) according to Doe81. Similarly, the average proportion of households with no access to a car in the poorest areas was 28.7% and ranged from 27.2% (Breadline) to 30.4% (Scotdep).

As the indexes are not designed to capture any one single dimension of deprivation it would be expected that use of a *single indicator* would capture more of the target group in the poorest (highest ranked) areas. However, in this review we found that the coverage provided by a single measure of deprivation is surprisingly similar to the coverage produced by a summary (index) measure. For example, if areas are ranked according to the rate of unemployment or the proportion of households in overcrowded conditions the absolute numbers involved are similar to poor areas defined by an index. The results for the 10% cut-off of ranked areas is found at the bottom of Table 5.3 which shows that less than 30% of the unemployed live in the 'poorest' areas according to the ranking of areas (postcode sectors and wards) in Great Britain using the unemployment variable alone. This finding confirms that of Cole (1994) and Holtermann (1975). Holtermann took the spatial distribution (using Enumeration District's - ED's) of a set of 'deprivation' indicators and analysed the 1%, 5% and 15% distribution points and found that the first 1% of urban enumeration districts (ED's) in Great Britain had male unemployment rates of 24% or greater (Holtermann, 1975, pp.36). Holtermann also examined the relationship between *concentrations* and *combinations* of deprivation and in order to explore the incidence of concentrated multiple deprivation, Holtermann identified those ED's satisfying the 5% criteria on two or more variables (eg: unemployment and lack of amenities). In conclusion she found that "...the overlap was very much less than the maximum possible" (Holtermann, 1975, pp.41). Cole confirmed some of these findings using 1991 census data showing that the worst 10% of wards, ranked according to male unemployment contained only 30% of the total.

Overlap

While the proportion of the unemployed captured within the poorest areas measured on an index does not alter significantly from a single measure of unemployment alone, the question of which indicator is best at targeting the most deprived areas is not resolved: *the introduction of a single indicator does nothing to solve the problem of choosing between indexes*. This is because the unemployed in the poorest areas ranked on a single indicator *may not be the same individuals* living in the poorest areas ranked according to an index. If different areas are captured then two different groups of unemployed would be targeted using the two different techniques (index or single indicator). The areas identified may significantly overlap, but, there may be differences which need accounting. To address the choice between a single indicator and a summary score attention must be paid, therefore, to the overlap between different index measurements of 'poverty' and those that use a single variable whilst the question of whether the same spatial pattern emerges (ie: the same areas identified as 'poor') must be addressed.

In order to explore this we compared the 'poor' areas identified by Townsend and those identified by ranking areas according to the unemployment rate. Table 5.4 shows these comparisons. The left hand column of the table refers to the areas appearing in the poorest decile on both measures (ie: the single indicator of unemployment *and* the Townsend index). The right hand column includes more areas as it illustrates how many areas appear in the poorest decile according to *either* measure used. The table shows that even where an index with a 'strong' unemployment component and a complimentary standardisation

technique as in Townsend (Z score based on percentage values) the overlap between the Townsend Index and ranked unemployment is far from the maximum (ie: the same areas are not being identified as poor). The overlap in this instance was considerably less than the overlap between the largest overlap in Table 4.7 between Oxford and Townsend whereby 86% of the poorest areas identified were common to both. However, the overlap with the unemployment variable, at 64% is larger than the overlap in some paired indexes designed to measure deprivation (see for example the overlap between Doe91 and Socdep or Breadline and Doe81 in Table 4.7). This overlap between areas identified using an index (Townsend) and a ranked single measure (percentage unemployed) is more clearly illustrated by Figure 5.1. The figure shows a wider degree of variation in the ranking and identification of poor areas when compared to the overlap between the more highly correlated indexes in Figures 4.2 and 4.4.

Table 5.4 Interaction between poorest areas ranked on unemployment indicator and poorest decile on Townsend

Difference In Rank	Poorest decile on *both* measures			Poorest decile in *either* measure		
	No.	%	Cum	No.	%	Cum
5000 to high	-----	-----	-----	37	2.6	2.6
1000 to 4999	-----	-----	-----	383	26.8	29.4
500 to 999	107	15.9	15.9	330	23.1	52.5
400 to 499	57	8.4	24.3	100	7.0	59.5
300 to 399	85	12.4	36.7	115	8.1	67.6
200 to 299	129	19.0	55.7	152	10.7	78.4
100 to 199	142	21.0	76.7	151	10.6	89.0
51 to 99	81	11.9	88.6	83	5.8	94.8
1 to 50	73	10.8	99.4	75	5.2	100.0
Equal	1	0.1	100.0	1	0.1	100.0
	675			**1427**		

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

Single indicators as a proxy for where the poor are located can, therefore, be seen to suffer from a number of problems:

i) *Geography is different*: Table 5.1 and 5.2 showed how unemployment and overcrowding have a different spatial distribution regionally when compared to the indexes presented in Table 4.3.

ii) *Overlap between single indicators is not great*: what also emerges from Table 5.1 and 5.2 is that different areas are identified as poor using single measures (eg: unemployment and overcrowding).

iii) *Some indicators are 'local' sensitive*: the reasons for a smaller than maximum overlap between single indicators is explained by the very local specific nature of housing and labour markets.

iv) *Coverage and concentration*: the proportion of the 'poor' living in the poorest areas is, in some cases, less using a single indicator than using an index to measure poverty.

v) *Overlap between single measures and indexes*: is less than the maximum possible leading to the conclusion that not the same groups of 'poor' are being identified.

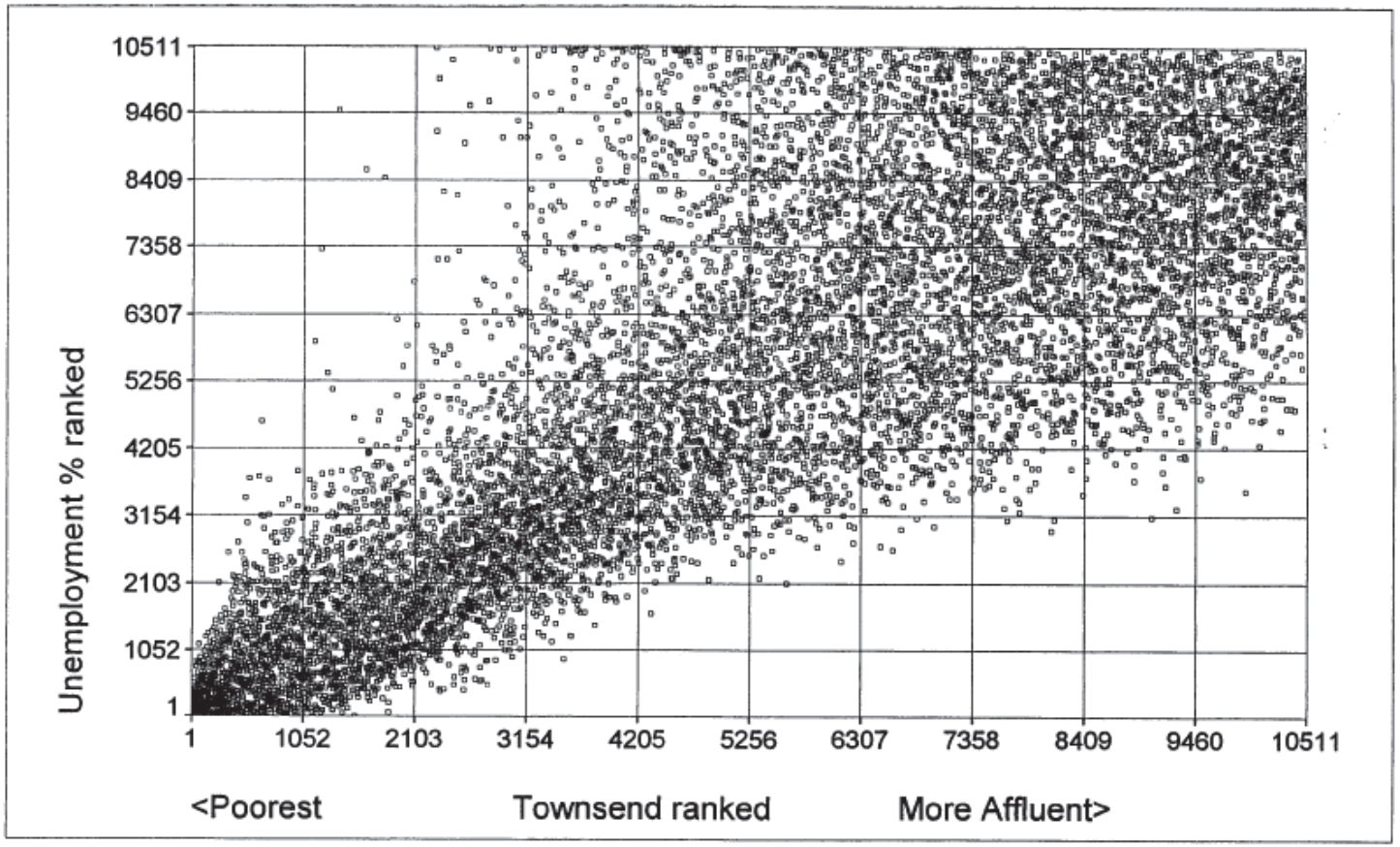


Figure 5.1 Scattergram showing variation of ranking between % unemployed and Townsend

Raising these general points concerning the use of single measures in the identification of poor areas may lead us to reject single measures as a proxy for poverty. However, use of certain single measures as a *validation* for indexes may be justified and the reasons for using them as a validation rather than as a proxy is found in the direction of causality. The relative theory of poverty, for example, predicts that poor people are likely to become sick, not that sick people are likely to become poor. Theories that predict that sick people are likely to become poor have been shown to be of only limited validity (Power et al, 1990). Similarly, it is much more likely that people suffering from multiple deprivation are likely to have low incomes or be unemployed than it is that all people with low incomes or unemployed are likely to be deprived. Many people experience sharp, temporary reductions in their incomes at some point in their lives. For example, they lose or leave jobs or become students. However, only a proportion of these people will suffer from poverty since many will be able to maintain their standard of living by drawing upon savings or by going into debt. Hence, returning to our example of the variation between the poor areas identified using Townsend and areas ranked according to unemployment rate (Figure 5.1), this question of causality is brought to the forefront of the debate between single and composite indexes in the measurement and mapping of deprivation in small areas.

Single indicators in validation

The indexes in this study were, therefore, tested against three validating variables. All of these are highly correlated with poverty (Townsend, 1988; Carstairs and Morris, 1990; Phillimore and Beattie, 1994). To test the multiple dimensions of poverty we would expect our 'best' index to be consistent against all three of these measures rather than highly correlated against one, which would indicate that only one dimension is being identified within small areas. The variables used for validating purposes were as follows (more details of the methods of calculation of these variables can be found in the appendix to this chapter):

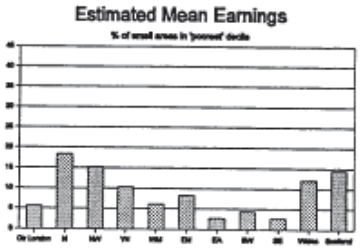
i)	*meanearn*:	Estimated mean earnings for the main occupational categories
ii)	*illness*:	Standardised Illness Ratios
iii)	*smr064*:	Standardised Mortality Ratios

How does the pattern of poverty look like when using these validating variables? Tables 5.5 to 5.7 show the regional profile of 'poverty' using the three variables *meanearn*, *illness* and *smr064*. It should be noted that the way in which mean earnings (*meanearn*) is estimated took no account of 'London Weighting'. It was felt that this 'fine tuning' of the earnings estimate would result in fewer wards in London being identified as 'poor' on this measure compare to what we would anticipate the 'true' number to be. Hence, earnings were estimated on the basis of occupational classifications for the 10% sample in the census at ward and postcode sector level and cross-referenced with occupational earnings (accounting for part-time status and gender differentials in earnings) using the 1991 New Earnings Survey, estimates were also included for the unemployed. *Meanearn*, therefore gives an estimate of 'earnings' averaged for all economically active residents at ward and postcode sector level in Great Britain. Table 5.5 shows that the majority of wards with the lowest estimated earnings are in the Northern region of England. However, the lowest estimated earnings of £112 per week was in the North West region (the ward was Vauxhall in Liverpool, Merseyside). Moreover, a fifth of the poorest fifty areas in Great Britain according to *meanearn*, were located in Merseyside and had estimated earnings of less than £145 per week (Table A5.1).

Greater London has less areas than expected in the poorest decile when ranking mean earnings. This is partly explained by the occupational characteristics of London and the South East with proportionally more employees in the higher salaried service sector. This is compared to economically declining regions with traditional (low-paid) manufacturing areas in the North, North west and Scotland which have more areas in the poorest decile than expected when ranking *meanearn* (see Table A5.1 in the appendix to Chapter Five).

Table 5.5 The spatial distribution of areas with the 'lowest earnings' (top 10%) in Great Britain ranked by estimated mean earnings (*meanearn*)

Region	No	%	Cum %
Greater London	57	5.6	5.6
North (N)	185	18.3	23.9
North West (NW)	154	15.2	39.1
Yorks (YH)	104	10.3	49.4
West Mids (WM)	62	6.1	55.5
East Mids (EM)	84	8.3	63.8
East Anglia (EA)	27	2.7	66.4
South West (SW)	44	4.3	70.8
South East (SE)	27	2.7	73.4
Wales	122	12.0	85.5
Scotland	147	14.5	100.0
	1013		



Source: 1991 Census, Crown Copyright (ESRC/JISC purchase); NES, Dept. of Employment, 1991

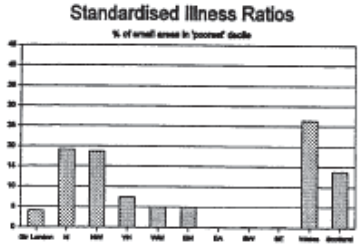
Standardised illness ratios (*illness*) give a very different pattern of poverty from mean earnings. This is explained by the fact that people suffering limiting long-term illness are usually categorised as economically *inactive* as opposed to the economically *active* unemployed. Areas with relatively high numbers of economically inactive may appear to have relatively high mean 'earnings' (ie: income from work) because the denominator of mean earnings (the economically active) is correspondingly reduced. Hence, poverty measured at an area level using earnings may miss a small population in paid employment, as earnings will appear relatively affluent across the ward. However, if illness ratios are used, the same area will be classified as 'poor' because of the 'hidden' inactive population which is revealed using this measure.

This affect is nowhere more apparent than in Wales where there are high illness ratios (standardised for age and sex) compared to the picture for earnings. Only 4 of the poorest 100 areas in Great Britain using mean earnings are wards in Wales compared with 54 of the top 100 using illness ratios (Tables A5.4 and A5.5). Moreover, in the context of economic restructuring in Wales, research has shown that in regions with a high dependency upon one employer, subsequent large-scale unemployment may result in 'discouragement' of the labour force and a decline in the economically active population. Hence the closure of a coal mine or steel mill might not lead, as Beatty and Fothergill point out, to an increase in unemployment, but an increase in *economic inactivity* (Beatty and Fothergill, 1994).

The very much higher than expected proportion of poor in Wales when defined by *illness* is explained, therefore, partly by coal mining related illnesses but also by the 'discouragement' of the labour force leading to long-term sickness. Causality is central here and evidence suggests that the unemployed are more likely to suffer a chronic illness or disability, and a redundant or early retired worker (ie: made economically inactive) is twice as likely to die within five years as someone who stays in work; such inactivity also causes deteriorating psychological health (Commission on Social Justice, 1994). In this respect comparison should be made between the percentage of poor areas ranked by unemployment and identified as wards in Wales (9.5%) (Table 5.1) and the percentage of areas in Wales that are identified as 'poor' when areas are ranked by standardised illness ratios (26.3%) (Table 5.6).

Table 5.6 The spatial distribution of areas with the 'poorest health' (top 10%) in Great Britain ranked by standardised illness ratios (*illness*)

Region	No	%	Cum %
Greater London	42	4.0	4.0
North (N)	201	19.1	23.1
North West (NW)	197	18.7	41.9
Yorks (YH)	78	7.4	49.3
West Mids (WM)	53	5.0	54.3
East Mids (EM)	51	4.9	59.2
East Anglia (EA)	2	0.2	59.4
South West (SW)	3	0.3	59.7
South East (SE)	3	0.3	60.0
Wales	276	26.3	86.3
Scotland	145	13.8	100.0
	1013		

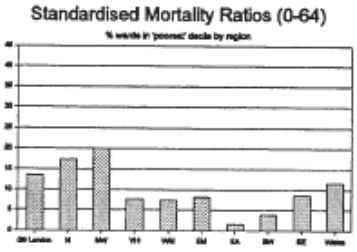


Source: 1991 Census, Crown Copyright (ESRC/JISC purchase)

The geography of poverty and ill-health is complicated by results from Table 5.7 (*smr064*). The pattern is again different with Wales having the fourth largest share of poor areas (ranked by standardised mortality ratios) and in this respect lies behind Greater London, the North and the North West. Both the North and the North West have a greater representation of poorer areas compared with what would be expected if the distribution of premature death (mortality ratios) were even. The difference in the pattern of poverty using *smr064* and *illness* is explained by the fact that the correlation between morbidity (ill health) and mortality (death) has been shown to be less than strictly linear as: "...not all forms of limiting illness or disability are life threatening, and conversely some causes of mortality are preceded by little in the way of chronic illness" (Phillimore and Beattie, 1994, pp.47).

Table 5.7 The spatial distribution of areas with the 'poorest health' (top 10%) in Great Britain ranked by standardised mortality ratios (*smr064*)

Region	No	%	Cum %
Greater London	124	13.5	13.5
North (N)	160	17.4	31.0
North West (NW)	183	20.0	50.9
Yorks (YH)	71	7.7	58.7
West Mids (WM)	67	7.3	66.0
East Mids (EM)	75	8.2	74.2
East Anglia (EA)	15	1.6	75.8
South West (SW)	36	3.9	79.7
South East (SE)	80	8.7	88.4
Wales	106	11.6	100.0
	917		



Source: 1991 Census and OPCS Vital Statistics 1989-92, Crown Copyright

This relationship between mortality and morbidity is clearly demonstrated in Table 5.8 which shows that the correlation between the variables *illness* and *meanearn* (-0.76) is greater than the correlation between the variables *illness* and *smr064* (0.64). Table 5.8 also contains the correlation coefficients of the 10 indexes against the three variables *meanearn, illness* and *smr064*. The table shows that there is a wide degree of variation between the indexes and independent proxy measures of poverty. For example, the lowest coefficient recorded was 0.59 (Doe91 and Matdep with *smr064*) and the highest was 0.85 (Scotdep with *illness*).

Table 5.8 Spearman's Rank correlation coefficients for *smr064, meanearn, illness* against indexes

Variable/Index	*meanearn*	*illness*	*smr064*
meanearn	1.000	-.7613	-.5501
illness	-.7613	1.000	.6394
smr064	-.5501	.6394	1.000
Bradford	-.7169	.7741	.6317
Breadline	-.7304	.8022	.6408
Doe81	-.6365	.7251	.5886
Doe91	-.6700	.7012	.5942
Jarman	-.6478	.6969	.5898
Matdep	-.6743	.7214	.6095
Oxford	-.6984	.7712	.6165
Scotdep	-.7989	.8131	.6446
Socdep	-.7316	.8473	.6092
Townsend	-.7060	.7625	.6312

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase) and OPCS Vital statistics 1989-92, Crown Copyright; New Earnings Survey, Dept. of Employment, 1991

To test the multiple dimensions of poverty we would expect our 'best' index to be consistent against all three of these measures rather than highly correlated against one. If the latter is found to be true this might indicate that only one dimension of poverty is being identified within small areas.

The consistency of the indexes against the three validating variables is summarised in Table 5.9 which shows the 'highest and lowest' performing indexes as well as the ranking position summarised for each index when compared with the performance of the other indexes. Doe81, Jarman, Scotdep and Socdep dominate the upper part of the table. Socdep and Scotdep appear to be the two 'best' indexes of deprivation as they record the highest correlation coefficients on the three validating variables. Scotdep appears consistent in identifying areas with low earnings and high mortality rates; Socdep, meanwhile, identifies areas with the highest rates of illness and, therefore, obtains the highest correlation coefficient against standardised illness ratios. Doe81 appears to be less associated with low earnings and mortality, obtaining the lowest correlation coefficients for *meanearn* and *smr064*. Jarman also has one of the lowest coefficients against the variable *illness*. The issue of consistency against the validating criteria is best illustrated by the single indicator problem discussed earlier in this chapter. As we saw, the identification of poor areas alters quite significantly depending on which variable is chosen. At the beginning of this chapter we examined the location of 'poor' areas when using two separate variables *unemployment* and *overcrowding* and found the pattern of poverty to be markedly dissimilar. One of the interim conclusions was that an index which is strongly correlated with one aspect of deprivation, but which misses other dimensions maybe sensitive to particular 'local' dimensions of poverty. An index which is consistent in identifying *combinations* of deprivation could be said to be more *reliable*. As there are tests for this reliability which we discuss more fully below, how can we test this consistency?

Table 5.9 Index performance and consistency against validating variables *meanearn, illness* and *smr064*

	meanearn	*illness*	*smr064*	Average
Highest	Scotdep	Socdep	Scotdep	
Lowest	Doe81	Jarman	Doe81	
Scotdep	1st	2nd	1st	1.3
Breadline	3rd	4th	2nd	3
Socdep	2nd	1st	7th	3.3
Bradford	4th	3rd	3rd	3.3
Townsend	5th	6th	4th	5
Oxford	6th	5th	5th	5.3
Matdep	7th	8th	6th	7
Doe91	8th	9th	8th	8.3
Doe81	10th	7th	10th	9
Jarman	9th	10th	9th	9.3

Based on analysis of 1991 Census, Crown Copyright (ESRC/JISC purchase) and OPCS Vital statistics 1989-92, Crown Copyright; New Earnings Survey, Dept. of Employment, 1991

A simple way of testing the consistency is to look at how well the indexes perform against the validating variables when ranking these performances. The lower part of Table 5.9 ranks the indexes according to how well they correlate across all three validating variables. Scotdep (1st, 2nd, 1st) is the most consistent and reliable whilst it would appear that Jarman is the most consistent and unreliable (9th, 10th, 9th) whereas Socdep appears to be inconsistent (2nd, 1st and *7th*). From the evidence of association presented by Tables 5.8 and 5.9 it would seem reasonable to accept Scotdep as our most accurate index of poverty and reject the other indexes as they perform poorly against our chosen methods of validation. However, it should be asked how much do the results owe to statistical artefact or related statistical effects which may obscure the real relationship between the variables? As we saw in Chapter Four the 'Kingstanding Effect' or monotonic statistical effects in the correlation of variables may obscure the underlying variation (Figure A4.1).

Table 5.10 Percentage of areas according to each index at 100 and 250 ranked cut-off in the 'poorest' decile on all three variables: *meanearn, illness* and *smr064*

	% of areas ranked in poorest decile on variables: *meanearn, illness, smr064*	
	In poorest 100 areas according to index	**In poorest 250 areas according to index**
Socdep	91	80
Breadline	89	70
Townsend	76	60
Scotdep	75	68
Oxford	74	56
Bradford	72	54
Jarman	65	52
Matdep	58	47
Doe81	38	27
Doe91	37	32

Based on analysis of 1991 Census, Crown Copyright (ESRC/JISC purchase) and OPCS Vital statistics 1989-92, Crown Copyright; New Earnings Survey, Dept. of Employment, 1991

To test this further we took the poorest 100 and the poorest 250 areas on each of the indexes and compared the ranking with the three validating variables. The results are presented in Table 5.10 which indicate that the most consistent indexes are Breadline and Socdep with 89% and 91% of the top 100 areas on these two indexes also ranked within the poorest decile on all three validating variables. This consistency is also expressed at the 250 poorest area 'cut-off' for each of the indexes.

Reliability and the theory of measurement

In order to test the indexes reliability further we turned to classical test theory which dates back to the pioneering work of Spearman and which has been developed in the field of educational psychology over the past half century. Classical test theory distinguishes between the observed score (measurement) on any test and the 'true' score. Since all attempts to measure anything will inevitably result in some random errors creeping in to the measurement the observed score is comprised of two components - the true score and random error. The true score (in this case the true level of deprivation) is of course a hypothetical quantity. It can never be measured directly, only estimated from the observed score and a knowledge of the size of the random error. If the size of the random errors is large relative to the observed score, then the measurement is unreliable. Conversely, if the random errors are small, the measurement is reliable. The concept of reliability in this sense is equivalent to the concept of precision used in the natural sciences. There are a large number of sources of random error that have been catalogued in the literature in relation to social surveys, such as Censuses and deprivation studies. These range through mis-codings, ambiguous instructions, different emphasis on different words during an interview and interview fatigue. The implications of random error mean that: "...the amount of chance error may be large or small, but it is universally present to some extent. Two sets of measurements of the same features of the same individual will never exactly duplicate each other" (Stanley, 1971). Thus, all measurements are, to some extent, unreliable, what is important, however, is the degree of unreliability.

However, *random errors* are not the only type of errors present during measurement of deprivation (or anything else). In addition, there are always *systematic errors* or biases present. There are many sources of bias recorded in the literature which include, for example, people giving incorrect information because they are embarrassed by their standard of living or income, response-set (where a person repeatedly answers 'yes' or 'no' to a series of questions because they have lost concentration), or the tendency for the elderly to over-estimate their level of good health. Classical test theory can be extended so that the observed scores can be considered to be comprised of the true scores plus random and systematic errors (Spector, 1994).

A valid measurement is, therefore, one where the size of the systematic error is small. The concept of validity is analogous to the concept of accuracy used in the natural sciences. However, this mathematical formulation of validity to some extent begs the question. A measurement cannot be generally valid - it must be valid for something, for example, a driving test may be a valid test of the driver's ability to control the car but it is probably not a valid test of the driver's ability to tap dance or get a degree in mathematics. Validity can only be assessed in relation to a theory. In this case, the validity of Census based deprivation indices can only be measured in relation to theories of poverty and deprivation, as previously discussed in Chapter Two.

The term 'reliability' often causes confusion because the common usage of the word differs from its scientific meaning. In common usage, a reliable measurement is a correct measurement (ie: something that can be relied upon). However, in scientific terms, a reliable measurement is not necessarily correct - it is just consistent. The concept of *reliability* differs from that of *validity*. to illustrate this we can liken it to a darts match. For example, when the darts player produces *reliable* and *valid* results, the player will hit the bullseye repeatedly. When the player produces *reliable* results which are not *valid*, the player will hit the side of the target but always in the same spot. When the players darts are *valid* but not *reliable* the

darts will occasionally hit the bullseye but more often land around the dartboard so that the average will be around the centre (bullseye). Finally a darts player that is unreliable and invalid is worth steering clear of as the darts will probably land at random if not miss the target altogether!

Scientific reliability is, therefore, about the consistency of a measurement, not its accuracy and there are a number of statistics that can be used to measure the internal consistency (reliability) of scales such as deprivation indexes. One of the tests we have used has involved use of the Sample of Anonymised Records (SARs) which are subsets of 1991 Census Data that have been released at both household and individual level. All the data recorded by the 1991 Census is available for a 1% sample of households in Great Britain (215,789 households) in the household level SARs (Marsh, 1993). This data set can be used to test the reliability of the component variables used in the 10 Census based deprivation indexes in this study. These 10 indexes are composed of the variables which we listed in Table A3.1 (appendix to Chapter Three). It must be noted that some of these variables such as unemployment differ in their definition but are very similar and have just been measured in slightly different ways by different indexes (see Chapter Three for definitions).

It is possible to calculate the reliability of the 10 Census based deprivation indexes by examining the average level of inter-correlations (the amount of overlap) between their constituent variables. This is only possible using the SARs because of the *ecological fallacy* we referred to in Chapter Two. From this information it is possible to estimate both:

(i) the correlation between the Census based deprivation index score and the 'true' deprivation score that would have been obtained if the infinite set of all possible deprivation questions had been asked in the 1991 Census, and

(ii) the average correlation between the set of questions asked (the deprivation index) and all other possible sets of deprivation questions (deprivation indices) of equal length (equal number of variables).

Both these correlations can be derived from Cronbach's Coefficient Alpha which, when transformed for use with dichotomous questions, is known as KR-20, short for Kurder-Richardson Formula 20 (Cronbach 1951, 1976, Cronbach et al 1971, Kurder 1970). Table 5.11 shows for each of the 10 indexes, the number of variables that make up the index, the value of Cronbach's Coefficient Alpha and the estimated correlation between the Deprivation Index and the 'True' deprivation score (the square root of Coefficient Alpha). Nunnally (1981) has argued that:

> "in the early stages of research ... one saves time and energy by working with instruments that have modest reliability, for which purpose reliabilities of 0.70 or higher will suffice ... for basic research, it can be argued that increasing reliabilities much beyond 0.80 is often wasteful of time and funds, at that level correlations are attenuated very little by measurement error."

None of the Census based deprivation indices is close to being as reliable as Nunnally's criteria nor when compared to survey's specifically designed to measure deprivation. This is unsurprising, considering that none of the questions in the 1991 Census were designed to measure deprivation, so all the variables in the Census based deprivation indexes are proxy or surrogate indicators of deprivation, whereas those in surveys specifically designed to measure poverty are direct indicators. Proxy indicators will never yield as reliable results as direct indicators. Hence, the Breadline Britain survey index (Gordon et al, 1995; it should be noted that this is distinguished from the Breadline index reviewed in this study but which was developed from the results if the Breadline Britain survey), which contained 32 variables relating to deprivation (far more variables related to deprivation or poverty than any of the indexes in this study) registered a Cronbach's Coefficient Alpha of 0.88 and a correlation between the 'true' deprivation score and the index of 0.94.

Since the highest value of Cronbach's Coefficient Alpha for the indexes reviewed in this study was 0.4746 (Oxford) none of the Census based deprivation indexes could be considered to yield reliable estimates of deprivation. However, they are not all equally bad. The four most reliable indexes (Oxford, Breadline, Townsend and Bradford) have reliabilities more than three times as large as the worst index (Jarman). This is unsurprising, Jarman is not designed to be used as a deprivation index (although it has been used by others for this purpose) as we discussed in Chapter Three and, therefore, cannot be expected to be a reliable measure of deprivation. By contrast, the variables used in the four best indexes have all been chosen using theoretical and/or empirical models of poverty and/or deprivation and are specifically designed to measure these concepts.

Table 5.11 Reliability analysis results

	Number of variables in the index	Cronbach's Coefficient Alpha	Correlation between the 'true' deprivation score and the index score
Oxford	7	0.4746	0.69
Breadline	6	0.4352	0.66
Townsend	4	0.4287	0.65
Bradford	9	0.4162	0.64
Socdep	6	0.3254	0.57
Doe91	7	0.3229	0.57
Matdep	4	0.2629	0.51
Scotdep	4	0.1670	0.41
Doe81	6	0.0909	0.30
Jarman	8	0.0495	0.20

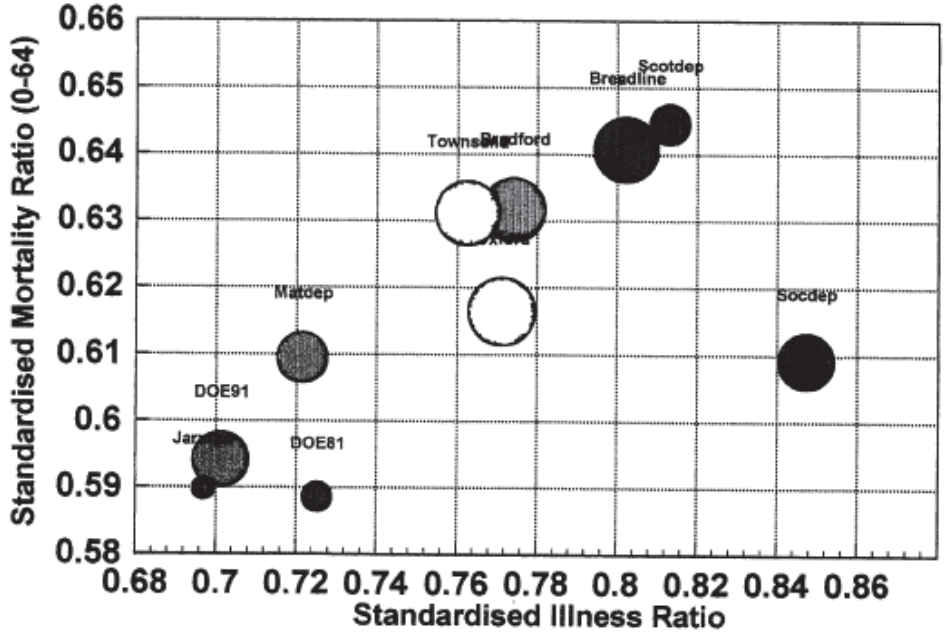
Work based on the SARs provided through the Census Microdata Unit of the University of Manchester with the support of ESRC/JISC/DENI

Figure 5.2 displays the results of the validation and reliability analysis (shown in Tables 5.8 and 5.11) as a Bubble Plot. The 10 census based deprivation indices are represented as circles on a scatter plot with their correlation with the standardised illness ratio plotted on the X axis and their correlation with the standardised mortality ratio (0-64) plotted along the Y axis. The size of the correlation between each index and the estimated average weekly earnings is displayed by the colour of the circle, with red representing the lowest value (smallest correlation) and blue the highest correlation. The colour gradient ranges from red through orange, yellow and green to blue and it is evident that, in general, the indexes that have the highest correlation with the two health variables also have the highest correlation with estimated average weekly earnings. The size (diameter) of the circles represents the reliability (size of Cronbach's Alpha) of the indexes: Jarman, Doe81 and Scotdep clearly stand out as the least reliable indexes and Oxford and Breadline are the two most reliable indexes. Figure 5.2 allows us to divide the 10 census based deprivation indexes into three groups:

Group 1 Jarman, Doe81, Doe91 and Matdep.

These are the least accurate (valid) indexes on all three validation criteria (standardised illness ratio, standardised mortality ratio and estimated average weekly earnings). The Jarman and Doe81 indexes are also the least reliable. It is apparent that the Doe91 index appears to be both more valid (on average) and more reliable than the Doe81 index, however, it still falls a long way behind the best indexes.

Fig 5.2: Bubble Plot of Census Deprivation Indices. Bubble Size is Proportional to the Reliability of the Index and Bubble Colour Shows Size of the Correlation Between Index and Average Earnings.



Note: X and Y axis are size of Pearsons Product Moment Correlations
Bubble sizes are Values of Cronbach's Alpha and Bubble Colours are size of correlation between the Index and Estimated Weekly Earnings.
Blue is the Highest Value (SCOTDEP) and Red the Lowest (Jarman).

Group 2 Oxford, Townsend and Bradford

These three indexes are both reasonably valid on all three criteria and also reasonably reliable.

Group 3 Socdep, Breadline and Scotdep.

These three indexes are, on average, the most valid (i.e. they have the highest correlations with the three validating criteria). Socdep is the most unusual as it correlates very highly with standardised illness ratio but relatively poorly with standardised mortality ratio. It is obviously better at measuring some aspects of deprivation than others. This result is unsurprising since Socdep was designed to only measure Social Deprivation and not other aspects of deprivation (such as material deprivation) which are known to affect health. Scotdep is the most accurate index, displaying a slightly higher correlation with all three validating criteria than the Breadline index. However, it is also the third most unreliable index of the ten. The Breadline index appears to be the best compromise between validity and reliability.

A number of conclusions can be drawn from these results which should aid researchers when trying to choose the most appropriate index. If the research problem demands the highest possible levels of accuracy, such as when trying to measure how many 'poor' wards there are in a region (or large city); then Scotdep is the best index. However, if the problem requires both a valid and a reliable result, such as when trying to rank the 'poorest' wards in a region, then Breadline is clearly the best index. If the research problem is to look at just specific aspects of deprivation, such as the effects of social deprivation on morbidity, then in this specialised case Socdep would be the best index to use.

Discussion and Summary

Indexes of deprivation present a problem because they incorporate several variables measuring different phenomena of differing importance to the experience of poverty. Assembling values into one summary score invariably means that some dimensions of poverty are lost. In such circumstances a single indicator of deprivation maybe more appropriate. However, the problem of association and causality (are all the unemployed poor?) targeting areas using one variable is liable to give us a very different pattern of poverty than using an index. The introduction of a single indicator does nothing to solve the problem of choosing between indexes. This is because the unemployed in the poorest areas ranked on a single indicator may not be the same individuals living in the poorest areas ranked according to an index. If different areas are captured then two different groups of unemployed would be targeted using the two different techniques.

In order to test the validity of the indexes reviewed in this study use was made of three variables highly associated with poverty. From the results of analysis of correlation between the indexes and the validating variables it appeared that Scotdep, Socdep and Breadline were the most valid indexes. However, as we have seen in Chapter Four the strength of association measured by correlations between indexes hides the underlying variation (see particularly Figure A4.1, the 'Kingstanding Effect'). When we looked in more detail at the specific ranking of areas comparing outputs from the indexes and the validating variables we found that the greatest overlap was between Socdep, Breadline and Townsend. It would seem, therefore, that the two most valid indexes are Socdep and Breadline. But, it was noted in Chapter Three how Socdep violates at least three of the violating criteria in the construction of an index: it provides no validating model of poverty and, therefore, no weights whilst there is significant double-counting in the index reinforcing the skewing and absence of weights. This makes Socdep highly sensitive to areas with poor health and dependence and is reflected in the very high percentage of poor wards identified in Wales. Moreover, when we turned to the reliability of the variables used in each index Socdep was only moderately reliable. Variables used in Oxford, Breadline and Townsend appeared to be more reliable indicators for the identification of poor areas than other indexes when we took account of the *ecological fallacy* using the Sample's of Anonymised Records (SAR's). Furthermore, whilst Oxford performs only

moderately against the validating criteria, the results from the reliability analysis (Table 5.11) would suggest that indexes with robust construction criteria and which choose variables according to developed models of poverty will be the most reliable.

The reliability of the variables, however, tells us nothing of the reliability of the overall index. The effects of weighting, standardising and transforming variables in the index has the effect of dampening some aspects of deprivation whilst highlighting others. For example, an index with reliable indicators may become unreliable or invalid if inappropriate weights are chosen. In the case of the Oxford index, therefore, it might be more appropriate to use Family Revenue Survey data rather than case study data from two towns (Oldham and Oxford) in order to derive national weights. The 'best' index, therefore, would be one where there is no significant violation of the criteria developed in Chapter Two, has a consistent correlation and overlap with the validating variables and contains indicators that are reliable measures of poverty. In this sense Breadline would appear to be a better index than the others in this study. However, it is preferable if indexes such as Breadline are used with some thought and adapted according to the scale of the enquiry and the policy being pursued which requires an area analysis. These issues are picked up in the next chapter.

The policy environment - deprivation and space

Urban policy has recently changed its emphasis. The introduction of the Single Regeneration Budget in 1993 significantly altered the formula for the distribution of urban aid. The central plank of regeneration policy no longer took its starting point as those areas with long-term and deep-rooted problems of deprivation. The new formula of a challenge involves a competitive process of bidding for government funds. Set up in 1992 to commemorate the fiftieth anniversary of Beveridge's report on *Social Insurance and Allied Services*, the Report of the Commission on Social Justice, responded to these trends in urban policy by remarking that:

> "Areas of the most entrenched long-term problems should be a priority for public policy. .....The existing urban-regeneration budget would go much further if part of it were invested through Community Development Trusts. One approach would be to identify the 250 most disadvantaged areas of the UK for phased release of community regeneration funding over a ten-year period...." (Commission on Social Justice, 1994, pp.334).

As we have already noted, the task of naming the 'most disadvantaged' or 'poorest' areas in the country is not so straightforward. The remainder of this paper, therefore, attempts to carry forward our 'best' index for the purposes of identifying the 250 'most disadvantaged' areas.

Identifying the most deprived areas

Despite the rigorous and systematic approach to developing an index of deprivation there still exist weaknesses with the overall method. *There is no 'perfect' index for measuring deprivation*, all indexes have limitations - although some are obviously better than others at measuring whatever concept is underpinning the index. As we have noted, for example, Jarman is not a good indicator of poverty or deprivation, but might prove adequate for the purposes of health resource allocation and the demands placed upon general practitioners. Furthermore, *reliable does not mean valid*, in the previous chapter we referred to the twin concepts of reliability and validity which we likened to a darts match: the darts player can be **reliable** (hit the same spot repeatedly) but the results be **invalid** (the darts player keeps hitting the wall!). *Not all situations will be suitable for the application of one particular index*, as Breadline was conceptually driven by a model of poverty tested externally (the Breadline Britain survey) and correlated consistently at an area level with the variables representing earnings and mortality this made it a robust index for the purpose of targeting the poorest areas in Great Britain as a whole. At a national scale the Breadline index appears to be robust. However, there might be some justification for policy which utilises one index to compare small areas at a national scale and another which is sensitive to local conditions used by local authorities themselves to target areas within the district.

As we have seen Doe91 appears to be particularly sensitive to the built form of local housing. The high percentage of poor areas appearing in Scotland and Greater London was explained by the high percentage of households living in flats in these areas. This may be less to do with poverty and more to do with the demands on housing and labour markets which require higher density ratios than other urban areas. At a national scale, therefore, Doe91 may be inappropriate, whilst the method might be more suitable for local authorities which have particular problems of deprivation associated with large numbers of flats. However, whilst Breadline offers a model of multiple deprivation which seems robust at a national scale, the method used is based on the *proportion* estimated to be poor. Hence, areas with small populations have an equal chance of being identified as poor on the Breadline index. If we wish to target absolute numbers a method such as used in Doe91 might be more appropriate - the poorest 10% of areas according to Doe91 contained the highest proportion of the population compared to other measures - although by targeting a large population there is also the likelihood of a large number of non-poor appearing in each area.

The conceptual strength of Breadline, is therefore, compromised by its obvious weakness in failing to target significant proportions of the poor. This is highlighted by the fact that the poor areas identified by Breadline had one of the smallest (median) population sizes (7,492 residents) - only Matdep and Socdep have smaller median populations - reflecting the strong rural dimension to poverty picked up by Breadline. Breadline, therefore, may be inappropriate where the Commission for Social Justice, in recognising that there is a need to tackle the worst aspects of urban deprivation, proposed that: "Populations of around 10,000 (5,000 households) should be targeted" (Commission on Social Justice, 1994). It is, therefore, necessary to adjust Breadline in order to target the most disadvantaged *urban* areas and to target larger numbers of people.

Single Measures Revisited

The CSJ's concern to target the most disadvantaged wards is linked to a concern to reach the unemployed. The Commission estimated that by targeting the 250 most disadvantaged wards: "Our regeneration initiative would reach 2.5 million people and probably one quarter of the registered unemployed" (Commission on Social Justice, 1994). But, the population of the 250 poorest areas identified using Breadline is less than 1.9 million and represents less than 6 per cent of the total unemployed. In order to fulfill the criteria set by the commission (ie: comprehensive coverage and a large proportion of the unemployed) one method of identifying the 250 most disadvantaged wards might be to rank the number unemployed in each ward. In Chapter Five we discussed the merits of such an approach and found that unemployment as a single indicator does not overlap with other dimensions of deprivation to the extent commonly expected. Disadvantage or deprivation mapped using a single indicator approach will, therefore, miss other dimensions of poverty and is wholly reliant upon one definition of need.

Ranking the 250 most disadvantaged areas in Great Britain according to the number unemployed simply targets very large metropolitan areas in Great Britain. A preferred method is to transform the totals unemployed using chi-square to take into account the expected and observed numbers. By using this method to rank the 250 most disadvantaged areas in Great Britain it was found that the 250 areas ranked by unemployment contained a resident population of 4.2 million people but less than 8 per cent of unemployed in Great Britain (ie: 188,000 unemployed were living in these 250 areas). Furthermore, the image of concentrated areas of high unemployment could not be supported using this ranking method - only 4.5% of the total population (ie: including the economically inactive population) were unemployed. Using such a method fails to capture the majority of the unemployed and whilst a large population is captured (indicating the large size of urban wards) a large proportion of the population will be *non-poor*.

There is a need for balance, therefore, between the absolute number poor and the concentration of poor within the area. Conceptually, Breadline is a truly national index although adjustment here seemed necessary in order to reflect the urban dimension of concentrated poverty whilst treating rural issues separately.

Method

The first method at adjusting simply multiplied the Breadline index score (which is an estimate of the percentage of poor in each area) by the resident population and then involved division by 100 to give an estimated *number* of poor in each area for Great Britain. As would be expected, this simply resulted in a ranked list of the largest urban wards in Britain. The 10 poorest wards, for example, were all wards in Birmingham (in rank order: Aston, Sparkbrook, Small Heath, Soho, Ladywood, Nechells, Kingstanding, Washwood Heath, Handsworth, Shard End) which had an average population within each ward of 26,018 compared to a national average of 5,305 (6,163 for the West Midlands).

Breadline was, therefore, standardised using chi-square and we called this standardised Breadline index *Bread_C*. As we have seen in the example of Doe91 (Chapter Three) chi-square takes into account absolute as well as relative differences by measuring the observed against the expected level of a phenomena (the coding can be found in the appendix). The construction of Bread_C dampened the bias towards large urban wards. The poorest 10% of wards remained skewed towards larger metropolitan wards, however, there was an increased representation of wards in metropolitan areas outside Greater London and a reduction in the proportion of wards in Scotland and Wales (Table 6.1).

Table 6.1 'Poorest' 250 areas by index type and by region (GB, 1991)

	Greater London	Met Areas	Rest of England	Wales	Scot land	Pop. (Median)
Bread_C	57	116	16	3	58	10,175
Bradford	72	81	38	11	48	8,699
Breadline	67	64	34	10	75	7,492
Doe81	161	42	35	4	8	9,042
Doe91	153	19	19	4	55	8,496
Jarman	100	61	48	6	35	8,516
Matdep	49	62	53	5	81	7,206
Oxford	104	52	27	10	57	8,135
Scotdep	57	66	47	8	72	7,660
Socdep	16	86	54	33	61	6,970
Townsend	92	50	24	7	77	7,635

Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase

Bread_C generally correlated poorly with the 10 indexes reviewed in this study. But amongst the very poorest areas (ie: the poorest 250 areas in Great Britain) it was more consistent. For example, amongst the 250 'most disadvantaged' areas only 12 ranked outside the poorest 10% (ie: 1,051) of areas on four of the alternative measures: Breadline, Doe91, Scotdep, Townsend. Rankings across all deciles on Bread_C were also poorly correlated with the variables *meanearn*, *illratio* and *smr064*. However, when targeting the poorest 250 wards using Bread_C less than a quarter (56 wards) had rankings outside the poorest 10% on at least one measure when ranked according to these variables.

Over 2.5 million (2.77 million) residents live in the poorest 250 areas using Bread_C, compared with 1.93 million in the poorest 250 areas using Breadline and 2.21 million using Doe91. Finally, there are more poor children and lone parent households as well as more households with no car, households headed by people with low social class, ill people and unemployed in the poorest 250 areas ranked according to Bread_C compared to Doe91 (Table 6.2); this was also the case when comparing the targeted population against the 250 most disadvantaged areas ranked according to expected/observed unemployment.

Table 6.2 Concentration & coverage of deprivation in the poorest 250 areas: number of households under each heading & percent of total population (Bread_C and Doe91)

	Bread_C		Doe91		(Base)
Unemployed (Persons)	273,009	11.1	219,471	8.9	(2,454,792)
No Car	768,679	10.5	622,458	8.5	(7,302,703)
Overcrowded	63,397	13.0	64,364	13.2	(486,943)
Lack Amenities	28,903	5.1	47,680	8.3	(571,154)
Long-term Ill (Persons)	376,494	7.0	269,587	5.0	(5,409,326)
Low Class	167,640	6.9	120,120	5.0	(2,420,740)
Lone Parents	107,443	13.0	82,367	10.0	(825,377)
Not Owners	832,594	11.3	683,039	9.3	(7,344,309)
Poor Children	331,274	14.5	229,270	10.1	(2,280,466)
Children in Flats	239,342	18.8	310,564	24.4	(1,273,294)
17 years Not in Educ	23,186	6.6	14,565	4.1	(352,847)
Born New Comm	351,636	13.3	420,633	16.0	(2,634,890)
Council Tenants	630,378	13.7	441241	9.6	(4,612,633)
Pensioner Households	187,301	5.7	143,882	4.4	(3,301,663)
Residents	**2,769,621**	**5.1**	**2,213,568**	**4.1**	**(54,055,693)**
Households	**1,115,200**	**5.3**	**973,423**	**4.5**	**(21,903,078)**

Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase

What is apparent from Table 6.1 and from table A6.1 in the appendix, is that the narrowness of the net drawn is extremely important in targeting the most deprived *urban* areas. Table 6.3 compares the two most comparable indexes for urban targeting: Doe91 and Bread_C. As we have already noted Bread_C was adapted from Breadline in order to make it a truly urban index, Doe91 uses the same method of standardisation (chi-square) and can, therefore, be seen as a comparable urban index. It is noticeable from the table (6.3) that when the poorest 250 areas are identified on either measure Doe91 is particularly sensitive to London and the South East. This was demonstrated in Table 4.3, where Doe91 identified 33% of the poorest decile as areas in London. However, the effect is even more apparent when the net is drawn very narrowly and consequently over 61% of the poorest 250 areas are in London using Doe91. In comparison Bread_C identifies only 23% of the poorest 250 areas as located in London. This is a greater proportion than for the poorest decile using Breadline and the proportion of deprived areas in London is increased to over 26% on Bread_C when the 500 most deprived areas are targeted. Meanwhile, the proportion of deprived areas identified in London on Doe91 declines (less than 52%) as the net is widened to incorporate the 500 most deprived areas.

More detailed analysis of the districts targeted by the indexes at the 250 and 500 cut-off point is provided in Tables 6.4 and A6.3 (in the appendix to Chapter Six). Not only do these tables show that there is a need for caution in the cut-off point at which areas are targeted for urban assistance, but also points out the differences in the *types* of local authority that the identified 'poor' areas are located within. For example, Table 6.4 illustrates, in the case of Birmingham, Camden, Hackney, Islington, Liverpool, Sheffield, Southwark and Tower Hamlets, how local authorities might lose out if areas are targeted at a narrow cut-off compared with a broader targeting strategy. For example, Bread_C identifies 11 wards in Birmingham as poor when targeting the poorest 250 areas compared to the 5 wards in Birmingham using Doe91. However, when the poorest 500 are targeted the number of wards identified as poor on Bread_C is higher (17) than Doe91 (15) although the difference is less. In London the same effect can be seen for Islington. Although for Islington Doe91 is more sensitive to the most deprived wards with Bread_C identifying more at the 500 cut-off.

Table 6.3 The poorest 250 areas and poorest 500 areas in Great Britain by region (Bread_C, Doe91)

	Gtr London	South East	North	North West	York Humb	West Mids	East Mids	East Ang	South West	Wales	Scot land
Bread_C											
250	57	1	23	54	29	18	5	0	2	3	58
%	22.8	0.4	9.2	21.6	11.6	7.2	2.0	0.0	0.8	1.2	23.2
500	132	5	52	86	43	43	15	2	6	5	111
%	26.4	1.0	10.4	17.2	8.6	8.6	3.0	0.4	1.2	1.0	22.2
Doe91											
250	153	7	1	11	5	7	2	1	4	4	55
%	61.2	2.8	0.4	4.4	2.0	2.8	0.8	0.4	1.6	1.6	22.0
500	258	21	9	35	17	22	7	2	8	9	112
%	51.6	4.2	1.8	7.0	3.4	4.4	1.4	0.4	1.6	1.8	22.4

Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase

The most deprived areas at the 250 and 500 cut-off on Bread_C are spread across more local authorities than with the other indexes (except Breadline and Scotdep). The 250 most deprived areas are spread across 64 local authorities (Bread_C) and 53 (Doe91) whereas when the 500 most deprived are targeted, 102 local authorities are involved using Bread_C and 93 using Doe91 (Table 6.4). If urban assistance were distributed according to Bread_C this would have the effect of spreading assistance to more local authorities.

There were significant differences between the *types* of local authority within which the poorest 250 and poorest 500 areas are located using Bread_C and Doe91. For example, Scotland and Greater London get less of a share using Bread_C compared to Doe91, which again points to the use of 'built form' variables (*children in flats and non-permanent accommodation*) in Doe91 (see Chapter Four). Northern cities and towns are more strongly represented in the poorest 250 areas using Bread_C compared to Doe91. However, some of the extreme variation is reduced when taking the poorest 500 areas in the case of Liverpool and Sheffield, but significant differences persist in the case of Leeds, Middlesborough, Newcastle and Sunderland. Doe91 seems particularly sensitive to deprivation in seaside towns; wards in Blackpool, Bournemouth, Brighton, Eastbourne, Great Yarmouth, Hastings, Hove, Lancaster (Morecambe) and Scarborough are all represented in Doe91, but not Bread_C at the 500 cut-off. These differences illustrate the difficulties in operationalising a truly *national* index of deprivation using census data.

Table 6.4 Distribution of the 250 and 500 'poorest' areas according to Bread_C and Doe91: number of small areas (wards/postcode sectors) in each district that are identified as poor

	Bread_C		Doe91	
	Top 250	Top 500	Top 250	Top 500
Aberdeen	4	6	-	2
Angus	-	-	-	2
Barking	1	1	1	2
Barnsley	-	1	-	-
Birmingham	11	17	5	15
Blackburn	-	2	-	1
Blackpool	-	-	3	3
Bolton	2	2	-	1
Bournemouth	-	-	1	3
Bradford	3	4	1	3
Brent	2	4	7	13
Brighton	-	-	1	5
Bristol	1	2	1	2
Bromley	-	-	-	2
Calderdale	-	1	-	-
Camden	1	9	6	16
Cardiff	1	1	2	5
Clydebank	1	5	-	4
Coventry	2	2	-	1
Croydon	-	1	-	3
Cumnock	1	1	-	-
Cunninghame	-	1	-	-
Darlington	-	-	-	1
Derby	1	2	-	1
Doncaster	-	1	-	-
Dudley	-	1	-	-
Dumbarton	-	-	-	1
Dundee City	5	7	2	7
Dunfemline	-	1	-	-
Ealing	-	1	1	3
Easington	-	1	-	-
Eastbourne	-	-	-	1
East Lincoln	-	-	-	1
East Yorkshire	-	-	-	1
Edinburgh	3	4	3	8
Falkirk	-	2	-	-
Gateshead	4	6	-	2
Glasgow	35	49	45	61
Great Grimsby	-	1	-	-
Great Yarmouth	-	-	-	2
Greenwich	1	4	3	11
Halton	-	1		
Hackney	8	16	20	23
Hamilton	1	2	-	2
Hammersmith	1	3	6	12
Haringey	1	6	13	17
Hartlepool	-	4	-	-
Hastings	-	-	-	2
Havering	-	-	1	1
Hounslow	-	-	-	1
Hove	-	-	2	2
Inverclyde	4	7	1	6
Islington	5	15	14	19
Kensington	2	4	4	7
Kilmarnock	-	1	-	-
Kingston-Upon-Hull	5	8	-	2
Kirklees	1	1	-	-
Knowsley	5	7	1	4
Kyle and Lockalsh	-	1	-	2
Lambeth	8	12	16	19
Lancaster	-	-	1	1
Langbaurgh-On-Tees	-	2	-	-

Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase

Table 6.4 (Cont.) Distribution of the 250 and 500 'poorest' areas according to Bread_C and Doe91: number of small areas in each district that are identified as poor

	Bread_C		Doe91	
	Top 250	Top 500	Top 250	Top 500
Leeds	9	11	1	3
Leicester	2	5	1	2
Lewisham	3	4	5	10
Liverpool	18	23	2	11
Manchester	15	21	1	5
Merthyr Tydfil	-	1	-	-
Middlesbrough	2	5	-	-
Milton Keynes	-	1	-	-
Monklands	2	6	1	5
Motherwell	1	8	-	3
Newcastle	7	11	1	3
Newham	1	7	13	23
Newport	-	-	-	1
Nithsdale	-	-	-	1
North Tyneside	2	6	-	-
Norwich	-	2	-	-
Nottingham	2	7	1	4
Oldham	2	4	-	1
Oxford	-	1	-	1
Perth	-	1	-	-
Plymouth	1	1	2	3
Portsmouth	1	1	2	3
Preston	-	1	1	2
Reading	-	-	-	1
Redbridge	-	-	-	1
Renfrew	1	6	2	8
Rhondda	-	-	1	1
Rhuddlan	-	-	1	1
Rochdale	1	5	-	1
Rotherham	1	2	-	-
Salford	5	6	2	3
Sandwell	1	7	1	2
Scarborough	-	-	-	1
Sefton	1	3	-	-
Sheffield	10	11	3	7
Shepway	-	-	1	1
Solihull	-	4	-	2
Southend	-	-	-	1
South Pembroke'	-	-	-	1
Southampton	-	1	1	2
South Kesteven	-	1	-	-
South Tyneside	1	6	-	1
Southwark	10	17	15	21
St. Helens	-	1	-	-
Stirling	-	1	1	1
Stockport	1	2	-	1
Stockton	1	2	-	1
Stoke-on-Trent	-	1	-	-
Strathkearn	-	1	-	-
Sunderland	6	9	-	2
Swansea	2	2	-	-
Thamesdown	-	2	-	-
Thanet	-	-	-	1
Tower Hamlets	10	17	15	19
Trafford	-	1	-	-
Wakefield	-	2	-	-
Walsall	1	5	-	1
Waltham	-	2	5	12
Wandsworth	1	3	2	9
West Lothian	-	1	-	-
Westminster	2	6	6	12
Wigan	1	2	-	-
Wirral	3	5	-	1
Wokingham	-	1	-	-
Wolverhampton	3	6	1	1
Woodspring	-	1	-	-
Wrexham	-	1	-	-

Conclusions and Summary

This study has been concerned with the best practices and methods in the construction of indexes used for mapping multiple deprivation. The study has assessed the outputs from a number of commonly used indexes and tested the validity and reliability of the indexes as well as assess the methods by which variables have been chosen and constructed in the final index.

The abundance of different techniques on offer seems to add another layer of complication to what, at the outset, seems a simple matter of identifying the poorest areas in Great Britain. We hope, however, that choosing between competing indexes has been made simpler by looking not only at how the indexes are constructed and the reasons for their development but also on outputs - how the indexes correlate against each other, the overlap between indicators used and the relationship to external validating variables. There is a remarkable difference in the pattern of deprivation produced by each index. One of the reasons for such variation is that not all of the indexes reviewed in this study are indexes of *deprivation* and it is, therefore, important to be clear from the outset that the index being used is measuring what is intended. In this sense the Jarman index should be used in the identification of workload payments to GP's rather than the identification of poor areas. The variation in the identification of poor areas provided by the other indexes has important policy implications whilst the conclusion from this chapter has been that the net drawn for targeting areas should not be drawn too tightly.

Choosing a 'best' index to reflect the national pattern of deprivation is invariably hampered by the different regional and local variations in housing and labour markets, which sometimes precludes a comparison across regions. Breadline, we concluded was the most representative of deprivation nationally, however, a focus on urban deprivation such as that urged by the Commission on Social Justice demands that a different method of construction be employed; and in this sense, because of the size of population and the type of authority covered, Doe91 seemed the closest to an urban index before adjusting Breadline. However, although nationally there is variation in the population size of Enumeration District's, if the study were extended to this level the division between urban and rural in the identification of poor areas would be dampened. Although, because of the release of census data at this level, a new set of variables would be required with new weights.

An urban index at ward/postcode sector level, necessarily involves standardisation techniques used to construct the index which makes it more sensitive to poor areas with large populations. Validation and weighting of indicators is also a fundamental component in order to address the association between what is observed and the risk of being poor. This is certainly true in the case of variables that have a strong skewing effect on the identification of 'poor' areas as was the case with 'built-form' variables such as flats and amenities. As we have noted in previous chapters, whilst there are no direct measures of poverty in the census, area studies are reliant on proxy measures which measure multiple deprivation. Indexes, which include indicators based on dwelling types will, therefore, be particularly skewed because of the necessity that flats are located in densely populated urban areas. One recommendation, therefore, might be that particular problems with certain dwelling types (eg: high rise flats) be dealt with separately before targeting areas on a national basis and excluding 'dwelling type' variables from the index.

At the outset of this study it was not certain which index would give the most reliable and valid results, however, whilst we chose a 'best' index on the basis of outputs and the construction criteria we set out in Chapter Two, the process does not stop here. Indexes are only as good as the data that supports them and it should be remembered that there are inherent weaknesses and limitations in all indexes. Excluding the possibility that resource and income data are included in the next decennial census, indexes, properly constructed are the best method of identifying multiply deprived areas.

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Appendix

Table A3.1 Indicators used in the review

		Doe81	Doe91	Bradford	Breadline	Jarman	Matdep	Oxford	Scotdep	Socdep	Townsend
Unemployment	9	✓	✓	✓	✓	✓		✓	✓	✓	✓
Overcrowding	8	✓	✓	✓		✓	✓	✓	✓		✓
Lone Parents	6	✓		✓	✓	✓		✓		✓	
No Car	6		✓	✓	✓		✓		✓		✓
Lack Amenities	4	✓	✓	✓			✓				
Elderly	3	✓				✓				✓	
Ethnicity	3	✓				✓		✓			
Low Social Class	3				✓	✓			✓		
Not Owner Occupied	3				✓			✓1			✓
No Central Heating	2			✓			✓				
Children in Poor Households	2		✓	✓							
Limiting Long-Term Illness	2				✓					✓	
Dependent Only Households	2			✓						✓	
Youth Unemployment	1									✓	
Children Living in Flats	1		✓								
Educ Participation (17 years)	1		✓								
Under 5's	1					✓					
Large Households No Car	1			✓							
Residential Mobility	1					✓					
Economically inactive	1							✓			

1. Two indicators covered by this in the Oxford index: the number of council tenants and owner occupiers included as a 'negative' factor

Table A3.2 Variable definitions used for Table 3.14: correlation coefficients of selected variables against indexes

Unemployed (Breadline):	Economically active population
No Car (Doe91):	Households without access to a car
Overcrowded (Doe91)	Households with > 1 person per room
Lacking amenities (Doe91)	Households lack or share bath/shower and/or WC, or in non-permanent housing
Not Owned (Breadline):	Households not owner occupied
Illness (Breadline):	Households containing a person with a limiting long-term illness
Lone Parents (Breadline):	Lone parent households as a proportion of all households
Elderly (Doe81):	Households with single person over 60/65
Ethnicity (Doe81):	Residents in households where the head of household born in the New Commonwealth or Pakistan
Poor Kids (Doe91):	Households with no earner or one parent in part-time employment
Flat Kids (Doe91)	Children living in flats, not self-contained or non-permanent housing

Table A3.3 Pairwise correlation for all index variables

b}	**Bradford**								
Unemp	.8552								
No Car	.8699	.7993							
Poor Kids	.8658	.8757	.8057						
Dependent hhlds	.7164	.6575	.8059	.6412					
Lone parents	.8186	.7534	.8237	.8666	.6328				
Lge Fam No Car	.8024	.7684	.8375	.8181	.6167	.7922			
Overcrowded	.7696	.6957	.6678	.7296	.4184	.6622	.7252		
Lack amenity	.3666	.2020	.1825	.1709	.1585	.1385	.0887	.1689	
No CH	.5479	.3779	.3587	.3707	.2849	.3366	.3057	.3895	.4110
	Bradford	Unemp	NoCar	PoorKid	Depend	LoneP	LgeFam	Crowded	Amenity

b}	**Breadline**					
Not owners	.8754					
No car	.8743	.6140				
Lone parents	.7433	.5821	.6789			
Low social class	.7020	.5405	.5250	.5284		
Unemployed	.8070	.5836	.7835	.7311	.5731	
Long illness	.6143	.3637	.6306	.4481	.5422	.6488
	Bread	Notown	NoCar	LoneP	LowClass	Unemp

Table A3.3 (Cont.) Pairwise correlation for all index variables

c}	**Doe81**					
Unemp	.8977					
Overcrowded	.7823	.6788				
Lack amenity	.3967	.1961	.1644			
Lone parents	.7509	.7276	.6795	.0381		
Elderly only	.4074	.2606	.0682	.1977	.0816	
Ethnic	.1832	.0070	.1489	.1338	.0546	-.0597
	Doe81	Unemp	Crowd	Amenity	Lonep	Elderly

d}	**Doe91**						
Unemployed	.8046						
Overcrowded	.7380	.6673					
Lack Amenities	.3233	.0621	.1247				
Poor Kids	.8021	.8804	.6907	.0221			
No Car	.7437	.8061	.6230	-.0546	.8116		
Kids in Flats	.5400	.3903	.4761	.2314	.4078	.4453	
Educ	.5242	.5288	.4578	-.1083	.5613	.5314	.0897
	Doe91	Unemp	Crowded	Amenity	Poorkid	Nocar	Flatkids

e}	**Jarman**							
Elderly	.4173							
Under 5's	.5021	-.2881						
Lone parents	.8098	.1843	.5797					
Unskilled	.7107	.1507	.3502	.5161				
Unemp	.8046	.2842	.3934	.7504	.4998			
Overcrowded	.7676	.1070	.5122	.6859	.4668	.7036		
Mobility	.3319	.1080	.1916	.1783	.0498	.0975	.1955	
Ethnic	.2475	-.0060	.1675	.1451	-.0377	.0784	.1730	.3394
	Jarman	Elderly	Under5	LoneP	Unskilled	Unemp	Crowd	Mobility

f}	**Matdep**			
Overcrowded	.7267			
No Car	.8568	.6719		
Lack amenity	.4214	.1633	.1809	
No CH	.7249	.3589	.3537	.4123
	Matdep	Crowd	NoCar	Amenity

g}	**Oxford**						
Male Unemp	.9049						
Lone parents	.9400	.7736					
Council	.6757	.5888	.6168				
Owners	-.6777	-.5574	-.6249	- .7671			
Overcrowded	.7646	.6496	.6298	.5299	-.5997		
Ethnic	.0974	-.0017	.1101	- .1192	.0022	.1347	
Inactive	.3058	.3604	.2562	.1991	-.1862	.0314	-.2512
	Oxford	Unemp	LoneP	Council	Owners	Crowd	Ethnic

Table A3.3 (Cont.) Pairwise correlation for all index variables

h}	Scotdep					
Male Unemp	.8800					
No Car	.8901	.8335				
Low Social Class	.8125	.5839	.5800			
Crowded	.8131	.6882	.6944	.5194		
	Scotdep	Unemp	NoCar	Lowclass		

i}	Socdep					
Unemp	.8450					
Yth unemp	.7654	.8615				
Lone parents	.6797	.7274	.6120			
Elderly only	.6179	.2699	.2298	.0938		
Long illness	.8626	.6538	.5762	.4583	.5333	
Depend only	.9098	.6559	.5541	.5060	.6921	.8553
	Socdep	Unemp	YUnemp	LoneP	Elderly	Illness

j}	Townsend			
Unemp	.8827			
No car	.8892	.8039		
Not owners	.8014	.5805	.6273	
Overcrowded	.8536	.6765	.6671	.6055
	Townsend	Unemp	NoCar	Notown

The 'Kingstanding Effect'

The 'Kingstanding Effect' demonstrated in Figure 4.6 can be partly explained by the adaptation of the original 'Bradford Stress measure' (Bradford MBC, 1993). However, the main explanatory factor behind the wide variation produced by Bradford is the grouping together of stress indicators - Economic, Social and Housing. Adapting Bradford was necessary in order to make it compatible with the other indexes and rank areas on a 'best' to 'worst' continuum. Chapter 4 gave details of the variables included in the Bradford index - as Community Charge/Housing Benefit data could not be gathered at the required area level for all local authorities in Great Britain, the income indicator was omitted from the analysis. The original Bradford measure classifies an area as suffering multiple stress if it scores 3 or 4 on the grouped stress score (ie: it appears in the 'worst' decile on at least one indicator in each of the stress groups). Using this as a basis for ranking areas (wards were used in this review) results in a large number of wards with the same 'multiple stress' score (as the income indicator was dropped the maximum stress score was 3).

Table A4.1 Stress level on three criteria for the 10,511 GB wards and Postcode sectors using the Bradford Measure

allstrss Score	Number	%	Cum %
0	7243	68.9	68.9
1	1595	15.2	84.1
2	741	7.0	91.1
3	932	8.9	100.0
Total	**10511**	**100.0**	

Table A4.1 illustrates how a large number of wards are classified as suffering from the same degree of multiple stress using the Bradford measure. A large number of wards (69%) did not appear in the top decile on any of the indicators whilst a significant proportion (9%) appeared in the top decile on at least one indicator in each stress group. In order to differentiate between wards and make the Bradford measure more compatible with the other indices included here, it was, therefore, necessary for the Bradford stress measure to be adapted. This was accomplished by the aggregate indicator score was computed (*totstrss*). The *totstrss* variable acted as a total of the indicators appearing in the worst 10% across all stress groups (as there are nine indicators across three stress groups the maximum score for *totstrss* is 9).

Table A4.2 shows the results of frequency counts for the variable *totstrss*. There are three wards which have the maximum score (nine) possible. These three wards were: Birmingham, Kingstanding; Leeds, City and Holbeck; Sheffield, Sharrow. There are 1,372 wards or postcode sectors with totstrss scores of 3 or more, therefore, in order to differentiate wards on a ranked basis and to give unique rankings, the average rank position for indicators was computed across all nine indicators (*averank*). Bradford was therefore, computed on the rank position of wards and postcode sectors using the combination of ranked values of *allstrss*, *totstrss* and *averank* (in descending order). The top (poorest) 1% of wards for Great Britain, ranked on this basis is shown in the appendix. The adapted index has attempted to maintain the integrity of the original Bradford method, but adaptation has been necessary for wards to be compared on a like-by-like basis with other indices.

Table A4.2 Areas in poorest decile on each indicator for the 10,511 GB wards and postcode sectors using the Bradford measure *totstrss*

totstrss Score	number of areas	%	cum %
0	7243	68.9	68.9
1	1366	13.0	81.9
2	530	5.0	86.9
3	306	2.9	89.9
4	243	2.3	92.2
5	201	1.9	94.1
6	293	2.8	96.9
7	246	2.3	99.2
8	80	.8	99.9
9	3	.0	100.0
Total	10511	100.0	

Weighting and Bradford

Weightings were avoided by the authors of the Bradford measure on the grounds that reliable national surveys of poverty were not available. However, other indices have attempted to weight indicators using predictive models of low income (Oxford) or poverty (Breadline). There was no standardisation of the Bradford data a fact that could lend support to the methodology or could be read as a weakness. Where data is not standardised undue influence might be given to small areas. However, small areas tend to display unitary or limited dimensions of deprivation - for example unemployment and lack of amenities in rural areas - and therefore, would score lower using a Bradford-type methodology which emphasises multiple levels of stress more common to (larger) urban areas.

All indicators have equal value which has the effect of ranking higher those wards scoring moderately highly across the stress groups but misses the incidence of 'stress' which is high on all indicators within a stress group. For example, Kingstanding ward in Birmingham is ranked the highest on Bradford whilst the second highest ranking ward in Birmingham is Sparkbrook (ranked 100th). However, whereas Kingstanding ward is ranked 587th, 650th and 584th respectively on the indicator rankings for unemployment, low car ownership and households with children and no earner, Sparkbrook was consistently higher on all three of these economic stress indicators (ranked 38th, 132nd and 134th; see table below showing individual rank order of indicators for Birmingham).

The volatility of Bradford is further illustrated by the fact that whilst Kingstanding has a consistent and marked level of deprivation across the different dimensions of deprivation, there are wards and postcode sectors with lower average rankings across all nine of the indicators in Bradford. For example whilst Kingstanding had an average ranking of 543 (based on the percentage for each indicator in Bradford) there are 13 areas amongst the poorest 1% of areas identified by Bradford with lower average rankings (ie: these areas are 'poorer' than Kingstanding when) (Table A4.3).

Table A4.3 Wards and Postcode sectors with higher overall ranking than Kingstanding according to Bradford index

Bradford Rank	District, Ward	Totstrss	Allstrss	Averank
4	Liverpool, Granby	3	8	265
5	Rhuddlan, Rhyll West	3	8	358
6	Bradford, Littlejohn	3	8	375
7	Liverpool, Clubmoor	3	8	397
8	Burnley, Daneshouse	3	8	430
9	Middlesborough, Southfields	3	8	504
84	Knowsley, Longview	3	7	391
85	Liverpool, Melrose	3	7	501
86	Glasgow City, G36	3	7	503
87	City of Westminster, Q Park	3	7	505
88	Liverpool, Pirrie	3	7	516
89	Burnley, Calder	3	7	533
90	Liverpool, St. Mary	3	7	537

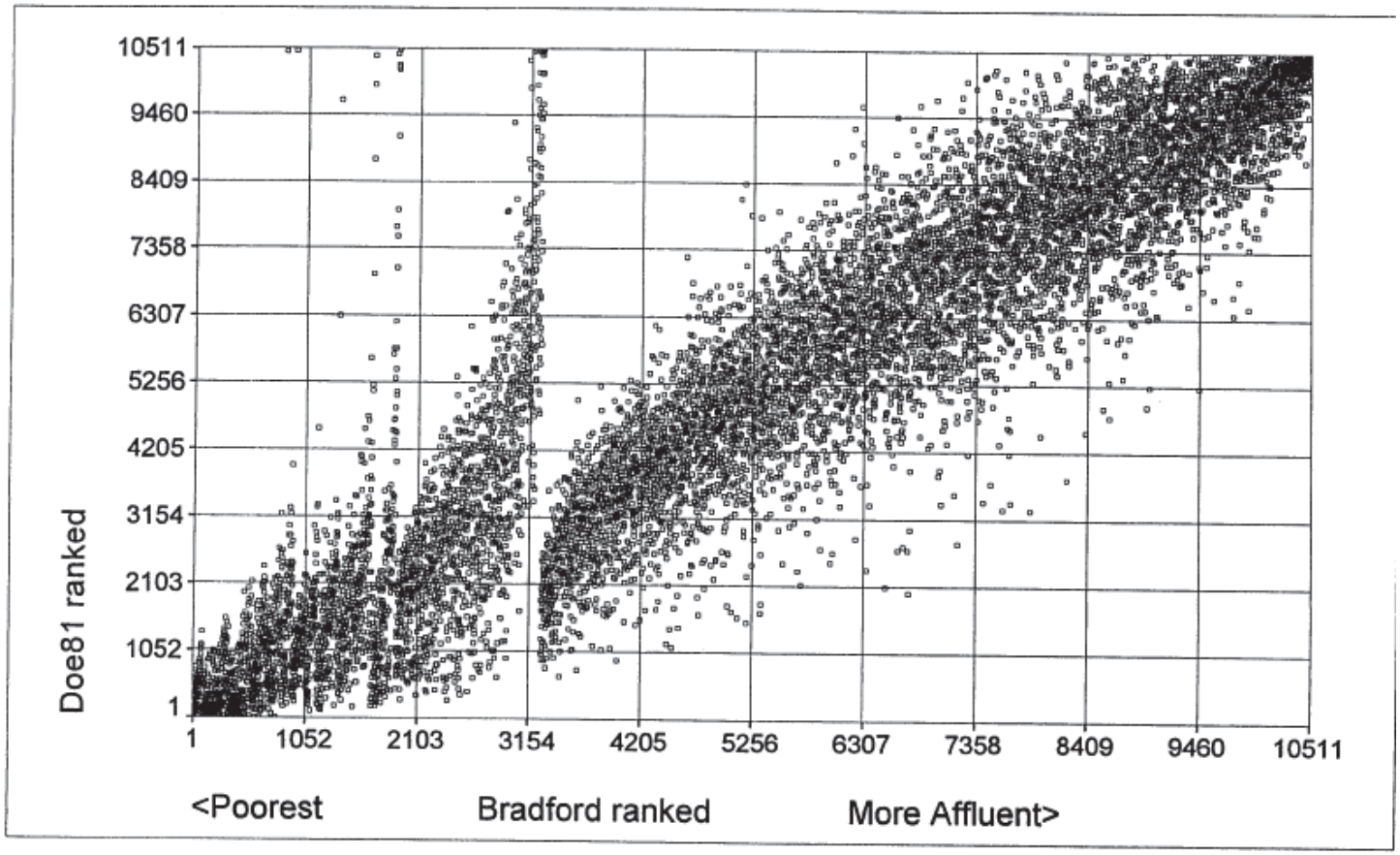


Figure A4.1 Scatter of Doe81 and Bradford demonstrating the 'Kingstanding Effect'

Table A4.4 The 25 'poorest' areas ranked by Bradford

Rank Bradford	District Name	Ward Name	*totstrss*	*allstrss*	*averank*
1	Birmingham	Kingstanding	3	9	543.44
2	Sheffield	Sharrow	3	9	559.67
3	Leeds	City and Holbeck	3	9	606.44
4	Liverpool	Granby	3	8	265.22
5	Rhuddlan	Rhyl West	3	8	358.78
6	Bradford	Little Horton	3	8	375.67
7	Liverpool	Clubmoor	3	8	397.67
8	Burnley	Daneshouse	3	8	430.00
9	Middlesbrough	Southfield	3	8	504.22
10	Plymouth	St.Peter	3	8	546.67
11	Hackney	Chatham	3	8	550.83
12	Sheffield	Southey Green	3	8	557.67
13	Coventry	St. Michael's	3	8	570.67
14	Leeds	University	3	8	573.72
15	Liverpool	Breckfield	3	8	581.67
16	Liverpool	Smithdown	3	8	583.22
17	Liverpool	Abercromby	3	8	583.67
18	Blackburn	Bank Top	3	8	595.11
19	Hackney	Dalston	3	8	606.11
20	Brent	Carlton	3	8	611.89
21	Kensington and Chelsea	St.Charles	3	8	612.00
22	Knowsley	Knowsley Park	3	8	670.11
23	Hackney	New River	3	8	688.33
24	Liverpool	County	3	8	696.89
25	Glasgow City	G42 7	3	8	704.83

The following areas: Granby, Rhyl West Little Horton, Clubmoor, Daneshouse and Southfield have a lower average rank than Kingstanding implying that they should appear higher up the rankings. St. Peter, Chatham and Southney Green have a lower average ranking than Sharrow (ranked 2nd overall), whilst St. Michael's, University, Breckfield, Smithdown, Abercromby, Bank Top and Dalston have lower average rankings than the third placed City and Holbeck. It is this feature of Bradford which gives rise to the 'Kingstanding Effect'.

Table A4.5 Ranking of Birmingham wards and indicators against 10,511 GB wards and postcode sectors according to Bradford

Brad Rank	Ward Name	Unemp	NoCar	Poor Kids	Depend Hhlds	Lone Parent	Fam NoCar	Over-Crowd	Lack Amen	No Heating
1	Kingstanding	587	650	584	691	959	206	666	482	66
100	Sparkbrook	38	132	134	2214	682	15	10	1796	430
109	Aston	43	72	103	1541	188	17	43	3496	644
113	Ladywood	145	232	235	2539	78	272	448	999	1293
121	Nechells	78	178	127	2527	499	40	39	2764	212
124	Handsworth	84	475	489	3009	941	72	65	1320	221
165	Soho	39	374	463	4640	461	71	67	2024	185
191	Kingsbury	384	453	377	740	465	510	1602	3914	750
219	Sparkhill	265	959	861	4836	2618	104	37	288	161
244	Shard End	859	656	527	341	456	741	1468	6167	113
341	WashwoodH'th	378	532	623	2263	2109	68	68	1068	38
365	Small Heath	148	598	495	3773	2290	50	21	1418	44
702	Fox Hollies	1326	1031	1332	1233	1957	589	607	2630	76
719	Weoley	1344	1280	777	2394	718	443	1336	3526	304
890	Sandwell	985	2721	2104	5846	2300	867	228	2814	1374
1164	Stockland Grn	1252	1255	1637	2128	1386	843	1104	925	242
1187	Acock's Green	2068	1438	2058	2503	2530	772	1016	1747	208
1245	Bartley Green	1278	1090	979	1113	796	993	1573	8666	1711
1273	King's Norton	1207	1447	733	2478	669	649	1723	7598	4020
1370	Billesley	2214	1825	1712	1271	1807	1014	1710	2379	226
1387	Longbridge	1603	1677	1223	2860	1295	729	1439	5120	360
1398	Edgbaston	1191	1782	1344	2883	690	1583	2016	730	4810
1698	Erdington	1967	1690	1685	3074	1362	1499	1924	813	824
1722	Moseley	1681	2401	3124	3005	3242	1557	762	667	1068
1905	Hodge Hill	1472	1579	1230	2593	1307	1267	1733	3499	652
1910	Yardley	1719	1696	2198	1472	2934	1545	1289	2316	409
2049	Bournville	3466	2356	2947	2514	2057	2200	3169	2393	1000
2170	Selly Oak	4066	2915	3118	4060	2395	2463	2315	2849	806
2201	Sheldon	3463	2203	2230	1499	2327	2237	2587	8843	358
2254	Oscott	3875	2583	4354	2100	5126	3038	2070	3303	298
2440	Northfield	3775	2612	3162	2653	2527	3102	4908	6336	969
2900	Perry Barr	5984	3334	7806	2364	6863	5538	2868	7952	611
3297	Brandwood	2016	1892	1732	1951	1413	1495	2174	5040	2215
3313	Harborne	3185	2106	2594	1804	1664	2479	3076	2796	1247
3451	Quinton	3493	2605	2732	2602	2320	1964	2481	6633	1501
4331	Hall Green	4774	4313	5766	3965	7227	3430	2229	4708	1541
5704	Sutton NewHll	6454	5515	5646	5368	4519	5125	5847	7165	4011
8122	Sutton Vesey	7512	6341	8429	6497	7672	7750	8728	6543	6390
9100	SuttonFourOak	8342	7287	8536	6454	7286	7754	9635	8017	8632

Table A4.6 Birmingham wards comparing 4 indexes

Ward Name	Rank within District				Rank Overall (GB)			
	Breadline	Doe91	Scotdep	Townsend	Breadline	Doe91	Scotdep	Townsend
Acock's Green	22	22	17	22	2098	930	1332	1696
Aston	1	3	2	2	110	38	26	44
Bartley Green	12	16	18	13	1002	526	1441	1057
Billesley	21	24	24	25	2065	1181	1967	1890
Bournville	27	30	30	29	2712	2717	3086	2821
Brandwood	23	23	27	27	2103	1170	2276	1991
Edgbaston	17	20	26	18	1706	728	2170	1450
Erdington	25	10	25	26	2395	375	2144	1941
Fox Hollies	16	21	12	14	1313	914	764	1058
Hall Green	36	36	36	35	6399	9840	4427	4740
Handsworth	7	8	5	4	567	304	78	209
Harborne	26	29	34	28	2674	2344	3788	2545
Hodge Hill	20	14	23	21	1922	410	1815	1669
King's Norton	15	18	20	16	1239	615	1572	1266
Kingsbury	5	5	10	10	385	241	482	570
Kingstanding	9	7	11	11	774	296	686	642
Ladywood	4	2	9	6	256	13	301	247
Longbridge	18	19	19	20	1776	625	1457	1581
Moseley	28	26	22	24	2932	1779	1734	1805
Nechells	3	1	3	3	214	10	29	95
Northfield	31	31	33	34	3207	3097	3661	3666
Oscott	34	33	29	33	4104	3674	2933	3508
Perry Barr	35	35	35	36	6127	8770	4321	4954
Quinton	32	32	32	31	3495	3483	3401	3112
Sandwell	30	27	13	17	3149	1960	952	1434
Selly Oak	33	34	31	32	3685	4307	3353	3234
Shard End	8	11	14	12	741	383	1010	826
Sheldon	29	28	28	30	3013	1991	2727	3004
Small Heath	11	12	4	7	921	389	50	280
Soho	6	15	6	5	514	486	100	233
Sparkbrook	2	4	1	1	166	158	10	42
Sparkhill	14	9	7	9	1174	361	106	424
Stockland Green	19	17	16	19	1909	613	1220	1452
Sutton Four Oaks	39	39	39	39	9325	10511	9475	9277
Sutton New Hall	37	37	37	37	6910	10487	6754	6307
Sutton Vesey	38	38	38	38	9156	10507	9270	8550
Washwood Heath	10	6	8	8	899	270	159	409
Weoley	13	13	15	15	1046	406	1093	1137
Yardley	24	25	21	23	2170	1203	1628	1789

Table A4.7 Bradford wards comparing 4 indexes

Ward Name	Rank within District				Rank Overall (GB)			
	Breadline	Doe91	Scotdep	Townsend	Breadline	Doe91	Scotdep	Townsend
Baildon	25	27	27	27	6548	10124	7244	7264
Bingley	21	21	24	23	4753	5620	5286	5063
Bingley Rural	26	28	25	25	7013	10180	7011	6838
Bolton	23	24	19	24	5823	8268	3598	5132
Bowling	4	3	5	4	794	488	237	472
Bradford Moor	6	6	2	3	1089	762	64	371
Clayton	19	20	21	21	3995	4803	3970	4010
Craven	27	26	28	28	7442	8792	7386	8338
Eccleshill	9	12	13	11	2034	1738	1660	1940
Great Horton	18	16	11	13	3626	2388	1356	2293
Heaton	16	10	10	10	3394	1268	875	1697
Idle	15	19	22	20	3199	3109	4111	3843
Ilkley	28	29	29	29	7864	10455	8923	8620
Keighley North	22	18	9	15	5059	2907	857	2587
Keighley South	5	9	8	8	1047	1106	814	1092
Keighley West	13	13	12	12	2865	1746	1435	2119
Little Horton	1	1	3	2	289	17	75	170
Odsal	14	14	15	14	2913	2181	1859	2347
Queensbury	20	22	20	19	4243	5714	3741	3795
Rombalds	30	30	30	30	8341	10465	9141	9112
Shipley East	8	5	15	9	1634	758	1880	1680
Shipley West	24	23	23	22	6205	7522	4343	4646
Thornton	11	11	18	17	2478	1531	2957	2832
Toller	10	8	4	6	2078	1103	117	637
Tong	3	7	7	5	506	849	553	618
Undercliffe	7	4	6	7	1441	642	544	850
University	2	2	1	1	479	399	6	90
Wibsey	17	17	17	18	3399	2515	2519	2874
Worth Valley	29	25	26	26	8197	8461	7147	7143
Wyke	12	14	16	16	2761	2178	2468	2829

Table A4.8 Liverpool wards comparing 4 indexes

Ward Name	Rank within District				Rank Overall (GB)			
	Breadline	Doe91	Scotdep	Townsend	Breadline	Doe91	Scotdep	Townsend
Abercromby	4	2	7	4	87	250	136	70
Aigburth	26	26	27	26	1694	1472	2749	1784
Allerton	29	30	29	30	4414	6607	4108	4186
Anfield	24	23	25	25	1223	1004	1028	1430
Arundel	16	7	21	17	462	348	661	572
Breckfield	7	11	5	6	140	477	133	163
Broadgreen	23	25	24	23	1017	1302	976	1117
Childwall	32	31	31	32	5699	7797	5533	5613
Church	30	29	30	29	4486	5898	4478	4128
Clubmoor	11	8	10	12	253	377	228	352
County	19	16	20	19	630	687	610	737
Croxteth	28	28	28	28	3844	4099	3460	3536
Dingle	18	17	16	18	503	714	401	659
Dovecot	12	19	12	9	292	848	306	277
Everton	1	6	1	1	13	345	35	23
Fazakerley	20	21	17	21	799	916	498	933
Gillmoss	17	24	15	14	470	1081	396	454
Granby	3	1	3	3	30	3	47	31
Grassendale	33	33	33	33	6144	10061	6851	5866
Kensington	13	5	13	13	345	327	319	421
Melrose	8	9	11	11	224	448	235	310
Netherley	10	22	9	10	248	981	182	300
Old Swan	25	13	23	24	1339	605	858	1179
Picton	21	18	18	20	808	737	538	847
Pirrie	9	10	8	8	239	472	170	264
Smithdown	5	4	4	5	104	317	130	152
Speke	6	20	6	7	117	909	135	182
St. Mary's	15	14	14	15	457	619	370	532
Tuebrook	22	15	22	22	932	620	758	979
Valley	14	12	19	16	383	536	551	564
Vauxhall	2	3	2	2	18	302	45	25
Warbreck	27	27	26	27	1814	2008	1473	1934
Woolton	31	32	32	31	5237	9279	5805	4718

Table A4.9 Newham wards comparing 4 indexes

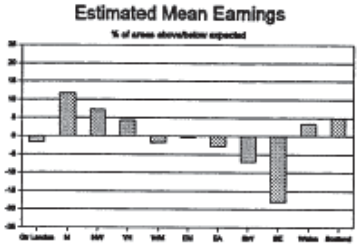
Ward Name	Rank within District				Rank Overall (GB)			
	Breadline	Doe91	Scotdep	Townsend	Breadline	Doe91	Scotdep	Townsend
Beckton	2	15	13	2	134	259	318	156
Bemersyde	23	23	22	23	2032	483	800	1119
Canning Town and Grange	3	4	15	11	351	65	345	330
Castle	10	10	7	8	646	155	209	303
Central	16	21	5	16	1251	439	185	447
Custom House and Silverto	7	17	19	17	549	284	517	474
Forest Gate	17	13	21	21	1292	221	790	771
Greatfield	24	22	24	24	3088	463	1669	2026
Hudsons	12	8	20	19	772	114	541	588
Kensington	15	18	2	9	1196	320	80	317
Little Ilford	14	3	12	14	923	53	294	402
Manor Park	18	12	11	18	1353	217	261	510
Monega	21	24	1	15	1731	627	67	429
New Town	6	5	18	10	485	74	499	328
Ordnance	1	11	9	1	77	177	234	96
Park	11	2	10	6	707	48	260	286
Plaistow	8	7	8	7	558	81	216	298
Plashet	9	1	6	4	569	45	192	252
South	20	19	23	22	1650	355	943	955
St.Stephens	13	14	3	3	907	256	86	240
Stratford	4	6	17	5	365	78	462	272
Upton	19	16	4	13	1382	266	176	378
Wall End	22	20	16	20	1944	429	403	744
West Ham	5	9	14	12	429	117	344	347

Table A4.10 Birmingham, Bradford, Liverpool and Newham: selected variable values for selected wards

	Unemp	Over Crowd	Lack Amen	Poor Kids	No Car	Flat Kids	17 Educ	Not Owned	Limit Illness	Lone Parent
Birmingham:										
Erdington	1416	272	407	1266	4462	916	170	3639	2620	494
	11.9	2.7	1.7	24.8	43.6	18.0	62.0	35.5	25.6	4.8
King's Norton	1512	233	62	1975	4094	1183	201	4662	2400	678
	14.4	2.6	0.3	35.8	45.3	21.5	63.0	51.6	26.6	7.5
Nechells	2468	791	284	3434	5309	1509	191	4939	2421	801
	29.1	10.0	1.3	45.8	66.8	20.1	58.1	62.2	30.5	10.1
Sparkhill	2412	894	701	2665	4338	723	205	3504	2314	433
	22.5	10.4	2.7	31.7	50.7	8.6	47.2	40.9	27.0	5.1
Bradford:										
Keighley North	661	324	115	858	1890	62	110	809	1353	152
	9.1	5.8	0.75	20.4	34.2	1.5	54.0	14.6	24.5	2.8
Little Horton	1545	496	380	2368	4308	745	138	3619	1967	641
	24.5	7.8	2.3	45.2	68.4	14.2	63.9	57.4	31.2	10.2
Shipley East	733	160	105	891	2911	667	137	2477	1788	337
	10.6	2.7	0.74	27.0	48.9	20.2	76.1	41.6	5.7	30.1
University	1866	938	417	2698	3603	310	152	2613	1936	182
	31.3	16.6	2.2	39.9	63.9	4.6	44.6	46.3	3.2	43.3
Liverpool:										
Arundel	1223	105	419	877	3469	387	57	3453	1584	405
	23.2	1.9	3.7	38.2	62.4	16.9	55.3	62.1	28.5	7.3
Old Swan	1176	161	274	1067	3190	269	93	1990	1780	371
	17.8	2.8	1.9	32.1	55.5	8.1	65.0	34.6	31.0	6.5
Speke	1288	151	28	1834	2899	131	92	3026	1679	511
	31.5	3.5	0.25	57.8	68.1	4.1	66.2	71.1	39.4	12.0
Newham:										
Ordnance	599	96	62	789	1527	861	41	1900	720	269
	28.4	4.4	1.2	55.7	69.2	60.8	69.5	86.1	32.6	12.2
Kensington	749	347	272	761	1241	336	49	855	699	103
	23.1	14.6	3.4	30.8	52.4	13.6	36.6	36.1	29.5	4.4
GB Average										
Count	236	46	54	217	692	121	33	699	515	79
%	8.3	1.8	1.3	15.4	27.8	9.1	48.4	31.2	24.1	3.1
GB Range										
Count	3205	1212	891	4429	7135	3437	774	7290	3561	1189
%	50.7	29.8	48.0	100.0	98.3	100.0	100.0	98.8	82.7	27.8

Table A5.1 Difference between observed and expected % of areas in the 'poorest' decile when ranking estimated mean earnings

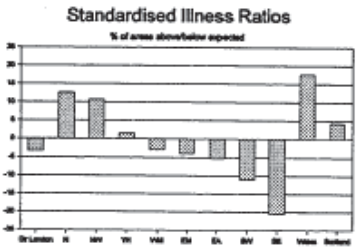
Region	Expected	Actual	Diff
Greater London	7.3	5.6	-1.7
North (N)	6.5	18.3	11.8
North West (NW)	8.0	15.2	7.2
Yorks (YH)	6.0	10.3	4.3
West Mids (WM)	7.9	6.1	-1.8
East Mids (EM)	8.8	8.3	-0.5
East Anglia (EA)	5.5	2.7	-2.8
South West (SW)	11.3	4.3	-7.0
South East (SE)	20.8	2.7	-18.1
Wales	8.6	12.0	3.4
Scotland	9.5	14.5	5.0



Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase; NES, Dept of Employment, 1991

Table A5.2 Difference between observed and expected % of areas in the 'poorest' decile when ranking standardised illness ratios

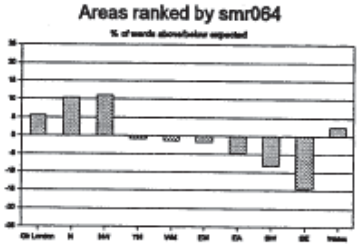
Region	Expect	Actual	Diff
Greater London	7.3	4.0	-3.3
North (N)	6.5	19.1	12.6
North West (NW)	8.0	18.7	10.7
Yorks (YH)	6.0	7.4	1.4
West Mids (WM)	7.9	5.0	-2.9
East Mids (EM)	8.8	4.9	-3.9
East Anglia (EA)	5.5	0.2	-5.3
South West (SW)	11.3	0.3	-11.0
South East (SE)	20.8	0.3	-20.5
Wales	8.6	26.3	17.7
Scotland	9.5	13.8	4.3



Source: The 1991 Census, Crown Copyright, ESRC/JISC purchase

Table A5.3 Difference between observed and expected % of areas in the top ('worst health') decile of wards in England & Wales ranked by SMR (0-64) by Region

Region	Expect	Actual	Diff
Greater London	7.9	13.5	5.6
North (N)	7.0	17.4	10.4
North West (NW)	8.9	20.0	11.1
Yorks (YH)	6.8	7.7	-0.9
West Mids (WM)	8.7	7.3	-1.4
East Mids (EM)	9.9	8.2	-1.7
East Anglia (EA)	6.3	1.6	-4.7
South West (SW)	12.1	3.9	-8.2
South East (SE)	23.3	8.7	-14.6
Wales	9.1	11.6	2.5



Source: The 1991 Census, ESRC/JISC purchase and OPCS Vital Statistics, 1989-92, Crown Copyright

Table A5.4 'Poorest' 100 wards and postcode sectors in Great Britain ranked according to estimated mean earnings per week

Rank								
Mean earn	Bread line	Scot dep	Doe91	Town send	County	District	Ward/Postcode	Mean Earnings (£'s)
1	18	45	302	25	Merseyside	Liverpool	Vauxhall	112
2	2	3	15	1	STRATHCLYDE	GLASGOW CITY	G22 5	114
3	14	34	132	12	STRATHCLYDE	GLASGOW CITY	G5 0	119
4	4	8	63	5	STRATHCLYDE	GLASGOW CITY	G21 2	120
5	67	56	207	82	Merseyside	Knowsley	Longview	121
6	13	35	345	23	Merseyside	Liverpool	Everton	124
7	27	37	682	32	Merseyside	Knowsley	Princess	125
9	50	68	891	84	Merseyside	Knowsley	Cantril Farm	126
9	15	28	4	18	LOTHIAN	EDINBURGH CITY	EH16 4 (PT)	126
9	64	89	1045	131	Cleveland	Langbaurgh-On-Tees	Grangetown	126
11	10	38	80	11	STRATHCLYDE	GLASGOW CITY	G15 8 (PT)	127
14	37	39	215	24	STRATHCLYDE	GLASGOW CITY	G31 5	128
14	5	9	19	2	STRATHCLYDE	GLASGOW CITY	G34 9	128
14	6	15	232	9	STRATHCLYDE	GLASGOW CITY	G40 3	128
14	85	164	843	107	Mid Glamorgan	Taff-Ely	Tlan	128
14	19	17	100	15	STRATHCLYDE	RENFREW	PA3 1	128
18	7	16	31	8	STRATHCLYDE	GLASGOW CITY	G15 7	130
18	12	13	59	6	STRATHCLYDE	GLASGOW CITY	G31 4	130
18	35	43	874	81	Cleveland	Middlesbrough	Thorntree	130
20	3	7	34	3	STRATHCLYDE	GLASGOW CITY	G45 0	131
20	82	90	350	125	Merseyside	Knowsley	Northwood	131
22	30	47	3	31	Merseyside	Liverpool	Granby	132
23	83	104	1136	179	Cleveland	Middlesbrough	Beechwood	133
23	62	41	979	104	Cleveland	Middlesbrough	Pallister	133
25	25	21	96	16	STRATHCLYDE	GLASGOW CITY	G20 9	136
25	97	112	830	160	West Glamorgan	Swansea	Townhill	136
27	119	203	713	199	Cleveland	Middlesbrough	St.Hilda's	137
27	47	46	566	119	Humberside	Great Grimsby	Victoria	137
31	112	131	753	171	Merseyside	Wirral	Bidston	138
31	140	133	477	163	Merseyside	Liverpool	Breckfield	138
31	11	19	39	10	STRATHCLYDE	GLASGOW CITY	G45 9	138
31	170	119	987	180	Cleveland	Hartlepool	Owton	138
31	317	118	453	539	Dyfed	South Pembrokeshire	Pembroke Monkton	138
34	38	108	694	85	Tyne And Wear	Newcastle upon Tyne	Walker	139
35	16	63	55	21	STRATHCLYDE	GLASGOW CITY	G33 3	140
35	17	25	274	17	STRATHCLYDE	GLASGOW CITY	G5 9	140
39	28	36	46	14	Inner London	Southwark	Liddle	141
39	291	418	710	437	Norfolk	King's Lynn & West	Lynn North	141
39	231	161	1220	250	Gwynedd	Arfon	Peblig	141
39	92	263	939	207	Tyne And Wear	Sunderland	Thorney Close	141
39	21	49	191	49	Tyne And Wear	Newcastle upon Tyne	West City	141
42	42	52	103	30	STRATHCLYDE	GLASGOW CITY	G53 6	142
45	51	125	800	97	Greater Manchester	Manchester	Benchill	143
45	88	180	187	109	TAYSIDE	DUNDEE CITY	DD4 8	143
45	177	88	362	196	Merseyside	Knowsley	Kirkby Central	143
45	252	204	1067	273	Cleveland	Middlesbrough	Park End	143
45	157	303	590	291	Cleveland	Stockton-on-Tees	Portrack And Tillery	143
48	324	167	1279	453	Humberside	Great Grimsby	Bradley	144
48	65	69	93	43	Leicestershire	Leicester	Wycliffe	144
51	9	11	30	7	STRATHCLYDE	GLASGOW CITY	G33 4	145

Table A5.4 (Cont.) 'Poorest' 100 wards and postcode sectors in Great Britain ranked according to estimated mean earnings per week

Rank								
Mean earn	Bread line	Scot dep	DoE91	Town send	County	District	Ward/Postcode	Mean Earnings (£'s)
51	197	246	977	283	West Glamorgan	Swansea	Penderry	145
51	117	135	909	182	Merseyside	Liverpool	Speke	145
54	158	154	333	162	Merseyside	Knowsley	Cherryfield	146
54	45	44	140	29	STRATHCLYDE	GLASGOW CITY	G33 5	146
54	221	224	684	379	Cleveland	Hartlepool	Stranton	146
60	253	228	377	352	Merseyside	Liverpool	Clubmoor	147
60	312	457	1571	594	Northumberland	Blyth Valley	Cowpen	147
60	136	247	1238	194	Durham	Easington	Deneside	147
60	24	71	118	28	Greater Manchester	Manchester	Hulme	147
60	248	182	981	300	Merseyside	Liverpool	Netherley	147
60	54	187	840	128	Humberside	Kingston Upon Hull	Noddle Hill	147
60	89	138	461	124	Leicestershire	Leicester	North Braunstone	147
60	203	174	583	191	Tyne And Wear	Newcastle upon Tyne	Scotswood	147
60	242	432	1123	349	Tyne And Wear	Sunderland	South Hylton	147
60	79	184	1328	149	Gwent	Newport	Tredegar Park	147
67	110	26	38	44	West Midlands	Birmingham	Aston	148
67	450	239	961	595	Durham	Darlington	Eastbourne South	148
67	8	33	1	13	STRATHCLYDE	GLASGOW CITY	G40 4	148
67	138	251	973	239	South Yorkshire	Sheffield	Manor	148
73	797	2	623	138	Lancashire	Blackburn	Brookhouse	149
73	29	76	121	37	STRATHCLYDE	GLASGOW CITY	G22 7	149
73	22	81	251	35	STRATHCLYDE	GLASGOW CITY	G31 1	149
73	36	72	107	27	STRATHCLYDE	GLASGOW CITY	G51 3	149
73	69	87	104	71	STRATHCLYDE	GLASGOW CITY	G53 5	149
73	103	102	315	88	STRATHCLYDE	INVERCLYDE	PA153	149
73	474	139	664	420	Cleveland	Middlesbrough	Southfield	149
79	353	241	525	403	Merseyside	Knowsley	Halewood South	150
79	66	149	824	122	Tyne And Wear	Newcastle upon Tyne	Monkchester	150
79	533	475	799	647	Merseyside	St. Helens	Parr and Hardshaw	150
79	70	122	1332	173	Durham	Durham	Pelaw	150
79	243	197	906	218	Cleveland	Langbaurgh-On-Tees	South Bank	150
84	286	433	1260	462	South Yorkshire	Barnsley	Athersley	151
84	639	611	1378	792	Durham	Derwentside	Craghead	151
84	224	235	448	310	Merseyside	Liverpool	Melrose	151
84	1169	1621	2202	1097	HIGHLAND	LOCHABER	PA404	151
84	1038	857	1859	928	Derbyshire	Bolsover	Scarcliffe North	151
84	167	297	403	301	South Yorkshire	Sheffield	Southey Green	151
90	339	256	1449	596	Cleveland	Middlesbrough	Berwick Hills	152
90	1277	854	1982	1500	Cleveland	Stockton-on-Tees	Grange	152
90	1380	806	2345	2125	Gwynedd	Ynys Mon-Isle of Ang	Holyhead Town	152
90	124	217	535	236	Merseyside	Sefton	Linacre	152
90	392	293	882	446	Derbyshire	Derby	Osmaston	152
90	192	333	1012	337	Tyne And Wear	Sunderland	Town End Farm	152
95	218	274	420	261	Tyne And Wear	Gateshead	Bensham	153
95	602	628	2169	941	Northumberland	Castle Morpeth	Chevington	153
95	130	300	1094	263	Lancashire	Blackburn	Higher Croft	153
95	104	130	317	152	Merseyside	Liverpool	Smithdown	153

There are 10,185 valid areas included in the analysis with 968 missing.Source: 1991 Census, GB, OPCS; NES (1991).

Table A5.5 'Poorest' 100 wards and postcode sectors in Great Britain ranked according to standardised illness ratios

Illness	Breadline	Rank Scotdep	Doe91	Townsend	County	District	Ward/ PostCodes	Illness Ratio
1	798	630	936	1021	Mid Glamorgan	Rhondda	Maerdy	243
2	428	606	1428	602	Durham	Easington	Eden Hill	237
3	708	848	1370	1099	West Glamorgan	Port Talbot	Cymmer	234
4	306	265	1447	479	Mid Glamorgan	Ogwr	Bettws	234
5	672	311	79	586	Mid Glamorgan	Rhondda	Tylorstown	232
6	74	315	1258	129	Clwyd	Wrexham Maelor	Plas Madoc	231
7	2422	2131	1912	2275	Mid Glamorgan	Rhymney Valley	Tir-Phil	230
8	893	382	1121	863	Mid Glamorgan	Rhymney Valley	Aberbargoed	229
9	208	546	1179	320	Mid Glamorgan	Cynon Valley	Pen-y-waun	226
10	1818	877	1733	1691	Mid Glamorgan	Rhondda	Llwyn-y-pia	223
11	173	338	1048	293	Mid Glamorgan	Merthyr Tydfil	Gurnos	222
12	890	820	1224	1086	South Yorkshire	Barnsley	Dearne Thurnscoe	221
13	1291	367	1336	1247	West Glamorgan	Port Talbot	Gwynfi	218
14	85	164	843	107	Mid Glamorgan	Taff-Ely	Ilan	218
15	2349	1845	2052	2698	Mid Glamorgan	Taff-Ely	Tonyrefail West	217
16	8	33	1	13	STRATHCLYDE	GLASGOW CITY	G40 4	216
17	1226	585	1807	1245	Durham	Easington	Horden South	215
18	1318	554	1314	1227	Mid Glamorgan	Rhymney Valley	New Tredegar	214
19	7	16	31	8	STRATHCLYDE	GLASGOW CITY	G15 7	213
20	10	38	80	11	STRATHCLYDE	GLASGOW CITY	G15 8 (PT)	212
21	1300	1275	1424	1309	West Glamorgan	Port Talbot	Glyncorrwg	210
22	861	796	1718	1469	West Glamorgan	Port Talbot	Sandfields West	210
23	6	15	232	9	STRATHCLYDE	GLASGOW CITY	G40 3	210
24	820	1110	1592	1382	Durham	Easington	Shotton	210
25	1268	726	651	1034	Mid Glamorgan	Ogwr	Caerau	210
26	9	11	30	7	STRATHCLYDE	GLASGOW CITY	G33 4	209
27	2474	1420	2255	2019	Mid Glamorgan	Rhymney Valley	Hengoed	209
28	1013	1326	1870	1435	Durham	Easington	Horden North	209
29	1954	1268	1465	2474	Mid Glamorgan	Rhondda	Ynyshir	208
30	1679	1171	1014	1864	Mid Glamorgan	Rhondda	Treherbert	208
31	2	3	15	1	STRATHCLYDE	GLASGOW CITY	G22 5	205
32	1769	1352	1710	1898	Mid Glamorgan	Rhymney Valley	Bargoed	205
33	48	22	70	20	STRATHCLYDE	GLASGOW CITY	G34 0	204
34	1259	734	1348	1405	Mid Glamorgan	Taff-Ely	Gilfach Goch	204
35	2757	658	1193	2296	Mid Glamorgan	Rhondda	Cwm Clydach	203
36	2842	1989	1683	2930	Mid Glamorgan	Rhondda	Trealaw	203
37	3	7	34	3	STRATHCLYDE	GLASGOW CITY	G45 0	203
38	5	9	19	2	STRATHCLYDE	GLASGOW CITY	G34 9	202
39	1519	755	1595	1814	Mid Glamorgan	Rhymney Valley	Abertysswg	202
40	454	508	1389	681	Gwent	Torfaen	Trevethin	202
41	1074	888	1906	1507	Mid Glamorgan	Merthyr Tydfil	Penydarren	201
42	2962	2221	2235	2594	Mid Glamorgan	Rhymney Valley	St.Cattwg	200
43	2978	1542	2057	3221	Mid Glamorgan	Ogwr	Blaengarw	200
44	774	699	1000	1185	Mid Glamorgan	Rhymney Valley	Pontlottyn	199
45	2447	2028	1659	2695	Mid Glamorgan	Rhondda	Pen-y-graig	198
46	553	1191	1904	1003	Durham	Easington	Wheatley Hill	198
47	2976	2405	3177	3161	Gwent	Islwyn	Pengam	197
48	995	801	1375	1094	Mid Glamorgan	Ogwr	Blackmill	197
49	533	343	1395	922	Mid Glamorgan	Rhymney Valley	Twyn Carno	197
50	64	89	1045	131	Cleveland	Langbaurgh-On-Tees	Grangetown	196

Table A5.5 (Cont.) 'Poorest' 100 wards and postcode sectors in Great Britain according to standardised illness ratios

Illness	Breadline	Rank Scotdep	Doe91	Townsend	County	District	Ward/ Postcodes	Illnes Ratio
51	950	1498	2355	1364	Durham	Easington	Dene House	196
52	4116	4030	2964	4365	Mid Glamorgan	Rhondda	Tonypandy	196
53	1452	599	1580	1415	Mid Glamorgan	Rhymney Valley	Darran Valley	195
54	68	70	209	55	STRATHCLYDE	GLASGOW CITY	G40 2	194
55	1649	1205	2130	1850	South Yorkshire	Barnsley	Dearne South	194
56	571	280	1040	451	Mid Glamorgan	Taff-Ely	Glyncoch	193
57	1188	780	1987	1166	Gwent	Torfaen	StCadocs&Penygarn	193
58	2319	1577	2152	2131	Mid Glamorgan	Taff-Ely	Tonyrefail East	193
59	12	13	59	6	STRATHCLYDE	GLASGOW CITY	G31 4	191
60	1355	2365	2667	2034	Durham	Easington	Haswell	190
61	442	374	548	406	STRATHCLYDE	MOTHERWELL	ML2 9 (PT)	190
62	3386	1864	1722	3114	Mid Glamorgan	Rhondda	Ferndale	190
63	920	1677	2549	1593	Durham	Easington	Acre Rigg	190
64	136	247	1238	194	Durham	Easington	Deneside	190
65	107	231	847	178	South Yorkshire	Rotherham	Herringthorpe	190
66	24	71	118	28	Greater Manchester	Manchester	Hulme	189
67	1570	768	1558	1902	West Glamorgan	Neath	Onllwyn	189
68	1465	2425	3020	1968	Durham	Easington	Howletch	189
69	17	25	274	17	STRATHCLYDE	GLASGOW CITY	G5 9	188
70	228	352	889	242	STRATHCLYDE	MONKLANDS	ML7 4 (PT)	188
71	2825	1910	1637	2908	Mid Glamorgan	Rhondda	Ystrad	187
72	639	611	1378	792	Durham	Derwentside	Craghead	187
73	2062	1450	1470	1756	Gwent	Islwyn	Argoed	187
74	1409	655	1774	1666	Mid Glamorgan	Ogwr	Llangeinor	187
75	14	34	132	12	STRATHCLYDE	GLASGOW CITY	G5 0	187
76	904	929	1879	1477	Gwent	Blaenau Gwent	Tred'Central & W	187
77	197	246	977	283	West Glamorgan	Swansea	Penderry	187
78	34	53	238	26	STRATHCLYDE	GLASGOW CITY	G20 7	187
79	3592	2934	1954	3777	Mid Glamorgan	Rhondda	Pentre	186
80	119	203	713	199	Cleveland	Middlesbrough	St.Hilda's	186
81	1616	908	1304	1714	Mid Glamorgan	Merthyr Tydfil	Merthyr Vale	186
82	1189	1217	1667	1066	West Glamorgan	Lliw Valley	Graigfelen	185
83	3301	2281	2621	3464	West Glamorgan	Lliw Valley	Lower Brynamman	185
84	22	81	291	35	STRATHCLYDE	GLASGOW CITY	G31 1	185
85	15	28	4	18	LOTHIAN	EDINBURGH CITY	EH164 (PT)	184
86	1907	1733	1271	1984	Mid Glamorgan	Rhondda	Cymmer	184
87	16	63	55	21	STRATHCLYDE	GLASGOW CITY	G33 3	184
88	2275	965	1257	2147	Mid Glamorgan	Cynon Valley	Aberaman South	184
89	42	52	103	30	STRATHCLYDE	GLASGOW CITY	G53 6	184
90	1530	1576	2373	2248	Gwent	Blaenau Gwent	Sirhowy	184
91	243	197	906	218	Cleveland	Langbaurgh-On-Tee	South Bank	184
92	19	17	100	15	STRATHCLYDE	RENFREW	PA3 1	183
93	11	19	39	10	STRATHCLYDE	GLASGOW CITY	G45 9	182
94	2509	3593	3516	3367	Durham	Sedgefield	New Trim & T Gen	182
95	342	426	1222	435	Durham	Wear Valley	Woodhouse Close	182
96	2674	1320	1833	2664	Gwent	Blaenau Gwent	Cwm	181
97	258	394	696	269	FIFE	DUNFERMLINE	KY5 8	181
98	82	90	350	125	Merseyside	Knowsley	Northwood	181
99	832	20	834	229	Lancashire	Burnley	Calder	181
100	181	111	964	101	STRATHCLYDE	MOTHERWELL	G71 5	181

Source: 1991 Census, GB, OPCS

A note about validation using SMR's and estimated populations

In order to properly validate the results of our tested indexes we constructed SMR's with populations based on estimates provided by Manchester Computing at the University of Manchester. To be certain that our SMR's (using estimated populations) were reasonably accurate, we decided to compare results with previous attempts at ranking wards according to SMR's using the population census as a population base. Hence, Table A5.6 contains SMR's (0-64) for three districts in the North of England (Durham, Easington and Middlesbrough). The three districts were chosen as a means of comparing two methods of measurement:

i) SMR's calculated for aggregated deaths between 1989-92 at ward level in England and Wales, using estimated populations at ward level following the results of the Estimating with Confidence project (Rachael Tye and Steve Simpson at the University of Manchester) directed by Professor Ian Diamond at the University of Southampton (1).

ii) SMR's reproduced from Phillimore and Beattie (Health and Inequality in the Northern Region, 1981-91, 1994) with unadjusted population counts (2).

Findings

Although there is some variation, overall the relative position of the wards does not change substantially when using either method (adjusted populations following estimation with confidence and non-adjusted populations) to rank wards according to the value of SMR's. For example, the three wards with SMR's in excess of 200 using Phillimore and Beattie's method (Phillimore and Beattie, 1994), (ie: Deneside, Southfield and St. Hilda's) all had SMR's above 200 when calculating SMR's from the estimated populations provided by Tye and Simpson (Tye, 1995). Similarly, only 3 wards with SMR's below 100 using the unadjusted population have SMR's in excess of 100 when accounting for the under estimated populations at the time of the 1991 census. Where there is variation it should be noted that the SMR's adjusting for the under count are based on 4 years mortality data (1989-92) compared with three years (1989-91) for the unadjusted data. Some of the variation can, therefore, be accounted for by differences in the actual number of deaths included in the calculation.

Calculating SMR's

SMR's (0-64) based on the number of deaths in wards between 1989-92 were calculated according to Marsh (1988, p.270) as follows:

$$\text{SMR} = \frac{\text{Observed number of deaths } \sum d_a}{\text{Expected number of deaths } \sum n_a M_a}$$

Notes:

(1) The Estimating with Confidence project has developed a plausible and accepted model of local differentials of census coverage and thus has produced small area population estimates for mid-1991. The work has been undertaken through research, modelling and extensive consultation with central government, academics and a group of local government staff concerned with making and using population figures. The resulting census-enhanced 'gold standard' population estimates have been accepted by the government population offices (OPCS) for their own use, and will be used as a basis for updating local population estimates through the 1990s. The project was a response to the undercount (the 'missing millions') in the census which particularly affects urban areas and men between the ages of 18-35. SMR's calculated without taking into account this undercount in urban areas may be over sensitive to urban poverty.

(2) In both cases wards have been ranked according to their SMR value within the 645 wards of the Northern region of England. In Phillimore and Beattie's (1994) analysis of health in the North of England, 678 wards were included in the analysis, however, due to missing values for some of the calculations at ward level, 33 wards had to be dropped from the analysis. The ranking of wards on SMR's for 1989-91 have been adjusted to reflect these missing wards from the 1989-92 dataset, hence the ranking positions for the two years are comparable.

Table A5.6 SMR's (0-64) for selected northern wards ranked according to EWCPOP showing comparison with Phillimore and Beattie (1994)

Rank 89-92	Rank 89-91	District Name	Ward Name	(1989-92) SMR	(1989-92) Actuals	(1989-91) SMR	(1989-91) Actuals
3	2	Middlesbrough	St.Hilda's	213	92	222	70
4	5	Easington	Deneside	212	89	213	69
7	4	Middlesbrough	Southfield	206	62	215	49
11	25	Middlesbrough	Thorntree	196	119	177	84
13	30	Middlesbrough	Pallister	193	85	174	57
15	44	Easington	Thornley	189	50	168	35
16	10	Durham	Bearpark	189	30	197	24
17	136	Easington	Hutton Henry	185	29	142	17
21	43	Middlesbrough	Beckfield	178	91	168	68
29	19	Middlesbrough	Grove Hill	173	74	182	58
32	75	Middlesbrough	Beechwood	173	67	155	46
37	41	Middlesbrough	Ayresome	172	90	169	68
44	21	Middlesbrough	Westbourne	170	63	179	47
46	32	Middlesbrough	North Ormesby	169	73	173	53
51	52	Easington	South	168	19	165	16
53	56	Durham	Shadforth	167	22	164	17
56	66	Middlesbrough	Park End	164	87	160	70
57	14	Durham	New Brancepeth	164	18	189	17
58	68	Middlesbrough	Berwick Hills	164	63	159	52
67	101	Easington	Shotton	162	61	149	44
79	70	Easington	Deaf Hill	155	18	157	14
90	76	Easington	Wingate	152	47	155	37
93	225	Easington	High Colliery	151	21	124	14
96	109	Easington	Haswell	148	24	148	18
105	159	Middlesbrough	Easterside	147	68	135	47
108	46	Middlesbrough	Hemlington	147	48	167	44
111	157	Easington	Horden North	146	67	135	46
123	289	Durham	Witton Gilbert	144	36	115	20
125	134	Easington	Seaham	142	56	142	43
145	220	Durham	Brandon	140	65	125	47
148	103	Middlesbrough	Gresham	139	51	149	41
169	296	Middlesbrough	Stainton and Thornton	136	52	114	33
179	94	Durham	Pelaw	134	27	151	24
193	185	Durham	Framwellgate Moor	131	43	131	32
196	377	Durham	Elvet	131	26	103	15
201	122	Easington	Horden South	130	43	144	37
208	209	Easington	Dawdon	129	63	127	46
211	233	Easington	Blackhalls	128	70	123	52
215	186	Durham	Ushaw Moor	127	44	130	34
219	311	Easington	South Hetton	126	29	112	20
228	276	Easington	Easington Colliery	125	68	117	47
235	184	Easington	Murton West	124	39	131	31
253	135	Middlesbrough	Linthorpe	122	46	142	41

Table A5.6 (Cont.) SMR's (0-64) for selected northern wards ranked according to EWCPOP showing comparison with Phillimore and Beattie (1994)

Rank 89-92	Rank 89-91	District Name	Ward Name	(1989-92) SMR	(1989-92) Actuals	(1989-91) SMR	(1989-91) Actuals
258	380	Easington	Easington Village	121	27	102	17
261	260	Easington	Eden Hill	121	60	119	44
262	189	Easington	Dene House	121	48	132	40
267	181	Easington	Acre Rigg	120	40	131	35
284	274	Easington	Murton East	118	77	117	57
287	206	Easington	Wheatley Hill	118	37	128	31
294	422	Easington	Park	117	26	96	16
351	258	Durham	Cassop-cum-Quarrington	109	44	119	36
355	405	Middlesbrough	Park	108	43	108	29
381	481	Durham	Deerness	105	33	88	21
395	347	Middlesbrough	Brookfield	103	58	107	46
397	416	Durham	Coxhoe	103	43	96	31
452	511	Middlesbrough	Newham	91	92	92	65
457	471	Durham	Langley Moor and Meadowfield	91	23	90	17
463	534	Durham	Gilesgate	90	32	81	23
468	506	Middlesbrough	Kader	89	55	89	41
473	509	Easington	Passfield	89	35	84	25
480	563	Durham	Sherburn	88	24	75	16
494	452	Durham	Framwelgate	86	37	93	30
515	514	Middlesbrough	Acklam	83	42	84	32
518	487	Durham	Carrville	82	25	88	21
525	382	Durham	Newton Hall	81	35	102	33
537	568	Easington	Howletch	79	26	74	18
552	564	Middlesbrough	Nunthorpe	76	39	75	39
560	620	Durham	Croxdale	75	9	56	5
569	546	Durham	Pittington and West Rainton	74	27	78	20
583	577	Durham	Neville's Cross	70	27	72	21
607	556	Durham	Shincliffe	65	10	77	9
614	612	Durham	Belmont	64	22	61	15
617	612	Middlesbrough	Marton	63	27	61	19
621	624	Middlesbrough	Kirby	58	28	54	19
633	623	Durham	Gilesgate Moor	52	15	55	12
452	511	Middlesbrough	Newham	91	92	92	65
457	471	Durham	Langley Moor and Meadowfield	91	23	90	17
463	534	Durham	Gilesgate	90	32	81	23
468	506	Middlesbrough	Kader	89	55	89	41
473	509	Easington	Passfield	89	35	84	25
480	563	Durham	Sherburn	88	24	75	16
494	452	Durham	Framwelgate	86	37	93	30
515	514	Middlesbrough	Acklam	83	42	84	32
518	487	Durham	Carrville	82	25	88	21
525	382	Durham	Newton Hall	81	35	102	33
537	568	Easington	Howletch	79	26	74	18
552	564	Middlesbrough	Nunthorpe	76	39	75	39
560	620	Durham	Croxdale	75	9	56	5
569	546	Durham	Pittington and West Rainton	74	27	78	20
583	577	Durham	Neville's Cross	70	27	72	21
607	556	Durham	Shincliffe	65	10	77	9
614	612	Durham	Belmont	64	22	61	15
617	612	Middlesbrough	Marton	63	27	61	19
621	624	Middlesbrough	Kirby	58	28	54	19
633	623	Durham	Gilesgate Moor	52	15	55	12

Table A5.7 'Poorest' 100wards in England & Wales ranked according to standardised mortality rates (SMR's, 0-64)

SMR	Rank Bread	Rank Scotdep	Rank DoE91	Rank Townsend	County	District	Ward	SMR	Actual Deaths
1	1772	392	1226	1929	Cleveland	Langbaurgh-On-Tees	Skinningrove	789.97	108
2	54	432	351	132	Outer London	Greenwich	Nightingale	386.72	101
3	27	51	808	131	Cleveland	Langbaurgh-On-Tees	Grangetown	276.77	75
4	3039	1371	1400	1750	Outer London	Merton	Graveney	269.87	115
5	748	1052	767	1243	Cheshire	Warrington	Howley	259.91	94
6	24	99	39	166	Greater Manchester	Salford	Pendleton	248.82	217
7	5	39	93	28	Greater Manchester	Manchester	Hulme	237.78	142
8	16	22	434	119	Humberside	Great Grimsby	Victoria	235.35	85
9	2	15	269	23	Merseyside	Liverpool	Everton	232.47	126
10	6	41	432	61	Greater Manchester	Manchester	Central	227.49	193
11	14	90	116	113	Greater Manchester	Salford	Blackfriars	221.14	143
12	1708	1861	528	1510	Inner London	Wandsworth	Fairfield	219.99	113
13	77	221	851	263	Lancashire	Blackburn	Higher Croft	215.23	85
14	816	96	608	525	Lancashire	Burnley	Daneshouse	214.56	80
15	69	136	544	199	Cleveland	Middlesbrough	St.Hilda's	213.31	92
16	82	175	975	194	Durham	Easington	Deneside	212.22	89
17	4681	3358	3200	4501	Lancashire	Burnley	Hapton	211.58	48
18	5891	4704	3527	6127	Kent	Tonbridge and Malling	Burham&Wouldham	211.42	38
19	6563	7996	7257	9069	Lancashire	Ribble Valley	Whalley	210.91	72
20	112	77	829	281	Cumbria	Copeland	Sandwith	208.06	51
21	1185	2479	2186	2194	Gwynedd	Arfon	Hirael	206.94	23
22	13	64	527	85	Tyne And Wear	Newcastle upon Tyne	Walker	206.37	159
23	8918	8727	8135	9908	Cheshire	Warrington	Winwick	206.18	57
24	3	21	234	25	Merseyside	Liverpool	Vauxhall	206.12	132
25	11	48	205	39	Greater Manchester	Manchester	Ardwick	205.80	164
26	346	87	505	420	Cleveland	Middlesbrough	Southfield	205.67	62
27	98	224	450	291	Cleveland	Stockton-on-Tees	Portrack &Tillery	205.24	98
28	478	1605	1323	745	Inner London	Westminster,City of	Victoria	204.41	92
29	266	312	1423	815	Cumbria	Allerdale	Ewanrigg	202.70	51
30	4117	3614	2850	4697	Surrey	Tandridge	Westway	202.57	65
31	2907	2630	3167	3672	Cambridgeshire	Huntingdonshire	Parcet	202.45	22
32	3691	4660	5180	5380	Hampshire	East Hampshire	East Meon and Lan	201.85	24
33	4	25	152	49	Tyne And Wear	Newcastle upon Tyne	West City	201.43	132
34	55	120	87	98	Inner London	Southwark	Consort	199.85	104
35	452	124	1134	600	Humberside	Great Grimsby	Nunsthorpe	199.47	56
36	1146	3153	2656	2083	Powys	Montgomeryshire	Newtown East	199.25	32
37	318	134	276	299	Greater Manchester	Rochdale	Central &Falinge	198.98	177
38	423	244	546	386	Lancashire	Blackburn	Green Bank	198.69	97
39	1261	1373	1516	2006	Staffordshire	Stafford	Common	197.88	46
40	189	213	638	398	Greater Manchester	Salford	Broughton	197.10	158
41	96	186	25	112	Inner London	Lambeth	Vassall	197.08	201
42	210	132	522	266	Derbyshire	Derby	Litchurch	196.58	149
43	3019	1695	2231	2696	Gwynedd	Dwyfor	Llanaelhaearn	196.12	15
44	12	20	670	81	Cleveland	Middlesbrough	Thorntree	196.01	119
45	510	362	336	535	Cleveland	Stockton-on-Tees	Parkfield	195.64	95
46	167	372	299	367	Greater Manchester	Stockport	Brinnington	195.55	170
47	463	69	515	345	West Yorkshire	Calderdale	St.John's	194.88	165
48	182	214	218	342	Humberside	Kingston Upon Hull	St.Andrews	194.62	170
49	1325	1562	1955	2780	Gwent	Torfaen	Snatchwood	194.12	34
50	44	85	195	70	Merseyside	Liverpool	Abercromby	193.20	136
51	25	19	754	104	Cleveland	Middlesbrough	Pallister	192.96	85

Table A5.7 (Cont..) 'Poorest' 100 wards in England & Wales ranked according to standardised mortality rates (SMR's, 0-64)

Rank									
SMR	Bread	Scotdep	DoE91	Townsend	County	District	Ward	SMR	Actual Deaths
52	1947	825	1211	1872	Durham	Darlington	Northgate South	192.93	50
53	1957	1320	624	1616	West Sussex	Arun	Littlehampton Rver	192.16	37
54	683	642	162	872	Lancashire	Blackpool	Claremont	191.88	118
55	9	23	2	31	Merseyside	Liverpool	Granby	191.29	202
56	392	465	431	560	Kent	Thanet	Pier	191.07	38
57	97	219	635	222	Greater Manchester	Rochdale	Middleton West	190.94	117
58	7640	8290	8244	8928	Cheshire	Warrington	Lymm	190.34	47
59	340	572	1043	635	Cheshire	Warrington	Bewsey	189.43	76
60	19	140	159	110	Outer London	Greenwich	St. Mary's	189.06	83
61	138	424	923	320	Mid Glamorgan	Cynon Valley	Pen-y-waun	189.04	52
62	490	543	42	341	Outer London	Brent	Kilburn	188.68	112
63	429	725	1800	1136	Durham	Easington	Thornley	188.63	50
64	474	1048	1814	1612	Durham	Durham	Bearpark	188.51	30
65	356	648	818	788	Humberside	Scunthorpe	Brumby West	188.12	75
66	87	210	9	169	West Yorkshire	Leeds	University	187.22	243
67	113	93	22	78	Inner London	Hammersmith and Fulham	White City & Shep	186.27	136
68	1401	2462	2313	2205	Derbyshire	Amber Valley	Alfreton West	186.10	80
69	540	951	350	689	East Sussex	Brighton	Queen's Park	186.06	109
70	164	33	235	146	Greater Manchester	Bolton	Central	186.05	155
71	280	54	689	187	Greater Manchester	Bolton	Derby	185.99	174
72	5854	7482	8462	8524	Hampshire	Basingstoke and Deane	North Waltham	185.33	37
73	2050	2640	2699	2950	Durham	Easington	Hutton Henry	185.28	29
74	4851	7840	7431	6957	Northumberland	Castle Morpeth	Stannington	184.85	25
75	530	526	190	653	South Glamorgan	Cardiff	Adamsdown	184.77	103
76	1620	5212	2168	2888	Powys	Radnor	Llandrindod West	184.09	9
77	95	183	108	120	Inner London	Southwark	Brunswick	183.95	138
78	588	396	875	1103	Lancashire	Burnley	Barclay	183.88	73
79	141	220	557	356	Greater Manchester	Manchester	Bradford	183.30	164
80	380	300	31	374	Hampshire	Southampton	Bargate	183.29	165
81	693	852	1391	1317	Northamptonshire	Corby	Central	183.29	86
82	469	1273	327	666	Inner London	Islington	Quadrant	183.16	95
83	67	84	696	182	Merseyside	Liverpool	Speke	183.08	158
84	1840	1434	666	1970	Avon	Woodspring	Weston-S-Mare Ell	182.80	100
85	363	959	879	986	Norfolk	Great Yarmouth	Magdalen West	182.79	73
86	34	240	569	295	Tyne And Wear	Newcastle upon Tyne	Byker	182.46	134
87	119	65	246	143	Greater Manchester	Manchester	Cheetham	182.15	201
88	154	31	107	69	Inner London	Tower Hamlets	Blackwall	181.84	69
89	954	1347	2220	1870	Northamptonshire	Corby	East	181.48	42
90	225	323	73	235	Inner London	Lambeth	Oval	181.07	149
91	1341	862	1200	1765	Humberside	Cleethorpes	Cleethorpes Alex	180.94	65
92	647	932	1442	857	Derbyshire	Bolsover	Shirebrook East	180.94	19
93	39	52	274	125	Merseyside	Knowsley	Northwood	180.49	96
94	445	1184	1053	1141	Derbyshire	Chesterfield	Middlecroft	180.32	53
95	2424	2863	2717	2544	Kent	Maidstone	Shepway West	180.16	95
96	1197	1099	729	1340	Essex	Thurrock	Belhus	179.99	101
97	3017	3145	2975	3559	Nottinghamshire	Broxtowe	Eastwood North	179.87	36
98	94	449	214	151	Inner London	Camden	Holborn	179.75	84
99	63	81	577	171	Merseyside	Wirral	Bidston	179.69	177
100	2308	2761	2262	3087	Powys	Brecknock	Cwm-twrch	179.62	31

Source: 1991 Population Census, Small Area Statistics; Vital Statistics, (1989-92) (OPCS).
A total of 9,179 wards were included in the analysis (303 wards with missing values were dropped). (Most Deprived/Worst Health = 1; Least Deprived/Best Health = 9,179)

Table A6.1 The poorest 250 areas in Great Britain by region

	Gtr London	South East	North	North West	York Humb	West Mids	East Mids	East Ang	South West	Wales	Scot land
Bread_C	57	1	23	54	29	18	5	0	2	3	58
Bradford	72	5	8	61	20	18	5	0	2	11	48
Breadline	67	1	37	36	11	4	6	0	3	10	75
Doe81	161	5	5	27	8	17	11	2	2	4	8
Doe91	153	7	1	11	5	7	2	1	4	4	55
Jarman	100	6	15	43	14	15	13	1	2	6	35
Matdep	49	8	8	52	21	13	1	2	10	5	81
Oxford	104	0	16	35	7	11	7	0	3	10	57
Scotind	57	3	24	50	14	13	7	1	1	8	72
Socdep	16	2	48	65	13	5	6	0	1	33	61
Townsend	92	1	19	31	9	7	4	1	2	7	77

Table A6.2 'Poorest' 250 areas using Bread_C showing ranking for *meanearn*, *illness* and *smr064*

Rank Bread_C	District name	Ward name	Rank Smr064	Rank Illratio	Rank Meanearn	Rank Breadline
1	Birmingham	Aston	283	473	67	110
2	Birmingham	Sparkbrook	150	279	123	166
3	GLASGOW CITY	G45 9	.	93	31	11
4	GLASGOW CITY	G15 7	.	19	18	7
5	Kingston Upon Hull	Noddle Hill	540	438	60	54
6	Liverpool	Granby	55	138	22	30
7	GLASGOW CITY	G33 4	.	26	51	9
8	GLASGOW CITY	G33 3	.	87	35	16
9	Birmingham	Nechells	476	623	244	214
10	Southwark	Liddle	1125	799	39	28
11	Birmingham	Ladywood	410	1319	880	256
12	GLASGOW CITY	G22 5	.	31	2	2
13	Sheffield	Park	483	725	123	98
14	Manchester	Benchill	210	135	45	51
15	Leeds	University	66	874	1304	141
16	Portsmouth	Charles Dickens	397	749	791	56
17	DUNDEE CITY	DD2 3	.	699	144	43
18	GLASGOW CITY	G34 9	.	38	14	5
19	GLASGOW CITY	G45 0	.	37	20	3
20	GLASGOW CITY	G21 3	.	346	172	49
21	Kingston Upon Hull	Orchard Park	741	490	123	133
22	Manchester	Central	10	105	157	26
23	GLASGOW CITY	G22 7	.	143	73	29
24	EDINBURGH CITY	EH164 (PT)	.	85	9	15
25	DUNDEE CITY	DD4 8	.	472	45	88
26	Leicester	Wycliffe	129	336	48	65
27	Sheffield	Southey Green	917	378	84	167
28	Manchester	Ardwick	25	198	218	32
29	GLASGOW CITY	G53 5	.	171	73	69
30	GLASGOW CITY	G21 2	.	106	4	4
31	Wirral	Bidston	99	110	31	112
32	Leeds	Seacroft	701	807	369	265
33	Manchester	Moss Side	272	228	144	127
34	Lambeth	Vassall	41	1252	1611	154
35	Liverpool	Breckfield	628	494	31	140
36	Liverpool	Vauxhall	24	224	1	18
37	Newcastle upon Tyne	West City	33	177	39	21
38	Middlesbrough	Thorntree	44	114	18	35
39	GLASGOW CITY	G5 0	.	75	3	14
40	Birmingham	Soho	314	821	369	514
41	Newcastle upon Tyne	Walker	22	377	34	38
42	Southwark	Faraday	529	1820	589	109
43	Manchester	Hulme	7	66	60	24
44	Sunderland	Thorney Close	562	204	39	92
45	EDINBURGH CITY	EH4 4	.	220	101	80
46	GLASGOW CITY	G53 6	.	89	42	42
47	Knowsley	Princess	510	108	7	27
48	MONKLANDS	ML5 5	.	229	272	155
49	GLASGOW CITY	G51 2	.	156	134	33
50	Salford	Pendleton	6	312	194	61

Table A6.2 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking for *meanearn*, *illness* and *smr064*

Rank Bread_C	District name	Ward name	Rank Smr064	Rank Illratio	Rank Meanearn	Rank Breadline
51	Leeds	Burmantofts	405	822	692	307
52	Manchester	Cheetham	87	249	123	183
53	Liverpool	Smithdown	121	287	95	104
54	INVERCLYDE	PA146 (PT)	.	217	101	75
55	Liverpool	Melrose	463	470	84	224
56	Sheffield	Manor	262	555	67	138
57	Lambeth	Angell	391	1038	589	94
58	Liverpool	Speke	83	232	51	117
59	Sefton	Linacre	104	225	90	124
60	GLASGOW CITY	G15 8 (PT)	.	20	11	10
61	Sheffield	Castle	1410	733	144	188
62	Liverpool	Everton	9	199	6	13
63	Liverpool	Clubmoor	737	503	60	253
64	GLASGOW CITY	G31 4	.	59	18	12
65	Leeds	Richmond Hill	447	1079	475	390
66	Kingston Upon Hull	Marfleet	1642	756	101	139
67	Swansea	Townhill	874	102	25	97
68	Bradford	Little Horton	168	598	218	289
69	Manchester	Harpurhey	130	290	233	144
70	Newcastle upon Tyne	Monkchester	190	540	79	66
71	GLASGOW CITY	G21 4	.	305	144	40
72	Manchester	Beswick and Clayton	315	458	185	149
73	Birmingham	Kingsbury	621	960	552	385
74	Rotherham	Herringthorpe	208	65	113	107
75	Kingston Upon Hull	Myton	239	625	369	120
76	Birmingham	Handsworth	1403	885	203	567
77	Salford	Blackfriars	11	276	272	39
78	Tower Hamlets	St.Dunstan's	.	1230	839	108
79	Newcastle upon Tyne	Byker	86	881	144	76
80	Liverpool	Pirrie	319	427	113	239
81	Leeds	City and Holbeck	164	1162	982	439
82	Tower Hamlets	Spitalfields	1405	536	185	63
83	Lewisham	Evelyn	1021	1380	401	105
84	Southwark	Browning	263	1484	654	84
85	Swansea	Penderry	1298	77	51	197
86	Tower Hamlets	Bromley	234	1371	1094	106
87	GLASGOW CITY	G21 1 (PT)	.	315	144	41
88	Lambeth	Bishop's	300	2360	1386	99
89	GLASGOW CITY	G46 8 (PT)	.	246	293	114
90	Hackney	Queensbridge	137	515	513	137
91	Hackney	Eastdown	352	344	926	95
92	GLASGOW CITY	G34 0	.	33	123	48
93	Leicester	North Braunstone	231	815	60	89
94	Bristol	Lawrence Hill	236	1213	513	207
95	GLASGOW CITY	G22 6	.	269	244	53
96	Manchester	Longsight	282	353	172	305
97	North Tyneside	Riverside	174	328	185	116
98	Kensington and Chelsea	Golborne	616	668	401	72
99	Liverpool	Abercromby	50	160	203	87
100	RENFREW	PA3 1	.	92	14	19

Table A6.2 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking for *meanearn*, *illness* and *smr064*

Rank Bread_C	District name	Ward name	Rank Smr064	Rank Illratio	Rank Meanearn	Rank Breadline
101	Southwark	Brunswick	77	1354	791	151
102	Bradford	University	266	307	218	479
103	Sheffield	Netherthorpe	324	763	2390	293
104	Manchester	Bradford	79	402	272	211
105	Birmingham	Kingstanding	386	1256	737	774
106	Sheffield	Firth Park	582	664	401	411
107	GLASGOW CITY	G33 5	.	150	54	45
108	Liverpool	Kensington	349	449	244	345
109	GLASGOW CITY	G32 6	.	240	172	91
110	Salford	Little Hulton	136	196	435	226
111	Wirral	Birkenhead	192	252	218	346
112	Westminster,City of	Church Street	290	1620	1094	164
113	Lambeth	Larkhall	660	1329	5172	273
114	Liverpool	Dovecot	514	327	101	292
115	Southwark	Friary	1668	854	475	113
116	GLASGOW CITY	G42 0	.	476	233	44
117	GLASGOW CITY	G51 4	.	677	475	129
118	Manchester	Woodhouse Park	317	507	401	223
119	Southwark	Chaucer	140	2148	2277	147
120	Sheffield	Burngreave	999	681	134	348
121	Nottingham	Manvers	120	837	134	187
122	Southwark	Newington	457	1578	3218	215
123	Hackney	New River	1027	1274	1859	185
124	Brent	St. Raphael's	776	793	233	202
125	Plymouth	St.Peter	.	1023	552	220
126	Camden	Somers Town	480	846	737	46
127	Hammersmith and Fulham	White City and Shepherds	67	1033	1094	175
128	ABERDEEN CITY	AB2 7	.	1011	880	241
129	Birmingham	Small Heath	1378	938	203	921
130	DUNDEE CITY	DD4 9	.	1338	293	279
131	Tower Hamlets	Weavers	633	2449	791	178
132	DUNDEE CITY	DD2 4	.	1121	475	299
133	Leeds	Hunslet	893	976	1094	377
134	Westminster,City of	Queen's Park	1022	825	737	191
135	Gateshead	Felling	420	443	144	145
136	Greenwich	St. Mary's	60	551	435	52
137	Hackney	Kings Park	980	564	194	59
138	Lambeth	Stockwell	892	2739	1386	212
139	Knowsley	Longview	183	140	5	67
140	Gateshead	High Fell	872	314	185	131
141	Birmingham	Shard End	687	1390	791	741
142	Bolton	Central	70	233	343	237
143	Lewisham	Marlowe	1481	1389	369	195
144	Tower Hamlets	Holy Trinity	1119	1601	737	168
145	Islington	Clerkenwell	738	2247	2166	176
146	Sheffield	Nether Shire	1377	712	321	460
147	Islington	Bunhill	1212	2664	1094	90
148	Wolverhampton	Low Hill	1833	682	293	358
149	Stockport	Brinnington	46	718	435	240
150	Sunderland	South Hylton	408	382	60	242

Table A6.2 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking for *meanearn*, *illness* and *smr064*

Rank Bread_C	District name	Ward name	Rank Smr064	Rank Illratio	Rank Meanearn	Rank Breadline
151	South Tyneside	Bede	240	644	113	123
152	Birmingham	Washwood Heath	811	1002	692	899
153	Islington	Tollington	381	852	1386	254
154	Oldham	Coldhurst	440	386	321	278
155	GLASGOW CITY	G51 3	.	161	73	36
156	Gateshead	Bede	159	298	172	148
157	Hackney	Wenlock	188	1019	113	55
158	GLASGOW CITY	G14 0	.	316	218	121
159	Hackney	Chatham	834	614	1859	159
160	Southwark	Rotherhithe	197	1586	233	122
161	GLASGOW CITY	G20 8	.	456	435	125
162	Gateshead	Teams	279	427	321	204
163	Leeds	Harehills	362	1182	401	720
164	Sunderland	Town End Farm	1014	118	90	192
165	Kingston Upon Hull	St.Andrews	48	657	172	257
166	Sandwell	Soho and Victoria	209	559	233	182
167	Newcastle upon Tyne	Moorside	181	643	1952	127
168	Sunderland	Grindon	1908	367	203	285
169	GLASGOW CITY	G40 3	.	23	14	6
170	GLASGOW CITY	G40 4	.	16	67	8
171	Tower Hamlets	Lansbury	495	880	475	161
172	GLASGOW CITY	G20 9	.	213	25	25
173	Sunderland	Southwick	259	109	157	233
174	Liverpool	Gillmoss	330	426	401	470
175	Coventry	St. Michael's	.	892	737	422
176	Tower Hamlets	St.Peter's	.	1579	2166	246
177	Bolton	Derby	71	207	172	378
178	ABERDEEN CITY	AB2 2	.	2185	1038	414
179	Newcastle upon Tyne	Scotswood	350	458	60	203
180	DUNDEE CITY	DD3 7	.	552	475	146
181	CLYDEBANK	G81 4	.	990	621	135
182	HAMILTON	G72 0 (PT)	.	166	552	153
183	Hackney	Haggerston	172	634	293	81
184	Southwark	Consort	34	686	552	102
185	Walsall	Blakenall	512	502	369	408
186	Manchester	Newton Heath	353	441	589	384
187	Lambeth	Ferndale	393	1481	4502	386
188	Wolverhampton	Heath Town	406	695	244	328
189	Hackney	Victoria	3742	1583	2166	250
190	Lambeth	Oval	90	1849	5703	316
191	Manchester	Gorton South	388	589	475	427
192	Brent	Carlton	186	758	1611	86
193	Knowsley	Cantril Farm	3211	409	9	50
194	GLASGOW CITY	G20 0	.	375	435	152
195	Tower Hamlets	Shadwell	1463	1221	3087	268
196	Salford	Broughton	40	340	552	269
197	Derby	Litchurch	42	826	552	295
198	Lewisham	Grinling Gibbons	264	1443	737	263
199	Islington	Holloway	444	1276	1859	205
200	Southwark	St.Giles	.	1733	2502	318

Table A6.2 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking for *meanearn*, *illness* and *smr064*

Rank Bread_C	District name	Ward name	Rank Smr064	Rank Illratio	Rank Meanearn	Rank Breadline
201	Cardiff	Ely	1311	487	369	576
202	Liverpool	St. Mary's	154	765	157	457
203	Manchester	Blackley	304	572	621	381
204	Tower Hamlets	St.Katherine's	.	1466	3218	481
205	Tower Hamlets	Limehouse	450	1183	1163	213
206	Sheffield	Norton	3081	1783	1038	573
207	Wandsworth	Latchmere	1179	865	1611	341
208	Bradford	Tong	532	939	552	506
209	GLASGOW CITY	G31 1	.	84	73	22
210	INVERCLYDE	PA152	.	355	172	57
211	Knowsley	Northwood	93	98	20	82
212	INVERCLYDE	PA154	.	1126	435	222
213	MOTHERWELL	G71 5	.	100	435	181
214	GLASGOW CITY	G31 3	.	268	369	162
215	INVERCLYDE	PA160	.	524	435	335
216	Haringey	White Hart Lane	2034	911	369	300
217	Liverpool	Dingle	513	751	369	503
218	Leeds	Chapel Allerton	1133	1212	2056	867
219	CUMNOCK AND DOON VALLEY	KA6 7 (PT)	.	306	475	304
220	Islington	Mildmay	955	1356	5703	391
221	Manchester	Charlestown	445	862	791	440
222	ABERDEEN CITY	AB2 1	.	1312	2832	287
223	Stockton-on-Tees	Hardwick	348	124	107	78
224	Kirklees	Deighton	560	1303	839	504
225	Rochdale	Middleton West	57	361	157	156
226	Sheffield	Sharrow	765	1025	1094	495
227	Liverpool	County	1889	947	185	630
228	Salford	Langworthy	434	654	321	349
229	Wigan	Norley	387	221	134	336
230	GLASGOW CITY	G43 1	.	1174	2277	193
231	Lambeth	Town Hall	873	1259	3453	459
232	Liverpool	Netherley	1158	415	60	248
233	Wirral	Tranmere	176	364	203	542
234	Newham	Ordnance	564	536	172	77
235	Liverpool	Valley	502	439	293	383
236	Oldham	Hollinwood	876	527	293	338
237	Sunderland	Castletown	1952	236	157	332
238	Knowsley	Cherryfield	820	206	54	158
239	Nottingham	Lenton	112	771	185	169
240	MONKLANDS	ML5 2	.	168	880	310
241	ABERDEEN CITY	AB2 5	.	2669	1952	544
242	Barking and Dagenham	Gascoigne	2281	1295	982	259
243	Coventry	Foleshill	626	1028	513	750
244	Leeds	Middleton	679	1242	1163	760
245	EDINBURGH CITY	EH113	.	1537	172	294
246	Kensington and Chelsea	Avondale	1173	1751	3338	235
247	Newcastle upon Tyne	Benwell	297	831	218	302
248	North Tyneside	Longbenton	430	1153	123	216
249	Middlesbrough	Beechwood	147	351	23	83
250	Wolverhampton	East Park	1502	915	293	458

Table A6.3 'Poorest' 250 areas using Bread_C showing ranking foBreadline,Scotdep, Doe91 and Townsend

Rank Bread_C	District name	Ward name	Rank Breadline	Rank Scotdep	Rank Doe91	Rank Townsend
1	Birmingham	Aston	110	26	38	44
2	Birmingham	Sparkbrook	166	10	158	42
3	GLASGOW CITY	G45 9	11	19	39	10
4	GLASGOW CITY	G15 7	7	16	31	8
5	Kingston Upon Hull	Noddle Hill	54	187	840	128
6	Liverpool	Granby	30	47	3	31
7	GLASGOW CITY	G33 4	9	11	30	7
8	GLASGOW CITY	G33 3	16	63	55	21
9	Birmingham	Nechells	214	29	10	95
10	Southwark	Liddle	28	36	46	14
11	Birmingham	Ladywood	256	301	13	247
12	GLASGOW CITY	G22 5	2	3	15	1
13	Sheffield	Park	98	229	50	267
14	Manchester	Benchill	51	125	800	97
15	Leeds	University	141	286	12	169
16	Portsmouth	Charles Dickens	56	341	231	192
17	DUNDEE CITY	DD2 3	43	214	184	103
18	GLASGOW CITY	G34 9	5	9	19	2
19	GLASGOW CITY	G45 0	3	7	34	3
20	GLASGOW CITY	G21 3	49	127	168	79
21	Kingston Upon Hull	Orchard Park	133	270	733	210
22	Manchester	Central	26	74	564	61
23	GLASGOW CITY	G22 7	29	76	121	37
24	EDINBURGH CITY	EH164 (PT)	15	28	4	18
25	DUNDEE CITY	DD4 8	88	180	187	109
26	Leicester	Wycliffe	65	69	93	43
27	Sheffield	Southey Green	167	297	403	301
28	Manchester	Ardwick	32	84	260	39
29	GLASGOW CITY	G53 5	69	87	104	71
30	GLASGOW CITY	G21 2	4	8	63	5
31	Wirral	Bidston	112	131	753	171
32	Leeds	Seacroft	265	495	1035	458
33	Manchester	Moss Side	127	163	433	174
34	Lambeth	Vassall	154	258	32	112
35	Liverpool	Breckfield	140	133	477	163
36	Liverpool	Vauxhall	18	45	302	25
37	Newcastle upon Tyne	West City	21	49	191	49
38	Middlesbrough	Thorntree	35	43	874	81
39	GLASGOW CITY	G5 0	14	34	132	12
40	Birmingham	Soho	514	100	486	233
41	Newcastle upon Tyne	Walker	38	108	694	85
42	Southwark	Faraday	109	268	64	99
43	Manchester	Hulme	24	71	118	28
44	Sunderland	Thorney Close	92	263	939	207
45	EDINBURGH CITY	EH4 4	80	137	113	92
46	GLASGOW CITY	G53 6	42	52	103	30
47	Knowsley	Princess	27	37	682	32
48	MONKLANDS	ML5 5	155	153	189	94
49	GLASGOW CITY	G51 2	33	30	92	22
50	Salford	Pendleton	61	155	49	166

Table A6.3 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking foBreadline,Scotdep, Doe91 and Townsend

Rank Bread_C	District name	Ward name	Rank Breadline	Rank Scotdep	Rank Doe91	Rank Townsend
51	Leeds	Burmantofts	307	609	520	537
52	Manchester	Cheetham	183	109	316	143
53	Liverpool	Smithdown	104	130	317	152
54	INVERCLYDE	PA146 (PT)	75	140	262	74
55	Liverpool	Melrose	224	235	448	310
56	Sheffield	Manor	138	251	973	239
57	Lambeth	Angell	94	205	18	75
58	Liverpool	Speke	117	135	909	182
59	Sefton	Linacre	124	217	535	236
60	GLASGOW CITY	G15 8 (PT)	10	38	80	11
61	Sheffield	Castle	188	317	353	318
62	Liverpool	Everton	13	35	345	23
63	Liverpool	Clubmoor	253	228	377	352
64	GLASGOW CITY	G31 4	12	13	59	6
65	Leeds	Richmond Hill	390	521	929	609
66	Kingston Upon Hull	Marfleet	139	196	441	212
67	Swansea	Townhill	97	112	830	160
68	Bradford	Little Horton	289	75	17	170
69	Manchester	Harpurhey	144	202	757	265
70	Newcastle upon Tyne	Monkchester	66	149	824	122
71	GLASGOW CITY	G21 4	40	42	170	34
72	Manchester	Beswick and Clayton	149	259	765	225
73	Birmingham	Kingsbury	385	482	241	570
74	Rotherham	Herringthorpe	107	231	847	178
75	Kingston Upon Hull	Myton	120	312	641	258
76	Birmingham	Handsworth	567	78	304	209
77	Salford	Blackfriars	39	143	146	113
78	Tower Hamlets	St.Dunstan's	108	5	25	19
79	Newcastle upon Tyne	Byker	76	321	744	295
80	Liverpool	Pirrie	239	170	472	264
81	Leeds	City and Holbeck	439	571	431	500
82	Tower Hamlets	Spitalfields	63	1	5	4
83	Lewisham	Evelyn	105	236	97	62
84	Southwark	Browning	84	233	67	68
85	Swansea	Penderry	197	246	977	283
86	Tower Hamlets	Bromley	106	55	7	53
87	GLASGOW CITY	G21 1 (PT)	41	121	206	60
88	Lambeth	Bishop's	99	281	139	134
89	GLASGOW CITY	G46 8 (PT)	114	186	157	89
90	Hackney	Queensbridge	137	148	36	77
91	Hackney	Eastdown	95	77	14	50
92	GLASGOW CITY	G34 0	48	22	70	20
93	Leicester	North Braunstone	89	138	461	124
94	Bristol	Lawrence Hill	207	285	180	244
95	GLASGOW CITY	G22 6	53	96	186	40
96	Manchester	Longsight	305	141	373	175
97	North Tyneside	Riverside	116	249	593	268
98	Kensington and Chelsea	Golborne	72	91	26	38
99	Liverpool	Abercromby	87	136	250	70
100	RENFREW	PA3 1	19	17	100	15
101	Southwark	Brunswick	151	255	136	120
102	Bradford	University	479	6	399	90

Table A6.3 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking foBreadline,Scotdep, Doe91 and Townsend

Rank Bread_C	District name	Ward name	Rank Breadline	Rank Scotdep	Rank Doe91	Rank Townsend
103	Sheffield	Netherthorpe	293	731	218	503
104	Manchester	Bradford	211	299	730	356
105	Birmingham	Kingstanding	774	686	296	642
106	Sheffield	Firth Park	411	486	547	506
107	GLASGOW CITY	G33 5	45	44	140	29
108	Liverpool	Kensington	345	319	327	421
109	GLASGOW CITY	G32 6	91	134	223	72
110	Salford	Little Hulton	226	366	859	388
111	Wirral	Birkenhead	346	325	390	547
112	Westminster,City of	Church Street	164	158	111	115
113	Lambeth	Larkhall	273	252	20	161
114	Liverpool	Dovecot	292	306	848	277
115	Southwark	Friary	113	171	11	56
116	GLASGOW CITY	G42 0	44	129	298	65
117	GLASGOW CITY	G51 4	129	128	226	105
118	Manchester	Woodhouse Park	223	453	603	477
119	Southwark	Chaucer	147	146	75	67
120	Sheffield	Burngreave	348	375	440	470
121	Nottingham	Manvers	187	253	857	339
122	Southwark	Newington	215	454	208	183
123	Hackney	New River	185	173	69	64
124	Brent	St. Raphael's	202	195	24	133
125	Plymouth	St.Peter	220	423	2	226
126	Camden	Somers Town	46	98	261	54
127	Hammersmith and Fulham	White City and Shepherds	175	147	27	78
128	ABERDEEN CITY	AB2 7	241	615	471	355
129	Birmingham	Small Heath	921	50	389	280
130	DUNDEE CITY	DD4 9	279	421	311	372
131	Tower Hamlets	Weavers	178	31	91	36
132	DUNDEE CITY	DD2 4	299	534	337	340
133	Leeds	Hunslet	377	713	1349	721
134	Westminster,City of	Queen's Park	191	267	62	130
135	Gateshead	Felling	145	399	1076	241
136	Greenwich	St. Mary's	52	207	202	110
137	Hackney	Kings Park	59	107	153	41
138	Lambeth	Stockwell	212	327	16	123
139	Knowsley	Longview	67	56	207	82
140	Gateshead	High Fell	131	404	1289	413
141	Birmingham	Shard End	741	1010	383	826
142	Bolton	Central	237	62	303	146
143	Lewisham	Marlowe	195	219	23	118
144	Tower Hamlets	Holy Trinity	168	23	125	47
145	Islington	Clerkenwell	176	347	172	164
146	Sheffield	Nether Shire	460	851	897	762
147	Islington	Bunhill	90	388	408	186
148	Wolverhampton	Low Hill	358	254	553	306
149	Stockport	Brinnington	240	481	380	367
150	Sunderland	South Hylton	242	432	1123	349
151	South Tyneside	Bede	123	363	673	297
152	Birmingham	Washwood Heath	899	159	270	409
153	Islington	Tollington	254	336	41	167
154	Oldham	Coldhurst	278	18	276	136

Table A6.3 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking foBreadline,Scotdep, Doe91 and Townsend

Rank Bread_C	District name	Ward name	Rank Breadline	Rank Scotdep	Rank Doe91	Rank Townsend
155	GLASGOW CITY	G51 3	36	72	107	27
156	Gateshead	Bede	148	302	340	234
157	Hackney	Wenlock	55	113	101	57
158	GLASGOW CITY	G14 0	121	145	6	108
159	Hackney	Chatham	159	316	9	126
160	Southwark	Rotherhithe	122	340	163	148
161	GLASGOW CITY	G20 8	125	178	44	102
162	Gateshead	Teams	204	487	577	411
163	Leeds	Harehills	720	276	708	442
164	Sunderland	Town End Farm	192	333	1012	337
165	Kingston Upon Hull	St.Andrews	257	292	272	342
166	Sandwell	Soho and Victoria	182	132	90	145
167	Newcastle upon Tyne	Moorside	127	380	273	204
168	Sunderland	Grindon	285	446	1421	536
169	GLASGOW CITY	G40 3	6	15	232	9
170	GLASGOW CITY	G40 4	8	33	1	13
171	Tower Hamlets	Lansbury	161	103	198	93
172	GLASGOW CITY	G20 9	25	21	96	16
173	Sunderland	Southwick	233	320	1007	369
174	Liverpool	Gillmoss	470	396	1081	454
175	Coventry	St. Michael's	422	250	310	332
176	Tower Hamlets	St.Peter's	246	40	8	73
177	Bolton	Derby	378	92	899	187
178	ABERDEEN CITY	AB2 2	414	803	437	545
179	Newcastle upon Tyne	Scotswood	203	174	583	191
180	DUNDEE CITY	DD3 7	146	232	268	184
181	CLYDEBANK	G81 4	135	416	476	243
182	HAMILTON	G72 0 (PT)	153	116	318	80
183	Hackney	Haggerston	81	83	54	33
184	Southwark	Consort	102	183	110	98
185	Walsall	Blakenall	408	348	802	311
186	Manchester	Newton Heath	384	750	965	552
187	Lambeth	Ferndale	386	308	21	195
188	Wolverhampton	Heath Town	328	452	154	441
189	Hackney	Victoria	250	330	83	190
190	Lambeth	Oval	316	427	89	235
191	Manchester	Gorton South	427	408	556	566
192	Brent	Carlton	86	199	47	59
193	Knowsley	Cantril Farm	50	68	891	84
194	GLASGOW CITY	G20 0	152	226	219	142
195	Tower Hamlets	Shadwell	268	12	87	58
196	Salford	Broughton	269	291	832	398
197	Derby	Litchurch	295	198	686	266
198	Lewisham	Grinling Gibbons	263	383	66	181
199	Islington	Holloway	205	592	106	230
200	Southwark	St.Giles	318	424	128	217
201	Cardiff	Ely	576	369	852	512
202	Liverpool	St. Mary's	457	370	619	532
203	Manchester	Blackley	381	569	1345	656
204	Tower Hamlets	St.Katherine's	481	32	33	127
205	Tower Hamlets	Limehouse	213	51	126	66
206	Sheffield	Norton	573	1331	918	938

Table A6.3 (Cont.) 'Poorest' 250 areas using Bread_C showing ranking foBreadline,Scotdep, Doe91 and Townsend

Rank Bread_C	District name	Ward name	Rank Breadline	Rank Scotdep	Rank Doe91	Rank Townsend
207	Wandsworth	Latchmere	341	539	171	285
208	Bradford	Tong	506	553	849	618
209	GLASGOW CITY	G31 1	22	81	291	35
210	INVERCLYDE	PA152	57	79	239	46
211	Knowsley	Northwood	82	90	350	125
212	INVERCLYDE	PA154	222	358	442	200
213	MOTHERWELL	G71 5	181	111	964	101
214	GLASGOW CITY	G31 3	162	57	98	63
215	INVERCLYDE	PA160	335	193	468	224
216	Haringey	White Hart Lane	300	381	493	334
217	Liverpool	Dingle	503	401	714	659
218	Leeds	Chapel Allerton	867	664	382	794
219	CUMNOCK AND DOON VALLEY	KA6 7 (PT)	304	689	637	430
220	Islington	Mildmay	391	613	61	322
221	Manchester	Charlestown	440	786	1310	672
222	ABERDEEN CITY	AB2 1	287	845	632	541
223	Stockton-on-Tees	Hardwick	78	206	1174	221
224	Kirklees	Deighton	504	558	1054	641
225	Rochdale	Middleton West	156	298	827	222
226	Sheffield	Sharrow	495	516	151	422
227	Liverpool	County	630	610	687	737
228	Salford	Langworthy	349	398	837	546
229	Wigan	Norley	336	472	924	504
230	GLASGOW CITY	G43 1	193	591	400	302
231	Lambeth	Town Hall	459	589	51	393
232	Liverpool	Netherley	248	182	981	300
233	Wirral	Tranmere	542	350	769	747
234	Newham	Ordnance	77	234	177	96
235	Liverpool	Valley	383	551	536	564
236	Oldham	Hollinwood	338	509	1234	606
237	Sunderland	Castletown	332	566	1176	485
238	Knowsley	Cherryfield	158	154	333	162
239	Nottingham	Lenton	169	120	240	141
240	MONKLANDS	ML5 2	310	448	319	253
241	ABERDEEN CITY	AB2 5	544	1641	1215	1018
242	Barking and Dagenham	Gascoigne	259	743	351	394
243	Coventry	Foleshill	750	123	738	331
244	Leeds	Middleton	760	1015	1504	1067
245	EDINBURGH CITY	EH113	294	371	360	363
246	Kensington and Chelsea	Avondale	235	310	324	135
247	Newcastle upon Tyne	Benwell	302	385	519	439
248	North Tyneside	Longbenton	216	419	767	450
249	Middlesbrough	Beechwood	83	104	1136	179
250	Wolverhampton	East Park	458	646	766	557

Table A6.4 Distribution of the 250 'poorest' areas according to selected indexes: number of small areas in each district that are identified as poor

	Bread_C	Breadline	Doe91	Scotdep	Townsend
Aberdeen	4	1	-	-	-
Allerdale	-	1	-	-	-
Arfon	-	-	-	1	1
Barking	1	-	1	-	-
Birmingham	11	3	5	8	6
Blackburn	-	1	-	3	1
Blackpool	-	-	3	-	-
Bolton	2	1	-	2	2
Bournemouth	-	-	1	-	-
Bradford	3	-	1	5	2
Brent	2	3	7	3	4
Brighton	-	-	1	-	-
Bristol	1	1	1	-	1
Burnley	-	-	-	2	1
Calderdale	-	-	-	1	-
Camden	1	6	6	3	8
Cardiff	1	1	2	1	-
City of London	-	2	-	-	-
Clydebank	1	2	-	2	2
Copeland	-	2	-	2	-
Coventry	2	-	-	2	-
Cumnock	1	-	-	-	-
Cunninghame	-	1	-	-	1
Cynon Valley	-	1	-	-	-
Darlington	-	-	-	1	-
Derby	1	-	-	1	-
Dundee City	5	4	2	4	3
Durham	-	1	-	1	1
Ealing	-	-	1	2	-
Easington	-	1	-	1	1
Edinburgh	3	3	3	3	3
Gateshead	4	5	-	-	2
Glasgow	35	48	45	52	53
Great Grimsby	-	1	-	3	1
Greenwich	1	3	3	1	3
Hackney	8	9	20	12	18
Hamilton	1	1	-	1	1
Hammersmith	1	1	6	1	2
Haringey	1	-	13	-	-
Hartlepool	-	4	-	3	1
Havering	-	-	1	-	-
High Peak	-	1	-	-	-
Hove	-	-	2	-	-
Hyndburn	-	-	-	1	-
Inverclyde	4	5	1	4	6
Isles of Scilly	-	1	-	1	-
Islington	5	4	14	1	7
Kensington	2	3	4	1	4
Kingston	5	4	-	2	3
Kirklees	1	-	-	-	-
Knowsley	5	6	1	8	6
Lambeth	8	4	16	1	7
Lancaster	-	-	1	-	-
Langbaurgh-On-Tees	-	3	-	2	2
Leeds	9	1	1	-	1
Leicester	2	2	1	3	2
Lewisham	3	2	5	2	3
Liverpool	18	10	2	11	7
Lochaber	-	1	-	2	-
Luton	-	-	-	2	-
Manchester	15	10	1	8	8
Merthyr Tydfil	-	1	-	-	-
Middlesbrough	2	4	-	7	4
Milton Keynes	-	-	-	1	-

Table A6.4 (Cont.) Distribution of the 250 'poorest' areas according to selected indexes: number of small areas in each district that are identified as poor

	Bread_C	Breadline	Doe91	Scotdep	Townsend
Monkland	2	3	1	2	3
Motherwell	1	2	-	1	2
Newcastle	7	6	1	5	6
Newham	1	2	13	9	3
Newport	-	1	-	2	1
North Tyneside	2	2	-	1	-
Nottingham	2	3	1	3	2
Oldham	2	-	-	4	1
Pendle	-	-	-	2	-
Peterbrough	-	-	-	1	1
Plymouth	1	1	2	-	1
Portsmouth	1	1	2	-	1
Preston	-	-	1	3	-
Renfrew	1	3	2	2	2
Rhondda	-	-	1	-	-
Rhuddlan	-	-	1	-	1
Rochdale	1	1	-	2	1
Rotherham	1	1	-	1	1
Salford	5	4	2	2	2
Sandwell	1	1	1	2	1
Scunthorpe	-	-	-	1	-
Sefton	1	1	-	1	1
Sheffield	10	4	3	1	1
Shepway	-	-	1	-	-
South Pembroke'	-	-	-	1	-
Southampton	-	-	1	-	-
South Tyneside	1	2	-	-	-
Southwark	10	12	15	5	10
Stirling	-	-	1	-	-
Stockport	1	1	-	-	-
Stockton	1	2	-	1	1
Strathkearn	-	1	-	1	1
Sunderland	6	4	-	-	1
Swansea	2	2	-	2	1
Taff-Ely	-	1	-	1	1
Tower Hamlets	10	14	15	15	16
Walsall	1	-	-	-	-
Waltham	-	-	5	-	-
Wandsworth	1	-	2	-	-
Westminster	2	2	6	1	4
Wigan	1	-	-	-	-
Wirral	3	1	-	1	1
Wolverhampton	3	-	1	1	-
Wrexham	-	2	-	-	-

Table B1.1 Percentage and average number of residents and areas by standard region

	No Wards/ Postcodes	%	Resident Population	%	Ave Ward/ PSS Pop
Greater London	764	7.3	6.58m	12	8,612
North	678	6.5	2.99m	5.5	4,405
North West	840	8.0	6.15m	11.0	7,327
York & Humb	626	6.0	4.77m	8.8	7,621
West Mids	826	7.9	5.09m	9.4	6,163
East Mids	924	8.8	3.90m	7.2	4,224
East Anglia	576	5.5	1.99m	3.7	3,461
South West	1184	11.3	4.51m	8.3	3,811
South East	2183	20.8	10.3m	19.0	4,740
Wales	908	8.6	2.8m	5.2	3,081
Scotland	1002	9.5	4.9m	9.1	4,911
Total	10511	100	54.1m	100	5,305

Coding for Bread_C:

(Expected number of poor is 18.2%)
compute expected poor=(number of residents*18.2)/100
compute 'observed' (estimated) poor=(resident*breadline score)/100
compute chi-square (step 1)=(observed-expected poor)*(observed-expected poor)
compute Bread_C=chi-square (step 1)/expected poor

Details of the coding (in SASPAC and SPSS) of the other indexes reviewed here can be obtained on request from Peter Lee at CURS:
Tel: 0121 414 3645
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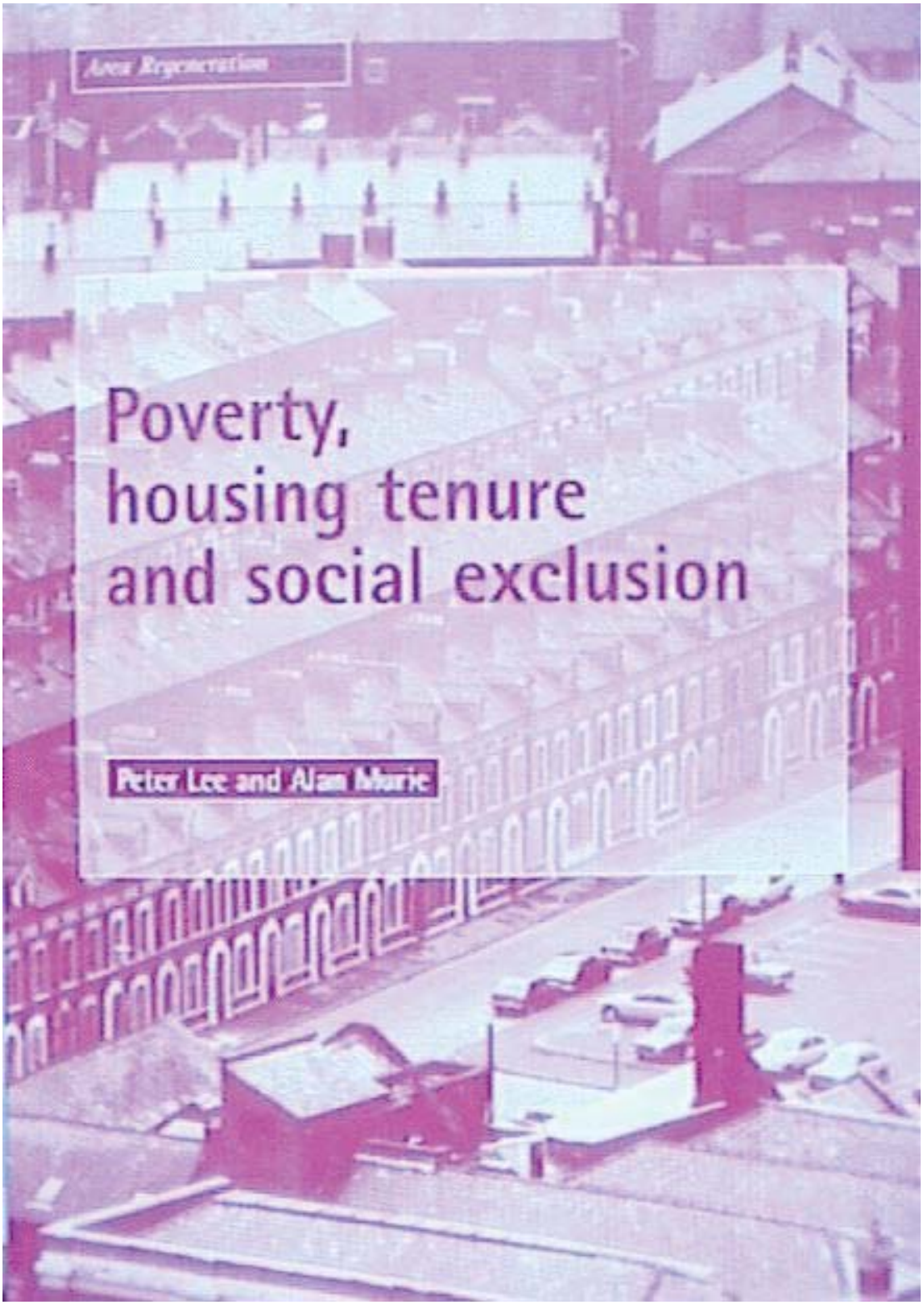

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Census data and Vital Statistics used throughout are Crown Copyright and reproduced with the kind permission of the Controller of Her Majesty's Stationary Office. Local Base and Small Area Statistics used in this research are a subset of the 1991 Census, Crown Copyright (ESRC/JISC purchase). The Samples of Anonymised Records (SARs) used for validation and reliability testing were provided through the Census Microdata Unit of the University of Manchester with the support of ESRC/JISC/DENI; 1991 Census boundary data is courtesy of the 1991 ESRC Census Initiative.

1

Introduction

There is renewed concern about problems of poverty and social exclusion in Britain. A number of recent reports have established that the end of full employment, changes in the labour market, changes in the welfare state and changes in the demographic structure have generated much greater inequalities in incomes and wealth than have applied in the post-war period. The costs of social security and unemployment are seen as a major burden upon the economy and the development of policies to bring young people and the long-term unemployed and older workers back into the labour market attracts considerable attention.

These debates relate to housing and the housing market in two ways. First of all, contributions to the debate have placed considerable importance on deprived estates, concentrations of poorer people and the cycle of disadvantage associated with deprived estates. Secondly, it is argued that housing policies contribute to the pattern of incentives and opportunities which are associated with poverty. In particular, issues associated with the poverty trap, the work incentives trap and the savings trap link to the operation of the housing benefit scheme and the interaction between housing finance and the social security system. Housing, then, is inextricably linked to debates about poverty and inequality. Patterns within the housing market are the product of income, inequality and poverty, but housing also contributes to the generation and continuation of poverty and inequality.

This report reviews the place of housing in social exclusion. It is based on research carried out for the Joseph Rowntree Foundation. The report is concerned with three principal issues:

- the links between housing and housing tenure and relative deprivation, including the debate about the residualisation of council housing;
- the location of the poorest areas in Great Britain and their links with housing tenure;
- the explanation of linkages between poverty and housing tenure in British cities.

These issues are fundamental to the future consideration of where housing fits in policies concerned with poverty and regeneration. They relate to questions about targeting resources on particular neighbourhoods, particular social groups or particular parts of the housing system. Is it appropriate to equate deprived areas with council estates? What are the implications of assuming that area deprivation approaches should focus on these estates? Are there other deprived neighbourhoods which equally merit policy attention? Are the problems of deprivation different between tenures and within individual tenures? What approaches should be adopted to area regeneration policies which include a strong housing component?

In addressing these issues this report engages with a debate about social exclusion. The term 'social exclusion' is a relatively new one in the British academic and political debate. It provides the opportunity to revisit a range of issues which have been familiar in the housing world for a long period and to reassess some of the assumptions and arguments related to housing and poverty. Social exclusion relates to a different agenda than that of the conventional poverty debate and draws attention to some of the different characteristics of the debate about

housing and deprivation in the 1990s from that of earlier decades.

This report then starts with a discussion of social exclusion and its relevance for debates about housing. **Chapter 2** goes on to link the debate about social exclusion with evidence about housing change, homelessness and house condition and about residualisation and polarisation between tenures.

Chapter 3 focuses upon spatial patterns of deprivation. It considers how best to measure and map deprivation using the population Census and presents data on patterns of deprivation within Britain.

Chapter 4 considers the relationship between patterns of deprivation and housing tenure, initially at a national level and subsequently for five local authorities (Birmingham, Bradford, Edinburgh, Liverpool and the London Borough of Tower Hamlets). This analysis also refers to changes between 1981 and 1991.

Chapter 5 refers to the Sample of Anonymised Records (SARs) from the 1991 Census to consider the evidence about which tenures deprived households live in each of the five cities referred to above. This analysis refers to different aspects of deprivation and places a particular emphasis on lone parent households and households from minority ethnic groups. The analysis demonstrates that the tenure situations of deprived households differs significantly between cities.

In **Chapter 6** the conclusions and implications of this work are discussed.

2

Social exclusion and housing

Introduction

The term 'social exclusion' is relatively new to the housing debate in Britain. It has been adopted because of its prominence in debates within the European Union and the role that it plays in EU-funded programmes. In practice, especially because of the attitudes of British and German governments, the term 'social exclusion', as it has been used in Europe, has increasingly been associated with unemployment and a relatively narrow view of economic disadvantage. However, outside the EU context, the term is more widely used to refer to persistent and systematic multiple deprivation and to indicate the dynamic processes through which individuals and communities come to be disadvantaged. It is used in this way in this report. This implies a wider approach than is often adopted in debates about social inequality and poverty and it implies a concern to do more than measure such inequality and poverty but rather to identify the processes through which poverty and deprivation arise. Poverty refers to the outcome of a process while social exclusion refers to process.. By focusing on processes, it poses questions about the role of social institutions including the welfare state in generating these patterns. Graham Room argues that:

> ... the notion of poverty is primarily focused upon distributional issues, the lack of resources at the disposal of an individual or a household. In contrast notions such as social exclusion focus primarily on relational issues, in other words inadequate social participation, lack of social integration and lack of power. (Room, 1995a)

There is a problem with this approach unless it embraces distributional issues within the perspective. Townsend's work on poverty is concerned with wider participation in society and the identification of levels of income at which people's behaviour begins to differ markedly from the rest of society (1979). Problems of participation, integration and power are bound up with distributional issues. Nevertheless the literature on social exclusion makes a more explicit reference to citizens' positions in relation to a range of services including employment, housing, healthcare and barriers affecting access to these services.

In the first annual report of the Observatory on national policies to combat social exclusion, the definition of social exclusion is explicitly in terms of the social rights of citizens.

> We define social exclusion in relation first of all to social rights. We investigate what social rights a citizen has to employment, housing, healthcare etc, how effectively national policies enable citizens to secure these rights and what other barriers which exclude people from these rights. We go on secondly to study the evidence that where citizens are unable to secure social rights they will tend to suffer generalised and persisting disadvantage, and their social and occupational participation will be undermined. (Room, 1991, pp 5-6)

In a similar way Berghman (1995) summarises the view that social exclusion should be defined in terms of the failure of one or more of the following:

- the democratic and legal system which promotes civic integration;
- the labour market, which promotes economic integration;
- the welfare state system, which promotes social integration; and
- the family and community system, which promotes interpersonal integration.

The term social exclusion makes a more explicit connection with access to a range of services: to education, training, employment, housing, community services and medical care. It comes much closer to engaging with debates about social citizenship and the integrative role of the welfare state. Although there is a close connection with debates about poverty, social exclusion is concerned with more than distributional issues.

One additional consideration is that in the debate about citizenship in the 1980s and 1990s, there has been a clear move towards the notion of citizens as individual consumers. Rather than social rights maintained by political action and social groups or by the institutions of the welfare state, the emphasis has increasingly been placed on the individual. If the citizen is equated with the consumer, then those who are denied equal access to services or who cannot, for whatever reason, consume services on equal terms, are not full citizens. Social exclusion then refers to the group of people who are non-citizens and are excluded from exercising the rights enjoyed by other citizens through their roles as consumers. Social divisions and social exclusion affect the nature of citizenship while at the same time undermining political and democratic systems.

It follows from what has been outlined above that discussion of social exclusion involves more than simply a refinement of previous debates about poverty. It relates to debates about citizenship and the role of the welfare state and reflects the different environment relating to these issues.

It is also important to reflect upon the context in which the debate about social exclusion has developed. The Europe of the late 1980s and 1990s is marked by much greater inequality than in the preceding period with the erosion of the universal or collective welfare state, and the ending of the era of full employment which formed part of the post-war welfare state system. Social exclusion relates to the very different environment and agenda of the 1990s; it relates to more than poverty and refers to issues of power, participation and integration. It concerns position in relation to a range of services and to the compound nature of disadvantage which creates exclusion, the persistence of disadvantage over time and its concentration spatially and in respect of social groups. Fundamentally it relates to processes of inclusion and the ways that different services and systems interact. It also suggests that social exclusion is not something that you measure in the way of poverty but is concerned with processes and dynamics which generate relative poverty. In all of this it refocuses attention on the nature and operation of the welfare state in the different context of Britain in the 1990s.

How does this agenda relate to housing? Fundamentally it raises questions about the way in which the housing system forms part of the process through which poverty and deprivation arises and is experienced. This raises questions about the empirical associations between housing and deprivation but it also raises questions about the extent to which the processes operating within the housing sector contribute to the generation of deprivation. How far does the housing system serve to integrate different social groups or act as a source for social cohesion or how far is it linked with key social divisions and contribute to the identification of different classes of citizens? How far does exclusion from the housing system or from particular parts of the housing system form a key element in processes of social identification which affect life chances through access to education, employment, training and other opportunities?

In a period of much higher unemployment, how far do housing divisions inhibit the inclusion of individuals through access to educational accreditation, superior jobs, promotion opportunities and so on? How far does the housing system operate as a barrier to social cohesion and help to maintain the pattern of social exclusion which exists?

The state and housing

All of these questions reinforce the case for reviewing assumptions about the role of the state in housing. In the post-war years the general assumption was that housing policy had operated to increase social cohesion and reduce social divisions. This was initially achieved through energetic action to reduce housing shortages and subsequently to raise minimum standards of housing through slum clearance and housing improvement policies. The success in the reduction of gross house condition problems is seen as evidence of a levelling up the circumstances of households and of removing differences which were incompatible with political and social aspirations. In the more recent period tenure-driven policies associated particularly with the expansion of home ownership have been seen as attempts to create a single nation of home owners. In other words they were designed to increase social cohesion and to expand the common experience of ownership within the housing market.

These policies can be seen as designed to bring the same opportunities within the reach of the mass of households. The literature about housing has for a long time established links between poor housing and problems of health or educational performance. The drive to improve housing conditions and to deliver modern standards of housing to all households was partly influenced by a concern to attack inequalities in other spheres, including health and education. Problems of housing shortage and house condition have by no means been eliminated, but the progress in the post-war years has been enormous.

The major reduction in the most obvious and severe problems associated with the quantity and quality of housing changed the picture of housing problems. Issues of access to housing and of homelessness associated with changes in the structure of the housing market became more important than issues of shortage and condition. Problems of security of tenure and housing quality in parts of the private rented sector also received more attention. At the same time problems within the two dominant tenures – home ownership and council housing were evident. As both tenures expanded they both became more differentiated with less desirable segments as well as high quality modern housing. In the home ownership sector the problematic segments included properties blighted by threats of redevelopment or previous neglect by private landlords and in the council sector they included poorly designed and constructed dwellings as well as stigmatised and difficult to manage estates. A growing literature has referred to differentiation within the council sector and the increased concentration of those with least choice in the estates with least demand and without the community spirit of older neighbourhoods affected by slum clearance. There is a wide literature about the extent of social mix within housing estates built by local authorities and new towns and in the developments promoted by housing associations. However, it is now clear that well before the 1980s there was a process of polarisation occurring between tenures in which the concentration of poorer people in the rented tenures was becoming more striking, while the owner-occupied sector developed a more mixed social base.

While social differences related to housing conditions were being reduced, the significance of housing tenure as an indicator of social position was becoming greater. In an era of full employment the reduction of rent control and the privileged financial treatment of owner-occupation contributed to a process in which more affluent groups increasingly preferred home ownership because of the financial regime it represented. As the advantages of home ownership became more and more marked, polarisation between tenures increased. From the mid-1970s this has operated against a background of increased income inequality, rising unemployment and the effects of labour market changes. The division between those who could buy and those who could not has become more striking. The social rented sectors increasingly provided the housing available to those outside the mainstream labour market. Within rented housing allocation and transfer policies and patterns of turnover and household change combine to mean that different areas have different populations and patterns of social mix. Changes in housing finance have also meant that those in rented housing have experienced real rent increases and, where they are in receipt of means tested housing benefit, are exposed to the problems of the poverty trap.

There are other ways in which housing connects with social exclusion. In addition to the adverse effects of the remaining problems of house condition, overcrowding continues to affect child and family development especially among larger families. Housing affordability, rent levels and energy costs relate to the ability to afford adequate diets and connect with the general debate about expenditure and poverty. Households living in energy inefficient properties with high rents have less scope to make decisions about their expenditure, whether they are on benefit or in low wage employment. There are more specific issues about children living in flats above the ground floor and about the appropriateness of different types of accommodation for different groups. There are issues about security of tenure and the ability to establish stable living environments which enable individuals to take best advantages of opportunities in education and elsewhere. Children living in households which change address regularly because of insecurity of tenure are likely to experience disrupted educational careers and this affects performance. There are also issues about the wider environment of housing associated with safety and security and the quality of the environment.

Homelessness and access to housing

In common sense terms the most obvious dimension of housing exclusion relates to persons who are without a suitable home and the natural starting point for a debate about social exclusion and housing then appears to be homelessness. In the British context this is complicated by the nature of administrative and legal definitions of homelessness. There are clear examples of rooflessness and the growth of rough sleeping has been widely discussed and associated with changes in the economic system, the development of community care policies and changes in the housing market. The growth of homelessness defined more widely is equally associated with these kinds of changes and changes in the welfare system. For some of those who are roofless or homeless the situation is by no means a temporary one. The possibility of living in Bed & Breakfast accommodation for a number of years has existed for a long time. Equally it has been identified that households move on a circuit of homelessness rather than escaping from this status altogether. Wider definitions of homelessness have always referred to the extent to which insecurity of tenure and inadequate accommodation should be regarded as homelessness. In a sense these debates are rehearsing discussions about social exclusion. They are emphasising that there are a significant number of households who do not share in the same securities and qualities of accommodation that apply generally to citizens. Changes in policy and the ways in which homeless households are treated by a range of organisations are also an important part of this.

At this point the clarity of the position relating to homelessness needs to be addressed. On rehousing households are no longer homeless. Their previous homelessness status may have significantly affected what kind of housing they were offered and therefore what kind of housing they moved into. However, they are no longer homeless. There is a further concern that the circumstances and characteristics of a large group of those who are homeless are no different from those who are on waiting lists. The evidence suggests that those formally housed as homeless in Britain and those who are housed from the top of general waiting lists are in very similar situations.

These considerations do not mean that homeless people should be disregarded in discussions of social exclusion. Especially for those who remain homeless for long periods of time the process is clearly one which prevents them from entering mainstream housing and sharing in the circumstances of others. However, it is important not to equate exclusion from housing with homelessness. Homeless households are experiencing the same processes which affect a wider group in obtaining access to housing and exclusionary processes are experienced by others who are not labelled as homeless. The analysis of homelessness in Britain has always emphasised failings of the housing system as a whole and the links between homelessness and other changes in the economy and the welfare state. The processes of exclusion which affect those formally identified as homeless also affect a much wider group.

This moves the debate on to a wider discussion of access to housing and to the activities of agencies controlling access. While the focus of this is likely to be on local authority and housing association allocation policies, we should not

restrict attention to those processes. The old debates about urban managers and gatekeepers remain relevant in this context and we know that building societies and other lenders have changed their approach to the selection of properties and people in recent years. There is, in addition, a wide literature associated with housing allocation policies which identifies how a variety of formal and informal processes and management devices sort applicants and result in unequal treatment for different groups of applicants. Those groups which are stereotyped as willing to accept poor properties or those defined as 'rough' rather than 'respectable' are likely to experience greater difficulty in obtaining housing or obtaining the most desirable housing. These studies are effectively studies of the ways in which social exclusion is operated. However, they only relate to one aspect of exclusion, exclusion from housing or from the best quality housing.

Social and tenure polarisation

This perspective on exclusion moves us from a discussion of exclusion from basic housing conditions or from housing itself to differentiation within the housing system and the channelling of certain groups towards less desirable parts of the housing system. This occurs both within and between tenures and relates to the familiar literature about residualisation and polarisation. This literature has demonstrated the tendency for the council housing sector to cater for an increased proportion of deprived people and to cater more exclusively for this group. More recent analysis has shown that this pattern also applies to the housing association sector. The process of residualisation is a long established one and it could be argued initially related to inclusion within council housing of groups which traditionally were in the private rented sector. However, the debate has changed significantly with the promotion of home ownership as a superior form of tenure and the emphasis upon the advantages associated with the rights of homeowners. It might be argued that the role of the state and the welfare state including people within home ownership then becomes a significant part of this debate. A range of policies, including the Right to Buy, could be presented as mechanisms to enable different sections of the community to be included within what are regarded as the most desirable forms of housing provision. The barriers between the homeowner and residual rented housing become clearer and begin to form a more significant part of the social divisions within society.

Debates about cities have always referred to coincidences between poverty and residence. Accounts of 19th-century British cities abound with descriptions of neighbourhoods with concentrations of poorer people, of poor quality housing, with references to the slums and the rookeries and to neighbourhoods with insanitary dwellings inhabited by those without choice over where they lived. The earliest interventions in this situation are usually accounted for because insanitary areas were not just a threat to the health of those who lived in them but, as cholera epidemics demonstrated, were a threat to the health of the middle classes and anybody else living in the cities.

Interventions in the housing market through public health legislation and later through housing legislation contributed to changes in the provision of housing. From a nation of renters (with some 90% of people living in private rented housing and only 10% in owner-occupied accommodation in 1919) a much more fragmented structure of tenures has emerged. Both council housing and home ownership initially expanded among younger families and the emerging distinctions between the social roles of the three dominant tenures often related to age and life cycle, rather than occupation and class. Council housing in its early stage had tenants from a wide mix of social groups. With relatively high rents the tenure was not affordable to some of the poorest and its high quality made it attractive to some of the most affluent. Home ownership was attractive to those who were able to command mortgage loans and increasingly to those who benefited from the tax reliefs associated with the tenure. Initially these were relatively affluent households, but as the income tax net drew in an increasing proportion of the population, so the appeal of home ownership spread down the income scale.

In the context of a changing tenure structure a clear sorting process emerged in Britain with the more affluent moving into home ownership and the least affluent moving into council housing. In both cases they often moved through the

private rented sector and the pattern was further confused by the fact that older generations often preferred to stay in their existing dwellings and tenures, rather than respond to the advantages associated with the newly expanding tenures.

This period of restructuring of the housing market was characterised by considerable social mix within tenures and areas. Because of the process of change taking place and because of the transition between different modes of housing provision and the ways that access to the new tenures was determined, the clear segregations which had characterised the earlier period became confused. It could be predicted that once these processes of transition had worked their way through a new, clear pattern of segregation would establish itself. This would involve a ranking of people within the home ownership sector associated with income and occupation, and with stratification within the rented sectors relating to the quality of stock and rights of tenants. This was increasingly likely as the council housing sector aged and its stock became more varied with high rise building; and as it drew in lower income groups through slum clearance and as the result of the diminished opportunities in the private rented sector. Differentiation became a feature of both council housing and home ownership as access to home ownership widened, older properties were transferred from the private rented sector and the earlier cohorts of owners and their dwellings aged.

The pattern of segregation was also affected by post-war full employment and the relative reduction in social inequalities resulting from that. Although the view that social differences were largely eliminated does not carry much conviction, there is no doubt that full employment reduced some of the most striking social differences associated with the pre-war period. This relative equality of incomes, along with the transitional stage of the housing market, mean that accounts of the social and spatial structure of cities in Britain in the 1950s and 1960s involve an unusual recognition of social mix in tenures and areas. Concentrations of deprivation were mostly associated with inner-city areas of dilapidated privately rented housing and former rented property which had been sold as low priced and low quality home ownership. These areas were also increasingly associated with minority ethnic groups and others with limited access to other parts of the housing system. The period since then has seen the re-emergence of striking patterns of social segregation.

The sharpening of sociospatial segregation in Britain represents the working through of a long process of restructuring of the housing market. However, this account is too simple. The speed with which a new pattern has taken effect and the final form in which it has emerged is also affected by other factors. Four examples of such factors can be given:

- The process has been speeded up by changes in the economy which have resulted in much wider differences in income and economic activity than in the post-war period.
- The process has been affected by changes in the demographic structure with an increasingly elderly population, a larger number of lone parent households and more young single person households. All of these households have a more limited potential earning capacity and in the economic environment of the 1980s and 1990s, often have no one in paid employment.
- The rate and pattern of change has been associated with the Right to Buy and the creaming off of the most affluent council tenants and the best council properties into the owner-occupied sector.
- The process has been associated with changes in the system of welfare benefits and with the loss of spending power among those dependent on such benefits for any significant period.

As has already been noted, inequalities in income and expenditure, in employment and pay in Britain have increased in recent years. These inequalities affect health, education and housing and their combined effect is to create inequalities in opportunity and life chances which have a long-term effect. Changes in the economy and labour market, in household composition and in welfare provision are doing more than creating greater inequality. In combination these changes are creating social divisions which persist over time. The different elements of inequality reinforce one another and focus on particular households and

communities. These households and communities, as a result, have different environments, opportunities, resources and needs. Traditional policy solutions often fail to ameliorate problems – and may indeed contribute to maintaining the pattern of deprivation. The emerging situation is one which is damaging to the economy and society and calls for new policy approaches. The challenge of a compound reinforcing pattern of multiple deprivation, persistent over time, concentrated in particular areas and resistant to traditional policies is much more significant than any concern which might exist simply over widening inequality.

Residualisation

Within this wider picture changes in the social role of the council sector merit a lengthier discussion. Council housing started as a highly desirable tenure attractive to the affluent working class and others. However, as the characteristics of the supply of housing in different tenures changed, and as the financial advantages associated with home ownership and access to that tenure improved, it increasingly became the case that households which could afford to buy did so. Latterly, existing tenants have been encouraged to become homeowners – mainly through the Right to Buy. At the same time, the profile of existing tenants was changing. The relative uniformity of the first cohort of tenants ceased to determine the profile of the sector. While the first cohort aged and their family structures changed new tenants were mainly young families with children. By the 1980s wider demographic changes were affecting council housing with more elderly households and lone parent households and a greater impact of household fusion and fission contrasting with the relative stability of household arrangements in the past.

The overall profile of those in council housing was influenced by the changing characteristics of those entering the sector. Even without slum clearance rehousing obligations and an emphasis on housing those with the greatest need, the steady decline of the private rented sector removed alternatives for lower income households and this group was increasingly dependent on the council sector. As a result of these processes council housing increasingly became a sector for the elderly, the unemployed, female headed households and those with no choice of housing. This trend is evident from the 1960s and has resulted both from policy changes and wider social changes.

The extent to which the sector took on a residual role has been directly affected by the decline of the private rented sector and by widening social inequality and unemployment. If council housing had continued to operate in the environment of full employment which marked the period from 1945 to the 1970s, its share of the market was sufficiently large that it would have contained a mix of households of different economic status and occupational characteristics. The extent to which the sector came to house those outside the labour market and the pace at which this occurred is a consequence of the growth of this segment of the population and what has happened in the labour market as well as of housing market and housing policy changes.

Some contributions emphasise different elements: for example, the impact of legislation on homelessness (eg, Page, 1994; Power and Tunstall, 1995). In this hypothesis the targeting of the tenure to those in greatest need has acted as a spur to residualisation. As a result of this legislation councils drew their new tenants from a narrower section of society. This view is difficult to sustain. Not only does it fail to account for trends prior to 1977 but it fails to acknowledge that the majority of lettings nationally continued to be made to applicants on waiting lists and that the profile of families on waiting lists was very similar to that of homeless families (Prescott-Clarke, Alan and Morrisey, 1988; Prescott-Clarke, Clemens and Park, 1994).

By the 1970s evidence about patterns of residential movement showed that lower income households which moved house graduated towards council housing and higher income groups towards home ownership (Donnison, 1967; Cullingworth, 1965; Murie, Niner and Watson, 1976). The distribution of households in any age cohort was a product of socioeconomic position and the housing position achieved at early stages in the family cycle. Subsequent adjustment was consistent with a movement of the more affluent to home ownership. Inertia or attachment to home and neighbourhood irrespective of tenure, meant that not everyone

responded equally to immediate circumstances and to the pattern of current advantage in the housing market. Consequently, the council and private rented sectors continued to house many who could have taken advantage of the benefits of home ownership if they had moved house.

A changing housing market and differential responses by different cohorts meant that any extrapolation from what was known about the housing behaviour of different groups of new households, the residential mobility of different groups of established households, household formation, fission and mortality, indicated a strong underlying trend for the council sector to play an increasing role in housing the poorest. In addition to residential mobility data, and the role of councils in replacing (and rehousing from) the slum districts where the poorest lived, data on supplementary benefits showed the increasing role of the public sector in housing the poor (Murie, 1983). As the private rented sector declined, those who, in earlier cohorts, had found permanent housing in that tenure moved instead to one of the other two high standard tenures. Which one they went to reflected their resources.

Consistent with this ongoing pattern of incremental change it was also true that any snapshot social profile of tenures showed considerable social mix. There was no need to worry about segregation and concentrations of the poorest because the snapshot did not indicate a major problem. There was a failure to engage with how the system was changing and consequently a failure to take steps to take action at an early enough stage. In some cases this failure may have been influenced by political and electoral assumptions around housing tenure.

The evidence suggests that irrespective of the effects of new developments from the mid-1970s onwards, there was already a strong underlying trend for a changing tenure structure in which tenures were associated more strongly with economic status and social class. The rented tenures became more narrowly based socially and, while home ownership became more mixed, certain groups became more exclusively homeowners. The engine for what has subsequently been identified as residualisation was already working.

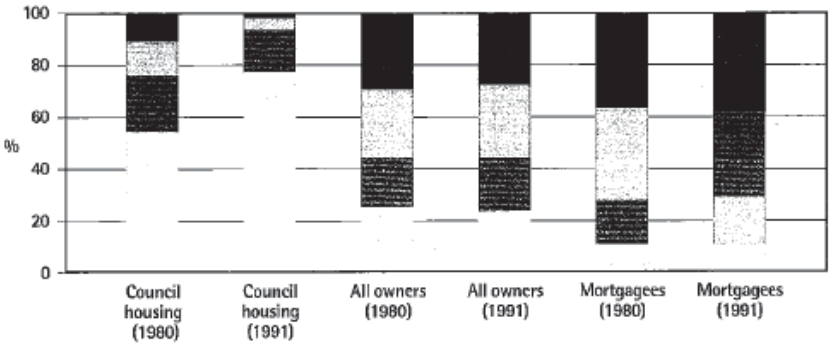
It has been argued that this pattern was not clear by the mid-1970s. Holmans (1991) indicates that the housing policy review, carried out in the mid-1970s, did not anticipate the pace of residualisation. It is certainly true that the extent of economic problems and volume of council house sales could not easily have been anticipated and that these elements have speeded the pace of residualisation. However, it is also apparent that the social profile of the tenure had already changed significantly before 1976 and that key elements leading to residualisation were in place and their impact was clear. Even without the factors emerging in the 1980s rapid residualisation would have taken place and could have been anticipated.

If the process of residualisation was already under way before the 1980s, rising unemployment, growing social polarisation and the erosion of welfare benefits strengthened the trend. It is now generally accepted that in the 1980s households with below average incomes have not benefited as much from economic changes and that social and income inequality have increased (DSS, 1994). The 1980s saw a further shift in the balance of advantage for existing council tenants. The Right to Buy included in the 1980 Housing Act and the generous (and increasing) discounts available gave most sitting tenants in council and new town housing, an option to take up the advantages of home ownership without having to leave the home and neighbourhood to which they were attached. Changes in council housing stock and subsidy and rising rents reduced the attractiveness of council housing to anyone not qualifying for rent rebates or housing benefit. Exercising the Right to Buy made sense for those who could afford to do so and especially those satisfied with their house and neighbourhood.

The increasing concentration of low income households in council housing represents a key element in patterns of urban social stratification. Council housing has been in numerical decline since 1980 as sales have exceeded additions to the stock. This declining role has been most marked among middle and higher income groups leaving the sector with an increased role in housing lower income groups. This pattern can be illustrated by reference to different sources:

- Family Expenditure Survey (FES) data shows that in 1963 the proportion of households in the bottom three income deciles who were council tenants was 26.3%. In 1972 it was 41.1%. In 1979 it was 47% (Murie, 1983, pp 187-8).
- In 1967 45% of households in receipt of means tested social assistance benefits (supplementary benefit) were council tenants. By 1971 this figure had risen to 52% and in 1979 it was 61%. During this period the proportion of the housing stock which was council housing had risen only slightly – from 29% in 1967 to 32% in 1979. The greater proportion of lower income households in the sector represented an increase in concentration in the sector.
- Other data shows that in the council sector there has been a decline in the proportions of economically active heads of households, of multiple earner households, of higher income households and in the level of car ownership. At the same time there has been an increase in the proportion of households with no earners, of non-married households, of female headed households, of households with older persons, of single elderly households, of persons aged under 25 and an increasing proportion of lettings to homeless persons (Forrest and Murie, 1990).
- Other data shows that the proportion of 'no earner households in council housing has increased from 11% to 63%, whereas among owner-occupiers the rate has only increased modestly. Meanwhile, unemployment rates among council tenants are roughly four times those of owner-occupiers. The concentration effect in relation to numbers of earners has continued in the period in which council housing has declined (Holmans, 1993).
- New council tenants in general were drawn disproportionately from those outside the labour market (Forrest and Murie, 1988; Prescott-Clarke, Allen and Morrisey, 1988; Prescott-Clarke, Clemens and Parke, 1994).
- The favoured non-municipal arm of the social rented sector experienced a similar pattern. The housing association sector has grown but still provides only 3% of dwellings. Its tenants and new tenants have a similar profile to council tenants and recently concern has been expressed about creating ghetto estates (Page, 1994).
- In view of these developments it is not surprising that the most up-to-date material on the social differences between tenures indicate a continuing trend towards a lower income social rented sector. The FES shows that between 1980 and 1991, although the overall share of the social rented sector in the housing market declined it housed a higher proportion of the lowest two income decile and continued to house a considerable proportion of the bottom four income deciles. The dominance of social renting declined rapidly after the fourth decile (Figure 1).

Figure 1: Percentage of households by income quintile and tenure (1980–91)



Source: Department of Employment, Family Expenditure Survey *(1980) London, HMSO (1982) and Central Statistical Office,* Family Spending, *London, HMSO (1992)*

Although low income tenants and especially new tenants will not always have low incomes the prognosis for the sector continues to be about residualisation and a clear welfare housing role. Council housing in the 1990s has very different characteristics than at other stages in its history. At some stages in its development council housing has had considerable assets and potential to make a major continuing contribution to meeting a wide range of housing needs. The high quality of most of the housing it provided, the considerable social mix achieved in the early years and sustained because households which could have moved out preferred to stay in the family home, the security and low rents associated with a council tenancy and the increasingly favourable historic cost structure could have been built upon and represented a viable alternative to home ownership as a way of providing housing (Kemeny, 1981). However, the council housing sector which has survived has fewer assets and less potential to play a continuing role. The policies in place in 1996 are likely to further erode the housing stock with limited new building, continuing sales and pressures for stock transfers to access funds for refurbishment. The stronger association between council housing and low income or homelessness is likely to affect the decisions of individual households and of policy makers. The political and social base of council housing have been weakened by events since the 1970s and have added to ideological, electoral and financial considerations to limit the possibilities of the council housing sector playing a sustained role in the future.

The concentration within the council housing sector of households with limited bargaining power in the labour and housing markets is the result of the coincidence of a number of processes. However, the underlying elements of social and economic change and the restructuring of housing tenure were producing this effect over a long period. The increasing targeting of housing need and the operation of the Homeless Persons legislation are the responses to a changed environment rather than the determinants of change. The operation of the Right to Buy speeded up an established trend. It is the combination of polarisation in incomes with a sharper divide in the roles of different tenures that has produced the segregation apparent today.

Housing tenure and social exclusion

Households which can only obtain housing in the rented sector are restricted by what that sector can offer – in terms of dwellings and living environments. They are often trapped in unsatisfactory environments. The poverty trap further reduces their options, their ability to work their way out of environments which disadvantage them and their ability to make satisfactory homes in these areas. As certain areas and parts of the market become more strongly associated with poor people and to represent poor social environments those with choice in the housing system are less likely to move to or to stay in such areas. As a result the social and income mix in these areas is further reduced. Households with choice choose to live elsewhere and increasingly the new residents are those without choice. The process of social exclusion involving housing can be summarised as follows:

- Households entering the housing market have differential choices and bargaining power. Those without jobs and with family responsibilities and those with special needs and outside the labour market graduate towards the rented sectors.
- Those with least choice graduate towards the least desirable dwellings and areas.
- Households living in these areas are dependent on local facilities and low demand housing areas tend to be poorly served by other services.
- Consequently those living in deprived areas are less able to build satisfactory homes or avail themselves of opportunities which could increase their incomes and bargaining power and enable them to move on.

Marilyn Taylor's recent review of the Joseph Rowntree Foundation's action on estate studies argues that poverty is the root cause of many of the problems faced by residents on deprived estates. She states that many large estates are on the fringes of cities, isolated from economic activity, unlikely to provide a market for viable businesses, either as employers or in the shape of shops, transport and other local facilities. Jobs are scare; shops are expensive or hard to get to. Public services on these estates are under severe strain because of high levels of

demand on shrinking budgets. Long-term unemployment has been shown to lead to ill-health; schools with low motivation and under achievement. There are few facilities or prospects for the higher than average numbers of young people. Meanwhile, Care in the Community policies bring more vulnerable people into already stressed communities with few resources to support them.

These problems create huge pressures on family and community life, can lead to tensions between neighbours and together with high population turnover, mean that residents are vulnerable to crime and the fear of crime. The pressures involved interact with each other, to mean that individual problems become more difficult to solve. These pressures result in a spiral of decline and despair, concentrations of low income households result from limited access to jobs, incomes and lack of choice in the housing market. They contribute in turn to a lack of political clout, no market to attract quality goods and services, overstretched public services, the stereotypes which reinforce isolation and lack of access to jobs and capital, poor health, low self-esteem and crime.

Marilyn Taylor emphasises that this spiral of despair is only one side of the picture and is concerned to emphasise the considerable strengths in these areas. Nevertheless, the account should be treated with some caution on two grounds. The first of these is how far the spiral of despair does typify estates and neighbourhoods or how far they remain differentiated and varied. The alternative view to the spiral of despair is one which emphasises the resilience of communities, families and social groups and the minority behaviour which is used to stereotype the characteristics of an estate. The second reservation relates to the equation between council estates and poverty. Limited access to jobs and income and lack of choice in the housing market does not only result in concentrations of poor people on council estates; indeed it may be argued that it is less crucial in these estates. Allocation policies still operate in a way which takes account of factors other than income and employment and the rights of tenants mean that turnover in better quality housing is not always high. The concentration of low income households in the private rented sector and even in parts of the home ownership sector may be just as striking. There is a danger that, without balancing the picture of poverty on estates with a picture of poverty elsewhere, there is a tendency to reinforce stereotypes which associate council housing estates with low self-esteem and a downward spiral.

These debates relate directly to discussion of social exclusion. However, it does not imply a simple polarisation between two tenures: tenures for the included and the excluded. Although the rented sector has become more homogeneous it is far from uniform. Perhaps more importantly, the home ownership sector is increasingly differentiated. Parts of the home ownership sector do not share in the benefits of the rest of the sector. Divisions within home ownership are increasingly apparent. They relate to dwelling type, to location, to the stage at which people entered the market and to a range of factors, which mean that home ownership has different significance and implications for the lives of people living within it. Homeowners living next door to one another may have very different interests and be in very different circumstances – from the household with a large unmortgaged asset to the household in negative equity. Linking social exclusion to debates about residualisation and polarisation should not mean that we fall into the trap of creating an unrealistic dichotomy and ignoring the differentiation which exists within tenures, as well as between them.

All of this raises issues about what we mean by differentiation within tenures and by social mix. The social mix which existed and still exists in particular areas is not a dramatic mix of different social classes and people with different lifestyles and values. However, it is a mix that reflects different stages in the family cycle and the changing fortunes of households. It may be a mix that was apparent at the point of arrival in an estate or at the point of allocation but even if there was little social mix at that point, the different employment and life experience of households means that within the same neighbourhood and estate considerable social mix emerges.

Conclusions: the changing role of council housing

In the 1990s there is an increasing awareness of residualisation of council housing and concentration of deprivation in council housing estates. The inner-city problem which dominated urban and housing policy in the 1970s has been increasingly displaced by the council estates problems. The council housing sector has become more homogeneous, catering for the poorest sections of the community and is more closely identified with particular social groups. Its reputation has been affected as a result of this and other factors. What was a tenure for the affluent working class and represented in many cases a privileged status and achievement is now more often regarded as a measure of failure and exposure to stigma.

Against this background it is evident that patterns of deprivation and housing vary between regions and cities. Council housing does not have the same share of the market everywhere and local economic and other factors mean that different tenures have different roles. How far the council housing sector caters for those on low incomes or outside the labour market is affected both by the size of the sector and its composition and by the local social and economic structure. In the same way the divisions and roles in the home ownership sector relate to the origins and size of the sector and to aspects of price and turnover which will reflect demand and economic conditions. The working through of demand in home ownership (and in the council sector) creates divisions within the market and these patterns are also complicated by discrimination and by choices made by both white and ethnic minority households. Patterns of segregation in some cities are fundamentally associated with race and ethnicity, while in others they remain about income and economic status.

The literature about residualisation and polarisation between tenures has generally been aspatial. It refers to national or regional patterns and the changing profile of tenures. Because it has focused attention upon the declining social base of council housing it connects with literature which has emphasised problems on council estates and on newly built housing association estates. The debate about residualisation relates to social exclusion directly but there is another important dimension which concerns emerging spatial patterns within cities. As has been argued earlier concentrations of poverty are an important part of the debate about social exclusion and the evidence suggests that there is an increasing concentration of lower income households in particular parts of cities. Much of this is associated with residualisation and marginalisation.

These issues are the focus of the remainder of this study. There are key questions which have not been adequately demonstrated by existing research on residualisaton. These relate to how far concentrations of deprivation do equate with council estates. What spatial patterns are involved in different cities? What are the implications of focusing on deprivation in council housing to the neglect of other tenured areas of the city?

3

Identifying areas of deprivation

Introduction

This chapter reviews the evidence about where concentrations of multiple deprivation are within Britain, and about the spatial relationship between deprivation and housing tenure. What are the coincidences between concentrations of deprived households and housing tenures? Are deprived neighbourhoods principally either peripheral council estates or large housing estates in the redeveloped central areas of cities? Is it true that concentrations of deprivation are predominantly or exclusively in council housing? These questions are crucial for the focus of housing policy and more general approaches to urban regeneration. If we set out with the assumption that problems of urban deprivation are associated with a particular tenure, then there is an inclination to believe that tenure diversification or the promotion of other tenures will somehow unscramble the problems associated with these areas. There is, for example, an implicit assumption that concentrations of deprivation are in the large council estates associated with a monopoly landlord, and that large-scale voluntary transfers or diversification of tenure will begin to change the nature of these areas. Tenure diversification may not result in any change in the resources available to communities. Moreover, by focusing upon mass council housing estates and equating urban poverty with council housing, there is a neglect of other areas with concentrated deprivation which are just as appropriate areas for regeneration policies. If we focus all the attention and the policy energy on mass council housing estates, are we, in effect, denying resources and policy initiatives to run down private rented or mixed tenure neighbourhoods or areas with high levels of owner-occupation but considerable problems of poverty and deprivation?

In the present research project the initial purpose has been to use the 1991 Census to identify the areas with concentrations of deprivation. The first stage of the process was to identify the most robust method of measuring and mapping deprivation using Census data. This involved the evaluation of different approaches to the measurement of deprivation and the identification of a preferred method. Having done this, we can map patterns of deprivation in a number of different cities and compare these patterns with patterns of housing tenure. What emerges are very different patterns of association between tenure and deprivation. In some cities the association between deprived neighbourhoods and neighbourhoods of council housing is very high. However, this is not a uniform picture and the social composition of different cities and the pattern of housing development in these cities emphasises different patterns of association. The policy implications of this are important and are returned to later in this report.

Targeting poor areas: the current debate

In recent years there has been a renewed interest in the geography of deprivation and an active debate about policies which involve targeting areas of multiple deprivation. In relation to housing, the last government White Paper of 1995, *Our future homes: opportunities, choices and responsibilities: the government's housing policies for England and Wales*, makes the following commitment: "Over the next ten

years, we will tackle the problems of the most deprived estates.... Government Offices for the Regions and local authorities will work together to identify the best way of tackling the estates with the worst social, economic and housing problems" (DoE, 1995a, p 35).

Similarly, the Labour Party's Commission on Social Justice has commented that:

> Areas of the most entrenched long-term problems should be a priority for public policy.... The existing urban-regeneration budget would go much further if part of it were invested through Community Development Trusts. One approach would be to identify the 250 most disadvantaged areas of the UK for phased release of community regeneration funding over a ten-year period.... (Commission on Social Justice, 1994, p 334).

It is clear from these statements that the purpose is to target areas appropriate for priority treatment and area-based initiatives. Such initiatives complement social security and other policies which target individuals. The assumption is that area-based policies have the capacity to achieve community and economic development and add to the mechanisms able to achieve social and economic objectives.

Because of this renewed interest, the first part of our discussion in this chapter involves establishing where poorer sections of the community live. This chapter draws heavily on an evaluation of the methods available to identify areas with concentrations of deprivation and the construction of an index of multiple deprivation based on the 1990 Breadline Britain survey (Gordon and Pantazis, 1997; Lee, Murie and Gordon, 1995). Having identified areas with the greatest concentrations of poor people, we go on to look at the association between these areas and housing tenure at a local authority level.

Methods of identifying deprived areas

While there is some agreement on the need to identify deprived areas for policy purposes there is no single accepted way to select such areas. In order to address the question of where the poorest sections of the community live, it is necessary to develop a methodology which identifies areas of deprivation. There is a long history of studies which endeavour to do this and an earlier report, *Area measures of deprivation: a study of current methods and best practices in the identification of poor areas in Great Britain* (Lee, Murie and Gordon, 1995) provided an analysis both of the conceptual and methodological basis of approaches to identifying deprived areas and of the results generated by each approach. The study provides a systematic evaluation of the reliability and validity of deprivation indexes which are most widely used in Britain.

Definitions of poverty

In developing and applying the most appropriate method of targeting the poorest areas, we have relied upon indicators of deprivation and methods of combining them into an index which is based on the literature on relative poverty and deprivation. We choose a relative definition of poverty because people are social as well as physical beings. Studies of people's behaviour after they have experienced a drastic cut in resources show that they sometimes act to fulfil their social obligations before they act to satisfy their physical needs (Townsend and Gordon, 1989). Absolute approaches to the definition of poverty therefore bear insufficient relationship to actual behaviour. In previous studies, poverty has been defined as a situation where resources are so seriously below those commanded by the average household or individual that they are, in effect, excluded from ordinary living patterns, customs and activities (Townsend, 1979; 1993). As resources for any individual or household diminish, there is a point at which there occurs a withdrawal from participation in the customs and activities approved by society. The point at which withdrawal occurs most rapidly can be defined as the poverty line or threshold (Townsend, 1979; 1993). The most appropriate area measure must be one which relates to the variety of circumstances which contribute to poverty.

Why use indexes in the study of deprivation?

In mapping and identifying concentrations of deprivation we could select a single key indicator such as unemployment or ill-health. The suitability of single indicators of deprivation for targeting areas relates to whether any single variable is adequate for the definition and concept of deprivation used. It also relates to whether a single indicator enables a greater proportion of key deprived groups (eg, unemployed people) to be identified than does an index. Any single indicator, such as *unemployment*, *overcrowding*, *poor amenities* or *earnings* excludes some who are not in the selected category but are disadvantaged in a variety of other ways. It also includes those whose overall social circumstances do not compound or confirm the disadvantage suggested by one measure. One example of this relates to unemployment. The economically inactive population are not included in UK unemployment figures as these refer to availability for employment. Economic inactivity is not the same as unemployment and is especially significant in regions with a high dependency upon one employer where subsequent closure and large-scale redundancies result in 'discouragement' of the labour force and a shrinking of the economically active population. As Beatty and Fothergill (1994) point out, the closure of some UK coal mines during the 1980s did not lead to an increase in unemployment but an increase in economic inactivity. This was a direct result of the process whereby older male workers were discouraged from applying for a reduced pool of jobs, and hence entered long-term dependency on state sickness benefits or took early retirement (Beatty and Fothergill, 1994). Targeting areas for policy using a single indicator such as unemployment would, therefore, fail to target areas with high rates of inactivity.

These arguments suggest that some composite measure of deprivation is preferable to a single indicator. But does this mean that fewer of those in the category referred to by the single indicator will be identified? The analysis related to this question shows that index measures of deprivation identify as large a proportion of people in the categories identified by single dimension measures such as unemployment or overcrowded households. Indexes of deprivation are as effective in identifying these populations but at the same time identify other aspects of deprivation. They identify areas with multiple deprivation but these areas include as high a proportion of those experiencing particular deprivations as are in the areas identified through a single variable referring to that particular deprivation. For example, some 29% of the unemployed live in the poorest 10% of areas ranked by unemployment rate while some 30% of the unemployed live in the poorest 10% of areas ranked by the DoE Index of Local Conditions (Lee, Murie and Gordon, 1995). If we want to identify the areas with the greatest concentration of unemployment a direct single variable measure is no more effective and the areas chosen will include fewer of those deprived in other ways. Consequently, if the aim is to identify the areas with the greatest incidence of a variety of deprived situations there can be no doubt that an index is to be preferred.

Indexes are designed to embrace different dimensions of deprivation and not surprisingly, identify different populations and areas when compared to single variable measures. Single indicators of deprivation highlight particular aspects of deprivation and are not good indicators of the wider concepts of multiple deprivation.

Does it matter which index is chosen?

The debate, therefore, moves from 'whether to use an index?' to 'which index should be used?' The number of indexes which have been developed at different times and for different purposes is only partly demonstrated by the range of indexes in Table 1 (p 18).

Table 1 lists the indexes which have been examined in detail in the present study. Each of these was reconstructed and applied using 1991 Census data for the 10,511 wards (England and Wales) and postcode sectors (Scotland) in Great Britain. It is important to stress at the outset that these indexes have been developed for different purposes and that not all of them have been designed to identify areas of poverty or deprivation. Thus, for example, Jarman's index is concerned with medical care needs and the Index of Local Conditions was designed to assist

in the identification of areas for urban policy attention. The consideration of how well they perform in relation to relative poverty should not be seen as an evaluation of how well they perform in relation to the purpose for which they were originally designed.

At a local authority level it has been argued that it does not matter which index is used. Thus, for example, Gordon and Forrest (1995) argue that because the concentration of poverty has been so marked in the past decade:

> ... the same broad pattern can be discerned almost irrespective of the methods used to measure it. To put it bluntly, when there is a lot of poverty it becomes relatively easy to measure. (Gordon and Forrest, 1995, p5)

They found that the pattern of poverty was similar at local authority district level whether using the Index of Local Conditions or the Townsend Index. However, targeting the *250 most disadvantaged areas of the UK for phased release of community regeneration funding over a ten-year period* (Commission on Social Justice, 1994, p 334) or the most deprived estates requires a finer spatial analysis than that provided at district level.

At ward or postcode sector level the variation in the identification of the most disadvantaged areas is much more marked (Lee, Murie and Gordon, 1995). The regional locations of the most deprived areas according to each index is shown in Table 2. The Table indicates the variation in the percentage of wards identified in each region when different indexes are used. For example, in the South East (Greater London and South East region) DoE81 identifies almost 50% of the poorest areas as being locations in this part of England; DoE91 identifies a smaller percentage of the poorest areas in the south, while more than 40% of the poorest areas are locations in Greater London and the South East of England on this measure. All of the other measures of deprivation identify between 24% and 30% of the poorest areas as within Greater London.

The most striking variations in the identification of deprivation are provided by Scotland and Wales. Both Breadline and Townsend place almost a quarter of the poorest areas in Scotland but DoE81 identifies under 10% of the poorest

Table 1: Indexes of 'deprivation' compared (1995)

Index	Description
DoE81	The DoE's 1981 *Z* score
Jarman	Professor Brian Jarman's Underprivilege Area Score (Jarman, 1983)
Townsend	Professor Peter Townsend's deprivation index used extensively in social policy and health research (Townsend, Phillimore, and Beattie, 1988)
Scotdep	A deprivation index developed at Edinburgh University to identify health inequalities in Scotland (Carstairs and Morris, 1991)
Matdep	A material deprivation index reproduced from *People and Places* (Forrest and Gordon, 1993)
Socdep	A social deprivation index reproduced from *People and Places* (Gordon and Forrest, 1995)
Bradford	A measure of social stress developed by Bradford Metropolitan Borough Council (Bradford MBC, 1993)
Oxford	An index developed by a team of researchers at Oxford University using a predictive model of low income (Noble et al, 1994)
DoE91	The 1991 DoE Index of Local Conditions (DoE, 1995b)
Breadline	Developed from the 1990 Breadline Britain poverty survey (Gordon and Pantazis, 1995)

Source: Lee, Murie and Gordon (1995)

areas as locations in Scotland and is similar to Jarman in this respect. The picture for Wales is more consistent and shows relatively little variation in the proportion of poor areas identified across the indexes; the exception to this is Socdep which identifies a significant proportion of the poorest decile as areas in Wales. Consequently the question of which index to use becomes significant and requires relevant justification.

Choosing an index

In choosing which indexes relate best to relative deprivation the analysis (Lee, Murie and Gordon, 1995) considered the 'scope of the index, problems of 'double counting' and the weights applied to variables. The 'scope' of the index relates to whether the purposes involved are strictly to measure deprivation, whereas 'double counting' exists where more than one variable refers to the same aspect of deprivation and the index seems to count the target population twice. The problem of double counting may, however, be regarded as endemic. Few categories are completely exclusive. The need in constructing an index is to take this into account in weighting the variables included to reflect the interaction between indicators.

Weights are important because of the potential effects of double counting and because, taking the earlier example of unemployment, not all the unemployed are poor. In the absence of data that measures each individual's or household's access to the resources and life chances individual indicators only give 'indirect' measures of deprivation. It is therefore important to build in to the analysis an indication of the likelihood that individuals or households are actually deprived when they are in a category referred to. This involves some means of establishing weights reflecting the relative degree of risk of being 'poor associated with each indicator.

The Breadline Index emerged from this analysis as the most robust in terms of selection of variables, weighting, standardisation and other dimensions and is the strongest basis for measuring and mapping deprivation nationally when using the concept of relative poverty. For this report, the Breadline Index was adapted because of the concern to look at the relationship between deprivation and housing tenure. Tenure variables were taken out of the Index and new weights were calculated for district level, ward level and enumeration district analysis (details of the Index are included in Appendix A).

Table 2: Distribution of 'deprived' areas (percentage of wards identified) by region and index

(%) Index	GL	SE	N	NW	YH	WM	EM	EA	SW	W	S
Breadline	20.6	2.9	14.7	14.5	6.3	4.8	4.4	0.9	1.7	5.3	24.1
DoE81	38.6	8.8	5.3	13.0	5.7	6.4	4.2	1.1	2.7	4.9	9.2
DoE91	32.8	7.5	4.5	11.3	4.8	5.8	2.9	1.1	3.2	3.5	22.5
Jarman	30.4	8.8	7.8	14.3	6.9	5.9	4.9	1.2	3.1	4.1	12.7
Matdep	24.8	6.9	4.4	16.1	9.0	6.3	2.6	1.3	4.2	5.7	18.6
Oxford	29.9	4.2	10.0	14.8	4.9	4.8	4.1	1.0	2.4	4.9	19.1
Scotdep	21.6	3.6	11.8	15.3	7.5	6.1	4.4	0.7	1.5	6.9	20.6
Socdep	13.7	2.8	15.7	18.2	7.0	3.9	4.8	0.6	1.4	16.5	15.5
Townsend	28.4	4.1	10.1	13.0	4.8	5.1	4.0	0.8	1.3	3.7	24.7
(Rank % Unemployed)	20.5	3.3	13.1	15.8	7.3	5.3	1.0	1.0	2.3	9.5	16.6

Source: 1991 Census, Crown Copyright (ESRC/JISC purchase); Lee, Murie and Gordon (1995)

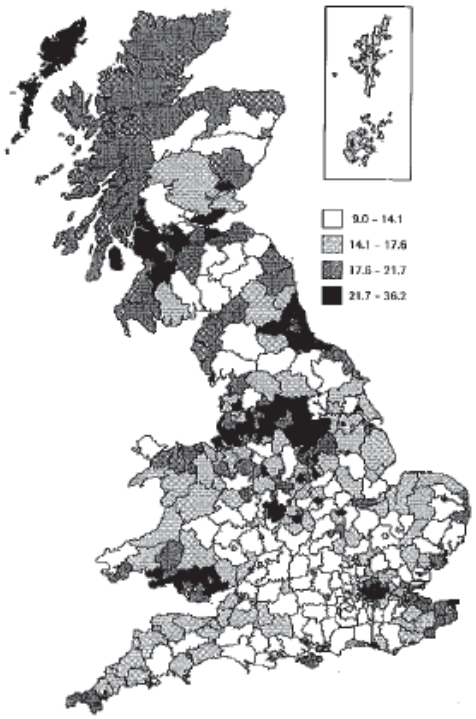
Key: GL: Greater London; SE-South East, N-North, NW-North West, YH-Yorkshire and Humberside, WM-West Midlands, EM-East Midlands, EA-East Anglia, SW-South West, W-Wales, S-Scotland.

Patterns of deprivation

Figure 2 maps the pattern of deprivation in Great Britain using the Breadline Index (and Table 3 (p 23) lists the 25 most deprived and the 25 least deprived districts). These deprived districts are dominated by Inner London (8), Strathclyde (5), Tyne and Wear (4) and the North West (3). The least deprived are all in the South of England except 2 in Grampian and Strathclyde. The pattern of deprivation is a familiar one in respect of the declining industrial areas of South Wales, the West Midlands, the North West, Yorkshire, Tyneside and the central belt of Scotland. It also includes declining coastal towns (Barrow-in Furness, Hull, Grimsby, Thanet, Dover and Portsmouth) and, less familiar in the discussion of deprivation, the seaside towns of Blackpool, Morecambe, Great Yarmouth, Brighton and Hove and Eastbourne. Finally, it includes more remote rural areas with fragile economies.

For this study the key questions relate to the housing tenure structures of areas of deprivation. Tenure structures reflect a variety of historical

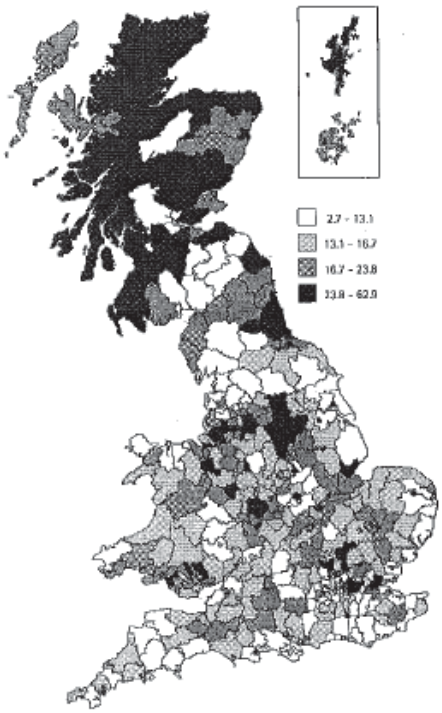
Figure 2: Estimated percentage of deprived households, Breadline Britain Index, Great Britain (1991)



and current influences. In particular, they reflect previous patterns of public policy and private investment and the pattern of tenure transfers from both the private and public rented sectors. Public sector housing developed a particularly strong role in Scotland, inner London and many of the larger cities. But the pattern does not relate simply to the development of the economy. Edinburgh and Glasgow have very different patterns of housing tenure and South Wales and the North West developed larger owner-occupied sectors than other older industrial areas.

Figures 3 and 4 indicate that the broad pattern of housing tenure does not coincide with the pattern of deprivation. Table 4(a) and (b) (pp 24-25) adds to this picture by showing that districts with similarly high levels of deprivation have very different tenure structures. In spite of the residualisation of council housing the most deprived districts are not simply the districts with the highest levels of council housing. Housing tenure is not an adequate guide to the deprived status of areas.

Figure 3: Percentage of households living in council housing, Great Britain (1991)



Seven of the 25 most deprived local authorities have more than 50% home ownership. These include Rhondda in South Wales with almost 80% home ownership. When the private rented sector is included, 16 of the 25 most deprived local authorities have levels of private tenure above 50%. In the London Borough of Newham, for example, almost 62% of households are in the private sector. The percentage of social rented housing ranges from 18% in Rhondda to 69% in Tower Hamlets. The 25 least deprived areas have higher levels of home ownership and lower social rented housing but the variation between them is considerable.

It is also apparent that discussion of the association between tenure and deprivation is not best carried out at a national level or in relation to areas as large and diverse as local authorities. Consequently, in the next chapter, we develop this analysis for five British cities. The cities selected (Birmingham Bradford, Edinburgh, Liverpool and the London Borough of Tower Hamlets) have very different econom and political histories as well as different housing stocks and tenure structures. Initially, key aspects of these differences are outlined. Subsequently, a more detailed neighbourhood analysis is presented to explore the association between housing tenure and deprivation.

Figure 4: Percentage of households living in owner-occupation, Great Britain (1991)

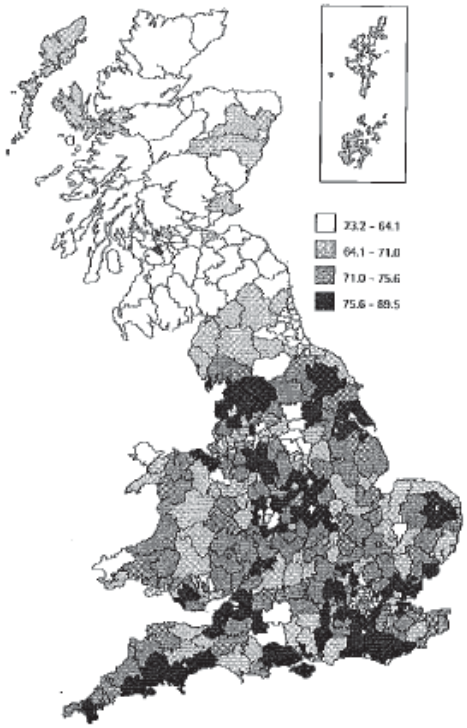


Table 3: Breadline Index: percentage of deprived households: 25 most deprived and 25 least deprived local authority districts in Great Britain

25 'most deprived' local authorities

Rank	Local authority	County	%
1	Hackney	Inner London	36.2
2	Glasgow City	Strathclyde	35.6
3	Tower Hamlets	Inner London	34.9
4	Knowsley	Merseyside	34.3
5	Liverpool	Merseyside	33.9
6	Manchester	Greater Manchester	33.2
7	Southwark	Inner London	33.0
8	Islington	Inner London	32.9
9	Clydebank	Strathclyde	32.4
10	Newham	Inner London	32.1
11	Lambeth	Inner London	31.7
12	Monklands	Strathclyde	30.2
13	Inverclyde	Strathclyde	30.0
14	South Tyneside	Tyne And Wear	30.0
15	Haringey	Inner London	29.9
16	Newcastle Upon Tyne	Tyne and Wear	29.8
17	Middlesbrough	Cleveland	29.3
18	Motherwell	Strathclyde	29.1
19	Kingston Upon Hull	Humberside	29.0
20	Sunderland	Tyne and Wear	28.7
21	Camden	Inner London	28.6
22	Nottingham	Nottinghamshire	28.6
23	Rhondda	Mid Glamorgan	28.5
24	Dundee City	Tayside	28.4
25	Gateshead	Tyne And Wear	28.3

25 'least deprived' local authorities

Rank	Local authority	County	%
435	Mole Valley	Surrey	11.8
436	Blaby	Leicestershire	11.8
437	Tandridge	Surrey	11.7
438	West Oxfordshire	Oxfordshire	11.7
439	East Hertfordshire	Hertfordshire	11.7
440	Bearsden and Milngavie	Strathclyde	11.6
441	Horsham	West Sussex	11.6
442	East Dorset	Dorset	11.6
443	Harborough	Leicestershire	11.6
444	Vale of White Horse	Oxfordshire	11.6
445	Eastwood	Strathclyde	11.5
446	Broadland	Norfolk	11.4
447	Newbury	Berkshire	11.4
448	Uttlesford	Essex	11.4
449	East Hampshire	Hampshire	11.4
450	South Bucks	Buckinghamshire	11.4
451	South Northamptonshire	Northamptonshire	11.2
452	Northavon	Avon	11.1
453	Chiltern	Buckinghamshire	11.0
454	Kincardine and Deeside	Grampian	10.9
455	South Cambridgeshire	Cambridgeshire	10.7
456	Gordon	Grampian	10.3
457	Surrey Heath	Surrey	10.1
458	Hart	Hampshire	9.3
459	Wokingham	Berkshire	8.9

Table 4(a): Tenure structure of the 25 most deprived local authority districts in Great Britain

Local authority	Own	PRS	HA	LA
Hackney	26.9	12.4	11.3	47.9
Glasgow City	37.2	5.3	8.0	48.6
Tower Hamlets	23.2	6.9	9.3	58.3
Knowsley	53.1	3.1	2.9	39.4
Liverpool	51.1	10.3	8.7	28.6
Manchester	41.2	11.7	7.3	38.4
Southwark	27.2	9.7	10.2	51.1
Islington	26.7	12.6	10.6	48.2
Clydebank	33.8	0.7	6.9	57.8
Newham	49.8	11.8	6.4	30.8
Lambeth	36.3	15.1	10.2	36.9
Monklands	33.4	0.9	1.6	62.9
Inverclyde	43.0	3.5	3.1	49.4
South Tyneside	50.2	4.0	5.0	39.7
Haringey	49.8	17.7	6.4	24.9
Newcastle Upon Tyne	49.9	9.0	5.2	34.6
Middlesbrough	61.0	4.8	5.3	27.9
Motherwell	33.5	0.9	2.2	62.5
Kingston Upon Hull	49.4	8.9	3.3	37.3
Sunderland	53.2	3.4	3.6	38.7
Camden	33.8	21.4	8.6	34.0
Nottingham	51.9	8.5	5.7	32.7
Rhondda	78.0	4.4	2.7	14.2
Dundee City	45.4	6.4	4.7	42.5
Gateshead	52.7	6.1	4.2	36.0

Key: PRS: private rented sector, HA: housing authority, LA: local authority

Table 4(b): Tenure structure of the 25 least deprived local authority districts in Great Britain

Local authority	Own	PRS	HA	LA
South Bucks	76.1	6.2	9.3	5.5
South Northamptonshire	74.7	7.1	0.7	14.2
Northavon	83.2	3.9	1.2	10.2
Chiltern	79.4	5.7	8.9	4.1
Kincardine and Deeside	64.4	8.7	1.4	19.1
South Cambridgeshire	72.3	6.2	1.6	16.0
Gordon	67.9	7.0	1.1	19.4
Surrey Heath	81.0	5.6	0.5	9.7
Hart	81.1	5.6	1.0	8.0
Wokingham	85.2	4.4	1.1	7.0
Mole Valley	75.7	6.0	2.0	13.3
Blaby	85.7	3.6	1.2	8.6
Tandridge	78.5	5.2	1.3	12.1
West Oxfordshire	70.3	8.1	2.2	12.8
East Hertfordshire	73.6	6.6	0.8	16.4
Bearsden and Milngavie	86.8	1.5	0.4	10.5
Horsham	76.4	5.8	2.1	12.7
East Dorset	85.0	4.6	5.0	3.3
Harborough	80.7	4.9	0.8	11.0
Vale of White Horse	74.0	6.8	1.5	13.1
Eastwood	89.4	1.7	0.8	7.3
Broadland	82.4	5.9	7.0	2.7
Newbury	73.8	6.7	9.8	5.3
Uttlesford	72.6	7.3	1.2	14.4
East Hampshire	77.8	5.7	1.1	11.2

Key: PRS: private rented sector, HA: housing authority, LA: local authority

4

Deprived areas and housing tenure

Introduction

In comparing spatial patterns of deprivation and housing tenure we need to recognise that the housing and demographic features of the five cities are very different and different patterns have emerged over time. Three aspects of this – tenure, ethnicity and unemployment – illustrate these differences.

Tenure differences

The cities we have chosen have very different tenure characteristics (see Table 5). The proportion of households renting from the local authority ranges from just under 17% in Bradford to almost 60% in Tower Hamlets. Liverpool has the most mixed tenure structure with the largest private rented sector and fewer homeowners than anywhere other than Tower Hamlets. Bradford and Edinburgh have the highest levels of home ownership. Birmingham has the smallest private rented sector but is in the middle position in respect of the other tenures.

Ethnicity

Table 6 (p 27) indicates the variation in the size and composition of the population from minority ethnic groups within the five cities. Whereas Bradford and Edinburgh have reasonably similar tenure structures they are very different cities in terms of ethnicity. Edinburgh and Liverpool have similar proportions of the population categorised as non-white and this is below the national average.

Birmingham and Bradford have similar proportions of households categorised as Indian and Pakistani, whereas Tower Hamlets stands alone with the largest Bangladeshi population (both proportionately and absolutely) in Britain. Birmingham's ethnic minority population is more mixed than any of the other cities with a larger Black Caribbean and Indian community than in the other cities.

Table 5: Housing tenure in five cities

	Owner-occupied	Private rented	Housing association	Local authority	Base (households)
Birmingham	60.1	6.6	5.6	26.4	374,002
Bradford	71.2	7.5	3.6	16.6	173,793
Edinburgh	66.4	8.6	4.0	19.9	185,581
Liverpool	51.1	10.3	8.7	28.6	182,810
Tower Hamlets	23.2	6.9	9.3	58.3	62,844
Great Britain	66.3	7.1	3.1	21.5	21,802,787

Unemployment

Unemployment rates range from 9% in Edinburgh to over 23% in Liverpool. Levels of youth unemployment (16 to 24 years) are slightly higher and have a greater range: 13% in Edinburgh rising to 31% in Liverpool (Table 7, p 28).

The spatial pattern of unemployment changed significantly between 1981 and 1991 and Figure 5 (p 29) shows a pattern of polarisation within each city. This can be summarised as follows:

- *Birmingham*: in 1991 more wards had unemployment rates of less than 10% than in 1981. In 1991 two wards (Aston and Sparkbrook) registered more than 30% unemployed. In 1981 no wards had this level of unemployment indicating a widening employment gap between wards and a growing divide between the most deprived areas and the more affluent parts of the city.
- *Bradford*: in both 1981 and 1991 more than half of the wards had rates of unemployment below 10%. However, in 1991, in a small group of wards, unemployment had risen above 25% and in the case of university ward reached 30%. These levels had not existed in 1981.
- *Edinburgh*: unemployment remains low in Edinburgh compared with the other cities. In 1981 less than 25% of wards had rates of unemployment above 10%. However, in 1991 more than a quarter of postcode sectors had unemployment rates above 10%. Unemployment had risen in the poorest parts of the city but not in the more affluent.
- *Liverpool*: in 1981 the median level of unemployment was higher in Liverpool than in the other cities but was below 20%. In 1991, well in excess of half of the wards in Liverpool had rates of unemployment over 20%, with almost a quarter of the city s wards registering rates of 30% or more. In 1991, in Everton, Vauxhall and Granby wards, the rate of unemployment exceeded 40%, well in excess of the highest rates registered in 1981. The wards with the lowest rates of unemployment had slightly higher rates than in 1981 but the gap between the areas with the highest and lowest rates had widened considerably.
- *Tower Hamlets*: in Tower Hamlets unemployment generally increased between 1981-91. At the same time the gap between rates of unemployment in the wards with the highest and the lowest rates (between Spitalfields in the north of the Borough and Grove in the south) had widened. The respective rates of unemployment have grown apart since 1981 with Spitalfields (32.5%) registering more than twice the rate for Grove (14.7%).

These patterns of divergence are also apparent at enumeration district level. Figure 6 (p 30) shows the distribution of unemployment across enumeration districts (EDs) in the five cities for 1981 and 1991. At this spatial scale (an average of 125 households within each ED or Output Area) the variation in levels of unemployment is much wider. There were zero rates of unemployment in some small areas of

Table 6: Percentages of persons from ethnic minority backgrounds (1991)

	Bangladeshi	Black African	Black Caribbean	Black Other	Indian	Pakistani	Base (Person)
Birmingham	1.3	0.3	4.7	0.9	5.3	6.9	223,654
Bradford	0.8	0.1	0.7	*	2.6	9.9	64,530
Edinburgh	*	*	*	*	0.3	0.6	5,143
Liverpool	*	*	0.3	0.7	0.3	0.1	7,002
Tower Hamlets	23.1	2.4	3.6	1.1	1.0	0.7	51,026
Great Britain	0.3	0.4	0.9	0.3	1.5	0.9	2,341,365

* *less than 0.1% of population*

Birmingham, Edinburgh and Liverpool in 1981). Other areas of Birmingham, Bradford and Liverpool had over 50% of people unemployed. In each city the variation between areas was greater in 1991 than in 1981.

Tables 8 and 9 add to this picture and show that in both 1981 and 1991 Liverpool had the highest proportion of EDs with 30% or more people unemployed, while Edinburgh had the largest percentage of output areas (the ED equivalent in Scotland) with rates of unemployment below 10%. Median levels of unemployment had remained stable in Birmingham, Bradford, and Edinburgh but had increased in Tower Hamlets and Liverpool. Perhaps the most striking feature is that the data for 1991 shows, within each city, a wider variation in unemployment at small area level. The gap between more and less affluent neighbourhoods was widening. In Birmingham and Bradford there were more areas with less than 10% unemployed as well as more with 40% or more. In Edinburgh, Liverpool and Tower Hamlets the proportion of EDs with less than 10% unemployment fell between 1981 and 1991.

This spatial data on unemployment demonstrates a different experience of change in different areas. How does this relate to housing?

The spatial incidence of deprivation and council housing

Ward level analysis can hide small pockets of deprivation and the variation within larger wards is lost through such an analysis. Enumeration districts are the smallest spatial unit which can be analysed using national data. Normally EDs contain between 150 and 200 households (in Scotland output areas contain a slightly lower average number of households). In effect, using data at this spatial scale allows us to focus more effectively on 'neighbourhoods or 'estates and we can begin to understand the association between deprivation and housing tenure at the 'neighbourhood level. Using the Breadline Index Figures 7 to 16 (pp 32-37) show the percentage of poor households and the coincidence with council housing at ED level for the five cities in 1991.

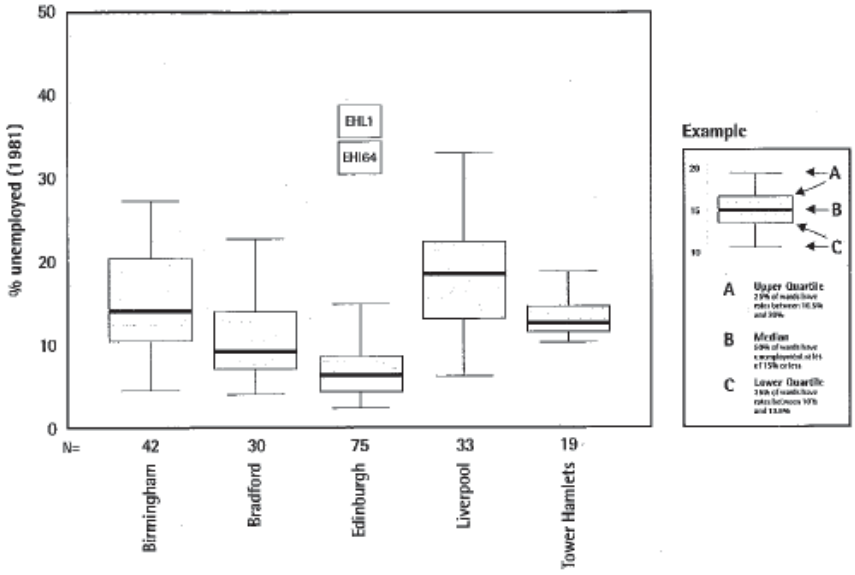
Table 7: Unemployment and estimated % of deprived households (1991)

	Breadline: estimated % of deprived households	Unemployed	Youth unemployed
Birmingham	26.8	15.6	20.3
Bradford	23.8	13.1	16.8
Edinburgh	23.7	9.1	13.0
Liverpool	33.9	23.2	31.0
Tower Hamlets	34.9	22.2	26.0

Table 8: Distribution of unemployment at ED level (1981)

% unemployment 1981	Less than 10%	10-19%	20-29%	30-39%	40-49%	50%+
% of EDs						
Birmingham	36.4	37.9	20.1	5.1	0.8	0.0
Bradford	53.5	28.5	12.5	4.4	0.7	0.4
Edinburgh	74.6	20.0	3.8	1.6	0.4	0.0
Liverpool	22.7	37.0	26.1	10.0	3.2	1.2
Tower Hamlets	21.4	66.0	11.2	1.4	0.3	0.0

Figure 5: Distribution of unemployment at ward level (1981 and 1991)



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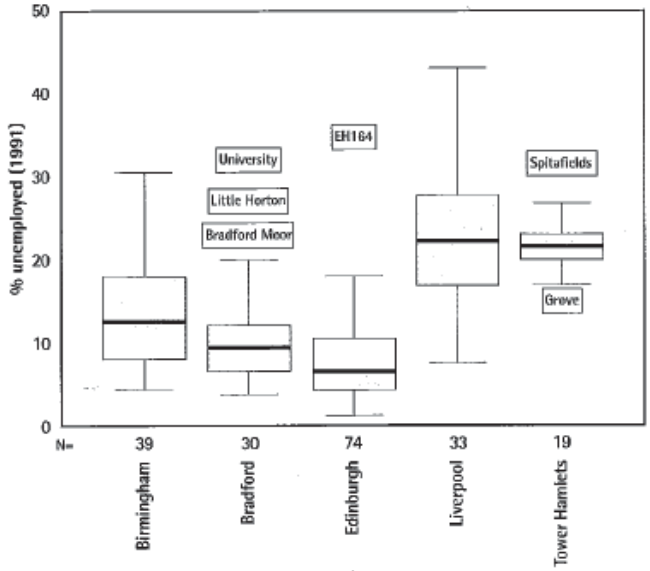

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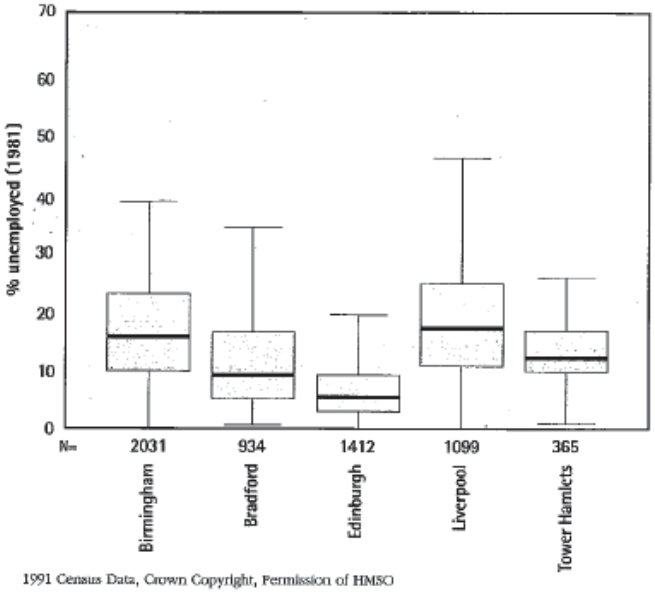
Figure 6: Distribution of unemployment at ED level (1981 and 1991)



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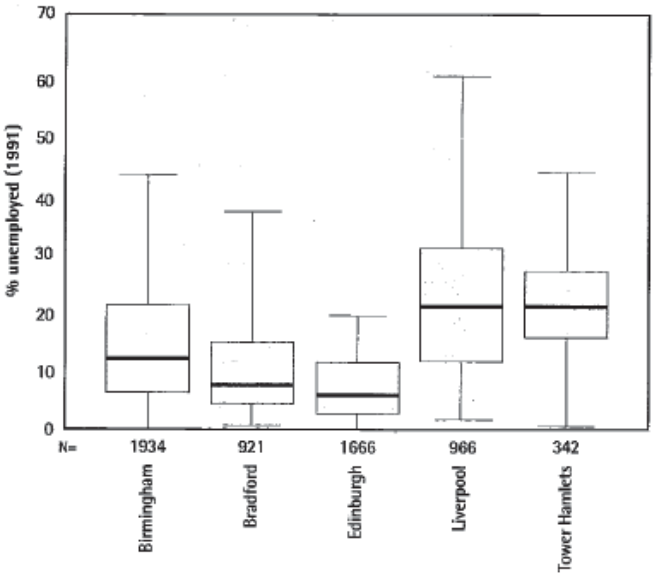

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Table 9: Distribution of unemployment at ED level (1991)

% unemployment 1991	Less than 10%	10–19%	20–29%	30–39%	40–49%	50%+
% of EDs						
Birmingham	38.7	32.0	18.2	9.0	2.4	0.2
Bradford	56.9	18.1	14.1	8.2	2.4	0.5
Edinburgh	67.6	22.0	6.4	2.8	1.3	0
Liverpool	18.4	25.9	27.6	18.3	7.7	3.2
Tower Hamlets	8.7	34.8	37.7	15.1	4.6	0

Table 10: Disadvantaged neighbourhoods: household characteristics

	Households	Residents	Average household size
Edinburgh			
Craigmillar	4,433	10,434	2.4
Gilmerton and Liberton	3,979	8,985	2.3
Wester Hailes & Sighthill	4,666	10,994	2.4
Stenhouse	2,598	5,638	2.2
Pilton	4,268	9,909	2.3
Granton	1,600	3,628	2.3
North Leith	3,469	6,827	2.0
South Leith	4,414	8,279	1.9
City Centre	2,412	4,581	1.9
Oxgangs	1,056	2,332	2.2
Total/average %	**32,895**	**71,607**	**2.2**
Birmingham			
Birmingham West	7,555	24,072	3.2
North Central	12,662	35,274	2.8
South Central	8,424	18,231	2.2
East Central Birmingham	7,677	22,165	2.9
South East Birmingham	12,624	41,358	3.3
North Birmingham suburb	7,458	16,725	2.2
South Birmingham suburb	8,193	18,906	2.3
Total/average %	**64,593**	**176,731**	**2.7**

Figure 7: Birmingham: 'disadvantaged' households

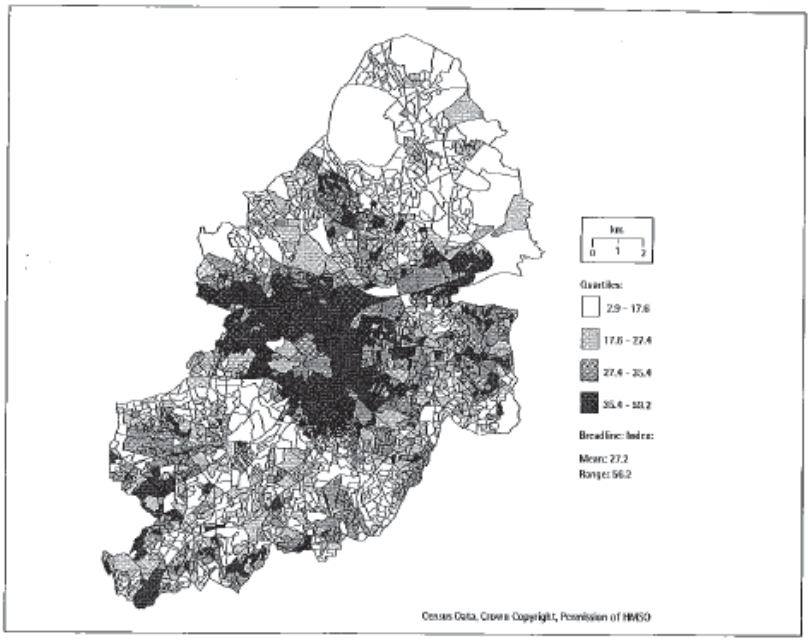


Figure 8: Birmingham: households in local authority housing

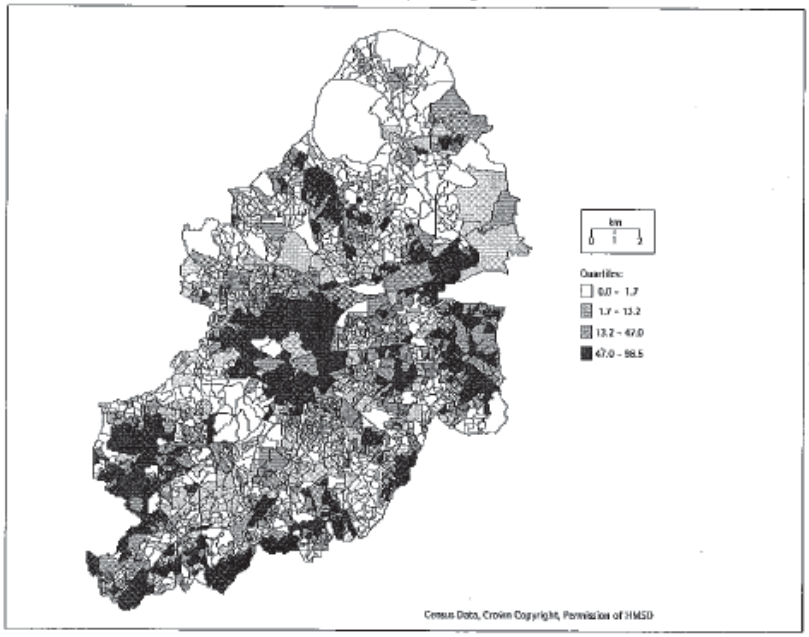


Figure 9: Bradford: 'disadvantaged' households

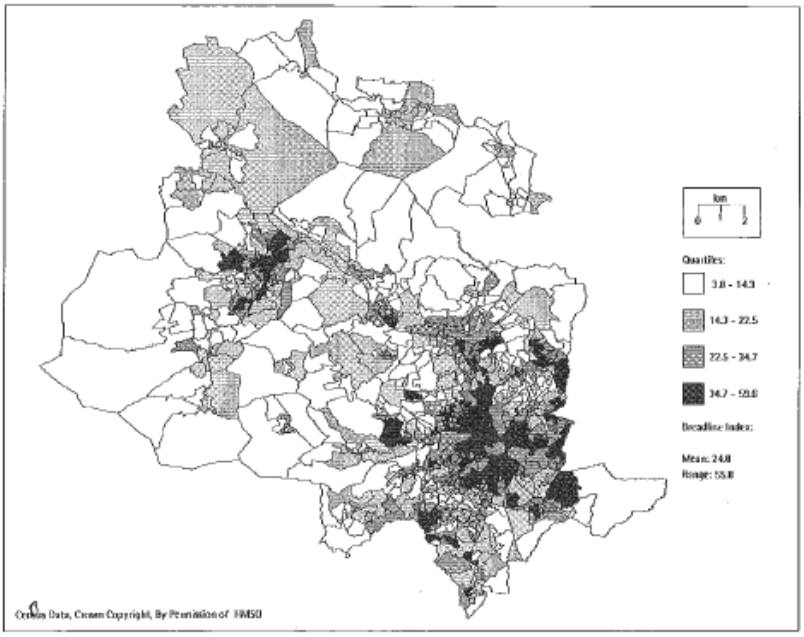


Figure 10: Bradford: households in local authority housing

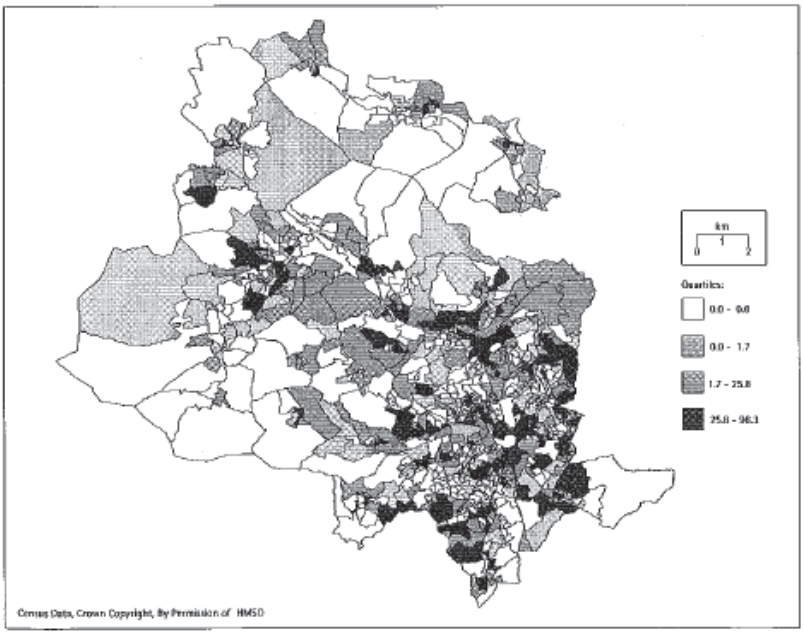


Figure 11: Edinburgh: 'disadvantaged' households

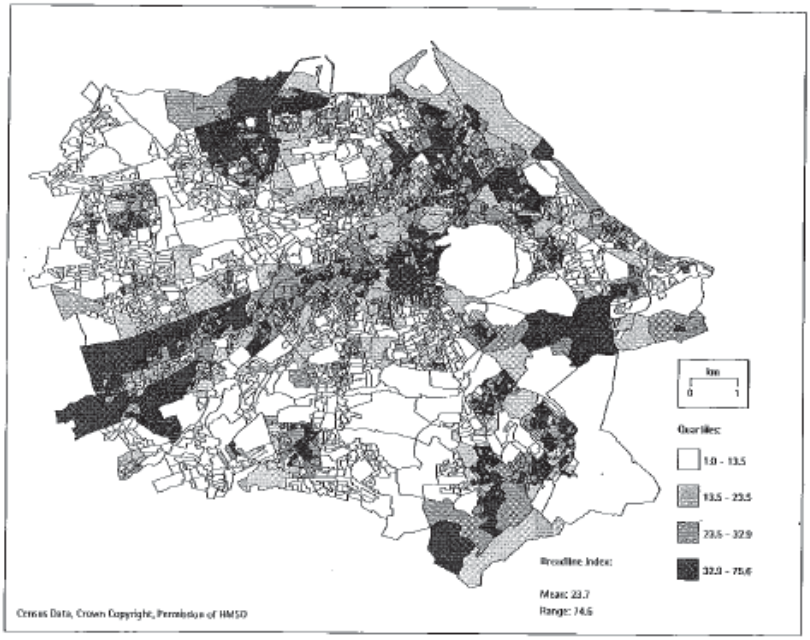


Figure 12: Edinburgh: households in local authority housing

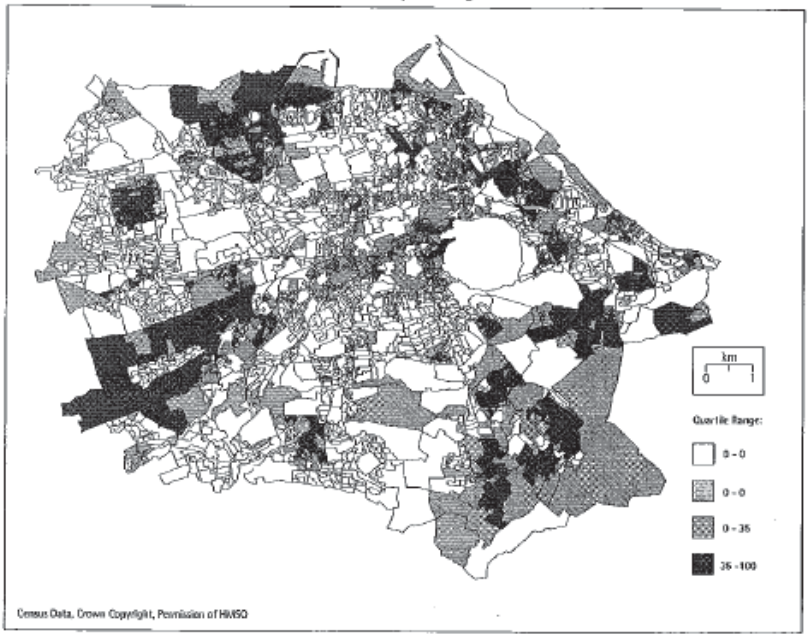


Figure 13: Liverpool: 'disadvantaged' households

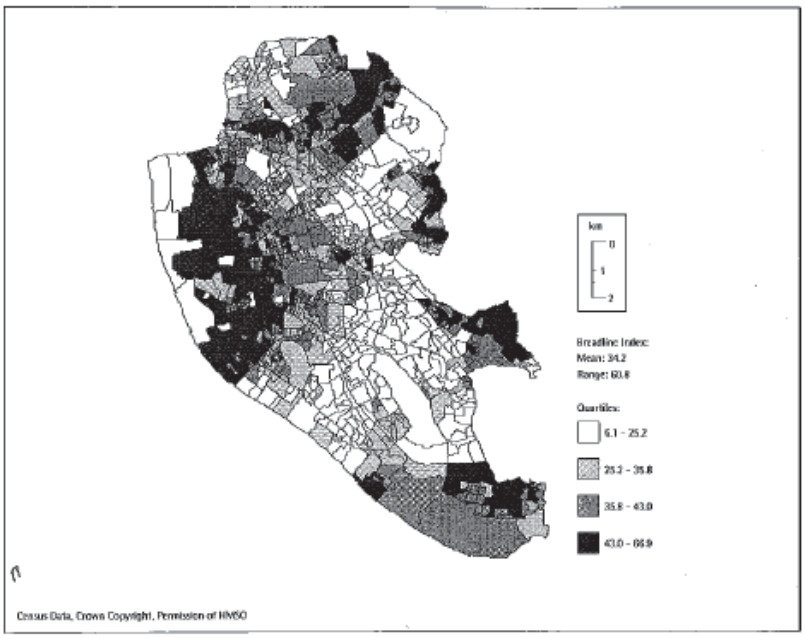


Figure 14: Liverpool: households in local authority housing

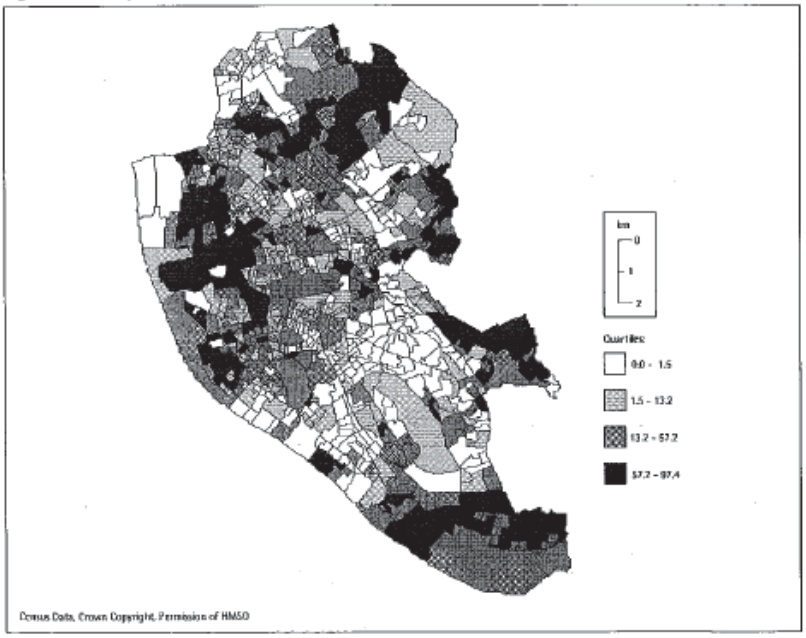


Figure 15: Tower Hamlets: 'disadvantaged' households

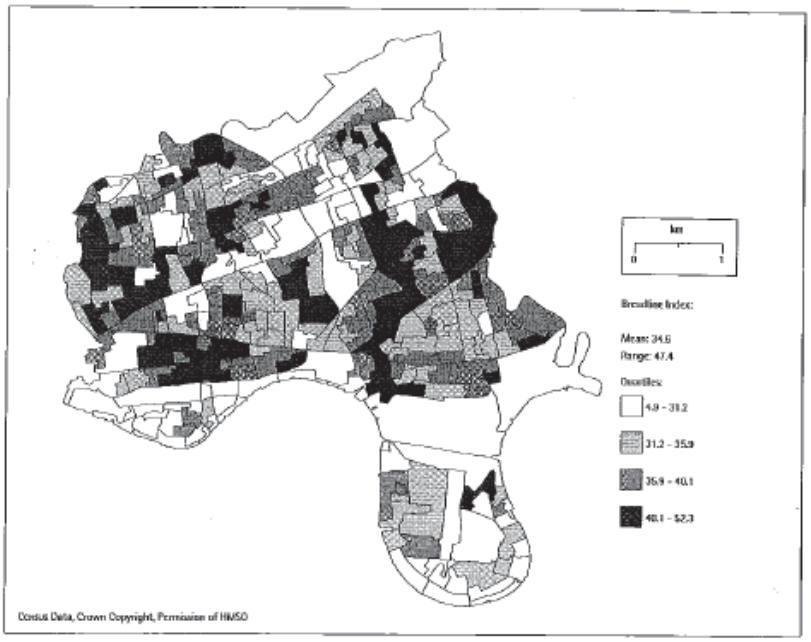


Figure 16: Tower Hamlets: households in local authority housing

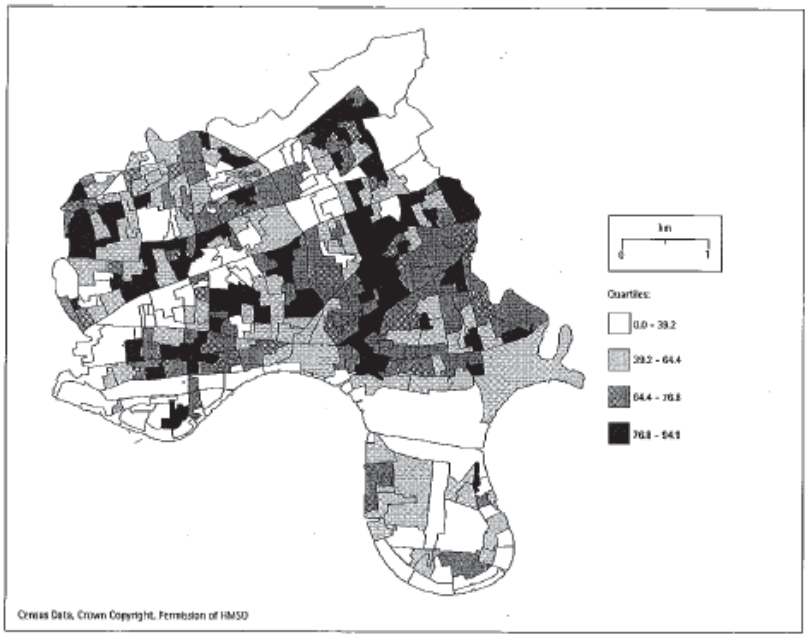


Figure 17: The most deprived quintile (20%) of small areas in Edinburgh

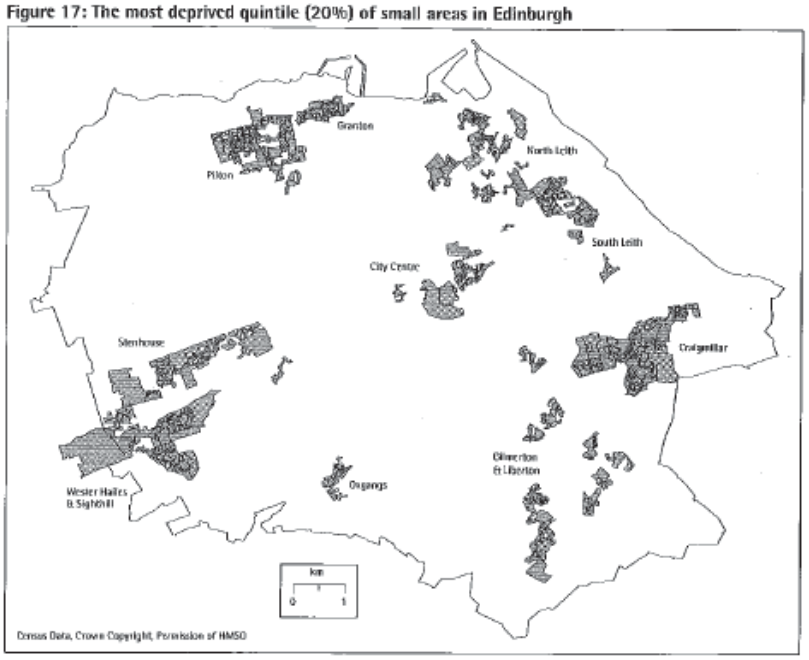
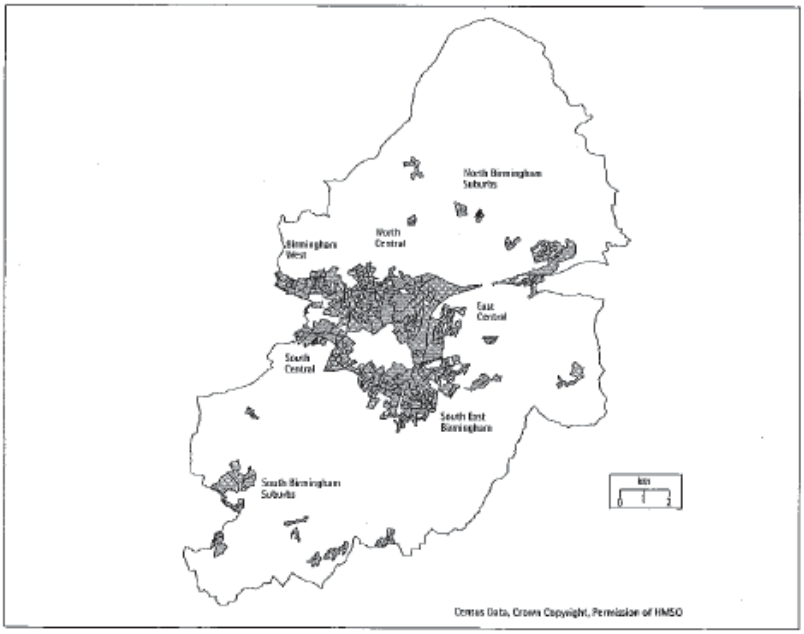


Figure 18: The most deprived quintile (20%) of small areas in Birmingham



Neighbourhoods of disadvantage

To take this analysis further we have looked in more detail at the most disadvantaged 20% of areas in Edinburgh and Birmingham and grouped these areas together as a series of 'Neighbourhoods of disadvantage. In both Edinburgh and Birmingham these areas contain approximately 20% of the total household population. The pattern of disadvantage in Edinburgh is very striking and demonstrates a series of satellite clusters around the edge of the city with a small cluster in the city centre where there is a mixed tenure structure. This geography makes it a relatively simple task to create distinct 'Neighbourhoods of disadvantage from Census output area boundaries (Figure 17, p 37).

In Birmingham (Figure 18, p 37) the most disadvantaged 20% of enumeration districts are heavily concentrated around the centre of the city. One response would be to nominate the inner-city area as a continuous area of deprivation. However, this would ignore variation within the inner city as well as areas of deprivation located in the suburbs. These are mainly small pockets of council housing built in the 1960s and 1970s. This housing exists alongside good quality owner-occupation and ward level analysis loses this dimension of poverty. As these areas are distributed across the northern and southern suburbs, and do not form a contiguous geographical area, we have amalgamated them (typically groups of five or six EDs) into two areas which we have called the 'north' and 'south' Birmingham suburbs. Where the most deprived inner-city areas were next to one another they were also amalgamated. This generated 10 distinct areas in Edinburgh and 7 in Birmingham (including the north and south suburbs).

Table 10 shows the resident and household population in each of these areas and the proportion of households in each of the major tenures. The Birmingham 'Neighbourhoods house roughly twice as many households as those in Edinburgh and almost two and a half times as many people – indicating more larger households in Birmingham.

Edinburgh has a higher overall level of home ownership than Birmingham but in the most disadvantaged neighbourhoods home ownership is lower. In Edinburgh, 67% of households in the most disadvantaged neighbourhoods are in council housing compared with 20% for the city as a whole. In Birmingham, 53% of households in the most disadvantaged neighbourhoods live in council housing (compared with 26% for the city as a whole). In both cities council housing is over represented in the most disadvantaged neighbourhoods but this is more striking in Edinburgh (Table 11, p 40). In some of the most deprived areas of Edinburgh housing associations have a major role in housing provision but in other areas they play a negligible role. In contrast, in Birmingham, housing associations have a consistent and important role throughout the inner city and home ownership forms the largest tenure in two of the inner-city areas. In Birmingham West home ownership housed the majority of households.

The significance of this pattern becomes apparent when it is considered in conjunction with other variables. Different areas of deprivation have different tenure characteristics but also house different social groups. This is clearly illustrated through analysis of ethnic differences between the two cities (Table 12, p 41).

In Edinburgh, minority ethnic groups are more prominent in the disadvantaged neighbourhoods than in the city as a whole but are not a major group anywhere except in the city centre. Even here there is no comparison with Birmingham. In Edinburgh the most disadvantaged neighbourhoods are white. In Birmingham the e is great variation between the most disadvant ged neighbourhoods. The disadvantaged subur s of Birmingham are predominantly white, bu in four of the other five neighbourhoods white households formed a minority. In East Central and South East Birmingham the Pakistani community predominates. In Birmingham West the predominant households are Indian and Black Caribbean and in South Central they re Black Caribbean. In North Central Birmingham there is a significant representation of each of the minority ethnic groups.

Conclusions

The data presented in this chapter for five cities demonstrates that between 1981 and 1991 the

inequality between neighbourhoods has increased. The gap in circumstances between the best and worst has widened and there has been a significant polarisation between neighbourhoods in the five cities examined. It has also shown that there are major differences in the spatial distribution of deprivation and its relationship with housing tenure and important differences between the poorest neighbourhoods in terms of their population and economy. In none of the cities does deprivation coincide neatly with particular tenures. The closest match is in Edinburgh and Liverpool where deprivation is most concentrated in large, peripheral, council housing estates. However, the poor households in central areas are missed. In Bradford and Birmingham the mismatch is more striking. Peripheral council estates do not have such high levels of deprivation as areas in the middle and inner ring with low levels of council housing. In Tower Hamlets, with its generally high proportion of council housing throughout the borough concentrations of deprivation do not coincide with the highest percentage of council housing. The question here is which council estates rather than which tenure. Table 13 (p 41) summarises the relationship between deprivation and council housing in the five cities.

This analysis has implications for policies concerned with area regeneration and its relationship with council housing. It suggests that there is a great danger in developing strategies from the national data. If we adopted a simple model from national aggregate data, we might assume that targeting resources on mass council estates would be the most effective way of dealing with problems of deprivation in cities. In some cases this would undoubtedly be true. In Edinburgh targeting council areas would be an effective way of targeting deprivation. However, even in Edinburgh there is a question about which council estates to target. This question becomes much more profound in Tower Hamlets where an indiscriminate identity of council housing and deprivation is inappropriate and there needs to be some more accurate identification of which council estates have the greatest concentrations of deprivation.

Moving beyond this, if we look at Birmingham or Liverpool or Bradford targeting resources purely upon council estates would seriously neglect the problems of deprivation which exist in other tenures. Some council estates have lower levels of deprivation than areas of older owner-occupied and privately rented housing. The concentration of resources in areas of council housing would not always target the most deprived areas. Moreover, it would also discriminate in terms of other attributes. Council housing areas will pick up certain segments of the population to a greater extent than others and will not respond similarly to deprivation among different ethnic groups.

While council estates house a major portion of the most deprived households it is important not to equate area regeneration with regeneration of council estates. To do this would mean a neglect of other key areas and of the need to develop strategies for other areas. Issues about economic regeneration apply to more than council estates and strategies for regeneration need to be developed for different areas and circumstances. This is especially important if policies are not indirectly to discriminate against particular groups including ethnic minorities.

Not only do the links between deprivation and tenure vary between cities but spatial patterns between inner and outer city vary. The implication is that a more sensitive analysis of local circumstances is required in order to develop anti-poverty and regeneration strategies based on local circumstances and local information. There is a need to develop a policy framework which enables these locally derived strategies to compete for resources with programmes that reflect conventional wisdom developed from national level data.

Table 11: Disadvantaged neighbourhoods: household tenure

	Own	Private rented	Local authority	Housing association
Edinburgh				
Craigmillar	8.1	1.4	80.0	5.4
Gilmerton and Liberton	19.2	0.9	73.4	4.5
Wester Hailes & Sighthill	10.3	0.6	84.9	2.6
Stenhouse	29.9	1.5	63.9	4.0
Pilton	13.1	0.8	79.7	2.6
Granton	10.2	0.6	86.1	2.4
North Leith	32.3	11.0	35.5	15.9
South Leith	26.8	5.0	55.0	10.9
City Centre	20.9	17.7	36.2	23.7
Oxgangs	24.6	0.6	66.3	2.1
Total/average %	**18.8**	**3.8**	**67.2**	**7.3**
Birmingham				
Birmingham West	51.0	10.1	24.0	14.0
North Central	26.2	7.8	49.3	15.0
South Central	15.4	5.2	67.1	10.6
East Central Birmingham	31.7	6.7	48.7	10.8
South East Birmingham	41.0	10.3	33.0	14.4
North Birmingham suburb	18.0	0.6	77.8	2.1
South Birmingham suburb	13.4	0.9	81.4	2.5
Total/average %	**28.7**	**6.4**	**52.7**	**10.6**

Table 12: Disadvantaged neighbourhoods: minority ethnic groups

	Black Caribbean	Black African	Pakistani	Indian	Bangladeshi	Other ethnic	White
Edinburgh							
Craigmillar	0.0	0.1	0.1	0.1	0.1	0.5	99.1
Gilmerton and Liberton	0.1	0.1	0.1	0.0	0.0	0.7	98.8
Wester Hailes & Sighthill	0.0	0.3	0.6	0.2	0.0	1.1	97.7
Stenhouse	0.0	0.0	0.2	0.0	0.0	0.7	99.0
Pilton	0.0	0.1	0.1	0.0	0.0	0.3	99.3
Granton	0.1	0.0	0.1	0.0	0.0	0.3	99.3
North Leith	0.1	0.2	0.8	0.6	0.0	0.7	97.3
South Leith	0.1	0.2	0.5	0.4	0.1	0.2	98.7
City Centre	0.2	0.7	1.8	0.3	0.3	3.5	92.5
Oxgangs	0.1	0.2	0.3	0.0	0.0	0.2	98.9
Birmingham							
Birmingham West	18.1	0.5	9.8	33.3	3.9	4.9	26.5
North Central	17.9	1.1	8.8	5.2	0.3	4.5	58.1
South Central	18.5	0.8	16.6	8.0	10.8	4.6	37.7
East Central Birmingham	7.3	0.2	34.7	1.4	3.9	3.2	47.4
South East Birmingham	8.3	0.6	37.6	7.5	7.8	5.9	30.3
North Birmingham suburb	3.5	0.1	0.3	0.1	0.0	1.1	93.2
South Birmingham suburb	3.0	0.4	0.2	0.6	0.0	1.7	92.9

Table 13: The spatial incidence of deprivation and council housing

City/district	Location of deprived areas	Location of council housing
Birmingham	Deeply rooted in the inner city	Polarised structure – periphery and centre locations
Bradford	Concentrated predominantly in the inner city	Mosaic – small concentrations scattered around the district
Edinburgh	Peripheral areas	Highly peripheral
Liverpool	Scattered but tending towards the centre	Mixed – concentrations at centre and periphery
Tower Hamlets	Scattered	Widespread – estates throughout the District

households. This pattern is best reflected in the rates of car ownership in each tenure. In each of the cities the pattern of car ownership confirms the 'buying: least deprived', 'council housing: most deprived' pattern (Table 14).

However, this general pattern does not hold true across all of the variables considered. The pattern is less consistent when considering the rate of unemployment for each tenure among household heads (Table 15). The table shows that in some cities (Liverpool, Bradford and Birmingham) the unemployment rate of household heads in the private rented sector is noticeably higher than the social rented sector.

Moreover, households in the unfurnished private rented sector and outright owners have high levels of long-term illness and differences in the level of disadvantage between these tenures and the social rented sector are not marked, especially in Birmingham and Liverpool (Table 16, p 44).

This pattern suggests that targeting the social rented sector in each of the cities, is not an equally effective way of targeting all disadvantaged groups. The large group of outright owners includes a very much higher percentage of disadvantaged households than those in the process of buying. In terms of the percentage of households with no earned income, households with long-term illness and household heads in full-time employment, levels of disadvantage are just as high in the owned outright category as in social rented housing. These figures relate strongly to the age profile of outright owners and income and employment circumstances of older households.

On some variables housing associations have more disadvantaged households than local authorities. For example, the percentage of households with no earned income is highest among households living in housing association dwellings and this is consistent for all five cities (Table 17, p 44).

Table 14: Percentage of households in each tenure without accesss to a car

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	40.3	19.5	53.0	61.1	70.7	74.7
Bradford	38.8	19.8	56.5	66.4	78.7	78.7
Edinburgh	44.6	24.4	56.3	68.0	83.7	83.4
Liverpool	44.0	28.6	66.7	68.8	86.3	82.5
Tower Hamlets	49.0	26.9	52.9	48.6	72.8	75.2

Table 15: Percentage of households in each tenure with unemployed head of household

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	3.9	5.8	17.7	6.0	17.5	14.1
Bradford	3.4	6.0	18.8	8.0	15.7	13.8
Edinburgh	1.8	2.6	6.3	5.0	11.6	12.3
Liverpool	5.0	7.1	20.0	12.2	15.1	16.5
Tower Hamlets	...	7.1	7.8	8.6	16.0	17.6

Table 18 (p 45) summarises the evidence on household deprivation and council tenure relating to the five cities. For example, it illustrates that in Tower Hamlets, where a much higher proportion of the population live in council housing, the council housing sector has lower concentrations of disadvantaged households compared to the other cities considered here. In Birmingham, council tenants are more likely to be car owners than in the other cities while Edinburgh's council tenants are least likely to be car owners. In terms of long-term illness Liverpool is the most deprived. Council housing in Liverpool also has higher levels of disadvantage indicated by the proportion of households with no income earner (as well as the proportion with two earners and heads of household in full time employment).

Council housing in Tower Hamlets registered the highest unemployment rate among heads of household compared to the other cities considered. However, Tower Hamlets also had the highest rate of full-time employment – over a quarter of heads of households in council housing.

For the other cities, full-time employment rates for heads of households in the council sector were 12% in Liverpool, 17% in Bradford and just over 20% in both Edinburgh and Birmingham. In Tower Hamlets, partly because of its size, the local authority sector contains a considerable mix of households. It includes those with considerable disadvantage, as well as households with two or more earners or with the head of household in full-time employment. On these measures Liverpool has the most residualised council sector and Tower Hamlets has the least residualised. In Liverpool the social rented sector is much closer to an exclusively low income sector. This effect is partly the consequence of general economic conditions. In Liverpool the private rented sector also has higher proportions of households which do not own a car, households with no income earners and few households in full time employment.

Table 16: Percentage of households in each tenure with household member suffering from a limiting long-term illness

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	35.8	16.5	12.3	35.2	34.8	37.2
Bradford	34.8	14.4	20.3	31.2	37.0	40.9
Edinburgh	28.8	10.8	8.5	31.3	45.1	32.2
Liverpool	41.3	19.0	16.8	35.9	35.7	44.6
Tower Hamlets	21.3	11.4	19.6	25.7	23.8	34.6

Table 17: Percentage of households in each tenure with no earned income

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	56.3	11.0	31.1	58.3	65.5	62.6
Bradford	57.6	12.1	46.9	56.0	74.0	66.1
Edinburgh	64.7	7.6	31.8	64.6	74.3	60.1
Liverpool	57.6	18.1	53.8	65.0	72.8	69.7
Tower Hamlets	51.1	9.0	26.1	40.0	58.2	55.7

The different roles and social characteristics of individual tenures in different cities are demonstrated by this data and by further analysis related to lone parents and households from minority ethnic groups. When we consider the household profiles of individual tenures in each of these five cities important differences emerge. In order to explore this further the next two sections follow two groups with high levels of deprivation in lone parents and various ethnic groups.

Lone parent households

There is considerable variation in the housing circumstances of lone parent households in the five districts. Table 19 (p 46) indicates that the proportion of *all* lone parent households living in local authority housing ranged from 40% in Bradford to 75% in Tower Hamlets. In relation to the private rented sector the figures ranged from 3% of *all* lone parent households privately renting in Tower Hamlets to 14% in Edinburgh. In Bradford a very high proportion of lone parents (42%) were owner-occupiers. This was considerably more than the 29% in the next highest case of Birmingham.

It is also evident that the circumstances of lone parents in council housing differ significantly (Table 20, p 47). In Birmingham, 84% of lone parents in council housing have no car compared to 94% of lone parents in Edinburgh.

The evidence also shows that other rented tenures do not house lone parents with the same levels of deprivation. For example, 55% of lone parent households renting from a housing association in Tower Hamlets and 96% in Liverpool are without the use of a car.

The key social division, however, is between renting and buying and relates to employment and occupation. The owner-occupied sector has a comparable percentage of lone parent households with someone with long-term illness (Table 21, p 47). The rented sectors, therefore, have a distinctive but not exclusive role in relation to lone parents.

Ethnicity and tenure

The probability of different ethnic groups living in particular tenures varies between the five districts. For the non-white population in Tower Hamlets the probability of living in council housing is considerably higher than elsewhere. This is partly attributable to the size of the council stock. However, if this is taken into account variations still remain. In Bradford white headed households were almost three times as likely to be living in council housing than non-white households. In Tower Hamlets minority ethnic groups have a higher than average chance of living in local authority housing (Table 22, p 48).

Table 18: Proportion of all 'deprived' households living in council housing

Rate of car ownership etc for households living in council housing					
No car	Edinburgh 83.4	Liverpool 82.5	Bradford 78.7	Tower Hamlets 75.2	Birmingham 74.7
No carner in household	Liverpool 69.7	Bradford 66.1	Birmingham 62.6	Edinburgh 60.1	Tower Hamlets 55.7
Long-term illness in household	Liverpool 44.6	Bradford 40.9	Birmingham 37.2	Tower Hamlets 34.6	Edinburgh 32.2
Head of household unemployed	Tower Hamlets 17.6	Liverpool 16.5	Birmingham 14.1	Bradford 13.8	Edinburgh 12.3

In each of the districts, apart from Tower Hamlets, the probability of living in council housing was greater for Black Africans, Black Caribbeans and 'Black Others' than for all non-white households (Table 22).

However, there were significant differences in the probability of living in council housing for similar ethnic groups in different districts. This is indicated in Table 22. The Table indicates probability statistics relating to ethnicity and dwelling type. Only in Liverpool are non-white headed households less likely to live in council flats than white headed households (Table 23, p 48). In Birmingham Black African headed households are over four times as likely to be living in a council flat as are other groups.

White headed households in council housing are more likely to be households with no earners than are non-white households. This pattern is consistent across all the cities examined. For example, 64% of white headed households and 55% of non-white headed households living in council housing in Birmingham had no earner (Tables 24(a) and 24(b), p 49). Among the non-white population it would appear that tenure divisions between buying and local authority housing do not relate so strongly to variables concerned with deprivation. For example, the proportion of households with no earners in Bradford is lowest among those buying houses (25%) and among council tenants is 43% (Table 24(b)). However, for the white population in the same city, the equivalent figures are 10% and 67% (Table 24(a)).

Among the white population in Birmingham there is a much higher proportion of those in the social rented sector who have long-term illness than those who are buying properties. However, among the non-white population the variation in levels of long-term illness by tenure is by no means so great as that for non-white households. In Birmingham, for example, the proportion of non-white headed households in council housing with long-term illness is 31% compared to 26% of non-white households suffering the same deprivation in owner-occupation. For the white population in the same city the proportions are 38% and 15% respectively (Tables 25(a) and 25(b), p 49).

Tables 26 and 27 demonstrate this pattern more forcibly by presenting figures relating to proportions of deprived households living in each of the main tenures. In Birmingham, Bradford and Liverpool the non-white population in all of the deprived categories is less likely to be living in council housing than in the whole population (Table 26, p 50). For example, in Bradford 9.5% of the non-white population without a car live in council housing, while 35% of white households without a car that live in council housing (Table 27, p 50).

Table 19: Household tenure of lone parent households

Lone parents SAR GB 1991	Bradford	Birmingham	Edinburgh	Liverpool	Tower Hamlets
Own-outright	7.1	5.2	5.9	2.9	1.1
Own-buying	34.5	23.4	22.4	23.6	7.5
PRS furnished	4.4	1.5	10.2	2.4	1.1
PRS unfurnished	7.5	3.5	3.4	9.4	2.2
PRS Job/business	0.4	0.4	...	...	1.1
HA	6.2	10.8	6.3	16.5	11.8
LA /New Town/ Scottish Homes	39.8	55.2	51.8	45.1	75.3
Base=	226	518	205	339	93

In Tower Hamlets the position is very different with 79.8% of non-white households without a car and 66.4% of white households without a car living in council housing. It is only in Tower Hamlets that council housing caters for a majority of non-white households in deprived categories. In Bradford less than 10% of deprived non-white households are in council housing, in Liverpool the proportion is less than 1 in 3; and in Birmingham the maximum on any one variable (no earner households) is 36%.

These data indicate that the polarisation between tenures for different income and economic groups is more striking in the white population than in the non-white population. As a consequence (except in Tower Hamlets with its unusually large council sector) policies which seek to target income or deprivation through housing tenure are likely to be more effective in achieving this in relation to the white population than the non-white population. Such policies are not sufficiently attuned to the different housing market experience of the non-white population in most districts.

Conclusions

The analysis of household data from the 1991 Census presented in this chapter indicates that disadvantaged households living in different cities do not live in the same parts of the housing market in every case. Partly because of the different structures of the housing market, the extent to which the most disadvantaged are concentrated in the social rented sector and the least disadvantaged are concentrated in the home ownership sector varies considerably. The national pattern of residualisation and polarisation between tenures holds good. In general the greatest concentrations of deprivation are in the social rented sector followed by the private rented sector. However, the extent of concentration varies considerably. Most strikingly it would appear that the income-related polarisation is more marked among the white population than the non-white population. Cities with more substantial ethnic minority populations do not conform so easily to a pattern in which deprivation is concentrated in the council sector unless that sector dominates the market.

Table 20: Percentage of lone parent households (with dependent children) without access to a car by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	25.9	41.3	75.0	55.6	78.6	84.3
Bradford	43.8	48.7	80.0	82.4	92.9	87.8
Edinburgh	33.3	50.0	81.0	57.1	92.3	94.1
Liverpool	50.0	60.0	75.0	78.1	96.4	93.5
Tower Hamlets	...	...	...	...	54.5	87.1

Table 21: Percentage of lone parent households caring for someone or suffering from a limiting long-term illness by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	38.7	19.2	30.0	18.5	16.2	27.8
Bradford	37.3	14.3	18.2	16.7	29.4	27.7
Edinburgh	22.6	12.2	4.5	28.6	42.1	17.6
Liverpool	28.8	25.4	25.0	9.5	23.5	27.8
Tower Hamlets	...	...	...	...	28.6	26.3

The implication of this data are two-fold. Firstly, they suggest the need to develop analysis at a city level and to develop policy responses at this level. Secondly, they suggest that the adoption of policies which do not discriminate sufficiently between the different circumstances in different cities will have different distributional consequences. In some cases they may target the disadvantaged effectively, in other cases they may miss some of the concentrations of disadvantage. In some cases they will indirectly discriminate in favour of particular ethnic groups, age groups, or household types. They will perhaps inadvertently favour some groups in deprivation over others or favour some groups with less severe problems than others. The implications of these considerations are discussed further in the next chapter.

Table 22: Comparison of probability of living in council housing by ethnic group

Ethnic group	Birmingham	Bradford	Edinburgh	Liverpool	Tower Hamlets
White	1.3	2.7	2.5	1.6	0.8
Non-white	0.8	0.4	0.4	0.6	1.3
Black (all)	1.4	1.7	1.4	1.0	1.2
Black Caribbean	1.4	1.8	*	1.4	1.3
Black African	2.1	1.5	1.4	1.2	1.0
Bangladeshi	0.7	*	*	*	1.4
Indian	0.2	0.4	*	*	0.6
Pakistani	0.4	0.1	*	*	0.3

Note: * figures are unreliable or too small*

Table 23: Comparison of probability of living in council flats by ethnic group

Ethnic group	Birmingham	Bradford	Edinburgh	Liverpool	Tower Hamlets
White	1.2	2.5	2.0	3.9	0.7
Non-white	0.9	0.4	0.5	0.3	1.4
Black (all)	2.0	1.9	1.7	0.2	1.3
Black Caribbean	1.9	2.0	*	*	1.4
Black African	4.2	*	1.7	0.6	1.0
Bangladeshi	0.2	*	*	*	1.5
Indian	0.2	0.7	*	*	0.5
Pakistani	0.1	0.1	*	*	0.4

Note: * figures are unreliable or too small*

Table 24(a): Percentage of white households with no earned income by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	59.3	10.1	28.7	67.0	67.3	63.6
Bradford	58.9	10.4	39.4	53.9	75.9	67.0
Edinburgh	64.6	7.6	30.3	64.9	74.1	60.0
Liverpool	57.7	17.9	53.3	65.7	71.3	69.7
Tower Hamlets	51.1	9.5	23.8	36.4	61.5	56.9

Table 24(b): Percentage of non-white households with no earned income by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	33.3	15.4	38.9	41.4	58.1	54.9
Bradford	40.3	24.7	75.0	54.5	42.9	
Edinburgh	...	...	...	...	...	...
Liverpool	53.8	23.1	50.0		88.0	66.7
Tower Hamlets	...	6.3	... ...	46.2	52.4	

Table 25(a): Percentage of white households with limiting long-term illness by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	35.6	14.6	11.0	35.3	36.4	38.1
Bradford	33.4	13.4	20.2	30.4	39.7	41.0
Edinburgh	28.7	10.8	7.7	32.0	44.8	32.3
Liverpool	41.7	19.1	18.1	36.6	36.4	45.2
Tower Hamlets	22.2	12.3	17.0	27.3	24.0	37.6

Table 25(b): Percentage of non-white households with limiting long-term illness by tenure

	Own		Private rented		Social rented	
	Outright	Mortgage	Furnished	Unfurnished	HA	LA
Birmingham	37.6	25.7	16.7	34.5	28.4	30.7
Bradford	53.2	21.5	20.7	40.0	9.1	38.1
Edinburgh	...	11.4	18.8	...	...	...
Liverpool	23.1	17.9	...	...	28.0	19.0
Tower Hamlets	...	6.3	...	...	23.1	2.5

Table 26: Percentage of all non-white households (by measures of deprivation) living in council housing

Non-white households with	% of each category living in council housing			
No car	Tower Hamlets 79.8	Birmingham 33.7	Liverpool 30.3	Bradford 9.5
No earner in household	Tower Hamlets 83.9	Birmingham 35.8	Liverpool 23.0	Bradford 7.8
Long-term illness in household	Tower Hamlets 84.7	Birmingham 22.0	Liverpool 18.2	Bradford 8.7
Head of household unemployed	Tower Hamlets 82.1	Birmingham 29.9	Liverpool 27.8	Bradford 9.6

Note: Figures for Edinburgh's non-white population were too small and have been omitted

Table 27: Percentage of white households by measures of deprivation/affluence by council housing

White headed households with	% of each category living in council housing				
No car	Tower Hamlets 66.4	Birmingham 45.7	Liverpool 42.3	Bradford 35.2	Edinburgh 34.6
No earner in household	Tower Hamlets 70.0	Liverpool 41.4	Birmingham 41.2	Bradford 30.6	Edinburgh 32.1
Long-term illness in household	Tower Hamlets 71.0	Liverpool 39.3	Birmingham 36.8	Edinburgh 30.0	Bradford 28.1
Head of household unemployed	Tower Hamlets 67.1	Birmingham 47.4	Edinburgh 46.7	Liverpool 43.1	Bradford 38.4

6

Conclusions: local housing and regeneration policy

Introduction

Housing debates in post-war Britain have always been concerned with issues of house condition, homelessness, inequality and poverty. The attack on poor housing was also always seen as a way of contributing to progress in the spheres of education and health. In the 1990s the context for the housing debate is very different than in the post-war years. The restructuring of the economy and the labour market with much higher levels of unemployment and income inequality has provided a different background of high unemployment, insecure and low paid work and increased social inequality. Demographic change has altered the pattern of demand and need for housing. Changes in the welfare state itself and the structure of housing subsidy and benefits has changed the ability of people to access and finance the housing system and has made problems of the poverty trap more severe. Finally, the housing system itself has changed significantly from a system dominated by renting to one dominated by home ownership and with rented sectors taking an increasingly residual role.

All of these factors represent a new challenge to policy. As part of that challenge there is an increasing concern with the role of housing in the process of social exclusion. In this we are not simply talking about exclusion from the labour market, or about poverty, but rather about the interaction between a range of services and processes which leave households and communities with long-term disadvantage. Discussions of social exclusion identify housing as one of the elements which lead such households or communities to be excluded from the mainstream of society. The processes which generate and sustain disadvantage within society involve employment, education, health, housing and a range of other activities. In this report we have been concerned to identify some of the ways in which housing relates to this debate.

Relating housing to social exclusion

Initially there are two different perspectives on the way in which housing relates to social exclusion. In the first of these housing is seen as the consequence of exclusion. Lack of access to employment and income and dependency upon welfare benefits restricts peoples' options to the rented sector. Problems of access to rented housing may result in homelessness and long periods living in different forms of temporary accommodation or in unsatisfactory housing in the private rented sector. Dependency upon benefits means that households may not refuse high rent accommodation. Access to social rented housing will depend upon the operation of allocation policies and practices and the available research evidence suggests that those with least bargaining power in these processes are allocated the least lettable properties. In general, those with the lowest bargaining power in market and bureaucratic allocations systems end up in the least desirable properties. They are most exposed to unsatisfactory living environments in terms of house condition, safety and security and the facilities which are available in local communities. As a result, then, of exclusion from other services and resources, households become concentrated in particular parts of the housing market.

The second perspective on housing and social exclusion emphasises the extent to which

housing situation itself generates social exclusion. Because of the adverse housing conditions that people live in their health is affected or their educational progress is damaged. Because of where people live their access to employment and the attitude of potential employers to them is damaged. Housing is an element in generating exclusion in relation to tenure, location, and condition as well as security of tenure, overcrowding and the suitability of accommodation for household circumstances.

In practice, these two perspectives on housing and social exclusion are connected. Those with low bargaining power are concentrated in the least desirable parts of the housing market and their bargaining power is diminished even further by this process. The working of the housing system serves to further disadvantage those who are disadvantaged in other spheres. This interaction between different elements of social exclusion is crucial. Housing, as much as employment or income, could be seen to be the glue which holds together patterns of social exclusion in British cities. The key challenge for policy makers is concerned with breaking the downward spiral or the interaction between different elements that results in social exclusion. The task is one of regeneration and creating conditions which reverse the downward spiral and generate social cohesion.

Policy intervention

In approaching this issue there are a number of different levels for policy intervention. Issues about the broad structure of housing finance and in particular, the operation of the poverty trap with its effects on work incentives and the savings trap are crucial. Households which are welfare dependent and are housed through lack of choice in high rent accommodation may be trapped in situations where there is very little incentive to enter the labour market. This situation is not easily addressed other than through changes to the system of housing finance and subsidy with attention paid to how the withdrawal of benefit and loss of income associated with entry to employment can be made less dramatic.

Leaving this issue aside, the focus of housing policy narrowly defined is on the supply of housing to ease the problems of homelessness and housing which is in poor condition. New investment in housing to provide opportunities for good quality housing are an important part of strategies designed to reach those with least bargaining power. However, without attention being levelled at issues of regeneration, the housing solutions which result are likely to reproduce some of the elements of social exclusion which have been referred to. It is not sufficient to provide housing alone but rather an environment which enables housing to be part of the way out of social exclusion.

This report has reviewed the association between poverty and housing tenure in Britain and provided new data related to this. It has referred to the long established trend for poorer people to become concentrated in the social rented sector and to the logical conclusion that action on the most disadvantaged council estates is the appropriate response to this. The government s White Paper of 1995 and the Commission on Social Justice both refer to action to target the most disadvantaged areas and in many commentators' minds this represents a new programme of action on council estates. The policy task is then to look at ways of levering in private finance and achieving regeneration in the larger residualised urban housing estates. The way forward is seen to involve stock transfers and Local Housing Companies supported by public funds to meet the backlog of disrepair and attract private finance. However, the evidence presented in this report suggests that some care should be taken before arriving at this conclusion.

First of all, the levels of deprivation in British cities are too high to be dealt with through a limited programme concentrating, say, on 250 areas nationally. A more general approach to deal with social exclusion is required. The scale of the programme required is much larger than has been envisaged so far. Even if this were not the case the evidence from different cities suggests that to target council estates alone would be highly discriminatory and have very different consequences in different cities. In some cases it would represent a reasonably defensible targeted policy. In other cases, it would be very difficult to justify the pattern of targeting in terms of ethnic group, household structure or other factors.

the rented market, may mean that people stay longer in unsatisfactory housing in other parts of the market and especially in the private rented sector than was true in the past. The agenda for housing and deprivation over the next decade will need to pay much more attention to problems in the private sector. This is a different agenda than has been highlighted by government or, for example, by the Commission on Social Justice and calls to attention the declining support through improvement and repair activity for the private rented sector and low income home ownership. Changes to housing legislation related to homelessness and to housing allocations may trap people more thoroughly in parts of the private rented sector in multiple occupied housing and in housing which is difficult to regulate to ensure that good standards are in force.

All of these perspectives suggest that we need to approach problems of social exclusion and of areas with concentrations of deprivation with greater information and local awareness about changing circumstances. Not all the households and communities benefit from the same regeneration activities. There are households whose age, disability, care responsibilities or skills mean that they are very unlikely to benefit from regeneration initiatives which focus upon job creation. For these households the realities of regeneration are about improving existing living circumstances and targeting housing and the improvement of housing remains highly relevant.

In order to build awareness of all of these issues into future policies in housing and in regeneration, it is essential that the framework for policy places the initiative at a local level. Individual initiatives for particular areas need to be set in the context of city-wide strategies which ensure that other areas are not neglected. The starting point for the development of strategies towards the most deprived areas should be the development of planning and partnership arrangements for regeneration across local authority areas. Such strategies require a sensitive analysis of local circumstances and the policy framework should encourage this analysis and the development of anti-poverty and regeneration strategies at a local level.

This report has added to evidence of increased polarisation within cities. The detailed analysis of five cities demonstrated that between 1981 and 1991 the difference between the best areas and the worst areas has increased in all of these cities. However, it has also raised questions about the adequacy of the notion of polarisation. The picture presented by the term 'polarisation' is of two opposites, whereas this report has increasingly shown that we have a more complex picture emerging that is better represented by the word 'differentiation'. Cities are not becoming more polarised in the sense of two homogeneous types of area, one for the affluent and the other for the deprived. Rather, we have cities becoming more differentiated with neighbourhoods with widely different attributes and characteristics. In some cases these could be summarised as affluent, owner-occupier neighbourhoods. But alongside these kinds of areas we have a variety of different neighbourhoods. There are lower income owner-occupied neighbourhoods with high levels of disadvantage allocated within lone parenthood, elderly owner-occupiers and lower income minority ethnic group households. Within council housing there are different patterns emerging from the predominantly white deprived estate to the relatively affluent council estate.

There are also estates with different dwelling types and different ethnic mixes associated with them. In addition to this there is the key role played the private rented sector in housing poorer people. Rather than a polarised city then we have a city with a number of different quarters, all of which require different understandings and policy responses. They all contribute to advantage or disadvantage in different ways and a more sensitive analysis is implied. In terms of this more sensitive analysis the research presented in this report leaves a wide range of questions unanswered. One of the key questions which has existed in this area of research for a long time is the question of how far areas remain deprived but are housing different people. While the area may continue to serve a function within the city of housing poor people, is it the same poor people or do they provide a transit camp for people who circumstances improve and they move on? We know too little about whether the population of different types of deprived area is stable and/or trapped or whether it is marked by a high turnover. Where it is marked by a high turnover we do not know whether people are moving on

to better situations or are moving around in a circuit of deprivation, moving from one deprived environment to another.

Underlying these questions and of key importance for housing policy is the extent to which housing contributes to a process of cumulative disadvantage and therefore reinforces disadvantage. This shifts the debate from exclusion from housing (homelessness) to exclusion through housing. There is a widespread acceptance that living in stigmatised and depressed areas has disadvantages. It exposes residents to stereotyping and labelling which affects their capacity to obtain employment and to take advantage of other opportunities. It exposes them more directly in other ways related to health and safety. This is an important part of the debate about urban regeneration as well as social inequality. However, at this stage, we have a relatively weak understanding of these issues. It is too easy to begin to refer to whole neighbourhoods as excluded and to imply that the choices available to people within them are non existent. There is a danger that researchers themselves become part of the problem by easy labelling of social groups and areas as excluded and therefore confirming the views of others about problems.

If the perspective of social exclusion is to be useful in this area, it has to be a trigger to further debate and understanding about the reality of choices, resources and opportunities affecting people in deprived neighbourhoods, rather than being part of the process of defining, managing and controlling these neighbourhoods. In this sense the term 'social exclusion', as with terms such as 'residualisation' and 'marginalisation', cannot be the end of the debate but has to be part of the process of opening up and exploring issues and challenging conventional wisdom.

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A

Appendix A: The Breadline Index

In this report we have used a set of indicators developed from characteristics of poor households using the Breadline Britain poverty survey (Gordon and Pantazis, 1995) and comparing these with households with the same characteristics using the Sample of Anonymised Records (OPCS, 1991). Weights for each variable were obtained by regressing a subset of indicators from the 1991 Census (which correspond to variables in the Breadline Britain survey) with characteristics of the poor from the results of that same survey. Each component variable of Breadline has weights attached which reflect the degree of risk of being in poverty where each condition is present. Moreover, the interaction effects are also incorporated into the index by modelling the percentage that are poor on each component variable taking into account the other indicators.

The 1990 Breadline Britain survey interviewed asked 1,174 adults about a list of 44 items, covering a range of activities and possessions, which they felt to be important. A minimum standard of living, as defined by the general population was then established. Poverty was defined as the point at which withdrawal (measured by a material deprivation) increased disproportionately as income declined following Townsend (1979). The first Breadline Britain survey (Mack and Lansley, 1985) similarly found that as resources fall there is a point at which this withdrawal from society accelerates.

The review of methods of identifying areas of deprivation, demonstrates that different indexes do not identify the same areas. While all methods have flaws it is important that the method of selection of indicators reflects the concepts being measured in order to minimise systematic errors in the targeting of poor areas. Of the different indexes available only the Breadline Britain Index directly endeavours to identify relative poverty, and derives its selection and weighting of variables to be the best available census predictors of poverty. The detailed description of the construction of this index and the comparison between it and other alternative indexes is available elsewhere (Lee, Murie and Gordon, 1995).

Paper [4] [1999] ***Where are the Socially Excluded? Continuing Debates in the Identification of Poor Neighbourhoods,*** **Regional Studies, Vol.33, No.5, pp.483-486.**

WHERE ARE THE SOCIALLY EXCLUDED? CONTINUING DEBATES IN THE IDENTIFICATION OF POOR NEIGHBOURHOODS

Introduction

The Social Exclusion Unit's Report, *Bringing Britain Together: A National Strategy for Neighbourhood Renewal* (SEU, 1998) renewed interest in deprived neighbourhoods and makes their identification an important element in policy. At the same time the Department of Environment, Transport and the Regions (DETR) has updated the index it has developed for this purpose, the Index of Local Deprivation (ILD). The change is not minor and implies a significant shift of attention away from London and to the North. This article sets out and discusses the findings of recent research into the identification of poor areas using the ILD.

between housing and employment – 'no home–no job–no home'). The additional quality that social exclusion brings to the analysis of disadvantage is the part that place and space play in exclusion. The dynamics of areas – the movements in and out of populations that stay too short a period to establish any roots or networks that are the lifeblood of communities – and the concentration of poor people within them, ensures that neighbourhoods, communities, estates or zones of transition become convenient tools, and often powerful metaphors, in the study of social exclusion.

Identifying deprived areas

Defining how many excluded areas there are in England and where they are located is not straightforward. The Index of Local Deprivation (ILD) which was produced in the summer of 1998 by the Department of Environment, Transport and the Regions (DETR, 1998) is the official measure of deprivation. Like its predecessor

Paper [5] [1999] ***Spatial and Social Divisions within British Cities: Beyond Residualisation*****, Housing Studies, Vol.14, No.5, pp.625-640.**

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Spatial and Social Divisions within British Cities: Beyond Residualisation

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[Paper first received October 1997; in final form March 1999]

ABSTRACT *The literature on changing residential patterns in cities attributes different degrees of importance to economic restructuring and to changes in housing. In Britain, where a significant share of housing provision is not provided through the market, the references to socio-tenurial polarisation and the residualisation of council housing have emphasised the importance of housing tenure. The nature of housing restructuring has affected both the pace and pattern of urban change. At the end of the 1990s problems associated with deprived neighbourhoods are arousing policy attention and this has given further prominence to housing tenure differences and residualisation. This paper reviews evidence which suggests that a wider range of housing related factors are now influencing changing patterns in British cities. These especially relate to divisions within home ownership and to differences related to ethnicity and cohort. The evidence presented cautions against placing tenure at the centre of analysis of change and policy responses or equating neighbourhoods of social rented housing with area deprivation.*

Paper [6] [2000] ***Changing Housing Markets and Urban Regeneration in the M62 Corridor*****, Housing Corporation, Manchester (ISBN 0704422093) (Chapters 2 and 3 on methods and areas at risk of low demand; 11,239 words), with others**

Changing Housing Markets and Urban Regeneration in the M62 Corridor

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Housing Associations:
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Hanover Housing Association
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Muir Group Housing Association Ltd
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Places for People
Portico Housing Association
Progess Housing Group
Riverside Housing Association
Salford Community Housing Association
Selhal Housing Association
St Vincents Housing Association
The Village Housing Association Ltd
The William Sutton Trust

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EXECUTIVE SUMMARY

Background

1.1 This study was commissioned by the Housing Corporation, 18 local authorities, the National Housing Federation, the National House Builders Federation, the Chartered Institute of Housing and 24 RSLs. These agencies were responding to changes in local housing markets in the North West which were experiencing strong demand for newly built accommodation for sale and increases in vacancies and turnover in the social rented and owner occupied terraced sectors.

1.2 There is strong evidence that it is growing affluence which is assisting with decentralisation from the older towns and cities in the North West. The region has experienced the longest period of economic growth since the war, and there is an almost perfect statistical relationship between the fall in male unemployment and the fall in waiting lists for social housing over the period 1992-1999. This suggests that without measures to improve housing choice and quality in areas which have a historically high level of low income housing, economic regeneration will lead to the deterioration in the popularity of the most marginal neighbourhoods as economically active people choose to leave.

1.3 The worst affected local authorities have experienced large scale and persistent population loss over the last thirty years. Conversely, they are also the local authority districts that are experiencing the largest inward commuting, highlighting the fact that people have preferred to live separately from their place of work. This points to a downward spiral in localities where declining neighbourhood quality, increasing social polarisation, decentralisation and the growth of travel to work areas all interact to produce a surplus of low quality housing.

Areas at risk of Changing Demand for Housing

1.4 A major component of this research was to model areas which were 'at risk' from changing demand for housing. The experience of examining the factors which have produced a crisis in neighbourhoods in Liverpool and Manchester, led to the conclusion that deprivation is not the driving factor which leads to area abandonment. Six factors were isolated which appear to be significant at the neighbourhood level. These are:

- A predominance of one tenure;
- Monolithic provision (for e.g. thousands of two or three bed houses in one locality);
- Concentrations of a particular dwelling type (for e.g. high rise flats or back of pavement terraces);
- Economic inactivity and unemployment;
- Concentrations of elderly people dependent on benefits

1.5 An index was produced which mapped the areas at risk. This index highlights clear spatial concentrations of neighbourhoods at risk of changing demand in the core of the Greater Manchester conurbation (Manchester, Salford and to a lesser extent Trafford) and in the inner core of Merseyside centred on the City of Liverpool, Bootle, Tranmere and Birkenhead. Smaller areas of potential decline are also highlighted in St Helens, Halton, Wigan, Warrington, Blackburn with Darwen, Bolton, Oldham and Rochdale.

1.6 There are 280,000 households contained within the overall clusters of areas at risk of changing demand (16.3% of the households in the study area). These areas contain a population of 690,000 people (15.9% of the population of the M62 Corridor). Neighbourhoods at risk are predominantly social housing areas, however there is clear evidence of multi-tenure problems with nearly 100,000 properties being privately owned. These multi-tenure issues are most pronounced in the Merseyside Inner Core where 46% of households either rent privately or own their homes.

The Views of Local People

1.7 Ten focus groups were conducted with residents in Knowsley, Wigan, Stockport and Oldham. It was noted that the most important determinants of a popular neighbourhood were community, safety, access to facilities and the quality of the environment. Most tenants who took part in the focus groups indicated that a sustained increase in their incomes would lead them to consider moving to owner occupation.

The Impact of New Building on Older Neighbourhoods

1.8 The market for newly built accommodation for home ownership in the North of England has remained robust throughout the last decade. This research contained a vacancy chain survey which examined the impact of suburban new build on older inner city neighbourhoods. The results of this survey show that new build sites are largely sustained by movement within the population that had moved out of the inner city many years previously. This survey highlights a suburban market which is largely disconnected from an inner-city market which is increasingly insular and prone to decline for demographic reasons.

Recommendations

1.9 Central Government should create a new Housing Market Renewal Fund to finance the long term strategies to renew the housing markets in the areas worst affected by change. This fund would facilitate the improvement of sub-standard housing, clearance of obsolete housing and the land assembly necessary for redevelopment. This fund should be targeted at failing housing markets rather than local authority areas. This will require a new approach to inter-authority co-operation in Greater Manchester and Merseyside.

1.10 The Government's approach to regeneration should incorporate the focus on the management and regeneration of small neighbourhoods into a much larger spatial framework, which seeks to renew housing markets. This would allow a

more effective integration of housing investment with Government regeneration programme.

1.11 In addition to a new stream of funding, there should be a review of the public policy framework for the renewal and clearance of older private sector housing. A new framework would assist local authorities to compel private landlords to comply with minimum standards of management and maintenance, and introduce a new criteria of obsolescence to allow the declaration of a Compulsory Purchase Order.

Local Regeneration Agencies

1.12 The RDA, the Housing Corporation and Local Regeneration Partnership should ensure that regeneration programmes targeted at neighbourhoods experiencing a housing market crisis should focus on managing transition, stabilising communities and restructuring the local housing market in the short to medium term. Early measures should deal with the safety and security issues raised by residents who attended focus groups as part of this research. Targeted employment, health and training initiatives should be phased in the medium to long term once a degree of neighbourhood stability has been achieved.

1.13 Local government should develop housing strategies which are more widely integrated with the broader regeneration framework. A better understanding is required of the relationship between neighbourhoods and the local flows between tenures. Additionally, where local authorities are considering radical intervention in neighbourhoods, a corporate planning process which assesses the impact on services and facilities in the area needs to proceed any decisive action. Additionally, a community planning exercise with residents will be essential if the insensitive approaches of the 1960s and 1970s are not to be repeated.

1.14 A more formal sub-regional working arrangement needs to be developed between housing and planning professionals, so that the knowledge of local housing markets can inform the plan, monitor and manage approach being adopted to monitor the implementation of Regional Planning Guidance. An embryonic group already exists in Merseyside.

Implications for Registered Social Landlords

1.15 RSLs are highly exposed in neighbourhoods that are vulnerable to changes in demand for housing. The sector will need to take a greater role in neighbourhood management to address this exposure, and consider stock transfers between RSLs to facilitate a more unified approach to management and investment in neighbourhoods which are experiencing high rates of turnover and vacancies.

1 INTRODUCTION

Introduction

1.1 The twin issues of low and changing demand for housing have become the most important housing issues at the start of the Millennium. Changing demand is at the centre of a number of debates concerning social housing management and housing market restructuring as well as a central feature of debates concerning the key drivers of social exclusion, low social cohesion and what makes for balanced and sustainable communities. A number of local authorities especially in the north of England are increasingly reporting difficulties in letting properties and in retaining new tenants. Over the last two years publicity surrounding this issue has tended to focus on the difficulties being experienced by the social rented sector. However, it is apparent that there are also sectors of the private owner occupied market which are experiencing low sales prices, a low level of investment, high turnover and in the worse cases abandonment. Previous research sponsored by the Housing Corporation shows that there are spatial concentrations of low sales prices and high voids in the public and private sectors in Manchester, Liverpool, Sheffield, Stoke on Trent and Newcastle Upon Tyne (see Murie *at al* 1998). The causes of low and changing demand are therefore multi-faceted and inter-linked and the importance of different issues is likely to vary from area to area.

1.2 In the Scoping Study which proceeded this report it was apparent that many organisations were preoccupied during the mid 1990s with trying to explain and manage the rapid increases in void rates and turnover in the social rented sector. Research by Pawson and Bramley (2000) shows that the rate of relets increased by 39.2 per cent in the North West and 68.5 per cent in Merseyside over the period 1991-98. Conversely, the rate in London only increased by 2 per cent during the same period. Interrogation of large national data sets by the same authors reveals that, nationally moves from council housing to owner occupation increased by one-third between 1984-1997/8 and the move to private renting more than doubled. Significantly more than one-third of those moving into private renting are single parents.

1.3 Increasingly it has become recognised that the issues relating to social housing are more generally related to wider housing market changes rather than experiencing an insular spiral of decline. The PAT7 report on unpopular housing notes that low demand and unpopular housing was more prevalent in the private sector across the North West region, with 316,000 properties affected. Of the total number of properties that seemed to be experiencing low demand 31 per cent of council properties, 28 per cent of RSL stock, and 38 per cent of private sector homes in England were located in the North West region.

1.4 This analysis, taken in isolation can give a misleading impression. Research by Holmans and Simpson (1999) shows that the market for private sector housing, particularly new builds is very robust right across the North of England. Similarly

in Liverpool and Manchester we are seeing the emergence of thriving niche markets in the city centre with the first £1 million apartment recently being sold in down town Manchester. Evidence which we will explore in this report suggests that a number of housing markets along the M62 corridor are now in transition and changing rapidly. The impact of these changes is most keenly felt in very specific locations within the towns and cities, which make up this polycentric sub-region.

1.5 It was against this background of transition and housing market change that the local authorities within the M62 corridor (see Figure 1.1) together with the Housing Corporation, the National Housing Federation, the National House Builders and a consortium of Registered Social Landlords commissioned this study.

Characteristics of the North West housing market

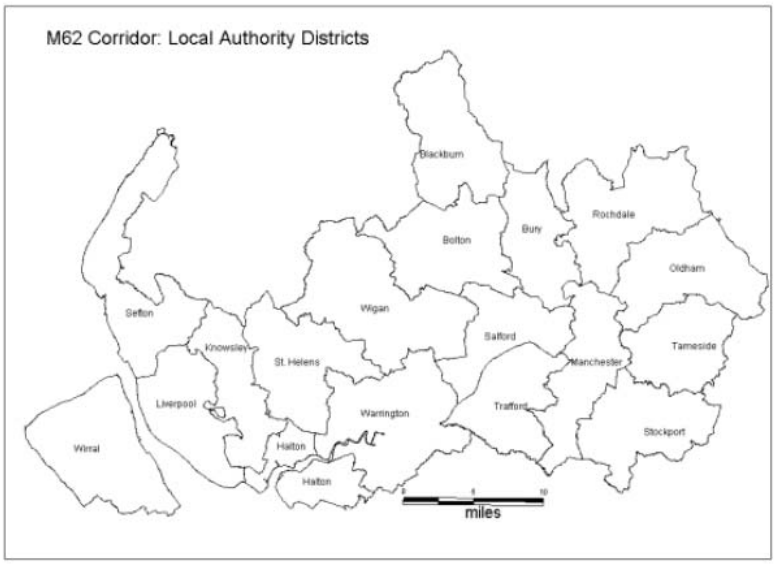
1.6 The DETR report *North West Regional Need and Demand Research* (Wong and Madden, 2000) comprehensively outlines the structure and characteristics of the North West housing market. Issues relevant to this study include:

- home ownership at 68 per cent was higher than the national average;
- home ownership is the preferred tenure amongst potential movers ranging across the region from 56 per cent to 79 per cent;
- the level of home ownership drops from nearly 96 per cent of high income managerial households to just over half of those who are unskilled;
- the *average* terraced house in the region could be purchased with an annual household income of approximately £14,500 per annum.

1.7 The structure of local housing markets in the study area is set out in more detail in chapter two of this report. While the factors which influence changing markets in different local authorities have common important elements, these common influences do not present the same outcomes in different localities because of differences in:

- the structure of housing and labour markets
- historic patterns of planning and development
- socio-economic and demographic profiles of the local population
- nature and quality of the built form and its wider environment
- patterns of economic growth and decentralisation.

Figure 1.1 Local authorities in the M62 Corridor study area



1.8 The starting point for the CURS research has been to examine how markets are changing rather than focus on the term 'low demand' which we believe is increasingly inappropriate, given that effects of market transition pose a significant regeneration challenge rather than a crisis for social housing per-se. The framework for analysis used in this research is located at the national, regional and local level and is outlined below.

An Explanatory Framework

National issues

1.9 The key elements at a national level are as follows;

- *Change in the private house building sector.* The liberalisation of housing finance in the mid 1980s associated with the encouragement of low cost home ownership initiatives has changed what is on offer in the housing market in a significant way. In particular easily accessible newly built property has become more widely available, at relatively low prices and with low access thresholds. The growth of two income households and the development of cash back deals for new build (see Figure 1.2) means that the accessibility of newly built home ownership housing is much greater than it has been - even where households have relatively low incomes.
- *Housing finance and housing choice in the rented sector.* Changes in the structure of subsidy, rent levels and the development of housing benefit have enabled households previously regarded as having no alternative other than to rent from the local authority, to now have a wider range of choice. Housing benefit is portable and enables households to choose between local authority housing, RSLs and the private rented sector. Moreover, they are able to choose between different local authorities and different RSLs. In this situation a clearer hierarchy of qualities and reputations governs the lettability of different parts of the stock. While private rented housing is usually of inferior quality and insecure tenure, it has a wider range of locations and a variety of property types, which may make it more attractive than some parts of the social rented sector. It may for example be indistinguishable from owner occupation and provide access to popular schools and neighbourhoods from which social rented housing is absent. Similarly parts of the social rented sector which previously were lettable are now in competition with other parts of the rented sector.

Figure 1.2 Example of low cost owner occupation advertised in local press [1]

[1] The offers contained in this advert were correct at the time of the original publication, however they no longer necessarily apply.

- *Changing aspirations and the residualisation of social rented housing.* Long established changes in the social rented sector have changed the attractiveness of the sector. In addition the increasing concentration of lower income households and the changing profile of tenants has affected the reputation and attractiveness of many estates. Compared with earlier generations those moving into the social rented sector are more likely to envisage themselves moving on after a relatively short period. These factors affect who applies and moves into social rented housing and decisions to move on. In some cases this results in high turnover rather than long term voids but in any event reduces stability;
- *Economic restructuring and labour market change.* The decline of traditional manufacturing employment and the growth of service sector employment has been associated with increasing inequality in wages and in incomes. Economic restructuring has also been associated with labour market change and the development of flexible labour markets. People in economically disadvantaged sections of the population are more likely to experience changes in employment and breaks in continuity of work because of these different changes;
- *Underlying patterns of demographic change.* Council housing today houses both an ageing population and a growing number of very young households. This demographic pattern has led to a greater instability in the sector as the young tenants are more mobile and the elderly are subject to higher mortality rates. This factor also applies to some older owner-occupied neighbourhoods.

Regional issues

1.10 There are two key regional issues within the M62 corridor and these are set out below.

- *Decentralisation of population:* the two major conurbations have experienced three clear phases of population loss over the last three decades. The first phase during the 1960s and the 1970s was planning and public policy led with population from Liverpool being directed to Runcorn, Knowsley and Skelmersdale. Whilst over a twenty year period to 1976 the city of Manchester built 43 percent of housing outside of its own limits, in sites as far away as Burnley in the North and Crewe in the South. However the huge decentralisation from the two conurbations was partly based on erroneous assumptions. The North West study in the 1960s predicted the overspill needs of the conurbation up to 1981. This predicted a regional population of 7.1 million by 1981, a figure which was an over estimation by *one million.* This over estimation resulted from falling birth rates, a decline in economic growth, and an increased outward migration from the region (Marshall, 1986). The second phase of decentralisation was heralded by the development led planning regimes of the 1980s which favoured peripheral development facilitating more affluent groups to commute to employment centres. A third and more mature phase is now underway in which inter-regional migration is still important, although the rate of population decline has slowed, The Greater Manchester and Merseyside conurbations lost 105,000 people

between 1991 and 1998, of which 58 percent consisted of migration to other regions (Bates *et al,* 2000). Account should be taken here of the fact that Liverpool's Travel to Work Area includes parts of North Wales and Manchester's relates to Yorkshire and Derbyshire. The significant intra-regional migration which occurs now is concentrated in flows between the suburbs and the rural hinterland (see Champion, 2000);

- *Decentralisation of Employment:* the urban-rural shift began in the 1950s when employment growth in the cities slowed in relation to more rural areas. In the 1960s and 1970s many of the local economies suffered absolute falls in employment, a position which then worsened dramatically in the 1980s. The worst performing economy in the North West has been located in Merseyside where during the period 1981-1996, 83,000 jobs (one in three) were lost. There were however significant intra-regional shifts, with more self contained areas like Warrington and Wigan experiencing significant increases in employment, whilst areas such as the inner-core of Manchester experienced a 19 per cent fall (see Turok and Edge, 1999).

Local factors

1.11 In addition to the national and regional factors that are affecting localities, there are a series of local factors, which determine the precise nature of low demand in different places. These factors can be listed briefly:

- *Tenure Structure:* the core conurbation areas have much higher levels of council housing and a larger legacy of private renting so changing demand for these tenures has a proportionately greater impact in these localities;
- *Dwelling type:* flats and maisonettes are much more common in the social rented sector of the conurbation than in other tenures. The social rented sector is also more likely to contain other types of flats and bed-sitters including the often difficult to let elderly person bed-sitters with shared facilities;
- *Age and obsolescence of dwelling:* the relative importance of pre-1919 terraced accommodation and especially properties fronting directly onto the pavement is also greater in the core areas. This property is more common in the private sector (owned and rented) and it would appear that in the core of the conurbations demand for this accommodation had declined considerably. This is hardly surprising, such properties are more vulnerable to crime and vandalism and do not provide any defensible space and are more directly affected by traffic and related noise and pollution than those with enclosed gardens. Conversely, newer detached and semi-detached houses, of different prices are much more likely to be found in peripheral locations;
- *Infrastructure/service:* the infrastructure of the core of the two major conurbations contrasts starkly with that which exists on the periphery. Both major centres contain considerable areas of derelict land and premises, and in some areas the roads, pavements and general environment reflect economic and social activity of a long gone era. Additionally the physical infrastructure of the core of the two conurbations was constructed

for much larger populations raising issues relating to the sustainability of the neighbourhoods. Urban policy has over the past twenty years encouraged local authorities to focus on improving fragments of cities rather than to improve and understand how the urban systems function. Conversely planning policy and financial deregulation has favoured developments in areas with excellent communication networks and Greenfield locations on the periphery of the conurbations.

The Regional Policy Framework

1.12 The understanding that neighbourhood abandonment, social polarisation, increasing vacancy rates and low and falling house prices have a number of inter-related causes is now well understood by policy makers within the region. This is reflected in the variety of related strategic documents and programmes which have been developed over the 18 months preceding publication of this report. An overview of these documents is set out below:

- *Regional Housing Statement 2000* (GONW, 2000). This document which is endorsed by the North West Housing Forum provides a broad framework within which local authorities and RSLs can prepare their investment and management strategies. The first three aims listed in the document clearly prioritise the strengthening of the urban fabric and address the issue of market restructuring. These aims are:

  i) matching the supply of housing with the changing pattern of demand and aspirations;

  ii) eliminating obsolescence, unfitness and disrepair;

  iii) reversing the trend of depopulation of the urban areas and minimising Greenfield development.

- *Draft Regional Planning Guidance for the North West* (DETR, 2000). This document was still in draft form at time of publication but sets the broad development for Development Plans up to 2021. There is a strong focus on the themes of urban renaissance and sustainable development and the geographical area of Mersey Belt conurbations. The guidance recognises the need for large-scale housing clearance and renewal in parts of the region and states:

  "while the emphasis will be on retention and refurbishment of the existing housing stock, higher levels of clearance will need to take place in areas where there are problems with housing that is:

  - *unfit*
  - *beyond economic repair*
  - *life expired and unsuitable for modern living*
  - *in areas of extremely low demand, and*
  - *necessary to assist the overall improvement and regeneration of an area .... clearly a new approach is required" (P28).*

The guidance is working with a figure of 74,900 homes to be cleared during the planning period but recognises that the actual clearance level may be substantially higher.

- *England's North West: A Strategy Towards 2020* (NWDA, 2000). The North West Development Agency is also aware of the issue surrounding poor quality and obsolete housing and integrates the issue in its strategic objective to *"deliver urban renaissance"*. It notes that:

  "The NWDA together with partners will support the promotion of

  - *large scale programmes of co-ordinated housing renewal and regeneration*
  - *good quality public transport in the worst affected areas*
  - *the development of urban villages*
  - *campaigns for the public funds necessary to ensure the improvement of the housing stock*
  - *measures to assist the reduction of out migration and the pressure for development on Greenfield sites" (p35).*

- *Local Housing and Regeneration Strategies:* a number of local housing strategies, particularly those for Liverpool, Knowsley and Blackburn with Darwin are now focusing on the removal of obsolete housing and the restructuring of the existing housing stock. Local authorities such as Bolton have been able to utilise SRB 6 to address high void rates in one locality. Meanwhile, Liverpool and Manchester are seeking to utilise the New Deal for Communities (NDC) Programme to rationalise the ownership and provision of social housing and clear obsolete property in two areas suffering from abandonment.

1.13 The *Comprehensive Spending Review* which covers the period 2001-2004 produced a number of areas of government activity which will receive increases in finance over the planning period. These increases in resources include:

- a New Neighbourhood Renewal Fund targeted at improving service delivery in the most deprived areas will receive £400 million in 2003/04
- housing resources are projected to increase by 12 per cent by 2003/04
- RDA budgets will be increased from £1.2 billion to £1.7 billion.

1.14 These increases in resources are conditional on the attainment of Public Service Agreement targets in respect of crime, employment creation, Brownfield land development and 'non-decent' social housing.

1.15 The policy community has welcomed these increases in expenditure and, as stated earlier, a regional framework is being developed which has incorporated the changing demand for housing debate as a major regeneration issue. However the current difficulty is that whilst there is funding to:

- improve social housing quality either through direct investment or private finance through transfer
- to manage neighbourhoods more effectively through the Neighbourhood Renewal Fund
- to link disadvantaged communities to economic opportunities via SRB and NDC and through the Regional Planning Guidance framework to link land which is already vacant to development opportunities.

what is lacking is a fund to strategically restructure housing markets and link the physical and social processes with the wider regeneration framework.

1.16 To secure a funding stream of this nature will require agencies in the North West to enter partnership with central government, and to evoke the British tradition of public intervention in failing housing markets established in the 1930s and the 1960s. This tradition was characterised by local authorities and New Town Development Corporation's intervention and later in the 1970s and 1980s through vehicles such as the Glasgow Eastern Area Renewal Programme. To succeed here, advocates of such intervention will require a clear understanding of the processes involved in change, the causal factors, the impact on other Government objectives and the spatial manifestation of the market failure.

Aims of the Study

1.17 It is within this context and following discussion with the steering group for this project that this study developed three aims:

i) To provide a framework within which changes in demand can be predicted and investment decisions can be reviewed;

ii) To provide information which can inform the development of regeneration policy within the North West region;

iii) To provide data and analysis which can influence the development of planning policies for the North West region and the strategies of the Regional Development Agency.

Methods

1.18 To achieve these aims this study has used a wide variety of methods including:

- *Literature Search:* many of the sponsoring agencies for this project provided strategy documents and published research for the CURS team. This information has been complemented by a review of academic and policy related literature;
- *Building a Predictive Framework:* this analysis is largely quantitative and has been developed in chapter two through measuring the correlation between economic growth and demand for council housing at the regional

level, and in chapter four by creating an 'Areas at Risk' Index at the neighbourhood level;

- *Qualitative Research:* a series of eleven focus groups were held with existing and prospective council tenants, face-to-face interviews were held in Manchester with women who worked and lived in the city, and with over one hundred housing professionals who worked across the M62 corridor;
- *Survey Work:* six hundred interviews have been conducted with owner-occupiers and private renters in terraced areas constructed prior to 1919. Additionally more than five hundred interviews have been conducted with owner-occupiers to construct a vacancy chain analysis from new-build on suburban sites.

Structure of the Report

1.19 The remainder of this report is structured as follows:

- chapter two highlights the housing market characteristics of each of the local authority areas and assesses the relationship between economic growth and declining demand for council housing;
- chapter three highlights the nature and extent of deprivation across the sub-region and its potential link to changing demand for housing;
- chapter four produces an analysis of areas at risk and divides them into policy zones;
- chapters five and six use a mix of qualitative and quantitative approaches to highlight the dynamics of the social rented and private sector housing markets;
- finally, chapter seven sets out the conclusion and policy recommendations.

2 HOUSING MARKET CHARACTERISTICS IN THE M62 CORRIDOR

Introduction

2.1 This chapter seeks to highlight the tenure structure within each of the participating local authority areas, and examines recent trends in relation to voids, turnover and waiting lists in each of the localities. The data is then used to classify the nature of housing market weaknesses at district level. This is briefly compared to a map of house prices to highlight the overlap between established and emerging weaknesses in the social rented market, with those of the owner occupied market. This chapter of the report concludes by comparing the relationship between economic growth and trends in waiting lists and voids over the period 1992 to 1999.

Housing tenure

2.2 The North West region as a whole has a higher than average level of owner occupation. However, some local authority districts have highly skewed tenure profiles with Knowsley, Salford, Manchester and Liverpool having levels of social housing which are considerably higher than the regional and national averages. Table 2.1 shows the tenure profile in each district and highlights low levels of private tenure in Manchester, Salford, Liverpool and Knowsley. It should be noted that these figures include the private rented sector and when these are separated out owner occupation falls to 50 per cent in Liverpool and around 40 per cent in Manchester.

2.3 Over the five year period 1995-1999 the number of local authority vacants increased by 22 per cent and the number of RSL vacants increased by 72 per cent across the M62 Corridor. Conversely the number of private sector vacants fell by 0.9 per cent as the private sector housing market moved into full recovery following the recession of the early 1990s. Tables 2.3, 2.4 and 2.5 show the trends in vacancies across tenures. Only Liverpool and Trafford saw a decline in the vacancy rate for council housing. In Liverpool this can be attributed to an active demolition programme. Of the remainder the vacancy rate in Bury remains constant, whilst in the remaining thirteen authorities the vacancy rate rose.

2.4 Despite the general housing market recovery, private sector vacancies increased in Liverpool, Bolton, Wigan, Sefton, St Helens, Halton and Wirral. Blackburn with Darwen remained relatively high (6.8%) throughout the period and whilst there were significant falls in void rates recorded in Manchester, Oldham and Salford it is significant that, at the height of a housing market boom, voids remained at between 5 and 7 per cent in all of these areas. The position of the RSL sector has deteriorated fastest with voids nearly tripling in Salford and Oldham, increasing by a factor of six in Tameside, and more than doubling in Blackburn.

Table 2.1 Percentage of dwellings by tenure by LA (as at 1 April 1999)

Ranked by LA stock		% LA	% RSL	% Other public	% Private	Total
1	Knowsley	31.3	7.1	0.0	61.6	100
2	Salford	31.1	5.8	0.1	63.0	100
3	Manchester	28.9	13.3	0.5	57.3	100
4	St Helens	21.4	5.3	0.2	73.1	100
5	Wigan	21.3	2.2	0.1	76.4	100
6	Oldham	20.9	5.7	0.2	73.2	100
7	Liverpool	20.6	13.3	2.3	63.8	100
8	Bolton	19.7	5.2	0.0	75.1	100
9	Rochdale	19.6	6.0	3.9	70.5	100
10	Blackburn with Darwen	17.8	5.4	0.1	76.7	100
11	Tameside	17.4	4.7	4.0	73.8	100
12	Halton	15.4	17.2	0.0	67.4	100
13	Warrington	14.0	6.2	0.0	79.9	100
14	Trafford	12.3	5.0	1.8	80.8	100
15	Wirral	12.2	5.7	0.1	82.0	100
16	Bury	12.1	3.0	1.3	83.5	100
17	Sefton	11.8	5.7	0.0	62.5	100
18	Stockport	11.2	3.8	1.2	83.8	100

Source: HIP data

Table 2.2 Percentage LA stock vacant 1995-1999

Ranked by 1999 % LA stock vacant		Percentage of local authority stock vacant				
		1999	1998	1997	1996	1995
1	Blackburn with Darwen	6.9	9.8	7.1	4.0	3.2
2	Liverpool	6.7	8.2	7.4	9.2	9.0
3	Salford	6.7	5.2	4.2	4.8	4.2
4	Knowsley	4.3	3.6	2.3	1.9	1.5
5	Manchester	4.2	4.1	3.1	2.1	2.1
6	Tameside	3.9	5.0	4.2	3.2	1.9
7	St Helens	3.9	3.4	2.4	2.0	1.6
8	Wirral	3.8	2.9	4.7	3.0	1.8
9	Stockport	3.0	2.5	2.4	2.6	2.9
10	Sefton	2.9	2.6	1.9	1.4	1.8
11	Wigan	2.7	2.6	1.6	1.3	0.9
12	Bury	2.6	2.4	1.6	1.7	2.6
13	Oldham	2.5	2.5	2.0	1.4	1.4
14	Halton	2.1	2.2	2.2	3.4	2.0
15	Warrington	2.0	1.7	1.5	1.6	1.9
16	Bolton	1.9	1.8	2.3	1.6	1.2
17	Rochdale	1.8	1.9	1.9	2.0	1.7
18	Trafford	1.8	1.7	2.5	3.7	3.6

Source: HIP data

Table 2.3 Percentage private sector stock vacant 1995-1999

Ranked by 1999 % vacant		Percentage of private sector voids				
		1999	1998	1997	1996	1995
1	Liverpool	7.9	6.7	11.6	7.0	7.0
2	Manchester	7.0	6.8	9.3	7.3	7.3
3	Blackburn with Darwen	6.8	6.8	6.6	6.6	6.8
4	Bolton	5.8	5.8	6.1	5.5	5.3
5	Oldham	5.1	5.0	6.4	5.3	5.4
6	Wigan	4.7	4.5	4.7	4.1	3.6
7	Salford	4.6	3.2	8.9	6.5	7.3
8	Sefton	4.5	4.6	0.0	4.6	3.5
9	St Helens	4.5	4.3	0.0	5.3	4.2
10	Halton	4.4	3.8	4.6	3.8	3.9
11	Wirral	4.4	5.1	5.4	4.4	4.3
12	Tameside	5.3	5.2	6.1	4.7	4.1
13	Stockport	3.6	3.1	4.1	4.0	4.0
14	Knowsley	3.3	2.8	4.5	3.3	3.8
15	Warrington	3.1	2.3	4.1	4.3	4.4
16	Bury	3.0	4.8	3.5	2.7	3.9
17	Rochdale	2.6	5.0	5.9	5.0	5.1
18	Trafford	2.6	3.2	3.7	2.6	2.9

Table 2.4 Percentage RSL stock vacant 1995-1999

Ranked by 1999 % vacant		1999	1998	1997	1996	1995
1	Salford	7.9	5.8	7.0	-	2.9
2	Blackburn with Darwen	7.8	9.7	8.9	3.5	3.0
3	Tameside	6.4	2.1	1.1	1.0	1.0
4	Liverpool	6.4	3.9	3.3	3.1	3.6
5	Rochdale	4.7	2.1	2.6	2.9	2.7
6	Manchester	4.0	4.9	4.6	4.2	2.3
7	Oldham	3.0	2.7	5.3	3.7	1.1
8	Wirral	2.9	2.7	1.8	1.4	1.5
9	Trafford	2.5	1.5	2.7	2.9	1.8
10	Wigan	1.9	1.8	1.0	0.6	0.5
11	Bolton	1.5	1.7	0.8	1.2	2.0
12	Halton	1.4	1.6	1.4	1.1	1.0
13	Sefton	1.4	0.7	1.1	0.7	0.4
14	Knowsley	1.3	0.7	0.6	0.8	0.1
15	St Helens	1.3	4.2	1.1	0.6	0.3
16	Bury	1.1	1.2	1.2	0.7	0.4
17	Warrington	0.8	0.6	0.2	0.1	0.7
18	Stockport	0.6	1.3	1.2	0.7	0.3

Source: HIP data

Table 2.5 Number of households on housing register

		1999	1998	1997	1996	1995	1995-1999 change
1	Bury	3,739	2441	2414	2081	1908	1,831
2	Trafford	5,198	5184	3681	3131	3385	1,813
3	Stockport	6,841	6805	5999	6421	6357	484
4	St Helens	2,160	2009	2194	2070	2287	-127
5	Bolton	5,005	4434	4460	5626	5213	-208
6	Blackburn/ Darwen	1,493	1854	2316	2764	2201	-708
7	Wigan	5,151	5025	5391	5458	5859	-708
8	Rochdale	3,582	5425	4648	5018	4380	-798
9	Oldham	3,581	4218	3529	4365	4555	-974
10	Warrington	2,442	1497	2516	2852	3606	-1,164
11	Knowsley	2,794	4651	4636	4185	4011	-1,217
12	Sefton	4,810	4890	5220	5776	6161	-1,351
13	Tameside	4,287	5139	4950	5770	5988	-1,701
14	Wirral	5,725	6912	4949	6643	8111	-2,386
15	Liverpool	4,430	4295	4321	5225	6916	-2,486
16	Salford	3,452	4428	5655	5673	6492	-3,040
17	Halton	1,152	1021	2573	5143	4457	-3,305
18	Manchester	9,715	10397	9739	13601	16102	-6,387
Total		**75,557**	**80,625**	**79,191**	**91,802**	**97,989**	**-22,432**

Table 2.6 Percentage of relets 1995-1999

		1999	1998	1997	1996	1995	1995-1999	annual relets: applicants
1	Warrington	16.5	12.1	10.8	12.1	9.1	7.4	1:1.30
2	Bolton	16.0	16.3	14.9	13.1	9.2	6.8	1:1.40
3	Rochdale	19.5	19.5	17.8	17.3	14.9	4.6	1:1.06
4	Wigan	15.6	13.2	12.8	11.6	11.2	4.4	1:1.20
5	Wirral	15.8	15.6	13.3	13.4	12.4	3.4	1:2.10
6	Trafford	12.1	12.1	11.8	11.5	9.4	2.7	1:3.80
7	Sefton	11.6	11.6	10.2	9.9	9.1	2.5	1:2.90
8	Liverpool	9.6	8.7	8.7	7.1	7.2	2.4	1:1.08
9	Blackburn/Darwen	18.4	18.0	19.4	17.0	17.0	1.5	1:0.78
10	Tameside	13.4	14.2	13.1	11.9	12.2	1.2	1:1.89
11	St Helens	12.6	13.2	12.9	11.9	11.5	1.2	1:1.06
12	Halton	8.7	9.9	10.1	8.8	7.6	1.1	1:1.70
13	Salford	14.0	13.1	15.2	13.0	13.3	0.6	1:0.78
14	Manchester	20.5	18.4	19.5	22.0	20.3	0.2	1:0.86
15	Knowsley	12.3	12.7	14.2	14.6	12.1	0.2	1:1.18
16	Bury	11.8	13.8	12.3	12.3	11.8	0.0	1:3.30
17	Stockport	11.7	12.4	13.2	12.0	12.8	-1.0	1:4.20
18	Oldham	15.6	19.3	15.1	18.4	17.8	-2.1	1:1.10

Source: HIP data (**relets to applica-nts)

2.5 There may be a number of localised reasons for the increases in RSL voids. But in the context of the North West high voids may be attributable to the history of rehabilitation during the 1970s of an increasingly obsolete back of pavement terraced housing stock. Additionally, the geographical pattern of new build since the mid 1980s which has been focused in neighbourhoods increasingly vulnerable to changing markets. This issue is explored more fully in chapter four.

2.6 Table 2.5 highlights the extent to which local authorities have experienced declines in waiting lists with only Bury, Trafford and Stockport registering growth. Table 2.6 links the rate of relets to applicants, highlighting in order the highest rates of increase at the district level. This shows particularly high rates of increase in tenancy turnover in Warrington, Bolton, Rochdale, Wigan and Wirral. Additionally there are historically high rates of turnover in Manchester (20.5%) and Blackburn with Darwen (18.4%). The low rate of tenancy turnover for council property in Liverpool (9.6%) is consistent with a policy of demolishing the most unpopular stock either via the City Council or the HAT. This can be contrasted with RSL turnover in the city (16%) where clearance has not yet commenced to any significant scale.

2.7 Higher turnover presents landlords problems in relation to the transaction costs of letting, rent loss and community cohesion. However it is less problematic where there is a relatively healthy underlying demand. One simple measure of demand and supply for council housing is the ratio of annual relets to applicants. This is highlighted in the final column of Table 2.6 where relatively healthy ratios are evident in Stockport (1 relet to 4.2 applicants), Sefton (1:2.9), Trafford (1:3.8) and Bury (1:3.3). Conversely Liverpool and St Helens have barely one applicant for each void generated and Manchester (1:0.86), Salford (1:0.78) and Blackburn with Darwen (1:0.78) have a ratio of less than one.

House prices

2.8 Figure 2.1 shows average house prices for the sub-region over the period 1995-99. The figure is based on HM Land Registry postcode sector data, however, this has been refined by using a 100 metre grid to smooth out average prices across adjacent areas. The resulting map shows 'hot' and 'cold' spots of private sector housing market weakness and strength. Low prices and very low prices are concentrated in Liverpool's inner core, south Sefton, the Wirral (parallel with the Mersey) and Knowsley. Very low prices are also evidenced across inner Manchester and Blackburn with Darwen. High house prices are restricted to the edges of the M62 Corridor: north Sefton, south Trafford and the western edge of the Wirral and are associated with commuting into the metropolitan core. Whilst the area between the two metropolitan centres tends to be dominated by median (average) house prices, a crescent of low house prices is evident and stretches from the eastern edge of Bolton, through Wigan and south into St. Helens and Halton.

2.9 Further evidence of pockets of low house prices is set out in Table 2.7 which lists the proportion of sales registered in each district which were purchased below £15,000 and £25,000 in 1996 and 1997. This table shows a significant number of very low value (below £15,000) sales in Manchester (14.9% of sales for the period were below £15,000), Blackburn with Darwen (9.9%), Salford (7.7%) and Liverpool (5.9%). Additionally more than one home in six retailed at less than £25,000 in Bolton and Oldham, while more than one home in five in Liverpool and one in four in Blackburn and Manchester sold for less than this amount.

Table 2.7 Low value house sales 1996 and 1997

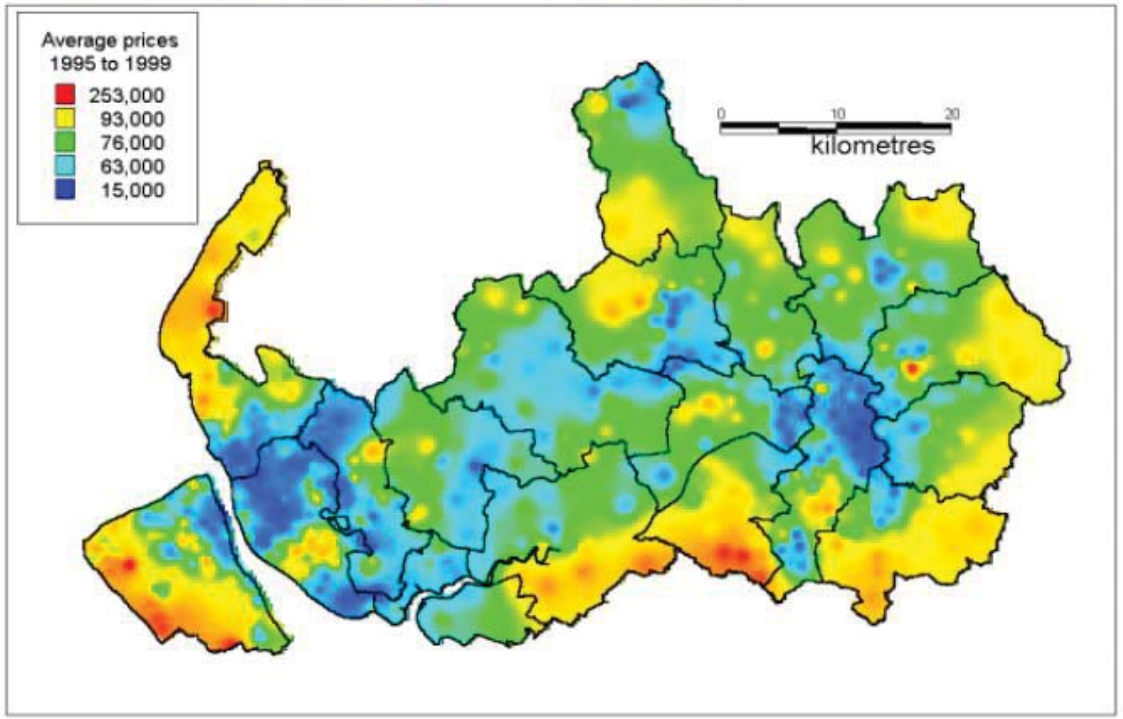
Local authority	% under £15,000	% under £25,000
Stockport	0.4	3.2
Trafford	0.8	2.5
Knowsley	1.7	6.9
Sefton	2.1	7.8
Bury	2.9	11.4
Tameside	3.0	14.1
Wigan	3.0	10.8
Rochdale	3.2	12.8
Wirral	3.5	13.2
St Helens	3.7	12.9
Bolton	4.4	18.4
Liverpool	5.9	20.5
Oldham	6.2	18.6
Salford	7.7	17.4
Blackburn	9.9	28.4
Manchester	14.9	28.1

Source: Holemans A and Simpson M (1999) p96-97

The market for low income housing: the evidence at the district level

2.10 By analysing the evidence above and through a review of housing strategy statements, it is possible to categorise local authorities with regard to vacancy rates, low prices, turnover rates and trends in waiting lists. Table 2.8 sets out six categories which include healthy housing markets in Stockport, Trafford, Bury and Sefton, and conversely four districts (Manchester, Salford, Liverpool and Blackburn) where generic market weaknesses affecting the public and private sector are well established. More significantly for the Government Office and the Housing Corporation is the cohort of districts which appear to have emerging market difficulties in respect of the public and private sector when comparing key variables such as turnover, prices and void levels, (Bolton, Wigan, Wirral, Oldham) or with social housing (St Helens, Warrington and Halton).

Figure 2.1 Average house prices: 1995-1999 (Source: HM Land Registry)



2.11 That there are six categories to describe weaknesses in the market for low income housing highlights the fact that local analysis is critical in understanding how markets are changing and why. For example, that market weaknesses are so pronounced in the core of the two major conurbations is not surprising in the context of the following factors:

- the history and scale of social housing provision
- the age and nature of the owner occupied stock and
- the decentralisation of people which has occurred over the last half a century.

Table 2.8 The market for low income housing: district categories

Healthy housing markets	**Generic, established market weaknesses**	**Established weaknesses in the market for council housing**
Stockport Trafford Bury Sefton	Manchester Salford Liverpool Blackburn	Knowsley
Emerging generic market weaknesses	**Emerging weaknesses in the market for council housing**	**Emerging market weakness for RSLs**
Bolton Wigan Wirral Oldham	St. Helens Warrington	• Rochdale • Tameside[2] • Halton

Macro economic indicators explaining changed demand

2.12 In chapter one we noted that one of the causes of the declining popularity of social housing (and some pre-1919 owner occupied neighbourhoods) was the rising affluence generated by economic growth. The UK is now experiencing its thirty fourth consecutive quarter of economic growth. This is the longest unbroken period of growth since the war with the result that GDP has risen by 27 per cent since 1992.

2.13 Table 2.9 shows that between 1992 and 1999 economic activity rates in the North West region increased only marginally from 71 per cent to over 76 per cent however, unemployment, and significantly, male unemployment almost halved from just over 13 per cent to 7 per cent. Over the same period turnover rates increased steadily from 11 per cent to more than 14 per cent of local authority stock, whilst waiting lists declined substantially, almost halving from 190,597 in 1992 to 119,436 in 1999.

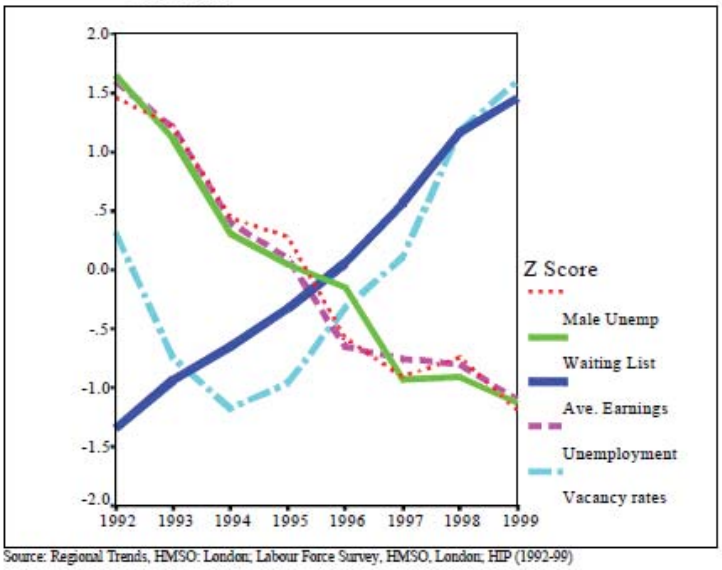
[2] This relates to the period prior to the transfer of Tameside Council housing to New Charter.

Table 2.9 Key macro-economic indicators and low demand, North West, 1992-1999

Year	Economic Activity rate	Average Earnings	Turnover	Vacancy Rate	Waiting List	Unemployment	Male Unemployment
1992	71.30	286	11.10	3.20	190,597	11.50	13.50
1993	76.80	299	11.50	2.70	176,843	10.70	12.90
1994	76.40	308	11.90	2.50	156,185	9.10	11.00
1995	74.80	318	12.70	2.60	149,474	8.50	10.60
1996	75.80	330	13.80	2.90	144,554	7.00	8.50
1997	75.00	346	14.00	3.10	124,624	6.80	7.70
1998	74.00	365	14.30	3.60	124,993	6.70	8.10
1999	76.00	374	14.50	3.80	119,436	6.10	7.00

Source: Regional Trends, HMSO: London; Labour Force Survey, HMSO, London; HIP (1992-99)

Figure 2.2 Key macro-economic indicators and low demand, (standardised) 1992-1999



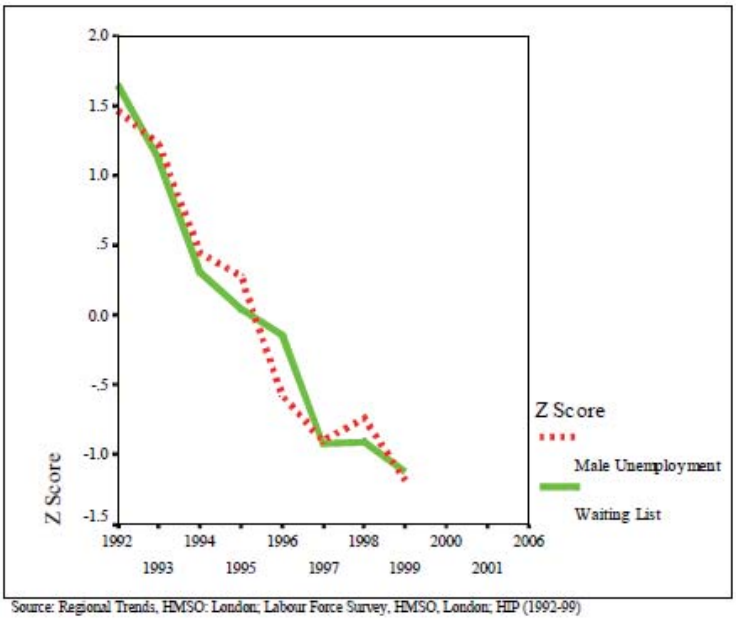
Source: Regional Trends, HMSO: London; Labour Force Survey, HMSO, London; HIP (1992-99)

2.14 Figure 2.2 shows the relationship between key macro-economic indicators such as average earnings and unemployment and turnover rates and waiting lists in the North West over the period 1992 to 1999. The figure standardises these rates

around the mean using a Z score so that a more meaningful comparison can be made[3].

2.15 For a clearer comparison, Figure 2.3 shows the relationship between male unemployment and waiting lists between 1992 and 1999 in the North West. It is clear from Figure 2.3 that there is a positive relationship between male unemployment and falling waiting lists over the period. This is an almost perfect positive relationship (Pearson's R=0.976). Meanwhile the correlation between unemployed (males and females) was equally high at 0.984. (Again, the figure standardises these rates around the mean using a Z score).

Figure 2.3 Correlation between male unemployment and waiting lists (standardised, Z scores, 1992-1999)



Source: Regional Trends, HMSO: London; Labour Force Survey, HMSO, London; HIP (1992-99)

2.16 To determine the statistical relationship between growth and the popularity of council housing we have measured the correlation between key economic and housing variables. The bivariate correlation (paired correlation coefficients)

[3] A Z score compares rates observed each year on one indicator to the average across years and divides this by the standard deviation, this allows us to compare indicators measured on different scales (eg: numbers of applicants on waiting lists compared to percentage rates of unemployment).

between the key macro economic indicators and indicators of changing demand are shown in Table 2.10. In addition to a clear positive relationship between unemployment and the fall in waiting lists numbers Table 2.10 shows:

- clear positive relationships between turnover and average earnings (both have increased over the period covered) in addition to earnings and vacancy rates;
- a negative relationship recorded for waiting list numbers and average earnings (as earnings have increased, waiting list numbers have fallen) as well as unemployment and turnover;
- a moderately strong negative relationship between unemployment and vacancy rates (as vacancy rates have increased unemployment has declined). However, the fall in unemployment has been faster than the increase in turnover rates thereby moderating the linear correlation;
- similarly there is a moderately strong negative relationship between waiting lists and economic activity rates, but again the significantly substantial fall in waiting lists has been faster than the increase in economic activity over the period.

Table 2.10 Key macro economic indicators and indicators of changing demand: bivariate correlation (1992-99)

	Turnover	Vacancy rates	No. on waiting list	Economic activity rates	Average Earnings	Unemp-loyment	Male unemp
Changed demand indicators							
Turnover	1.00	0.62	-0.96	0.46	0.96	-0.98	-0.98
Vacancy rates	0.62	1.00	-0.52	-0.20	0.72	-0.50	-0.56
Waiting list	-0.96	-0.52	1.00	-0.57	-0.95	0.98	0.98
Macro-economic indicators							
Eco. Activity	0.46	-0.20	-0.57	1.00	0.45	-0.56	-0.51
Ave.Earnings	0.96	0.72	-0.95	0.45	1.00	-0.94	-0.94
Unemployment	-0.98	-0.50	0.98	-0.56	-0.94	1.00	0.99
Male unemp	-0.98	-0.56	0.98	-0.51	-0.94	0.99	1.00

Summary

2.17 The evidence demonstrates that there is a strong correlation between economic growth and rising affluence and some of the changes in demand from council housing experienced in recent years. The next chapter examines the link at district and ward level between deprivation and changing demand for housing. Chapter four develops this analysis further by identifying neighbourhoods that are at risk of changing demand because of their housing structure and socio-economic profile.

3 SOCIO-ECONOMIC CHARACTERISTICS OF THE M62 CORRIDOR

Introduction

3.1 In this chapter we explore some of the socio-economic characteristics of the sub-region. This background material is then used to contextualise the following chapter, which begins to develop a spatial model of areas at risk of changing demand.

DoE Index of Local Conditions

3.2 According to the 1991 Index of Local Conditions, Liverpool was the highest-ranking local authority within the 18 North West local authorities included in this study (Table 3.1). Nationally, Liverpool was the 6th ranked local authority on this measure, whilst Knowsley and Manchester were ranked 12th and 13th respectively. These three local authorities were amongst only 16 local authorities in England with scores above 30 on the ILC.

Table 3.1 ILC score (North West LAs) and rank within England

	1991 Index of Local Conditions			1998 Index of Local Deprivation		National ranking diff erence 1991-1998
	Score	Rank		Score	Rank	
Liverpool	35.96	6	Liverpool	40.07	1	5
Knowsley	32.24	12	Manchester	36.33	3	10
Manchester	31.51	13	Knowsley	33.69	9	3
Salford	22.58	28	Salford	26.64	23	5
Blackburn	21.72	32	Rochdale	25.13	29	21
Oldham	19.83	39	Oldham	24.82	33	6
Bolton	17.84	49	Halton	24.69	34	17
Rochdale	16.89	50	Blackburn	23.04	41	-9
Halton	16.74	51	Wirral	21.25	44	17
St. Helens	15.59	55	St. Helens	20.98	45	10
Wirral	12.64	61	Bolton	20.66	47	2
Tameside	11.84	65	Tameside	19.78	53	12
Sefton	8.95	73	Sefton	19.41	54	19
Wigan	8.72	74	Wigan	13.47	85	-11
Trafford	-11.93	146	Bury	8.98	116	45
Bury	-13.90	161	Warrington	7.44	128	46
Warrington	-14.58	174	Trafford	7.42	129	17
Stockport	-18.60	213	Stockport	3.81	177	36

3.3 There is a clear division between this group of local authorities (i.e. scoring 30 or more on the ILC) and the next group scoring between 15 and 26 on the nationally ranked ILC. Included in this group are the following North West local authorities: Salford, Blackburn, Oldham, Bolton, Rochdale, Halton and St. Helens. The remaining local authorities fall into two groups: Wirral, Tameside, Sefton and Wigan have positive, albeit moderate scores on the ILC whilst Trafford, Bury, Warrington and Stockport have negative scores (lower than expected levels of deprivation) on the ILC.

Index of Local Deprivation (ILD)

3.4 In 1998 the Index of Local Conditions was amended and superceded by the Index of Local Deprivation (ILD). It is difficult to make comparisons with the earlier index as the ILC was calculated differently from the ILD with several methodological changes introduced. For example, the individual component indicators were set to zero where below expected (negative) scores were encountered and one indicator (*children in unsuitable accommodation* – which mainly referred to children living in flats) was dropped from the ILD altogether.

3.5 Whether these changes to the index better highlight the specific problems of deprivation in the North West is subject to debate. However, at district level all the North West local authorities (with the exception of Wigan and Blackburn) moved up the relative rankings (see Table 3.1).

3.6 Meanwhile, deprivation at ED level shifted "…from London and the South to the Midlands and the North (and North West)..." (Lee, 1999, p.104). However, only 4.6 per cent of children in the North West live in flats (as there are less flats proportionate to total stock) compared to almost a third (32.6 per cent) of children living in Greater London. Therefore, the dropping of the *children in unsuitable housing* variable accounted for most of the change in deprivation rankings at ED level when comparing the 1991 ILC and the 1998 ILD.

3.7 But whilst the ILD at ED level involved use of census data alone, the ILD at district level used updated data from administrative sources related mainly to 1996 and 1997. Hence the changes at district level and the shift in relative shares of deprivation from the southern to the northern regions does reflect *real* changes occurring between 1991 and 1997. Comparison of the ILC and ILD at district level between 1991 and 1996/97 therefore shows that deprivation in the North West intensified. Many local authorities in the North West were relatively worse off compared to local authorities in the south. This is especially the case in relation to levels of unemployment/long term male unemployment, poverty (as measured by the number of households and children dependent on Income Support), health deprivation (Standardised Mortality Ratios) and the proportion of derelict land.

Index of Multiple Deprivation 2000

3.8 In the summer of 2000 the DETR published its revised index of deprivation, the Index of Multiple Deprivation 2000 (IMD). At district level there is no equivalent index to the 'degree score' compiled for the ILC and ILD. Instead the DETR use six summary measures to describe differences between districts and note that "...no single summary measure is favoured over another, as there is no single best way of describing or comparing districts" (DETR, 2000a, p14.).

3.9 The IMD comprises 33 variables across 6 domains (income, employment, health, housing, education and access to services) and a composite index comprising these 6 domains at ward level. A seventh domain (child poverty) is not combined into the overall IMD at ward level. Again, because of these methodological changes comparison between previous indexes and the new IMD is made difficult.

Table 3.2 Comparison of ward extent scores at district level: ILD and IMD2000

	Index of Local Deprivation (1998)		Index of Multiple Deprivation (2000)			Difference (1998-2000) in % of population living in most deprived 10% nationally
	Extent score	Ward Extent (Rank)		Extent Score	Ward Extent (Rank)	
Manchester	77.98	8	Manchester	79.29	4	1.31
Knowsley	72.50	10	Knowsley	79.13	5	6.63
Liverpool	71.22	11	Liverpool	72.19	7	0.97
Rochdale	38.63	33	Halton	53.41	13	36.89
Oldham	34.86	37	Blackburn	51.23	15	19.03
Sefton	32.52	42	Salford	39.85	27	8.42
Blackburn	32.20	43	Rochdale	38.76	31	0.13
Salford	31.43	44	St. Helens	35.92	38	15.01
Bolton	29.71	47	Oldham	35.28	39	0.42
Wirral	21.40	60	Bolton	33.56	43	3.85
St. Helens	20.91	62	Sefton	32.38	45	-0.14
Halton	16.52	72	Wirral	25.67	57	4.27
Warrington	11.07	92	Wigan	14.52	85	3.96
Wigan	10.56	96	Tameside	10.06	102	-0.05
Tameside	10.11	100	Trafford	8.96	109	-0.38
Trafford	9.34	106	Warrington	8.21	119	-2.86
Bury	6.28	130	Bury	6.24	131	-0.04
Stockport	3.78	149	Stockport	3.58	154	-0.20

3.10 With one or two exceptions, however, the relative rankings within the sub-region are unchanged. For example, when comparing the proportion of each local authority's population living in the 10 per cent most deprived wards nationally

(the extent measure) Manchester, Knowsley and Liverpool all feature at the top of the rankings (Table 3.2). Meanwhile, Trafford, Bury and Stockport have the lowest proportions of their respective populations in the most deprived wards on both indexes.

3.11 Nationally, large authorities such as Birmingham, Newham and Sandwell with large local authority housing stock dropped down the rankings on this extent measure. However, some medium sized authorities with more mixed tenure patterns such as Derby also dropped down the rankings. Therefore, it is difficult to associate the changes in rankings to size of authority or tenure patterns alone.

3.12 What is clear from Table 3.2 is that the extent of deprivation in the sub-region has consolidated. More than 70 per cent of residents in Liverpool, Manchester and Knowsley live in the poorest 10 per cent of wards in England. Meanwhile, the second tier of authorities (Salford, Rochdale, St. Helens, Oldham, Bolton and Sefton) all had between a third and four-fifths of their population living in the 10 per cent of most deprived wards. Dramatic increases in the extent score in Halton and Blackburn with Darwen, maybe explained by the changes in methodology, however, we will return to the case of Blackburn later when we discuss in more detail the evidence on changing demand.

3.13 The concentration of deprivation within the core metropolitan part of the sub-region is confirmed by the national rankings at ward level of the IMD (see Table 3.3). According to this measure (a composite index of the 6 domains referred to above) 26 of the 50 most deprived wards in England are located in the North West (Liverpool, Manchester, Knowsley and the Wirral). A further 18 wards (7 of which are in the metropolitan core) are ranked in the top 100. In total, therefore, a third of the 100 most deprived wards are located in the North West metropolitan core whilst, in total, 44 wards out of the most deprived 100 are in the sub-region.

3.14 Tables 3.4 to 3.8 show those wards in the sub-region featuring in the top 100 wards nationally on the individual ward domains of the IMD. Analysis of the location of the 100 most deprived wards for each domain of the IMD shows that multiple deprivation is concentrated in the metropolitan core of the sub-region with a third of wards in the top 100 nationally being located in Liverpool, Manchester, Knowsley and the Wirral. Meanwhile income poverty is significant in the metropolitan core but is relatively more of an issue in Blackburn with Darwen whilst employment deprivation is most significant in Liverpool and Knowsley. In relative terms child poverty is a more significant issue in Blackburn with Darwen and less significant in Manchester whilst education deprivation does not appear to be an issue in the sub-region. Finally, housing deprivation does not register as a problem in the sub-region with Freestanding Towns such as Blackburn with Darwen, Oldham, Rochdale and Bolton the only districts with wards appearing in the top 100 wards on this measure.

Table 3.3 Index of Multiple Deprivation (IMD) ward rankings: wards in the North West in the top 100 nationally

LA Name	Ward Name	IMD Score	Rank of IMD
Manchester	Benchill	83.77	1
Liverpool	Speke	83.13	2
Liverpool	Everton	82.10	4
Liverpool	Vauxhall	81.47	6
Knowsley	Princess	80.80	8
Liverpool	Granby	79.83	10
Liverpool	Pirrie	79.74	11
Liverpool	Breckfield	79.71	12
Knowsley	Longview	79.65	13
Knowsley	Cherryfield	79.64	14
Manchester	Harpurhey	78.28	16
Manchester	Beswick and Clayton	77.58	17
Knowsley	Kirkby Central	77.37	18
Knowsley	Northwood	77.26	20
Manchester	Bradford	76.63	22
Wirral	Bidston	76.23	23
Liverpool	Melrose	76.21	24
Liverpool	Clubmoor	75.99	26
Liverpool	Smithdown	75.81	28
Manchester	Ardwick	75.73	29
Liverpool	Dovecot	75.15	34
Knowsley	Cantril Farm	74.33	38
Manchester	Central	73.75	41
Liverpool	Netherley	73.27	44
Manchester	Newton Heath	73.13	45
Liverpool	Kensington	73.05	48
Bolton	Central	72.71	51
Rochdale	Central and Falinge	72.48	52
Wirral	Birkenhead	72.15	54
Sefton	Linacre	71.75	56
Wirral	Tranmere	71.66	58
Knowsley	Tower Hill	71.56	59
Blackburn with Darwen	Audley	71.51	61
Manchester	Gorton South	71.39	63
Manchester	Woodhouse Park	71.38	64
Rochdale	Middleton West	71.37	66
Manchester	Moss Side	71.01	73
Oldham	Coldhurst	70.82	75
Oldham	Werneth	70.45	80
Blackburn with Darwen	Shadsworth	70.23	82
Oldham	Alexandra	70.19	83
Liverpool	St. Mary's	69.86	86
Blackburn with Darwen	Higher Croft	69.00	97
Rochdale	Smallbridge & Wardleworth	68.84	100

(Source: DETR, 2000b)

Table 3.4 Income poverty: North West wards in the highest ranking 100

LA Name	Ward Name	Income Domain Score	Rank of Income Domain
Liverpool	Everton	74.27	1
Knowsley	Longview	74.22	2
Knowsley	Princess	72.00	3
Liverpool	Vauxhall	70.81	4
Liverpool	Granby	65.11	7
Wirral	Bidston	64.10	9
Manchester	Benchill	62.13	13
Liverpool	Breckfield	61.90	14
Knowsley	Kirkby Central	60.81	21
Liverpool	Speke	60.71	22
Knowsley	Northwood	60.53	23
Liverpool	Pirrie	60.06	25
Knowsley	Cherryfield	60.05	26
Blackburn with Darwen	Audley	59.43	31
Blackburn with Darwen	Shear Brow	58.96	34
Blackburn with Darwen	Bastwell	58.71	36
Manchester	Harpurhey	58.48	39
Oldham	Coldhurst	58.33	40
Liverpool	Melrose	58.12	41
Liverpool	Clubmoor	58.07	42
Manchester	Bradford	57.87	43
Liverpool	Dovecot	57.44	52
Manchester	Beswick and Clayton	56.91	57
Liverpool	Netherley	56.77	59
Sefton	Linacre	56.58	60
Bolton	Central	56.34	65
Manchester	Ardwick	56.22	66
Knowsley	Tower Hill	56.11	67
Wirral	Birkenhead	56.09	68
Oldham	Werneth	55.84	70
Manchester	Cheetham	55.74	73
Rochdale	Smallbridge & Wardleworth	55.24	79
Blackburn with Darwen	Wensley Fold	55.09	80
Bolton	Derby	55.02	82
Blackburn with Darwen	Higher Croft	54.18	89
Manchester	Moss Side	53.47	95
Liverpool	Smithdown	53.39	97

(Source: DETR, 2000b)

Table 3.5 Employment poverty: North West wards in the highest ranking 100

LA Name	Ward Name	Employment Domain Score	Rank of Employment Domain
Liverpool	Everton	50.90	1
Knowsley	Longview	48.02	2
Liverpool	Vauxhall	46.74	3
Knowsley	Princess	46.36	4
Liverpool	Granby	43.44	5
Knowsley	Northwood	41.88	6
Liverpool	Breckfield	41.25	8
Wirral	Bidston	40.28	10
Knowsley	Cherryfield	38.88	13
Wirral	Birkenhead	37.49	14
Sefton	Linacre	36.89	19
Liverpool	Melrose	36.69	20
Manchester	Ardwick	36.57	21
Manchester	Harpurhey	36.56	22
Liverpool	Pirrie	36.43	23
Knowsley	Kirkby Central	36.26	24
Liverpool	Speke	36.20	25
Liverpool	Dovecot	35.04	36
Manchester	Bradford	35.03	37
Liverpool	Clubmoor	34.75	39
Knowsley	St. Gabriels	34.51	41
Manchester	Benchill	34.38	42
Manchester	Central	33.96	43
Liverpool	Kensington	33.56	48
Rochdale	Central and Falinge	33.35	50
Liverpool	Netherley	33.19	54
Knowsley	Cantril Farm	33.13	55
Wirral	Tranmere	33.07	57
Liverpool	Smithdown	32.79	60
Halton	Castlefields	32.75	62
Knowsley	St. Michaels	32.67	64
Manchester	Beswick and Clayton	32.58	67
St. Helens	Parr and Hardshaw	32.17	74
Manchester	Newton Heath	31.29	84
Liverpool	Abercromby	31.11	86
Knowsley	Halewood South	31.11	87
Manchester	Moss Side	31.05	91
Liverpool	County	30.80	96
Liverpool	St. Mary's	30.74	97

(Source: DETR, 2000b)

Table 3.6 Child Poverty: North West wards in the highest ranking 100

LA Name	Ward Name	Child Poverty Index Score	Rank of Child Poverty Index
Wirral	Bidston	88.71	1
Knowsley	Princess	88.68	2
Liverpool	Smithdown	85.49	3
Liverpool	Vauxhall	84.60	8
Salford	Ordsall	82.96	12
Liverpool	Granby	82.88	13
Liverpool	Speke	81.05	18
Salford	Blackfriars	79.90	21
Liverpool	Everton	79.44	24
Sefton	Linacre	79.36	25
Blackburn with Darwen	Bastwell	79.16	27
Liverpool	Kensington	78.65	31
Bolton	Central	78.56	33
Knowsley	Kirkby Central	78.50	34
Liverpool	Breckfield	78.45	35
Liverpool	Clubmoor	78.26	37
Blackburn with Darwen	Audley	78.20	39
Oldham	Coldhurst	78.16	40
Oldham	Werneth	77.34	44
Knowsley	Tower Hill	77.20	46
Liverpool	Abercromby	77.15	47
Knowsley	Northwood	76.89	50
Knowsley	Longview	76.75	51
Rochdale	Middleton West	76.74	52
Salford	Pendleton	76.58	54
Knowsley	Cherryfield	75.77	59
Blackburn with Darwen	Shear Brow	75.62	60
Knowsley	Cantril Farm	75.26	66
Liverpool	Pirrie	75.23	67
Oldham	St. Marys	75.23	68
Wirral	Birkenhead	75.21	69
Oldham	Hollinwood	74.16	80
Manchester	Benchill	73.81	84
Bolton	Derby	73.78	85
Blackburn with Darwen	Queen's Park	73.15	88
Blackburn with Darwen	Wensley Fold	73.12	89
Manchester	Beswick and Clayton	72.85	95

(Source: DETR, 2000b)

Table 3.7 Housing deprivation: North West wards in the highest ranking 100

LA Name	Ward Name	Housing Domain Score	Rank of Housing Domain
Blackburn with Darwen	Shear Brow	2.7961	12
Blackburn with Darwen	Bastwell	2.7160	16
Oldham	Coldhurst	2.4828	35
Rochdale	Smallbridge & Wardleworth	2.4355	38
Oldham	Werneth	2.3694	51
Bolton	Derby	2.3370	63
Oldham	St. Marys	2.2834	74

(Source: DETR, 2000b)

Table 3.8 Education deprivation: NW wards in the highest ranking 100

LA Name	Ward Name	Education Domain Score	Rank of Education Domain
Liverpool	Speke	3.07	2
Manchester	Benchill	2.89	5
Oldham	St. Marys	2.53	15
Salford	Ordsall	2.52	16
Oldham	Alexandra	2.46	21
Blackburn with Darwen	Shadsworth	2.44	22
Manchester	Baguley	2.38	26
Manchester	Woodhouse Park	2.11	71
Manchester	Gorton South	2.11	72
Liverpool	Smithdown	2.03	87
Manchester	Hulme	2.00	96

(Source: DETR, 2000b)

The geography of deprivation

3.15 It has not been possible to map the IMD ward index due to changes in ward boundaries. Given that the relative changes in the ranking of ward level deprivation within the sub-region will have been minimal we have used the 1998 ILD to illustrate the concentrations of deprivation in the sub-region (Figure 3.1). As we would expect the main concentrations of deprivation are located in the metropolitan core of the region. The areas with the most severe problems of deprivation are shown to be:

- Inner Merseyside - an area comprising the inner core of Liverpool, the southern part of Sefton and the Wirral
- Peripheral Merseyside - the periphery of Liverpool including Dovecot and Speke and Knowsley
- the inner core of Greater Manchester – including inner Manchester and Salford

- the periphery of Greater Manchester - an area including south Manchester (Woodhill Park and Benchill) and parts of Tameside, Rochdale, Oldham and Trafford
- Freestanding Towns - the inner parts of Rochdale, Blackburn, Oldham, Bolton, St. Helens, Wigan and Warrington.

3.16 Figure 3.2 shows how widespread deprivation is within the M62 Corridor at a finer spatial scale by showing enumeration districts (EDs) with positive scores on the ILD[4]. Figure 3.3 refines this analysis by showing areas that are not adjacent to deprived areas. It is clear from these two maps that there are very few areas that are not adjacent to an area of deprivation as measured by the ILD.

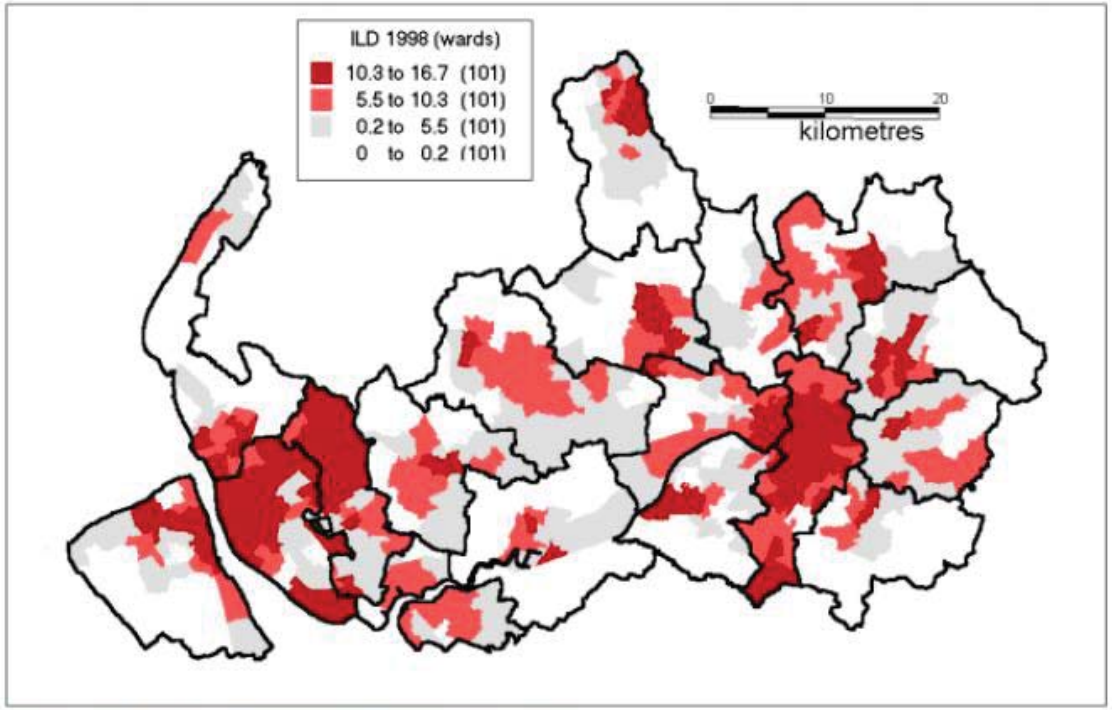
Trends in deprivation in the M62 Corridor

3.17 Several important issues emerge both from the pattern of deprivation and the issues concerning the measurement of deprivation using the Index of Multiple Deprivation and how these measures relate to the debate concerning changing demand within the North West. Firstly, it appears that there is a process whereby deprivation is concentrating and hardening within parts of the North West. For example, district level indicators used in construction of the ILC and ILD do show an increase in relative deprivation between 1991 and 1996/97.

3.18 At small area level comparison between the ILC, ILD and IMD is made difficult due to the methodological inconsistency in the construction of these indices. However, whilst local authority districts in the North West appear to be relatively worse off between 1996/97, this must translate to a hardening of deprivation at local area level.

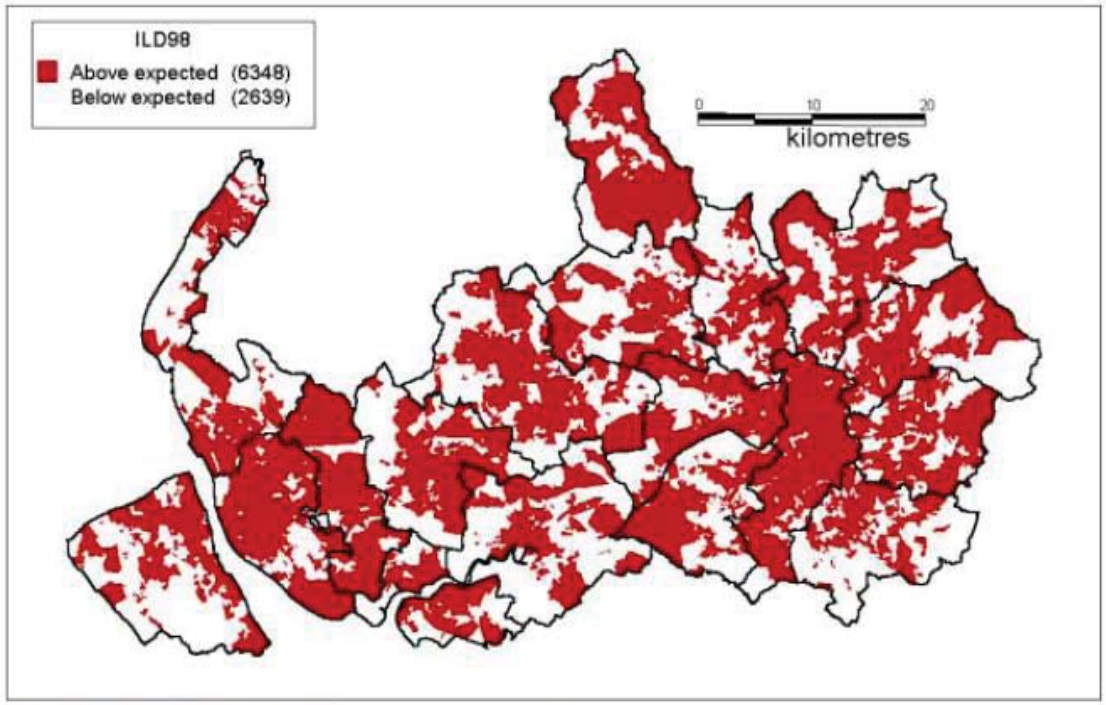
[4] The ILD departed from the ILC by summing together only the positive values of the index. As the DETR note in the '*1998 Index of Local Deprivation: A Summary of Results*' "..as the index is an index of deprivation rather than an index of affluence it is counterintuitive that positive values, i.e. deprived, on some indicators are cancelled out by good conditions ..." (DETR, 1998, p7.).

Figure 3.1 Index of Local Deprivation (wards), 1998



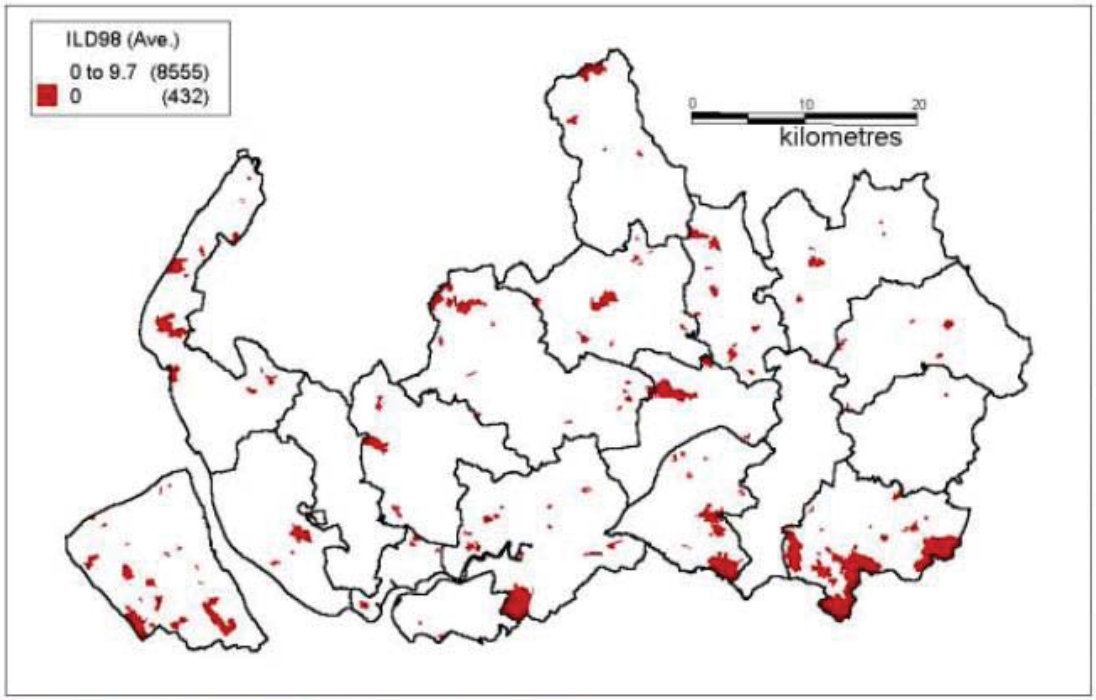
Source: OPCS, 1991, DETR, 1998, Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 3.2 Index of Local Deprivation (Enumeration Districts), 1998: EDs above expected on the ILD



Source: OPCS, 1991, DETR, 1998, Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 3.3 Index of Local Deprivation (Enumeration Districts), 1998: EDs not adjacent to areas above expected on the ILD



Source: OPCS, 1991, DETR, 1998, Census boundary data Crown Copyright, JISC/ESRC purchase

3.19 Wards located in the metropolitan core that have been deprived for long periods of time appear to have remained deprived. Moreover, there does appear to be a second tier of local authority districts (including Blackburn, Halton, St. Helens, Salford, Bolton, Wirral and Wigan) in which deprivation has become more concentrated over the past decade and in which deprivation levels had not registered so highly on previous measures.

3.20 The housing market data presented in chapter two highlighted Manchester, Knowsley, Liverpool, Salford and Blackburn with Darwen as experiencing the most severe housing market weaknesses (generic low demand) at district level (see Table 2.8). These local authority districts also have five of the six highest IMD (deprivation) 'extent' measures within the M62 Corridor. The reasons for this correlation at a district level are complex and inter-related and include the following factors:

- these authorities have a long history of deprivation and low incomes. This history has determined the scale of social housing provision and the stock of private sector housing designed for low income groups;
- the worst affected local authorities have experienced large scale and persistent population loss over the last thirty years or more. Conversely they are also the local authority districts that are experiencing the largest inward commuting, highlighting the fact that people have preferred to live separately from their place of work. This points to a downward spiral in these localities where declining neighbourhood quality, increasing social polarisation, decentralisation and the growth of travel to work areas all interact to produce a surplus of housing in some localities;
- the tenure profile of some of the districts with the highest surpluses of low income stock also have highly skewed tenure profiles (particularly Knowsley, Manchester and Liverpool). This indicates a lack of choice in the housing market at the local level.

3.21 Local authority districts outside the region, with high levels of deprivation and similar tenure profiles to parts of Manchester and Liverpool, have not experienced the same process of changed demand as has been witnessed in these parts of the M62 Corridor. Such authorities as Hackney and Tower Hamlets, whilst expressing similar levels of deprivation have not been exposed to the same factors outlined above.

3.22 It is clear therefore, that once analysis switches from a district level to smaller neighbourhoods that not all deprived areas are necessarily experiencing changing demand for housing and London authorities are good examples of this. This leads us to the provisional conclusion that whilst deprivation and generic low demand coincide at district level, deprivation is not the best explanatory variable driving low demand issues in the M62 Corridor.

3.23 Previous research has shown that deprived areas are not necessarily unpopular (see for example Nevin et al, 1999) or suffer from low demand. Notwithstanding this, the widespread nature of relative deprivation within the sub-region (see Figure 3.3) highlights the difficulties of targeting areas at risk of changing demand using deprivation as a proxy measure.

3.24 Furthermore, whilst the Index of Multiple Deprivation 2000 (IMD) includes a housing deprivation domain, this has little discriminatory potential in identifying areas at risk of changing demand. Firstly, Table 3.7 demonstrates that relatively few wards in the M62 Corridor appear in the top 100 nationally on the housing deprivation measure.

3.25 Secondly, the housing deprivation domain in the IMD contains only three variables:

- homeless households in temporary accommodation (from LA HIP returns for 1997-98)
- household overcrowding (from the 1991 Census)
- poor private sector housing (modelled from the 1996 English House Conditions Survey and RESIDATA);

3.26 All of these indicators appear to be insensitive to the particular housing market circumstances of the North West especially in the context of changing demand for housing and area abandonment. With the exception of poor private sector housing the housing indicators used would tend to target areas with severe housing stress where there are problems of access and high demand. Meanwhile the inclusion of homeless households in temporary accommodation, as a housing indicator in the IMD, may reflect policy decisions at the local level rather than unique circumstances of housing stress.

Summary

3.27 The evidence on deprivation leads us to conclude that deprivation indices such as the ILD and the IMD are something of a blunt instrument in identifying areas 'at risk' of changing demand. The next chapter develops this small area analysis further and isolates a number of indicators that can be used to identify neighbourhoods across all tenures, which could be categorised as 'at risk' from changing demand.

4 AREAS AT RISK OF CHANGING DEMAND

Introduction

4.1 In chapter one we began to identify the factors that contribute to changing demand for housing. Isolating the key drivers determining changing demand for housing is part of a continuing research agenda and there is considerable debate concerning the exact relationship between the main drivers and changes in the popularity of housing areas. In this chapter we highlight neighbourhoods across the M62 Corridor which are at risk because of changing patterns of demand.

4.2 A starting point maybe to look at deprivation and begin to make inferences between deprivation and the popularity of an area. In chapter three, however, we noted the difficulties associated with the identification of areas at risk of changing demand where deprivation is widespread. We also noted that not all deprived areas are unpopular or subject to changing demand. It is therefore important to differentiate between unpopular areas or areas experiencing changing demand and those that are deprived.

Modelling popularity

4.3 Popularity is certainly a determinant of changing demand, but the availability of data at small area level and the subjective nature of popularity complicates its measurement. Using 'objective' measures may be misleading. For example where there is a lack of choice an area may seem to remain 'popular' when measured by turnover or population change. Uncovering popularity therefore requires us to focus on choice and housing preferences as well as housing satisfaction and housing intentions. It should be noted that satisfaction with an area maybe a separate and distinguishable concept from popularity. Subjectively measured, satisfaction might be hidden as comparisons of resident's housing circumstance maybe narrowly drawn where residents live in poorer communities.

4.4 Again this brings us back to the issue of deprivation and how this relates to changing demand for housing. We are safe to assume that there is a strong positive relationship between a lack of choice and deprivation. Indeed, a large part of the research agenda on poverty over the past 30 years has established this link by relating empirical measures of deprivation ('standard of living' indicators) to choice (see for example Townsend, 1979; Mack and Lansley 1985). However, whilst it is clear that some deprived areas remain popular, it is clear that areas at risk of changing demand or areas at risk of losing popularity will be deprived. Deprivation is therefore a necessary condition but as noted in chapter three will not always be a sufficient explanation as to why an area becomes unpopular.

4.5 In this chapter, therefore, we begin to consider which variables are useful for spatially mapping and modelling areas 'at risk' of changing demand.

Modelling areas at risk of changing demand

4.6 The literature on changing demand for housing has a relatively recent history. The most relevant literature related to the changing demand debate such as that on the sustainability of housing areas and what factors determine the popularity of neighbourhoods dates back to the early 1990s.

4.7 The emphasis on changing and low demand has been due to an increase in the number of departures from local authority housing in England, which rose significantly from the early 1990s onwards. Recent research noted that the number of departures from local authority housing nationally increased by more than 15 per cent between 1992 and 1998 from 220,000 per annum in 1991/92 to 260,000 in 1997/98 (Holmans and Simpson, 1999). In the North West an increase in the number of departures from social housing has been accompanied by a halving of the number of people on social housing waiting lists. This declined from 192,000 in 1992 to 103,000 in 1999 (Local Authority HIP returns, all North West Local authorities).

4.8 Whilst the literature has tended to focus upon the changing demand for social housing there is also evidence of abandonment in owner occupied areas and changing demand within the private sector. CURS' research in Liverpool has highlighted the fact that there are poor but stable areas and deprived and unstable areas (Nevin *et al*, 1999). Additional research in Liverpool has illustrated the fact that in some areas the failure of neighbourhoods is associated with a large scale provision of one particular tenure (for example the Scotland Road/ Everton area). The same research showed that in other vulnerable areas there is a large scale over provision of back of pavement terraced houses (for example in Kensington), (Nevin and Lee, 2001).

4.9 These characteristics associated with local housing market failure are also replicated in Manchester. CURS research staff along with offices of Manchester City Council reviewed the housing characteristics of wards which were experiencing increases in voids and turnover and highlighted the following:

Ward	Characteristics
Benchill	88% social renting
Beswick and Clayton	62% social renting, 56% terraced
Bradford	69% terraced
Central	85% social rented, 54% flats
Lightbourne	67% terraced

4.10 There are a number of factors influencing changing demand and in this chapter we have focused the elements which we believe are important factors determining areas at risk of changing demand. These factors are:

- areas or parts of the city in which there is a predominance of rented housing or low quality stock in owner occupation;
- neighbourhoods in which there is a large-scale or monolithic provision of a particular size of property for example 2 or 3 bed family housing;
- a prevalence of 'obsolescent housing' of a certain type i.e. high rise flats or terraces;
- areas with demographic characteristics likely to weaken demand;
- a concentration of households that are economically inactive or unemployed.

4.11 High concentrations of rented housing appear to increase the risk of low and changing demand for a number of inter-related reasons. Firstly, as we have noted above, there is increasing evidence to suggest that there has been a dramatic downturn in the numbers on social housing waiting lists in the North West whilst at the same time there has been an increase in the number of people leaving the sector. Both factors point to changed demand in the social rented sector.

4.12 We would expect this weakening of demand to have its biggest impact in areas with high concentrations of social housing built to high densities and monotonous design features. At the same time areas with high densities of social housing have higher than average concentrations of poorer households with little choice and with low social and economic capital. In circumstances of economic growth and expansion, such areas will be less popular for working households or households with the ability to access housing through the market. Households with little choice may remain in such areas but it is unlikely that there would be significant inward migration given the dramatic reductions in waiting lists in a climate of economic growth.

4.13 Such a scenario envisages erosion of community cohesion due to the long-term decline of large-scale social housing estates. Neighbourhoods with large scale public sector housing estates are less likely to be stable communities due to higher turnover and movement in and out of the area as the evidence suggests that a new tenancy is increasingly a short-term housing choice. Moreover, given the portability of housing benefits and the oversupply of rented housing in some parts of the North West conurbation, it is possible for households to move around the housing system thereby influencing the stability of neighbourhoods and 'communities'.

4.14 The reasons for the 'abandonment' of certain property types (or changed demand) are complex and our second and third 'factors' reflect the complexity of this debate. Demographic trends explain part of the change in demand for housing in two ways. Firstly, areas with high concentrations of retired households pose a

threat to market stability through the 'marketisation' of a large number of properties due to a 'cohort effect' following the death of retired households.

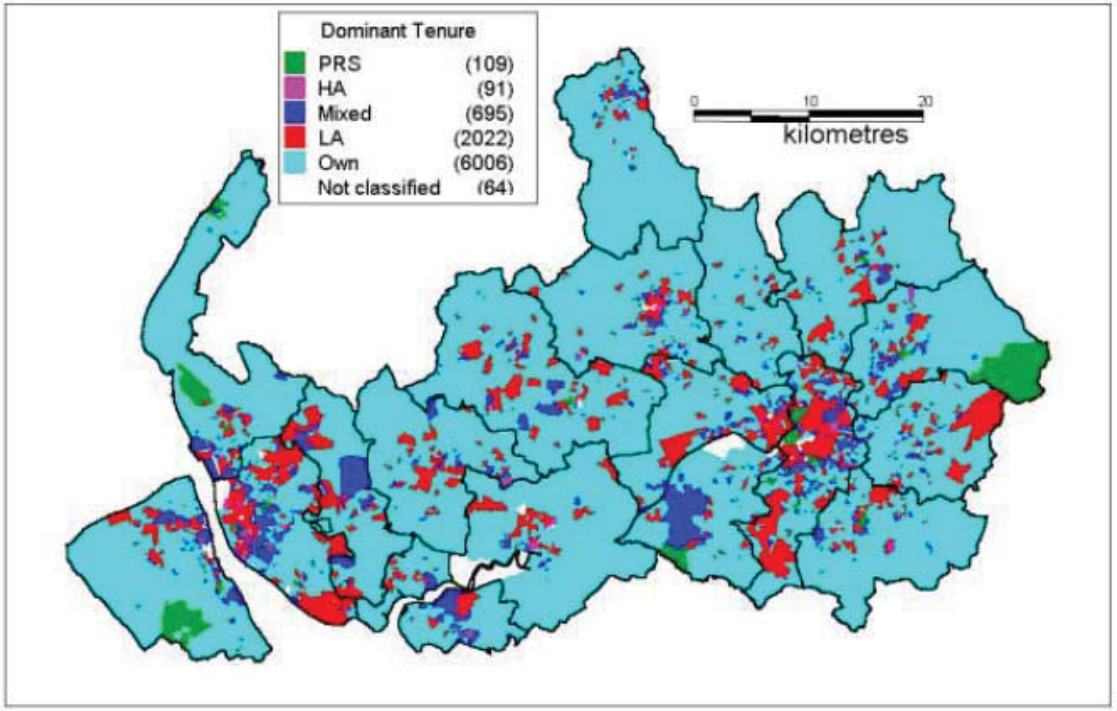
4.15 Additionally, demographic trends effect low demand in a more indirect and subtle way. Changes in the way that households form through delayed child birth and marriage, have occurred much faster and impacted upon the dynamics of British cities and urban settlements more quickly than enabling authorities can react to accommodate these changes through restructuring the physical housing stock. Additionally, inner city housing built in the Victorian era may be less appropriate for housing contemporary households and lifestyle arrangements. At the same time, housing designed to accommodate an industrial working class (high density flatted accommodation, for example) will be less appropriate for contemporary, 'flexible' service sector households who are increasingly influenced by a consumer driven society. Finally, we have included unemployment and economic inactivity as indicators of low social and economic capital. High concentrations of people with low income or benefit dependency will indicate a lack of choice in the housing market and, in the context of the private market, an indication of the ability to maintain housing standards.

4.16 Figures 4.1 to 4.4 show the breakdown of tenure and dwelling type characteristics for the North West at enumeration district level. Figure 4.5 classifies EDs into one of 5 possible tenure categories: private rented sector, housing association, mixed tenure, local authority and owner occupation. Areas were classified according to the 'majority' tenure (ie: where more than 50 per cent of households were in any given tenure). Mixed tenure areas are therefore areas in which no tenure dominates.

4.17 It is clear from Figure 4.1 that, outside the metropolitan core of the conurbation (Merseyside and Greater Manchester), the majority tenure is owner occupation. Social housing areas are located in the inner core of the metropolitan parts of the region and around their periphery. Mixed tenure areas and private sector rented housing tends to be located in the metropolitan inner core such as inner parts of Liverpool, the Wirral and inner areas of Blackburn with Darwen. The dominant clusters of social housing are also located on the periphery of Freestanding Towns such as Blackburn with Darwen. Figure 4.2 shows the density of social housing in more detail. The upper quartile of EDs have densities of social housing in excess of 1,000 properties per square kilometre compared to an average for the conurbation of 146 properties per square kilometre. High concentrations of social housing are evident in all local authority areas, however, there are very large concentrations in Liverpool, Salford and Manchester.

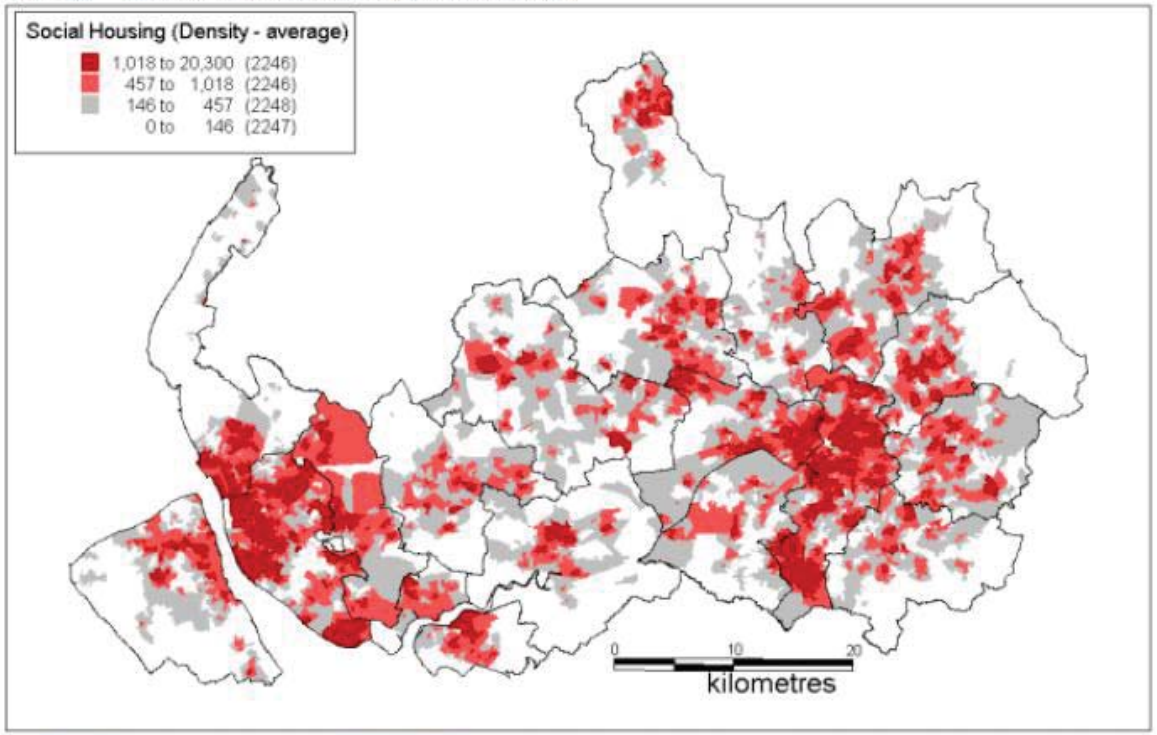
4.18 Figures 4.3 and 4.4 show the density of dwelling types associated with low and changing demand: flats and terraced housing. The upper quartile of building density for flats in the conurbation is 395 (or more) per sq. kilometre compared to an average of 57 per sq. km. Higher densities of flatted accommodation appear to be less significant outside the metropolitan core when comparing the geography of terraced housing and in some respects the geography of these two dwelling types differs markedly.

Figure 4.1 Dominant tenure in M62 Corridor (EDs), 1991



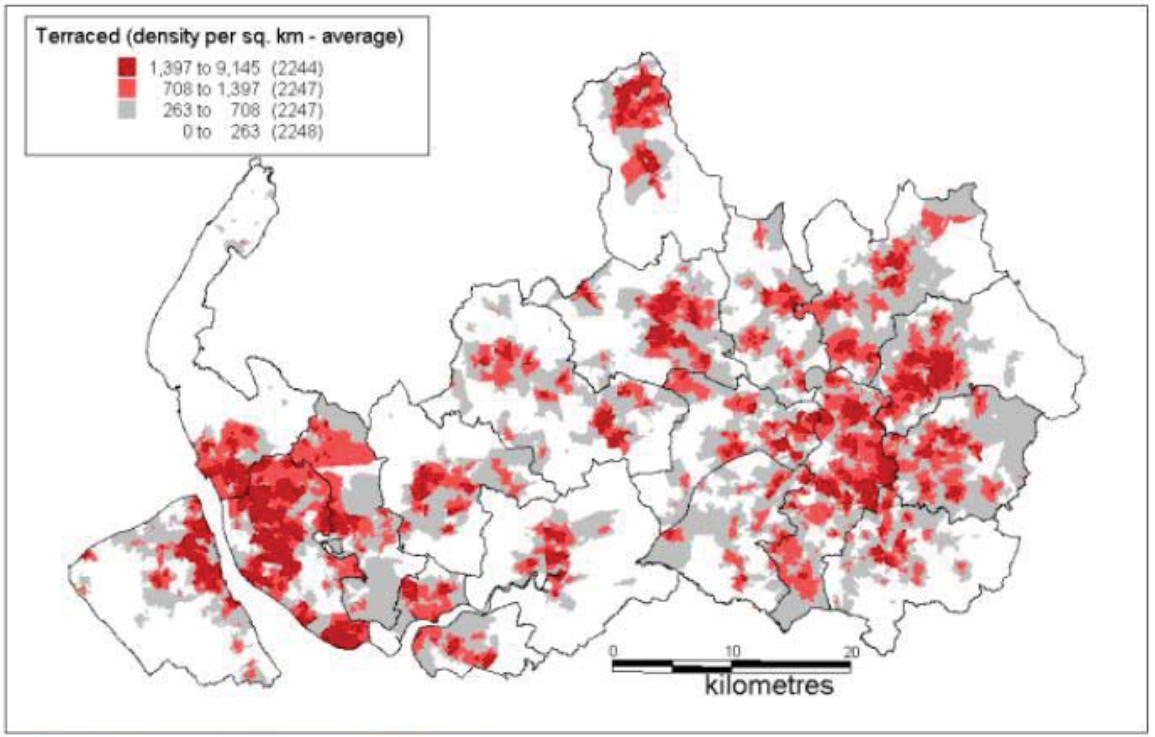
Source: OPCS, 1991, Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.2 Social housing: density per sq. km (average), 1991



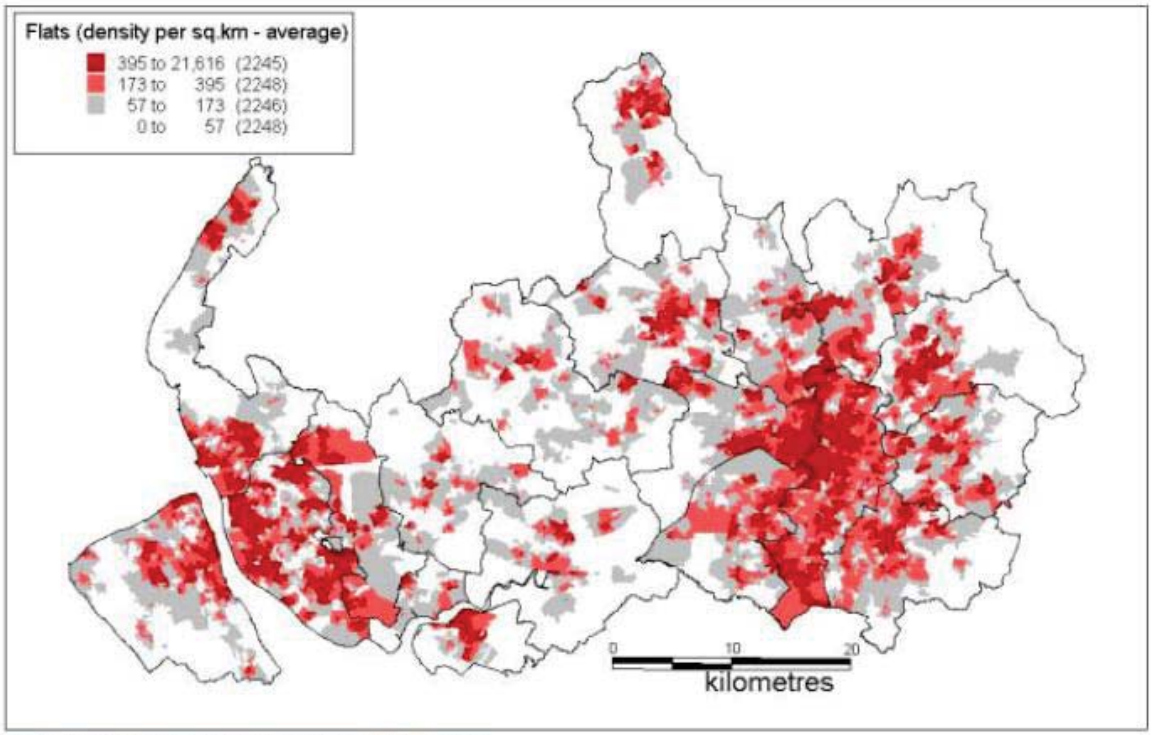
Source: OPCS, 1991; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.3 Terraced Housing: density per sq. km (average), 1991



Source: OPCS, 1991; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.4 Flats: density per sq. km (average), 1991



Source: OPCS, 1991; Census boundary data Crown Copyright, JISC/ESRC purchase

4.19 Terraced housing densities, for example, appear to be much more significant in Liverpool's inner core compared to that of Manchester's. High densities of flatted accommodation are more of an issue in the Manchester/Salford area than inner Liverpool. Additionally, there are significant concentrations of terraces in Blackburn with Darwen and Oldham.

Risk Index

4.20 In the following section we discuss the development of an index of areas at risk combining indicators associated with low and changing demand. The maps generated have been shared with the local authorities and the RSLs who have participated with the study. These local authorities and RSLs have confirmed that the results correspond with the neighbourhoods that are currently experiencing the most serious difficulties in relation to lettings, turnover, management and low and/or falling house prices.

4.21 Whilst this analysis is restricted to the use of 1991 census data, it is the only reliable source enabling us to map more than 11,000 enumeration districts across the M62 Corridor. By validating results from our model with what RSLs and local authorities have confirmed at neighbourhood level, it will be possible to predict future areas at risk using the results from the 2001 census. In this way, use of the 1991 census data allows us to map out the characteristics of neighbourhoods, according to our starting hypothesis outlined above.

Risk indicators

4.22 In order to operationalise our indicators of risk, we have adopted an approach that incorporates all elements of the 'risk' factors identified above. However, as categories such as tenure and dwelling type are mutually exclusive we needed to incorporate into our index both cross-tenure issues as well as the evidence of changing demand associated with a range of different dwelling types. We therefore created two separate (chi-square) indexes: RISK1 which combined the following indicators: economically inactive, the unemployed and persons aged 65 or over and RISK2: economically inactive, the unemployed, persons aged 65 or over and flats.

4.23 The two indexes reflected the overall risk associated with the social and economic risk factors discussed above. The second risk index (RISK2) weighted the additional risk associated with flatted accommodation. However, RISK2 was deployed in a way that identified risk of low or changing demand associated with concentrations of social housing. The two indexes were therefore used in ways that met different thresholds of risk associated with low or changing demand. More specifically we used the following approach in identifying areas at risk of low or changing demand:

- *private sector housing areas with high concentrations of terraced housing*: these were identified by targeting areas in which the dominant tenure (based on averaged percentages) was either owner occupation or private renting and where the average proportion of terraced housing exceeded 50 per cent of all dwelling stock in the area and the average RISK1 score was greater than 0
- *social housing areas*: were identified by targeting areas in which the dominant tenure (based on averaged percentages) was social housing and the average RISK2 score was greater than 0
- *mixed tenure housing areas*: were identified by targeting areas in which there was no dominant tenure (based on averaged percentages) and the average RISK1 score was greater than 0.

4.24 Finally as enumeration districts do not conveniently represent the geographical boundaries of 'real' communities we therefore compared adjacent enumeration district scores to create 'average' RISK scores. Analysis of adjacent EDs allows us to compute average scores for areas with similar housing and social characteristics (see Appendix I for details of how we carried out this 'adjacency' or 'nearest neighbour' analysis). We have conducted the analysis in this way so as to broaden the focus of neighbourhoods to extend to 'adjacent' communities.

4.25 The combined RISK index is shown at Figure 4.5. The map shows only those areas that scored more than 1.51 on the combined RISK index (ie: those areas scoring above the median). Whilst this is an arbitrary threshold, we wanted to focus on those parts of the M62 Corridor that have the highest coincidence of a range of factors associated with low or changing demand.

4.26 The main concentrations are in Liverpool's inner core, peripheral Merseyside locations such as the Wirral and Knowsley, inner Manchester and its southern periphery. There are also clusters of areas at risk of changing demand spread across the conurbation in towns such as Blackburn with Darwen, Wigan and St. Helens.

4.27 Figure 4.6 shows the areas at risk within Merseyside. This highlights the widespread risk of neighbourhood decline within the sub-region. An inner-core of Merseyside is clearly visible which stretches from Aigburth in South Liverpool to Linacre in South Sefton, and across the Mersey to Birkenhead on the Wirral. Additionally the conurbation exhibits extensive problems in relation to peripheral estates which circle the urban core which include: Ford in Sefton; Pirrie, Clubmoor, Dovecote, Speke and Netherley in Liverpool; Tower Hill, Kirkby, Princess and Halewood in Knowsley and Upton/Preston and Leasowe in the Wirral.

Figure 4.5 Areas at risk of changing demand, enumeration districts (quartiles) (areas above median)

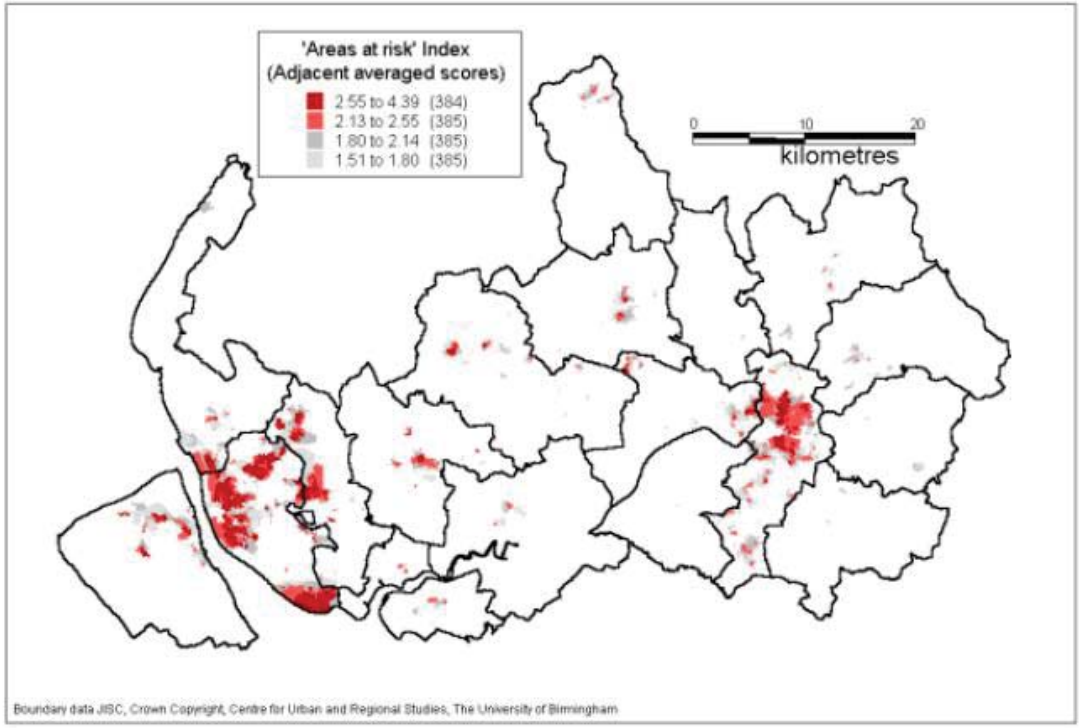
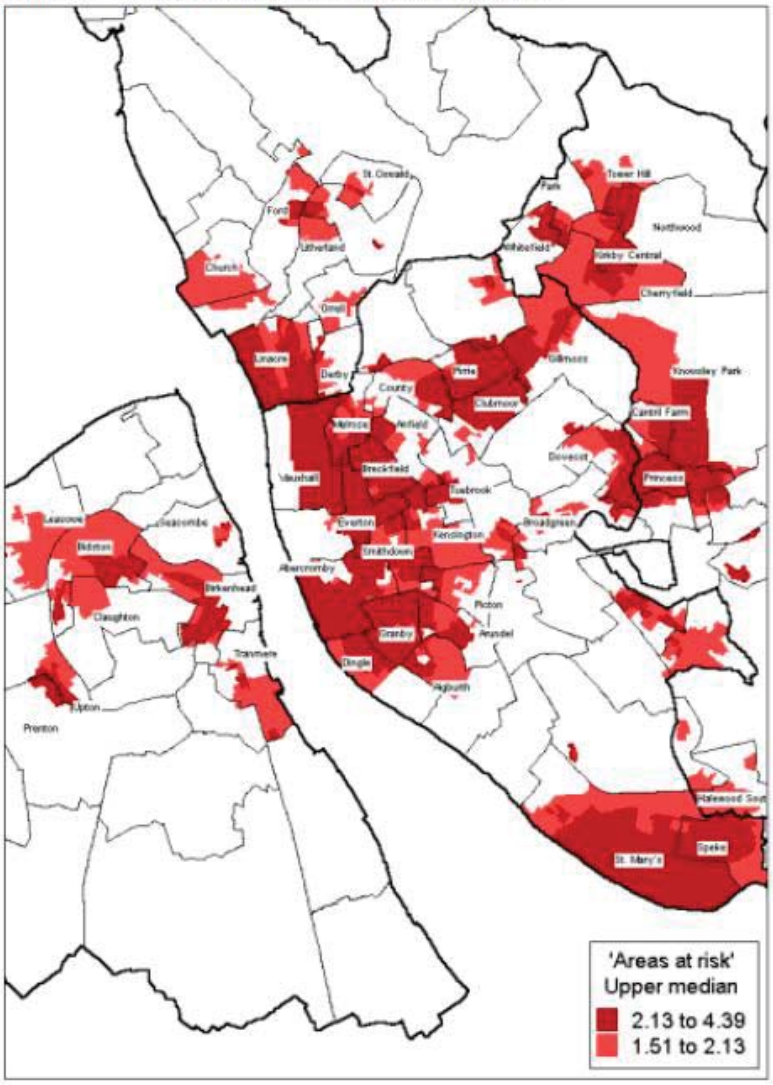
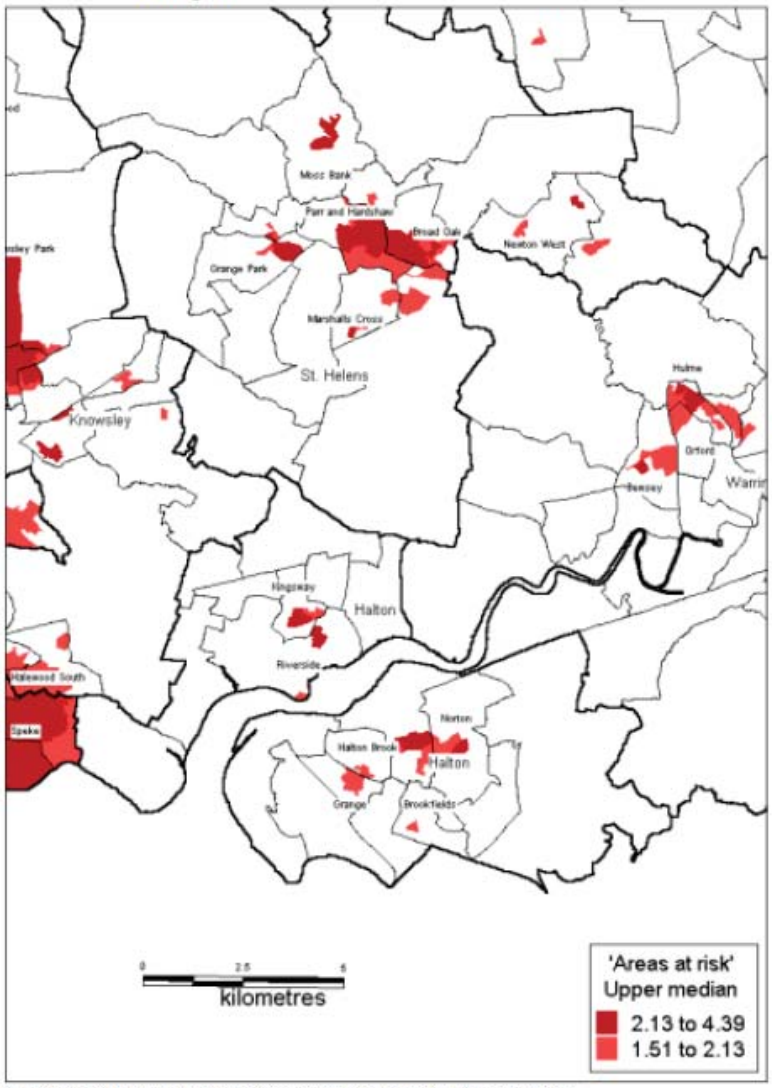


Figure 4.6 Areas at risk (enumeration districts): Merseyside



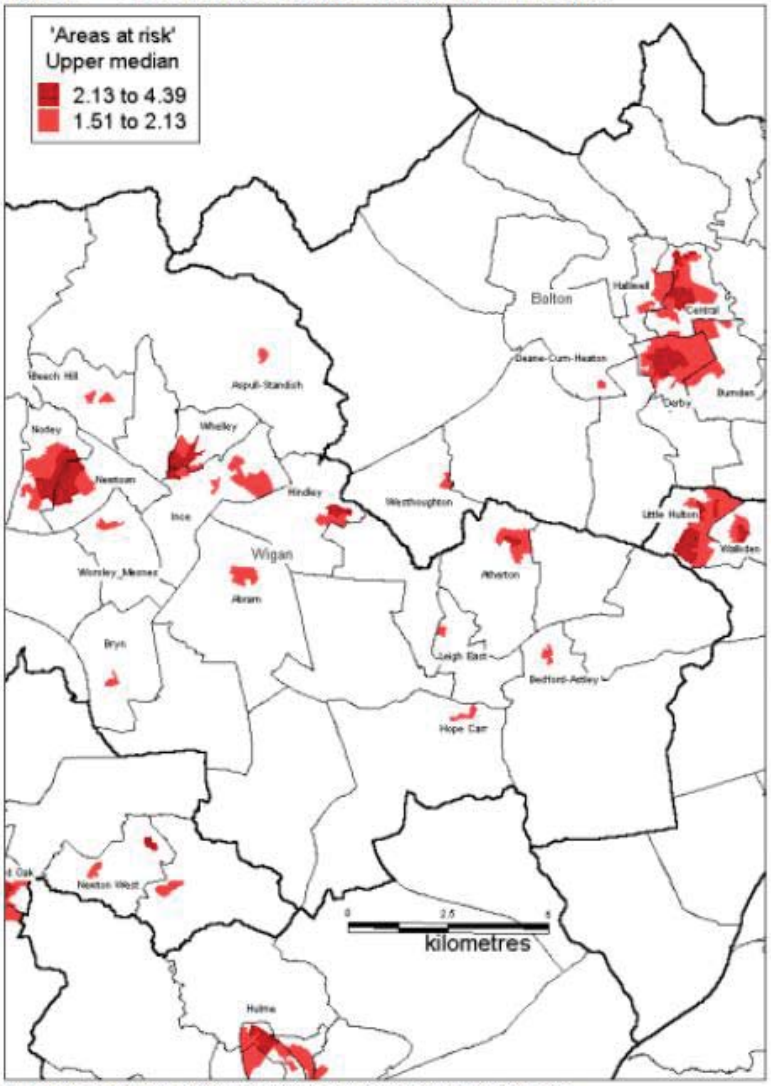
Source: OPCS, 1991; DETR, 1998; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.7 Areas at risk (enumeration districts): St. Helens, Knowsley, Halton and Warrington



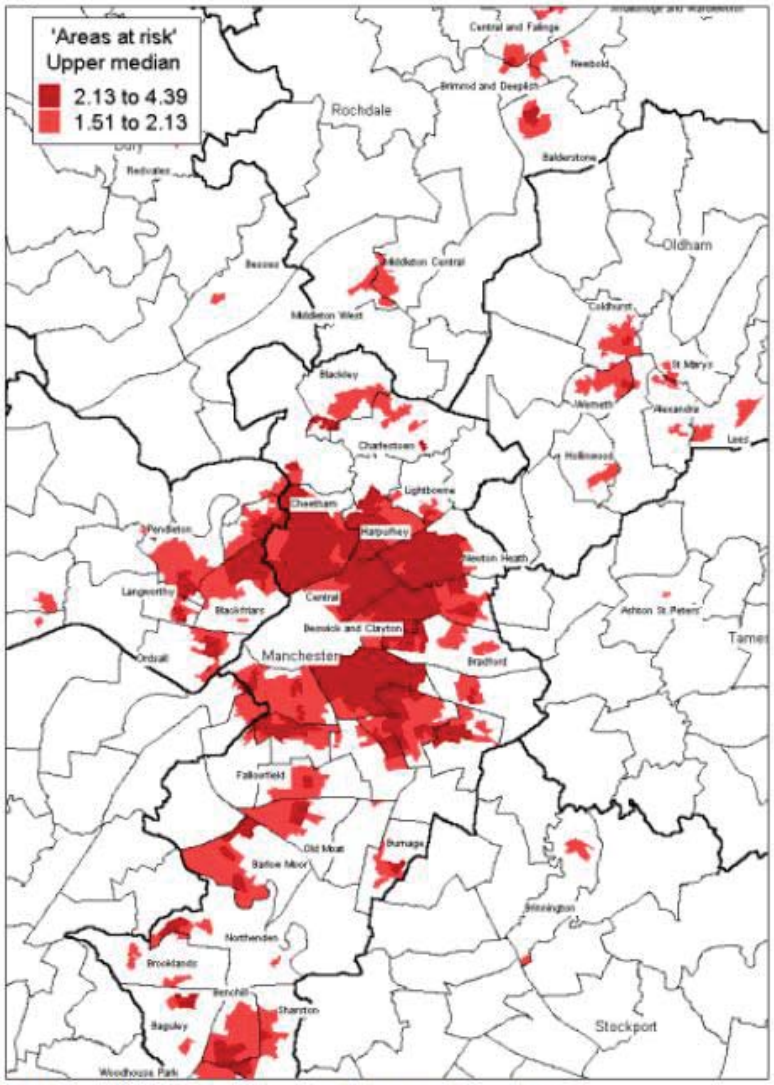
Source: OPCS, 1991; DETR, 1998; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.8 Areas at risk (enumeration districts): Wigan and Bolton



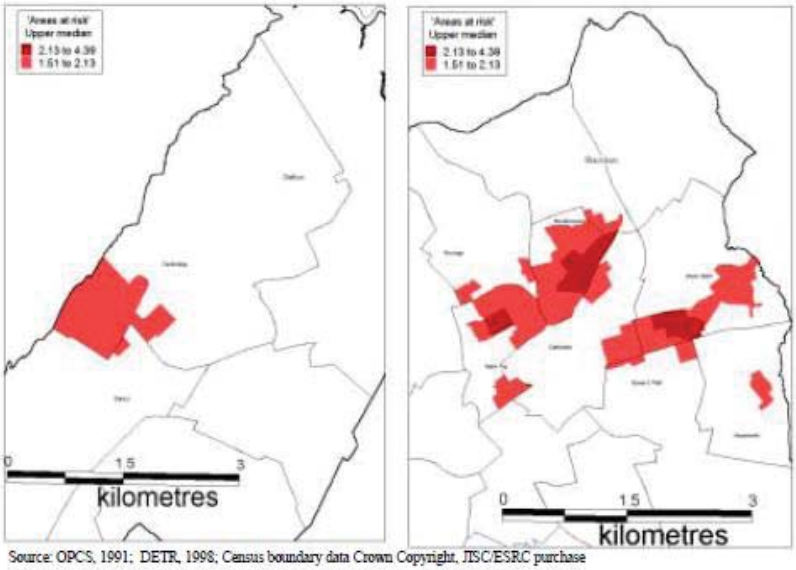
Source: OPCS, 1991; DETR, 1998; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.9 Areas at risk (enumeration districts): Greater Manchester



Source: OPCS, 1991; DETR, 1998; Census boundary data Crown Copyright, JISC/ESRC purchase

Figure 4.10 Areas at risk (enumeration districts): Blackburn and Sefton



Source: OPCS, 1991; DETR, 1998; Census boundary data Crown Copyright, JISC/ESRC purchase

4.28 Figures 4.7 and 4.8 show the concentrations of neighbourhoods at risk in St Helens, Halton, Warrington, Wigan and Bolton. This shows a more geographically focused series of neighbourhood issues emerging mostly around the older town centres. The context for these illustrations is a general decline for social housing, aligned with a weakness in house prices, which tend to be geographically widespread, but without the concentrations in most neighbourhoods that have created the precipitous decline in the large conurbations.

4.29 Figure 4.9 highlights the areas within the Greater Manchester conurbation, which have high concentrations of factors, which expose them to market change. A similar pattern to Merseyside emerged at the core of the conurbation with an area which encircles Manchester City Centre and covering parts of the North and East Manchester, inner Salford and a small part of Trafford. Additionally, there are issues primarily involving peripheral estates owned by Manchester City Council located at Wythenshaw, Hattersley (not shown), Blackley and Middleton. There are much smaller areas in Bury, Stockport and Tameside, which exhibit characteristics associated with decline. The geographical pattern of neighbourhoods at risk in Oldham and Rochdale is similar to that in St Helens, Wigan and Bolton, with multi-tenure clusters being evident around the historic commercial sectors of the town.

4.30 Figure 4.10 highlights an area at risk within the seaside resort of Southport (Sefton) and the neighbourhoods at risk of decline in Blackburn with Darwen. The Blackburn area has the most serious housing market problems outside of the major conurbations. This is manifest in a number of different ways:

- the impact of changing demand is widespread and not necessarily focused on neighbourhoods but on property type and tenure (i.e. like St Helens);
- where neighbourhoods have been affected, the spiral of decline is well established and therefore, unlike local authorities of a similar size within the M62 Corridor there is a significant demolition programme in hand for the public sector;
- professionals working in the housing market in Blackburn, describe a segmented housing market, where those living in the town centre cannot afford to move out, whilst on the periphery the market for new build property for sale is robust.

Area Classification

4.31 We divided these neighbourhoods into typologies of areas at risk of changing demand so that we can develop potential policy responses based upon common issues and themes. We have, therefore, classified these areas according to their geographical location and created six area classification (typologies) based on above median scores on the RISK index outlined earlier. These are illustrated in Figure 4.11. The total number of households in each zone are listed below:

- *Greater Manchester Inner-Core*: Centres on the cities of Manchester and Salford this areas contained 55,158 households;
- *Greater Manchester Periphery:* This includes Manchester and Salford peripheral estates, and Manchester overspill in Rochdale and Tameside. This spatially dispersed collection of self-contained (but large scale) estates contained 28,692 households;
- *Merseyside Inner-Core:* Centred on the City of Liverpool, Bootle and Tranmere and Birkenhead, this area contained 74,375 properties;
- *Mersey Periphery:* These estates encircle the Merseyside connurbation and are far more spatially integrated than the Greater Manchester outer periphery. This area contained 66,819 households;
- *Freestanding Towns:* This cohort of areas at risk is centred on the older towns that form the administrative and commercial centres of local authority districts, which surround the two principle connurbations. These areas contained 39,973 households
- *Satellite Settlements:* these small areas are scattered throughout the M62 Corridor and contained 15,412 households.

4.32 The neighbourhoods at risk contained 280,429 households in 1991, which represented 16.3 per cent of households within the M62 Corridor. The tenure characteristics associated with the policy zones are shown in Table 4.1. Areas at risk from changing demand are predominantly social housing areas, however there is clear evidence of multi-tenure problems. These are most pronounced within the Mersey Inner-Core where 46 per cent of households either rent privately or own their homes, whilst in the Freestanding Towns 38 per cent of households do not rent from a social landlord.

Table 4.1 Housing tenure in the 'areas at risk'

	Owners	Social Renting	Private Renting
Satellite Settlements	27.2	62.9	3.7
Towns	34.2	69.9	4.5
Gtr Manchester Outer Periphery	21.7	75.3	1.5
Mersey Periphery	30.8	65.6	2.0
Gtr Manchester Inner Core	18.9	70.6	9.0
Mersey Inner Core	29.8	54.3	14.3
Rest of M62 Corridor	**71.5**	**21.7**	**5.9**
Total M62 Corridor	**64.3**	**28.6**	**6.1**

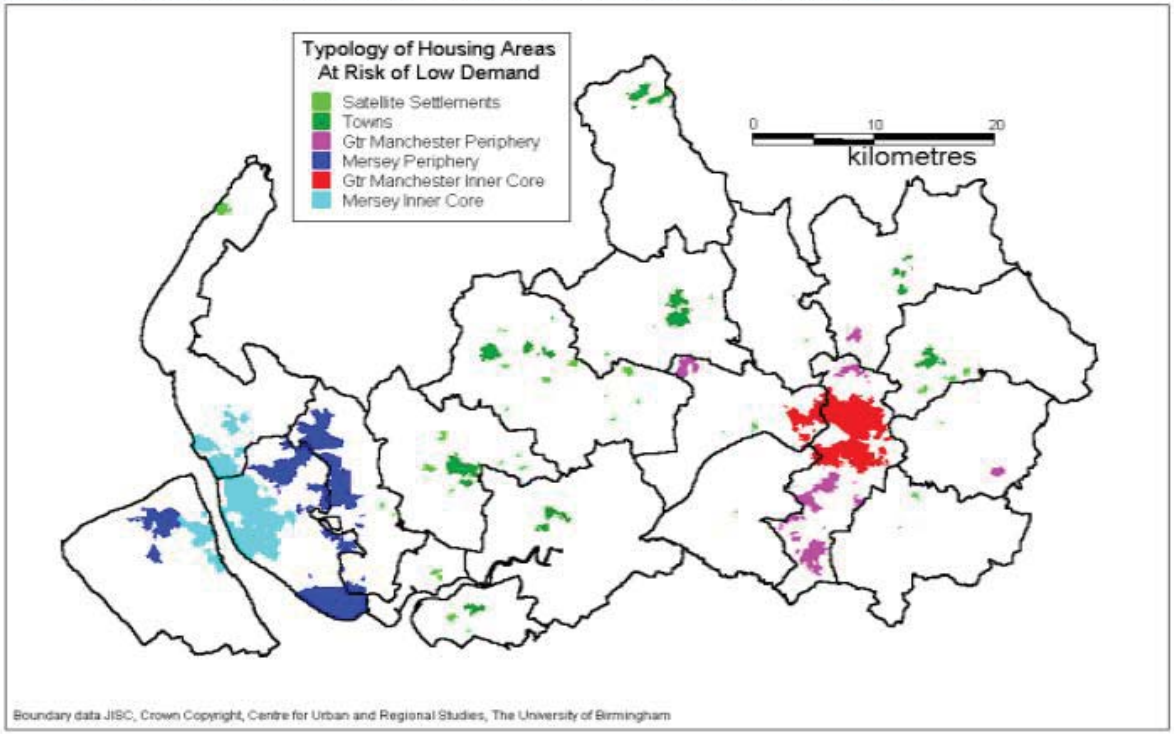
4.33 On average the neighbourhoods at risk contain 4.3 times more flats and twice as many terraced houses per square kilometre compared to the average for the M62 Corridor. However, there are some important spatial differences. The Merseyside Inner-Core contains 2.5 times the average density of terraced houses, while the Greater Manchester Inner-Core contained seven times the average density of flats.

4.34 The policy zones highlighted in Figure 4.11 contained 690,000 people, or 15.9 of the population of the study area. The density of the unemployment and pensioners per square kilometre is three times the average for the M62 Corridor, and the density of the economically inactive population is twice the average (see Table 4.2).

Table 4.2 Density per sq. km of key 'risk' indicators in areas in top decile on RISK index by policy zone

	Flats	Terraces	Unemp	Over 65s	No. Inactive
Merseyside Inner Core	964	2439	1111	1312	2006
Gtr Manchester Inner Core	1871	1660	931	957	1661
Merseyside Outer Periphery	967	1818	919	1034	1648
GM Outer Periphery	740	1241	542	964	1214
Towns	1015	1931	800	1087	1924
Satellite Settlements	972	1291	641	1041	1479
Average rate for above areas	**1137**	**1889**	**906**	**1258**	**1738**
Rest of M62 Corridor	**264**	**967**	**295**	**774**	**832**

Figure 4.11 Areas at risk of changing demand: area typology, (enumeration districts, above median)



Ethnicity

4.35 Additionally ethnicity emerges as a major issue and Table 4.3 shows this by breaking down the area classifications by ethnic group. Whilst less than 5 per cent of residents in the North West described themselves as other than white in the 1991 census, almost 30 per cent of the population living in 'at risk' areas in Freestanding Towns were non-white. More than 15 per cent of the inner part of Greater Manchester were non-white compared with less than 4 per cent of the inner Merseyside core.

Table 4.3 Ethnicity in the 'areas at risk' typology areas

	White	'Black'	'Asian'
Satellite Settlements	98.0	0.4	1.6
Towns	70.0	0.8	28.0
GM Outer Periphery	96.0	2.4	1.2
Mersey Periphery	99.0	0.5	*0.0
Gtr M Inner Core	83.0	8.7	7.5
Mersey Inner Core	96.0	2.9	0.6
Rest of M62 Corridor	**96.0**	**0.6**	**2.6**
Total M62 Corridor	**96.5**	**1.0**	**2.0**

4.36 The issue of ethnicity is particularly important in relation to overcrowding and property size. The Greater Manchester Inner-Core and the Freestanding Towns contain 4.1 per cent and 8.2 per cent of households respectively living at a density of greater than one person per room, compared to the average for the study area of 2.1 per cent. However both of these areas also contain the smallest proportion of larger properties with only 17.7 per cent of properties in the Freestanding Towns and 20.9 per cent of homes in the Greater Manchester Inner-Core having more than six rooms. This compares to an average of 36.6 per cent for the M62 Corridor as a whole.

Housing tenure

4.37 Of the 280,000 households, which are located in the neighbourhoods highlighted in Figure 4.11, 96,800 are privately owned. This is problematic for a number of reasons:

- the scale of the issue is a major concern, the 96,800 properties identified here, represent only those private sector properties which are exposed in neighbourhoods experiencing rapid change, there are many tens of thousands of privately owned properties which require refurbishment which are outside of these neighbourhoods;
- the resources required to either refurbish or demolish these homes are substantial, however the move to ring fence housing resources to council

housing through the introduction of the Major Repairs Allowance, and the merging of borrowing allocations to local government through the Single Capital Pot will make private sector renewal or clearance more difficult;

- Compulsory Purchase Orders are protracted and the inability to take action relating to obsolescence rather unfitness will inhibit effective intervention in the North West;
- the emerging problem of negative equity during a housing boom will require an innovative policy response if first time buyers are not to have their housing choices effectively closed down.

Summary

4.38 This chapter has highlighted the neighbourhoods within the M62 Corridor which we would expect to be experiencing housing market weakness. The policy issues relating to the physical restructuring of neighbourhoods are outlined in more detail in chapter seven: Conclusions and Recommendations. Chapters five and six follow on from the analysis of areas at risk by examining in more detail the dynamics of the social rented sector and the private housing market.

7 CONCLUSION AND RECOMMENDATIONS

7.1 This research has provided clear information that the housing market in the M62 corridor has become fragmented with the result that many neighbourhoods are becoming highly differentiated in their social composition and environmental quality. If the processes, which are driving this social polarisation, are not altered, then it is difficult to envisage the current approach to alleviating social exclusion being pursued by national government being particularly successful in parts of the North West.

7.2 In chapter two a number of local authorities were highlighted where the neighbourhood problems associated with changing demand are evident. There is a strong correlation with housing market weakness and deprivation at the district level. However these relationships are a product of historical processes involving the structure of provision for a mass working class constituency, the loss of population, changing economic activity rates and enlarged travel to work areas. There is strong evidence at the regional level that the drivers for change in social housing are a product of rising prosperity and falling unemployment, rather than levels of deprivation.

7.3 The impact of changing markets for housing in towns and cities with a large stock of low income housing across all tenures can be profound. In Liverpool, Knowsley, Manchester and Salford it has already resulted in significant demolition in the social sector and the evidence suggests that the problems of high turnover, falling prices and increasing voids are now prevalent in multi-tenure areas as well. In other areas such as Bolton, St Helens, Wirral and Oldham there is evidence of emerging generic market weaknesses. However despite the potential scale of neighbourhoods in decline the Index of Multiple Deprivation does not capture housing deprivation in the North West. Blackburn with Darwen, Oldham and Bolton are the only districts with wards appearing in the top 100 wards on this measure.

7.4 Previous research commissioned by the DETR provided estimates of the extent of low demand across the English regions and some indication of the districts which were worst affected. This research has built on this body of knowledge by developing a methodology to map the neighbourhoods that are at risk from wider housing market change. The measurement of the extent of the decline and the inter relationship between neighbourhoods within the towns and larger conurbations is essential if the urban regeneration framework is to successfully accommodate and facilitate change in transitional markets.

7.5 The mapping of areas at risk, has highlighted large clusters of neighbourhoods which we would predict should have serious market weaknesses given the nature and tenure of the housing stock and socio-economic indicators. The areas are mostly located in the core of Merseyside and Greater Manchester, on the periphery of both conurbations, and in the centre of the free standing towns which

surround the two principle cities. These clusters of neighbourhoods at risk contain 280,000 households and 690,000 people which represents 16.3 per cent of households and 15.9 per cent of the population of the study area. Nearly 100,000 of the properties are privately owned, a factor which is highly problematic given the lack of resources for private sector refurbishment and the cost of using C.P.O procedures to action clearance.

7.6 Chapter five highlighted the dynamics of the social rented sector. It was noted that there is a strong demand to be housed in neighbourhoods which are perceived as safe, which are serviced by community and shopping facilities and have high standards of environmental quality. However existing and prospective tenants were well aware of the increasing polarisation between "good" and "bad" neighbourhoods and those with choice were prepared to wait rather than accept a tenancy in a declining estate. Most tenants who took part in the focus groups indicated that a sustained increase in their incomes would lead them to consider moving to owner occupation. The increasing polarisation of the social rented sector is placing the loyalty of the stable core of tenants at risk. Many focus group participants recognised that there is a cohort of increasingly difficult to manage tenants entering the sector. The perceived social and behavioural problems associated with this group means that tenants with choice will seek to place some geographical distance between themselves and neighbourhood concentrations of 'difficult' people.

7.7 The market for newly built accommodation for home ownership in the North of England had remained robust throughout the last decade. Additionally throughout the late 1980s and 1990s the mortgage costs for first time buyers have been falling as a percentage of income. The areas, which are changing fastest as a result of new build activity, included all of the local authorities where we noted generic market weaknesses for the low income housing stock. This illustrates the nature of the transition underway in these areas from localities providing a mass provision of accommodation for a traditional working class to a more varied provision, which reflects the labour market change of the last three decades.

7.8 The vacancy chain study, which examined the spatial impact of peripheral new-build activity, revealed a suburban housing market that is now largely disconnected from the inner-city market. The new build sites were largely being sustained by movement within the population that had moved out of the inner city many years previously, and by new household formation produced by regional household growth. This provides further evidence of a high degree of fragmentation within the private sector housing market.

7.9 The dynamics of the pre-1919 terraced market are significantly different from the suburban new build market, there the market is still dominated by owner occupation, although the private rented sector has a growing significance. This sector of the market is also significantly integrated with the social rented sector, which provides around 20 percent of private renters and purchasers. These flows

are circular, with the private rented sector providing around 20 percent of new tenants for council housing. Thus, while the affluent home ownership markets are increasingly dislocated from lower income housing, at the bottom end of the market the owner-occupied, private rented and social sectors are more integrated. At this end of the market portable housing benefit increases the supply of publicly subsidised lettings at a time when aspirations and economic growth were shifting demand towards owner-occupation.

7.10 It is clear that markets are in a process of transition and a period of adjustment and social and economic change is underway. However, the market will not clear surplus and obsolete housing in difficult and costly locations without a clear interventionist strategy which seeks both to improve the quality of neighbourhoods that can be sustained, and speed up the process of change in the structure of the housing market. Where they can not in the absence of an interventionist strategy, it is likely that towns and cities in the North West will become more polarised despite the governments social exclusion agenda.

7.11 There is a century long tradition of public intervention in failing housing markets. While there are strong arguments in favour of such action on social grounds, given that it impacts on nearly 700,000 people in neighbourhoods at risk, there are also strong grounds for intervention on a rational policy making basis. Three key policy objectives of central government are: to reduce the extent and severity of social exclusion for Britain's most deprived populations; to secure an urban renaissance in towns and cities; and to ensure that development has sustainable outcomes. All three objectives are closely related, and in practice none of them will be achieved if housing market restructuring is not incorporated in to regeneration programmes. For example, the high rate of population turnover militates against a targeted approach in respect of health, training and employment projects, and without significant improvements to the urban environment successful employment regeneration could simply facilitate outward population movement (Kleinman and Whitehead, 1999. Nevin et al, 2000).

7.12 The last section of the report lists the recommendations, which flow from the evidence provided in the first six chapters of this report. We have targeted the recommendations at local government; social landlords; RSLs; local partnerships, and central government. The recommendations finish by listing potential action points in relation to planning and regeneration.

Recommendations

Local Government

7.13 The recommendations for local government are:

- The enabling authority should develop housing strategies that are more widely integrated with the broader regeneration framework. A better understanding

is required of the relationship between neighbourhoods and the local flows between tenures;

- Housing strategies should be constructed from a tenure neutral position which seeks to analyse market change and place tenure specific proposals within this wider context;
- Because housing markets do not conform to local authority boundaries there should be an increasing emphasis on sub-regional collaboration in developing strategies;
- Given the long lead time involved in diagnosis, community planning, strategic development and resource procurement, any short to medium term strategies should have to prioritise management responses. These issues are addressed in the section below;
- Local authorities in collaboration with GONW and the Housing Corporation should develop an inter-authority consultation process in respect of district housing strategies. This will enable a more robust sub-regional dimension to strategic development;
- A more formal sub-regional working arrangement needs to be developed between housing and planning professionals, so that the knowledge of local housing markets can inform the plan, monitor and manage approach. An embryonic group already exists in Merseyside;
- Local authorities should consider how their housing service interacts with the wider policy agenda. There is a strong argument for integrating the housing strategy function with economic development and planning, while developing much closer operational and planning links with health, social services, education and the police at a neighbourhood level;
- Where local authorities are considering radical intervention in neighbourhoods, a corporate planning process which assessed the impact on services and facilities in the area needs to proceed any decisive action. Additionally a community planning exercise with residents will be essential if the insensitive approaches of the 1960s and 1970s are not to be repeated.

Social Landlords

7.14 The recommendations for social landlords including local housing authorities and RSLs, focus on the issues relating to managing demand and difficult neighbourhoods, which were raised by tenants and residents.

- Most tenants would welcome the introduction of anti-crime measures, many of which would be low cost target hardening investments;
- Anti-social and criminal behaviour are of increasing concern to the more 'stable core' of tenants. There is therefore, a demand for vetting of potential tenants prior to allocation. This need not be exclusionary, but where issues

about the long term sustainability of tenancies are raised there should be additional management input from tenancy support workers;

- Social landlords should be aware that there is significant potential to develop social housing for minority ethnic groups if they can be allocated housing in groups close to areas with the support networks and cultural facilities they need;
- There needs to be a more customer orientated approach to the delivery of services. Social housing has developed a 'welfare' role in respect of opening times, and the bureaucracy associated with lettings and repairs. The economy as a whole is increasingly consumer driven with a flexible service sector which has opening hours which suit working people and an outreach service to reach tenants from minority ethnic groups. The social housing sector has not followed these adaptations in the wider economy;
- The image of particular neighbourhoods and the social rented sector as a whole is detrimental to tenants. Evidence from focus groups suggests that it damages self-esteem as well as potentially affecting credit ratings and insurance costs. A positive marketing campaign should be undertaken focusing on affordability, maintenance services, security of tenure and the Right to Buy;
- The improvement of public services are key to preventing decline in vulnerable neighbourhoods. This must include additional policing support, but should also, given the profile of some existing neighbourhoods, and many new tenants, include increased social services support;
- Many prospective tenants are sensitive to the wider environment of neighbourhoods. The focus group participants were clear that they wished to see a substantial improvement in the quality and maintenance of the wider environment.

7.15 Compared to the large scale capital investment required to restructure local housing markets, the measures listed above are relatively low cost. The introduction of the Neighbourhood Renewal Fund is a major opportunity for local strategic partnerships to provide a co-ordinated management response across a relatively large area prior to securing the necessary long term finance to refurbish, remodel and redevelop neighbourhoods with surplus low income housing. In the M62 Corridor Study Area, fourteen of the eighteen local authorities will qualify for funding from the Neighbourhood Renewal Fund with only Warrington, Bury, Trafford and Stockport are not targeted to receive funding. This means that all those local authorities highlighted in Chapers 2 and 4 which have either profound or emerging housing market weaknesses will receive resources to increase the quality of urban management in vulnerable neighbourhoods.

7.16 The Manchester case study raised issues in relation to gender considerations, which are applicable across the region. Suggestions can be made about how urban areas could be made more female friendly. These would include:

- Providing affordable accommodation close to the city centre with high levels of security and good transport links for those who work in the city;
- Making existing housing more secure so that women feel they have defensible private space. This clearly has implications for back of pavement terraced areas, and neighbourhoods with a predominance of flats;
- Improving lighting around the city and providing a better, more reliable taxi system would increase women's confidence about using the city centre. Policing neighbourhoods in a highly visible way with the obvious presence of police officers, CCTV could also support this approach in selected areas;
- Improving local facilities on estates and providing better, affordable transport links would increase women's mobility around the city and reduce feelings of isolation, particularly in peripheral estates;
- Designing residential areas in a more open way, providing more green space, areas for children to play and ensuring that there are no dark corners or alleyways;
- More consultation with female residents and their involvement in local policy making and planning would help develop a better understanding of how to make the city more female friendly. This may also help to retain and attract more women.

Implications for RSLs

7.17 RSLs should additionally consider:

- A greater involvement in neighbourhood management in the areas where they are most vulnerable to change;
- Intra-RSL stock transfer in multi-tenure neighbourhoods that would benefit from a strong unified management presence. This approach is already being developed in Manchester and Liverpool;
- Forging strategic partnerships with the local authority at a district level so that market information is shared widely and investment decisions are taken on a consensual basis. This approach is also being pioneered in Liverpool and Manchester through the development of demand data-bases which incorporate information from all social housing agencies;
- Pooling revenue resources to fund high quality research and procurement units which could enhance the capacity of RSLs to positively influence the trajectory of neighbourhoods which are vulnerable to negative change.

Local Partnerships

7.18 Recommendations for local partnerships are focused around the development of a strategic response to the different housing issues in each of the policy zones highlighted in Chapter 4. These are highlighted in turn below.

Inner Core of Merseyside/Greater Manchester

Action Points

- Local partnerships involving local authorities, RSLs and developers should develop a collaborative strategy for their local housing market, which integrates investment decisions and ensures that the actions of individual organisations are consistent with the overall strategy for the core of the conurbation;
- The strategy should be fully costed so that an assessment of the funding gap can be made;
- The strategy should be developed using an entreprenurial approach which maximises the value of land, developer contributions and the rising confidence of individual consumers;
- The delivery vehicles should be capable of raising private finance without this scoring as public expenditure. These vehicles can be developed from the experience of Urban Regeneration and Housing Regeneration Company pilots;
- The renewal of local housing markets in the core of the two connurbations will require a long term approach to restructuring and therefore, the appropriate timescale for implementing change should be up to twenty years;
- Both of the principle cities of the North West have been over decentralised because of errors in planning projections in the 1960s and 1970s and market forces in the 1980s and 1990s. A major objective for urban regeneration in both areas should be to increase population over the next twenty years. In Liverpool the loss of 66,000 households also removed consumers with an annual disposable income of more than £1 billion per annum (Nevin et al, 2000).

Outer Estates: Merseyside and Greater Manchester

Action Points

- The outer estates on the fringe of both connurbations were often constructed with few facilities and in many cases the industry, which was relocated with the residents, has now closed. It is important, therefore, that prior to any major refurbishment and restructuring activity housing and regeneration agencies make an assessment of the future function of housing in these localities;
- It is likely that any assessment of the local housing market in these areas will

result in proposals to radically downsize the provision of social rented accommodation. Proposals to regenerate estates containing 30,000 properties on the fringe of Merseyside currently include plans to replace 8,000 units (26% of the stock);

- Because of their suburban locations the land values in the peripheral estates tend to be positive and site assembly is relatively unproblematic, given the history of unified ownership. These positive land values and the relatively recent date of construction often facilitates a stock transfer without the need for a dowry . However, given the scale of deprivation in these areas this housing investment should only proceed as part of a wider comprehensive regeneration framework for the estates;
- Whilst the stock of general needs social housing is being downsized, provision should be made for a new-build programme for rent aimed at young singles and the elderly. The needs of these groups tended not to be addressed in the period of construction when the aim was to produce mass provision for young families;
- Given the rapid decline of the employment based in or adjacent to peripheral estates, it is important that residents are linked into employment growth areas at the centre of the two conurbations by a cheap and efficient transport network. Transport planning should therefore be an integral part of regeneration in these estates.

Freestanding Towns

Action Points

- Like the core of the major conurbations local housing strategies should have a tenure blind analysis as a starting point;
- There is a need to implement selective clearance in the public and private sector;
- Many of the areas at risk in these towns contain settled ethnic minority communities. The community planning processes in these neighbourhoods should reflect the existing and future needs of these groups;
- Given the priority attached to being sensitive to community needs, any clearance and redevelopment in these areas should be fast tracked;
- There is a strong argument that new social housing with four or more bedrooms should be developed in areas with large ethnic minority communities, as there would appear to be strong demand for affordable housing from these groups;
- The scale of housing market change in these freestanding towns is not occurring on the same scale as the inner-core of the two conurbations. Therefore a long-term approach which is funded via focused investment from HIP, ADP, New Deal and the private sector can facilitate change in these areas.

Management Innovation

7.19 In areas such as Stockport, Tameside, Trafford and Bury where demand is relatively robust across all tenures, there is an opportunity to explore innovation in respect of service delivery, marketing, and management of social housing. This innovation would:

- Focus on preserving demand and monitoring neighbourhood quality;
- Address the issues raised by the focus groups in respect of crime, anti-social behaviour and the flexibility of the service;
- 'Seedcorn' funding from the Housing Revenue Account, the I&GP programme and the SRB should be made available to implement and evaluate these initiatives.

Central Government

7.20 Government should consider creating a new housing market renewal fund to finance the long term strategies to renew the housing market in the areas worst affected by change. Without this fund:

- Main programmes such as ADP and HIP are likely to be distorted by the emergence of neighbourhoods in crisis;
- Policymakers will not be able to be proactive, but will consistently focus on neighbourhoods in crisis;
- Increasing residential turnover will work counter to the wider effort to regenerate communities.

7.21 A review of the public policy framework for the renewal of older owner occupied housing is required. (see: Leather, 2000 and LGA, 1999) including the following:

- A complete national network of home improvement agencies;
- Provide local authorities and RSLs with new powers to assist low income borrowers to gain access to finance for home improvements;
- Provide a legislative framework to allow local authorities to compel private landlords to comply with minimum standards of management and maintenance;
- A new criteria of obsolescence should be included as a procedure for determining the most satisfactory course of action prior to the declaration of a CPO;
- Open market value compensation should be reviewed and replaced by the concept of 'recent actual market transaction cost' in areas which have experienced market collapse;

- A bricks and mortar subsidy may be required to promote shared ownership and reduce the cost of new build for owner occupied residents who are experiencing negative equity, or currently have low or no housing costs. The most appropriate way of providing this subsidy should be explored with the local authorities most affected by change. Alongside this it is appropriate to consider the operation and reform of housing benefit in the region and the case for some restriction of housing benefit in areas of surplus.

Planning

7.22 The methodologies currently used by planners to estimate housing need are not particularly sensitive to aspirational change or the concept of obsolescence. Additionally without long term certainty in relation to clearance and land release, they have a difficulty in factoring public sector intervention into the RPG process. This means that the effective operation of the Plan, Monitor and Manage approach is critical to integrating housing and planning strategies. Planners should therefore:

- Agree a 'core' set of housing indicators, which can monitor housing market change;
- Consider a non-statutory designation of housing sites with the following categories;
  - sites which have a local demand;
  - sites which will draw population from across the district;
  - sites capable of capturing sub-regional household growth;
  - sites of regional significance.

7.23 By designating sites and monitoring new occupants it will be possible to develop a view about the impact of land release on the local housing market.

7.24 The proposal to release sites on a sequential basis should take account of existing housing land which contains a significant number of voids. Once a critical threshold is reached, an existing housing area should be added to the medium term land bank so that development can occur on a balanced portfolio of redundant industrial and housing sites.

Regeneration

7.25 The RDA, the Housing Corporation and Local Regeneration Partnership should consider:

- The Sequencing of Investment. Regeneration programmes targeted at neighbourhoods experiencing a housing market crisis should focus on managing transition, stabilising communities and restructuring the local

housing market in the short to medium term. Early measures should deal with the safety and security issues raised in chapter 5. Targeted employment, health and training measures should be phased in the medium to long term once a degree of neighbourhood stability has been achieved;

- The government's approach to regeneration should incorporate the focus on the management and regeneration of small neighbourhoods into a much larger spatial framework, which seeks to renew housing markets. This would allow a more effective integration of housing investment with SRB, NDC and RDA expenditure;
- The final recommendation that we would make is that the different agencies involved in housing and regeneration throughout the M62 Corridor should maintain a partnership for continuous review and monitoring of developments related to housing market change.

Paper [7] *Changing Demand for Housing: Restructuring Markets and the Public Policy Framework*, Housing Studies, Vol 18, No. 1, pp.65-86. With Brendan Nevin

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Changing Demand for Housing: Restructuring Markets and the Public Policy Framework

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[Paper first received 29 April 2002; in final form 25 July 2002]

ABSTRACT *This paper provides an opportunity to review the New Labour policy framework for dealing with low and changing demand for housing, review emerging policy agendas for regeneration and suggest alternative strategies for neighbourhood renewal. The paper argues that targeted housing and regeneration policy has limited effectiveness in dealing with the scale of the problems of low demand in Britain's northern cities and that a more strategic and planned policy agenda is required. The residential structure of cities in the north of England and the Midlands remain, disproportionately a product of the Victorian infrastructure which was built to fulfil the socio-economic circumstances of the time and the monolithic social housing neighbourhoods conceived during the 1940s and the 1950s. Since the mid-1970s housing and urban policy has concentrated on preserving and managing this infrastructure and initiated limited restructuring of small neighbourhoods. The scale of market change now being experienced in some urban areas is rapidly making this public policy framework redundant and as a consequence many existing New Labour regeneration initiatives will be undermined. Using administrative data at sub-regional, local and neighbourhood level (see Appendix), this paper illustrates processes and outcomes affecting housing abandonment in Liverpool. The paper also discusses policy responses within Liverpool and how these relate to the emerging pattern of abandonment and neighbourhood decline. The paper concludes by assessing the limitations of the current approach to regeneration in cities experiencing changing demand for low-income neighbourhoods, assessing the appropriate spatial scale of interventions and discusses the implications for housing strategies and regenerative partnerships.*

KEY WORDS: changing demand, low demand, housing market restructuring

Paper [8] [2004] *The Role of Housing in Delivering a Knowledge Economy*, Built Environment, Vol 30, No. 3, pp.235-245 with Alan Murie

The Role of Housing in Delivering a Knowledge Economy

PETER LEE and ALAN MURIE

In the post-industrial economy employment is no longer tied to specific places, where for instance raw materials are available. Economic systems have become footloose, i.e. more and more flexible and this implies that they can develop and prosper in all kind of urban areas. As a consequence, in this era of the flexible economy the cities that succeed in attracting the creative and deciding footloose workforce will be the winners. In this respect housing is seen as one of the important factors. But unlike service economies housing assets are fixed and the result of earlier decisions, i.e. inflexible. How can cities cope with this inflexible housing stock in serving a flexible economy?

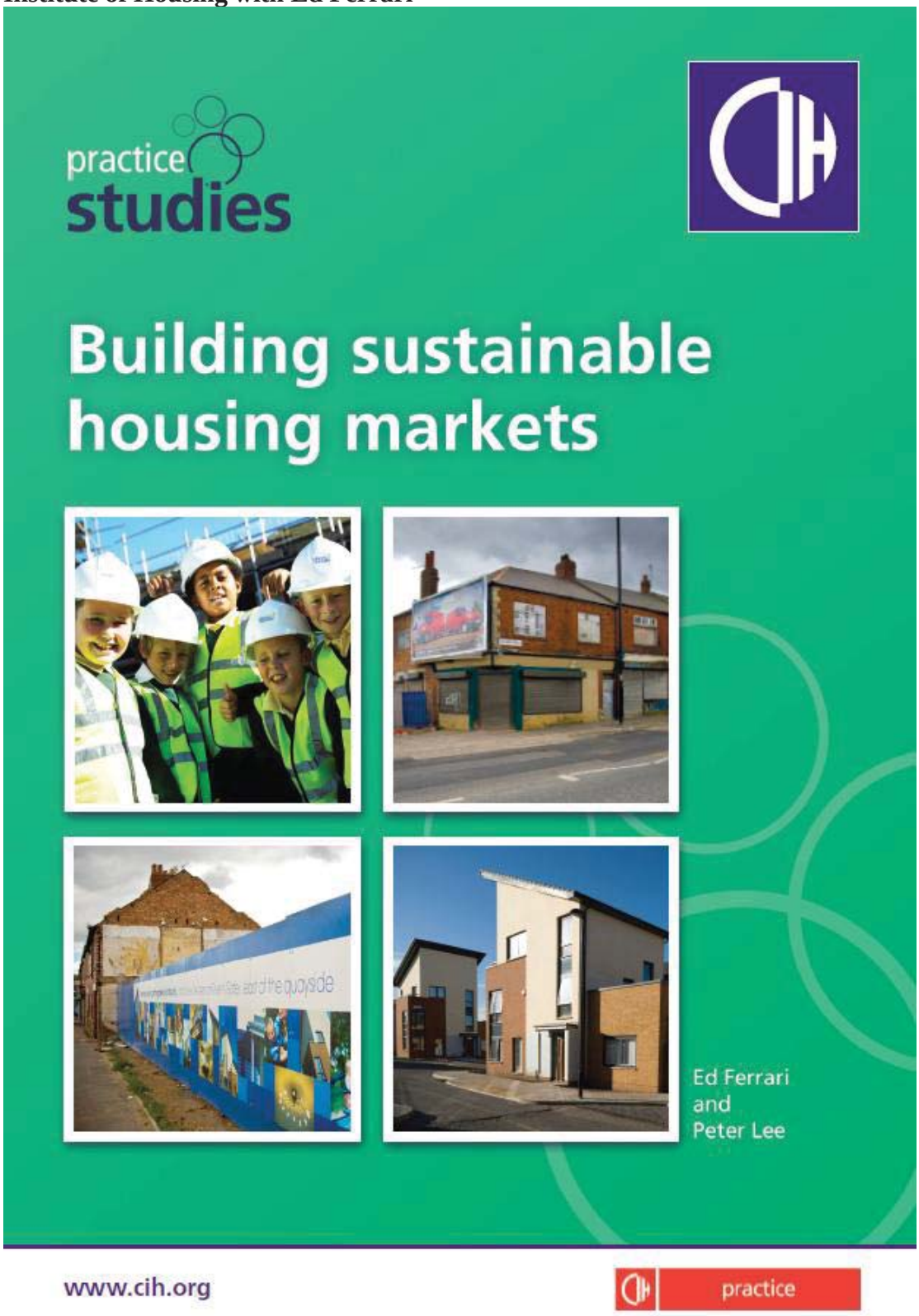
Paper [9] [2009] ***The Creative Economy and Social Sustainability: Planning for Opportunity and Growth*****, Built Environment, Volume 35, number 2, 2009 pp.267-280 with Alex Burfitt and Andrew Tice**

The Creative Economy and Social Sustainability: Planning for Opportunity and Growth

PETER LEE, ALEX BURFITT and ANDREW TICE

Planning and urban policy in the UK has been increasingly aimed at resolving competitiveness of core cities, and the delivery of knowledge and creative economy is central to this policy. This paper explores the role of planning in delivering a sustainable built environment while accommodating the aspirations of knowledge and creative workers. We examine the potential for forecasting economic change by occupational classification and modelling this to anticipate residential outcomes at the local level. The paper raises questions about the path dependency of neighbourhoods and the role of planners in shaping or enabling the market while balancing the needs of a future economy with policy goals of social cohesion and inclusion.

Paper [10] [2010] ***Building Sustainable Housing Markets: reflections and lessons from a decade of changing demand and housing market renewal*****, Chartered Institute of Housing with Ed Ferrari**



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Ed Ferrari and Peter Lee

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CHAPTER 1:
The context for sustainable housing markets: social exclusion and 'rescaling'

Introduction

This book is concerned with what happens when the market for housing in particular areas becomes so problematic that we need to think of ways of intervening. It is partly about those processes of low and changing demand for housing that were so painfully evident towards the end of the 1990s, and the policy developments like Housing Market Renewal (HMR) that emerged as a result. But it is also about a wider set of questions: how can housing markets be kept 'in step' with the society and economy that surrounds them? What happens when gaps appear? How can we rebuild housing markets so that they work better for society and are more in tune with the economy? These questions tax us during good times and bad. At the height of the low-demand problem the national press regularly ran features on the 'hopelessness' of northern estates; and no one surely can forget tales of abandonment, of houses being sold for pittances and of 'spirals of decline'. Less than half a decade later, house prices in many of the same places seemed to have risen so much that the lack of affordable housing in even the most marginal of neighbourhoods became the predominant concern.

The credit crunch and changing demand

Whilst we were writing and researching for this book the world entered into an unprecedented period of economic decline and falls in house prices associated with the 'credit crunch' and the collapse of the sub-prime housing market. This book concentrates on the problems of, and response to, low and changing demand for housing. This is a topic that we have been close to and, along with colleagues in both CURS and at the University of Sheffield, have written about, and contributed to, over the past decade. Whilst we remained cautious about the real benefits of inexorable rises in house prices resulting largely from deregulation and the availability of cheap credit, we could not have anticipated the scale of the downturn and how the housing market would be so inextricably implicated in the large-scale disruption to people's lives. Therefore, whilst not specifically about the credit crunch, this book is wholly concerned with learning the lessons from the low and changing demand phenomenon: the analysis, policy prescription, and implementation of Housing Market Renewal (HMR); and how we might act with purpose to secure sustainable housing markets in a post-credit crunch environment.

Before going any further at this point, it is worth setting out that the housing market has shown signs of failure in a wide variety of contexts. While we inevitably focus in this book on the 'bottom end' of the market, there have been (and are) clear examples of what goes wrong when housing and planning policy fails to detect or foresee mismatches between supply and demand at the higher end of the market too. Indeed, recent events have crystallised this issue somewhat. It has become evident that much of the growth in the market has been in some senses artificial – and this has in turn backed a model for 'sweating assets' in the public sector as well as providing exploitable development value to fund affordable housing (Crook *et al.*, 2006). Growth has occurred in response to a set of demands that has become ever more disassociated from the concept of 'need' for housing as 'shelter'. Such 'excess' demand has underpinned affordability problems that are, in effect, themselves outcomes of market failure. Thus, although we concentrate in this book on local markets that fail at the 'bottom end', much of the principles about understanding how changes in demand occur and why, apply equally to 'higher end' housing markets.

By writing through the 'lens' of low and changing demand we highlight the universal problem associated with markets and the continual need to monitor the relationship between housing and labour markets at a variety of spatial scales. The low and changing demand debate and the credit crunch are part of the same storyline – one of asymmetries between markets (housing, financial, labour) which ultimately result in the need for intervention by the state. The argument is about the type of intervention, its sequencing and scale and the mechanisms of implementation.

Looking back to the turn of this century, it was clear that the most severe manifestation of the low and changing demand phenomenon occurred in the North and Midlands of England (and other parts of the UK such as South Wales and Central Scotland) where there was evidence of high levels of abandonment. Whilst the evidence of abandonment was the most alarming and distressing sign of 'failure', it is still difficult to determine what this was truly a failure of. The causes of changing housing demand, as we discuss in Chapter 2, are varied and occur at a variety of spatial scales. In the various critiques of the policy of HMR that we pick up on later in the book, local authorities themselves were often held to be responsible for market failure by designating Compulsory Purchase Orders (CPOs) and boarding up and neglecting properties and neighbourhoods, long before the HMR programme was announced (Figure 1.1). However, these 'bureaucratic' accounts, which identify local authorities as the main instrument contributing to market failure, are contrasted by more structural explanations. From this perspective, abandoned properties were but a spatial manifestation of a change in the nature of demand that resulted from deindustrialisation and the collapse of Fordist methods of production and consumption in the economy.

Figure 1.1: Boarded-up terraced housing in Handsworth, Birmingham, 2003

Source: CURS, University of Birmingham.

Some key junctures can be discerned, such as the post-war planning era and decentralisation of planning in the conurbations (1945-51), the post-IMF crisis (1975), the first government under Margaret Thatcher (1979) and, subsequently, the deregulation of financial markets during the 1980s and 1990s. All of these macro-level structural factors applied nationally. However, the form and style of residential developments throughout urban Britain are uneven and this spatial unevenness, coupled with the uneven temporal effects of policy, has meant that problems manifested themselves differently throughout the country.

As a consequence, local context and micro-level factors also became important in determining whether one place and not another experienced abandonment. One of the most frustrating aspects of the debate surrounding Housing Market Renewal has been the naivety of the journalistic reporting, which periodically surfaced to make the absurd comparison of terrace properties in a deprived northern town or city, with the fortunes (usually measured in house price terms) of a similar property in the south of England (more usually in gentrified districts of London) (see, for example, *Tonight with Trevor McDonald*, 16 May 2005, and Save Britain's Heritage, 2006). Such comparisons are clearly problematic, although they do serve to point out the asymmetry between macro and micro-level factors, and how the 'path dependency' of spaces and their development has contributed to diverging housing market trajectories. In Chapter 2 we look at the case of Liverpool, exploring the micro and macro-level factors in some more depth to consider the underlying causes of abandonment, low demand for housing and neighbourhood change.

By looking at the relationship between the micro and macro-levels, therefore, the subject of this book is again inextricably bound with that of the crisis promulgated by the credit crunch from autumn 2007 onwards, the ramifications of which will remain for some time to come. It is about the continual asymmetry between markets and people, and how they behave. The low and changing demand phenomenon and the credit crunch reflect two separate but related market failures, both of which have required intervention of one form or another. The lesson, clearly, is that market conditions change. Demand changes, neighbourhoods change and new houses are built – sometimes in those same neighbourhoods, sometimes elsewhere. Just as the current economic downturn has its roots in the (institutional) collapse of the housing market, so the changes go on; and questions about the viability of neighbourhoods and of the fit between the housing market and the economy and society's needs seem as pertinent as ever.

Turning to its treatment of the policy response of Housing Market Renewal, this book is therefore about an attempt on the part of a range of actors to 'do something about' the housing market at the turn of the 20th century. Housing Market Renewal broke with the tradition of regeneration initiatives by focusing much more specifically on the market (and its outcomes) than on housing conditions *per se*. The programme has not been without its critics. But we believe that sufficient time has now passed that we can begin to learn lessons from the experience of HMR: to learn whether and how we can try to directly manipulate local housing markets as an instrument of urban policy. The need to understand this is as urgent as ever as we grapple with a new housing future in uncertain times.

Frameworks for understanding market interventions

In tackling the subject of 'building sustainable housing markets' we have set ourselves a difficult task, as this is a broad topic which requires engagement with a wide range of disciplines of study (demography, economy, sociology), and policy areas (planning and urban policy, social policy, housing policy and urban design), to both understand the underlying causes, and design the necessary tools to tackle it. To tackle such a project inevitably requires some parameters in order to structure and frame the analysis and to give the reader a sense of perspective. Without such a framework we will struggle to make sense of both the analysis and the responses to changing and low demand and to rebuild housing markets in a sustainable fashion.

In this first chapter we attempt to define our perspective. We see the low-demand discourse of the late 1990s and early 2000s, and the subsequent policy prescription of HMR, as being largely dependent on a 'rescaled' analysis of space on the one hand and, on the other, an inherent focus on the role of 'place' in reproducing social exclusion. What do we mean by this?

Simply put, the state's concern shifted from housing as an inherently local problem to housing as a sub-regional asset within the wider economy while, at the local level, we began to understand housing not only as a physical problem, but as linked to place – towns and neighbourhoods – which could determine access to wider social opportunities. To focus on the housing market means adopting a perspective on housing that sees it quite clearly as part of a wider social and spatial system.

As we argue in this chapter, there were two underlying reasons for the rising importance of low and changing demand and the concomitant policy response. Firstly, low and changing demand for housing was seen as a spatial reflection of processes of social exclusion. Tackling low and changing demand was bound up with a concern to deliver social and economic inclusion across the regions of England. New Labour's commitment to tackling social exclusion, which was its overarching policy goal in its first term, was therefore an important determinant of both analysis and policy in this area. Secondly, there was a significant change in the analytical framework for housing and its linkage with other policy areas, best understood as a process of 'rescaling' (Collinge, 1999; Uitermark, 2002). Rescaling arguments meant that the 'local' manifestations of changing and low demand for housing began to be interpreted within a larger, more cross-cutting spatial framework, so that the region became, *'the prime geographical unit in the new round of capital accumulation'* (Uitermark, 2002, p.744). Housing was therefore increasingly framed in the context of the contribution it could make to regional processes of social inclusion and economic growth.

Somerville (2004) observes that contributions to the rescaling debate have asserted that the state became, *'…reorganised geographically, such that various state functions and responsibilities were in effect "rescaled"'* (Somerville, 2004, p.137).
In some cases, this has led to the proliferation of local agencies while, in others, more global structures have predominated in a process popularly known (after Swyngedouw, 1992) as 'glocalisation'. It is perhaps, however, the rise of the regional scale that is most pertinent to housing market change and of the most interest to us. This was identifiable in both the analysis of low and changing demand and in the policy responses, which were not seen simply in terms of neighbourhood renewal, but in the wider spatial context of sub-regional economies. Of course, as we note in Chapter 2 there has been a rescaling over time which has preceded HMR. For example, economic policy was developed but largely ignored in the 1970s, which might have served to avoid problems of low demand in the 1990s. What we have seen in general is a rescaling of policy interventions to tackle things at a much broader scale.

As we go on to acknowledge in the following chapter, the process of housing abandonment resulting from 'obsolescence' in the face of economic change was by no means a new phenomenon. This can be adequately demonstrated by reference to the infamous cases of the Durham 'D' Villages, Corby or the Glasgow Gorbals. 'Low demand' for housing had happened before, although we would posit that the

circumstances and context were very different. It is therefore appropriate to ask why low and changing demand became such a focal point for housing policy during the 1990s; why the analysis rapidly led to the development of the HMR programme, and why it was deemed so important to tackle the underlying drivers of changing and low demand in such a systematically focused way by intervening directly in the housing market.

As we noted above, low and changing demand is a broad topic which requires engagement with a range of disciplines and policy areas. We could arguably have started our analysis at any number of points in time in explaining and understanding the processes. However, both the social exclusion agenda from the mid to late 1990s onwards and the rescaling arguments are uniquely linked. They relate to changes in the political economy of cities and regions. Low and changing demand was as much a debate that questioned economic policy as it was one that asked questions of housing policy and housing strategy. This allowed the housing problem to be fitted neatly into an emerging perspective on exclusion and the role of housing in recreating patterns of exclusion. The social exclusion agenda and the rescaling process together provide an overarching explanation for the direction of travel and the emphasis of policy development over the past decade; a decade in which the interpretation of housing's role as a contributor to social exclusion moved from a narrow analysis of 'worst estates' and homelessness, as demonstrated by the Social Exclusion Unit's (SEU's) remit in 1997, to a broader thematic and spatial analytical framework. In this sense, there has been a confluence of policy and ideology. Key to this has been New Labour's interpretation of what constitutes social exclusion and the emphasis in Whitehall on 'joined-up thinking' from 1997 onwards.

Social exclusion and New Labour

It is helpful to recall that the concept of social exclusion represented a departure from traditional interpretations of poverty. During the 1990s, linkages between the role of *place* and *space* in determining opportunities and life chances were being emphasised. Traditional responses to entrenched or spatially concentrated poverty were acknowledged to be inadequate. Although this was partly because of a growth in social polarisation, the lack of policy co-ordination resulting from a 'silo' culture was also recognised as a factor reinforcing social exclusion (Room, 1995). Both of these facets challenged a traditional household and individual-level 'poverty' approach (i.e., measuring and tackling low incomes and poor resources at household/individual level). The concept of social exclusion encapsulated a more dynamic process: one embedded in the *experiences* of marginalised households, partly encompassed by accounts of how *place* determines outcomes (for example, see Lee and Murie, 1997; Room, 1995, and more latterly Fitzpatrick, 2005). But, historically, accounts of the role that place plays in poverty had tended to be maligned as belonging to a discredited 'culture of poverty' thesis (Lewis, 1966; Murray, 1990). Even more liberal accounts such as William Julius Wilson's (Wilson,

1990) tended to conflate structural and behavioural accounts in arriving at conclusions which unambiguously pointed to a ghettoised *underclass* responsible for its own poverty.

During the 1990s, New Labour recognised that the political vacuum on poverty required filling. In the 1970s, Townsend (1979) had established a relative poverty line that could be used for the implementation of minimum income levels. Social exclusion was a more malleable concept that could be applied to a myriad of circumstances both at an individual and geographical level and was therefore a politically useful and adaptable tool. The rhetoric of social exclusion was therefore less specific about income thresholds and levels of household benefit than the language of poverty was, and this might partly explain its attractiveness to a new government that was concerned about urban poverty and in search of new policy prescriptions.

The popular consensus remained that poverty and social exclusion were contested – poverty for many was absolute rather than relative and for many others, social exclusion remained (and remains) an awkwardly indefinable concept. But in creating exemplars of what New Labour meant when it defined social exclusion, the concept could be neatly packaged and be subjected to policy treatment. The role of place was crucial in this respect as it defined the problem along populist and spatially discrete lines (e.g. the 'worst council housing estates' (Figure 1.2), homelessness, teenage pregnancy and cultures of poverty), and it appealed to an electorate's innate sense of

Figure 1.2: Tackling social exclusion through housing on 'the worst council housing estates': Castle Vale, Birmingham

Source: CURS, University of Birmingham.

moral righteousness. In August 1997, Peter Mandelson committed the government to tackle problems of social exclusion on the 1,370 'worst estates' in England (Mandelson, 1997). Prior to this, Tony Blair's first public speech as prime minister was given outside one of the 'worst estates' in London, where he committed to include the 'forgotten people of Britain' (SEU, 1998). Both interventions emblematically provided a relative spatial reference point for social exclusion: white working-class council estates, either in the inner city or in peripheral locations, whose original economic functions had been lost.

Levitas (1998) had identified three earlier strands to New Labour thinking on social exclusion. First, she identified an integrationist account broadly comprising exclusion from the world of work. The second strand drew on a traditional poverty approach characteristic of the centre left and the Fabian Society; and, third, there was an underclass account, which identified the socially excluded as the most problematic aspects of, and challenges for, social policy – the by-products of a post-industrial society following almost two decades of monetarism and a neo-liberal economy. Despite these three analyses, in its first term New Labour's articulation of social exclusion drew on entirely narrow populist conceptions. The establishment of the SEU (the government's catalyst for policy on social exclusion) reinforced this perception. School truancies, homelessness and teenage pregnancies were added to the problems to be found within the 'worst estates', which themselves were the areas to be targeted and prioritised. In so doing, New Labour initially aligned itself with a narrow interpretation of the socially excluded as an *underclass*, albeit one with a distinct and narrowly-defined spatiality.

But, New Labour's 'worst estates' were an inherited concept, which demonstrated the degree to which political ideology was absent from these debates and how far the New Labour project had to inhabit centre-right ideas in order to be elected. The previous Conservative administration of John Major had published a housing white paper stating that it would tackle the problems of the most deprived estates over the forthcoming decade by getting the Government Offices for the Regions and local authorities to work together to identify, *'…the best way of tackling the estates with the worst social, economic and housing problems'* (DoE, 1995, p.35). However, New Labour recognised the importance of exclusion from employment and the knock-on effect of being out of work. A narrow populist interpretation of exclusion (an underclass account) was therefore not going to fit with New Labour and the Treasury's support for a liberal employment market alongside its support for the New Deal and a minimum wage. The commissioning by the SEU of several Policy Action Team (PAT) reports on a range of topics reflected the diversity of the government's approach to understanding the causes and consequences of social exclusion. However, the emphasis on Jobs (PAT 1), Skills (PAT 2), Business (PAT 3), Neighbourhood Management (PAT 4), Housing Management (PAT 5), Neighbourhood Wardens (PAT 6) and Unpopular Housing (PAT 7) in the first seven of the 18 reports indicated the degree to which the Social Exclusion Unit saw the relationship between

the economy, employment and neighbourhood conditions as the important determinants of social exclusion. The National Strategy for Neighbourhood Renewal (NSNR) emerged out of the SEU and explicitly recognised the link between poverty and low demand for housing (SEU, 2001).

Rescaling the problem

The SEU therefore located the causes of social exclusion within a wider framework, rejecting a narrowly conceived spatial framework for exclusion such as the 'worst estates' and referring to the need for 'joined up solutions' to combat 'joined up problems' (SEU, 1998). This period of policy development represented a fundamental reassessment of the role that housing and place played in social exclusion and the policy implications for tackling spatial manifestations of social exclusion.

The low and changing demand debate therefore emerged in a period when there was a concern for tackling poverty and social exclusion by joining up analyses of the problem and looking at the inter-relationship between different policy areas such as employment, welfare benefits, housing, neighbourhoods and schools. As we show in Chapter 2, the drivers of low and changing demand were identified at a number of spatial scales, cutting across not just housing tenures but also local authority boundaries. The notion of the 'worst estates' was, as an analytic framework, too simplistic and did not explain the causes and drivers of the phenomenon. Moreover, the policy solutions to the 'worst estates' would imply an emphasis on tackling the symptoms and spatial manifestations of those symptoms rather than their causes.

More pertinent to the rescaling of the analysis, this period of policy development presaged a growing interest in cross-boundary and cross-authority analysis which was a catalyst for innovations to the evidence base for policy. In Chapter 4 we show how the functional 'Housing Market Area' as a spatial analytical framework came to be cemented and, henceforth, the need arose for *market driven* information ('market intelligence'), rather than data driven by pre-existing administrative boundaries or dictated by local authority political or service delivery functions.

At the turn of the millennium, the evidence base on social exclusion and deprivation was highly dependent on the government's own Index of Local Conditions (ILC). The National Strategy for Neighbourhood Renewal was informed by such indices which measured the problem in increasingly detailed ways, both spatially and thematically. Whilst the ILC represented an improvement on previous attempts by the department responsible for housing, planning and the environment, it was a 'rear view mirror' measure of spatial disadvantage: i.e., it reflected the outcome of processes rather than an explication of the problems and drivers. In summary, the ILC and its successors (including the Index of Multiple Deprivation) were static measures of deprivation, insensitive to the trajectories of space and place and the problems of changing demand.

There was therefore an emerging need to begin to differentiate the *functions* and *trajectories* of deprived areas, as reflected in the type of housing they contained and in their economic function. This would enable an analysis that could differentiate between:

1. deprived areas that were stable and popular, where the demand for housing was robust and therefore the neighbourhood was functioning effectively; and
2. deprived areas where the housing and labour markets had become so out of step with one another and where the housing and neighbourhood characteristics signalled a high risk of changing demand, exposing them to future problems of potential abandonment and/or high levels of population turnover.

While both types of areas were deprived, it is the second type that would be more likely to represent a drag on the national and regional economy. Furthermore, such areas would also be more susceptible to social problems arising from low levels of 'social cohesion'.

It is interesting that early reports from the national press on low demand and the failure of the housing market began to juxtapose accounts of the exclusion at an individual level against the structural failings of the market (see Figure 1.3). In analytical terms, it was becoming increasingly clear that what was required was a measure of the 'asymmetry' between housing and labour markets, capable of capturing the lag between (relatively) fixed housing assets on the one hand and fluid and flexible flows of capital on the other.

Chapter 3 therefore reflects on the evidence base that informed policy on housing market renewal. The evidence is situated in a framework that acknowledges the spatial scale and location of the problem. The asymmetry of housing and labour markets is partly masked by the role that households and individuals play in making choices, decisions and expressing their aspirations – often trading off long-term and short-term goals. The frameworks informing policy on HMR therefore utilised analysis which identified the dynamics of household decisions and aspirations in the housing market and how this affected changing demand. These frameworks reflected an ongoing preoccupation with social exclusion, differentiating between excluded spaces. But, as Chapter 3 shows, the evidence base was also beginning to articulate a preoccupation with the 'path dependency' of places, and their relationship to (previous) policy eras, where housing was built to support specific economic functions. The analysis began to offer a new way of thinking about housing, which was concerned with the re-alignment of housing and housing markets to support the emerging economy or to proactively influence the kind of economy that could be developed in the future. The implication, of course, is that a 'rescaled' spatial framework for the analysis of the problem needed to be matched by a similarly rescaled policy framework.

Figure 1.3: Early reports from the press on low demand

THE ULTIMATE NEGATIVE EQUITY NIGHTMARE AS THOUSANDS MIGRATE FROM NORTHERN CITIES

Trapped in a £2,000 Coronation St house that no one will buy

By Paul Gallagher

'Nobody wants to move in because crime is so high'

Source: *The Daily Express*, Friday 25 June 1999.

The Sustainable Communities Plan of 2003, which ushered in HMR, was in some ways a substitute for the national spatial strategy that had been called for by some of the architects of Housing Market Renewal (see for example, Nevin, 2001). The Sustainable Communities Plan offered a set of policy measures to tackle the twin problems of low demand in the North and Midlands on the one hand and affordability pressures in the South on the other. It was redolent of the contested notion of a 'North-South divide' in England, one which the government refused to acknowledge (Hall and Hickman, 2004). It introduced new regional governance structures for housing, in the shape of regional housing boards, which were to

parallel regional planning bodies. In these regional housing boards, a stronger regional arena was provided that was to enable a more detailed commentary on regional housing needs than had been hitherto provided for by regional planning guidance. Therefore, although the Sustainable Communities Plan was not a national spatial strategy, it encompassed the most comprehensive official endorsement of the *rescaling* of housing to provide a framework by which housing could be understood and related to the economic strategy for the regions.

The development of more holistic regional spatial strategies (RSSs) reflected this need to make the most effective use of land for housing and to align this with the needs of the economy. To enable this, RSSs have to date utilised an ever more detailed and comprehensive analysis of housing market trends, in order to draw out implications for the location and scale of housing developments at regional and sub-regional level. They have served to maximise the role of housing policy and strategy as a lever of planning policy, aiming to balance demand across wider spaces and influence household mobility through the regionalisation of housing supply decisions. A more detailed understanding of the role of housing markets within the region and the interaction of housing market intelligence with economic and planning drivers has therefore been a facet of the rescaling of housing and its fit within the political economy of regions.

The competitive city and social exclusion

Since the mid 1990s there has been a growing concern for the competitiveness of British cities and a burgeoning evidence base demonstrating how they lag behind their European counterparts in terms of productivity and economic output (ODPM, 2004a). The inefficiencies of the English cities within the 'core cities' grouping (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle upon Tyne, Nottingham and Sheffield) stem from decline in the 1960s, 1970s and 1980s, when the focus was on the problems and challenges posed, as Margaret Thatcher put it, by *'…those inner cities'* (Robson, 1988). During the 1990s, cities once again became fashionable and came to be seen as economic assets rather than liabilities, presaging renewed investment, cultural development and a strengthened appetite for urban lifestyles. This has also been reflected in an increasingly intense competition between cities in a global environment and the predominance of a 'knowledge economy' in the production of both goods and services. The implications of this for planning and housing were crystallised by the findings of Lord Rogers' Urban Task Force (1999). However, whilst the core cities have undergone an economic renaissance over the past decade they still fail to fully punch their weight economically in the national context. Consequently, they have continued to fall behind London and the South East, and *'…do not make as great a contribution to the national economic welfare, as comparable cities* [do] *in continental Europe'* (ODPM, 2004a, p.6). This gave rise to initiatives such as the Northern Way, in which the northern regional development agencies sought and continue to seek synergies across regional boundaries,

emphasising the importance of supra-regional infrastructure and local 'quality of life' in bringing about economic development (Northern Way Steering Group, 2004).

However, in some ways the core cities represent anachronistic spatial entities within the modern political economy of regions. The core cities are by and large, ex-industrial, and the re-alignment of their economies towards a new service and knowledge-based economy has meant that they can no longer be seen as autonomous, self-contained spatial units. Rather than simply being cities in their own right, they draw on a wider set of spatial reference points which cut across local authority and regional boundaries, making them increasingly dependent on a broader (and more spatially dispersed) pool of labour with a variety of skills to service the needs of these emerging service and knowledge economies.

The demise of the local authority as a reference point for the local economy was symbolised by Thatcherism's incessant assault on local councils and the creation of urban development corporations in the 1980s, which by-passed elements of local authority control (Thomas and Imrie, 1997). The creation of regional development agencies in 1998 was a distinctive moment in the rescaling story but, importantly for our account, one that failed to sufficiently acknowledge either the role of housing or the housing market in these spatial alignments (Robinson, 2003). Making good this deficit can be seen to be one of the intentions behind the creation of the nine Housing Market Renewal Pathfinders in 2003 (see the map in Appendix 1). However, from the beginning of the millennium there was an emerging argument for a new set of functional entities by which services were to be delivered to meet the needs of a modernised economy. This has resulted in the importance of city regions, 'functional entities' that have been increasingly acknowledged and supported by central government (ODPM, 2006). The role of city regions in building urban and regional competitiveness and reducing regional imbalance is perhaps the most recent example of the rescaling of housing and its role within the political economy, both nationally and at the regional and sub-regional level. It introduces a more embedded set of analyses, conjoining the economy and the role of housing and the neighbourhood. But it has a clear economic agenda: whilst the competitiveness of cities is dependent on a set of relationships beyond the core city boundary, housing is but one of a series of factors that are viewed as essential to the delivery of the competitive service and knowledge-based economy:

> *Our rationale for working together as a city region partnership is simple. Global investors and decision makers do not recognise local authority boundaries. Their interest is in understanding the local economy as a whole – a cluster of mutually interdependent areas linked economically and socially by travel to work patterns, by housing, retail and leisure markets, and by population needs and skills. They want to know whether this local economy possesses the infrastructure and assets that global businesses need in order to establish themselves and grow* (Our City Region, 2005, para. 7).

These developments in the arguments for city regions and the competitiveness of cities, force the analysis of, and response to, housing market problems into closer alignment with those arguments that emphasise the need for modernisation of the (sub) regional economy. This implies that the way in which HMR can assist in that process is by funding the re-modelling of markets in order to attract different household types or demand cohorts. In order to be competitive, the thinking goes, city regions need to attract and retain the right kind of workforce for a knowledge-based/creative economy to prosper. By rescaling the analytical framework to take account of the sub-regional and regional economy and the housing market's function within this, housing and neighbourhoods come to be seen to be located within a much broader spatial framework. This has created the opportunity to develop a narrative around housing market renewal as an adjunct to economic development policy and planning at the regional level. Although the low-demand debate of the late 1990s and the creation of HMR was aimed at redressing an imbalance in the market and the relationship between housing and the economy, the analysis lent itself to a much wider spatial context than that covered even by the HMR Pathfinders. This resulted eventually in the more ambitious Northern Way and city region development plans (CRDPs) subsuming the HMR principle within a broader and grander strategy for extracting greater performance from regional economies.

Foresight and resilience

The new system of development plans brought in under the Planning and Compulsory Purchase Act 2004 strengthened the spatial scalar framework in which analyses of housing demand and plans for meeting it are articulated. The publication of Planning Policy Statement 3 (PPS 3) on Housing (CLG, 2006a) re-emphasised the importance and relevance of housing market information for regional planning bodies and local planning authorities when developing planning policies. Market information on housing is cascaded down the planning system (i.e., regional spatial strategies through to Local Development Frameworks or LDFs) informed by an evidence base of housing need and demand and delivered through Strategic Housing Market Assessments (SHMAs).

In determining the local, sub-regional and regional level of housing provision, local planning authorities and regional planning bodies are asked to take into account evidence on future need and demand for housing, affordability levels and *'…the needs of the regional economy, having regard to economic growth forecasts'* (CLG, 2006a, p.12). The 'credit crunch' has demonstrated the tenuous nature of links between our economic and housing market intelligence and the fragility of assumptions that are overly dependent on the extrapolation of linear trends. As we later speculate in Chapter 6, there will be an increasing need to develop interactive models of demand and supply which integrate different economic scenarios and their housing implications. Beyond this, the economics of environmental sustainability will demand that sustainability parameters will need to be developed and be part of the housing market assessment evidence base if successive governments are to deliver on

their commitments to reduce carbon emissions. Housing policy and creating efficiencies in the spatial alignment of housing with economic needs can deliver effectively on this agenda as PPS 1 on *Delivering Sustainable Development* recognises (ODPM, 2005c; see also RTPI and CLG, 2008).

Therefore, the governance and policy development arrangements for planning and housing have increasingly reflected processes of rescaling embodied in the analytical framework for low and changing demand. Assets contained within neighbourhoods and local housing markets are more often being called upon to deliver wider regional strategies. The ongoing convergence of regional housing, spatial and economic strategies into a single regional strategy reflects institutional attempts to rescale the role of housing and calibrate it with economic and planning drivers for growth.

Building sustainable housing markets

Whilst this book is not ostensibly about New Labour housing policy, it does use the period of its government since 1997 as a timeframe for understanding the underlying political motivations behind the policy responses to changing and low demand as well as efforts to tackle social exclusion. As we have noted above, the low and changing demand debate arose in a period when tackling social exclusion was a central part of the government's thinking. In Housing Market Renewal, the response to low demand was quickly absorbed into a set of agendas around the competitive city, the needs of a creative and knowledge-based economy and governance arrangements for city regions resulting from the rescaling of the analytical framework for housing.

However, the emphasis on competitiveness and the underpinning needs of a service and knowledge-based economy, within a broader set of spatial linkages, has effectively resulted in a competition to attract new, higher-income earners to low-demand areas. This has inevitably elicited arguments that an imbalanced focus on middle-class groups may have contributed to a blind-spot in processes of community consultation or concern for the views of existing (largely working-class) residents (Allen, 2008). Thinking back to the framework we propose in this book, it could be argued that the result has been a backgrounding of social exclusion as a policy concern within the delivery of Housing Market Renewal and an emphasis, instead, on modernisation or *de facto* state sponsored gentrification, charges which are promoted by critics like Allen (2008) and Cameron (2006).

Yet we contend in this book that building and delivering sustainable housing markets requires an analysis that engages at the appropriate spatial scale (rescaling housing policy, which may involve some form of 'rebalancing' the housing market), and which also accommodates a community perspective (social inclusion and cohesion). This requires balance. If housing is to find a comfortable way of delivering all of the multiple demands placed on it; if it is to continue to perform its function as shelter, while providing a supporting role to a competitive economy, as an investment

commodity and as a form of welfare redistribution, then it will need to be increasingly sensitive to the contradictory spatial and functional requirements being placed upon it. This book provides an opportunity to understand how we have begun to articulate sustainability in terms of housing markets, how and why Housing Market Renewal was seen as a model for delivering sustainable housing markets, and what the future prospects are for building sustainable housing markets within the current and foreseeable policy context.

The vicissitudes of the housing market over the period that this has been written has demanded that we title this contribution as *'Building Sustainable Housing Markets'*, as we are concerned with charting the development of HMR as well as understanding its legacy, impact and lessons for dealing with the ongoing challenge of intervening in the housing market in an effective and appropriate way.

Table 1.1 summarises the key events that chart the development of this ambitious and controversial programme.

Table 1.1: Key publications and events

Date	Event
July 1998	Conference on *Housing Abandonment in the English Inner City* held at York University bringing together new research on 'low demand' for housing. See Lowe *et al.* (1998).
1999	Joseph Rowntree Foundation report into the *Slow Death of Great Cities* looks at the multifaceted nature of neighbourhood decline in Newcastle and Manchester. See Power and Mumford (1999).
1999	Policy Action Team (PAT) report 7 on *Unpopular Housing* reported on low demand, highlighting significant levels in social rented housing stock alongside a prevalence in the private sector, especially in the North West region.
January 2000	Summary of Housing Corporation-sponsored report (Cole *et al.*, 1999) into housing association responses to low demand is published. The report garners significant media attention, mainly centred on the report's claims that demolition and 'managing decline' may be inevitable in some neighbourhoods. *The Independent* runs a prominent article entitled, *'Northern estates "are beyond any salvation"'* (6 January 2000).
February 2001	CURS 'M62 Corridor' study (Nevin, Lee *et al.*, 2000) published. The report was commissioned by a consortium of local authorities and housing associations concerned with increasing vacancies and high turnover of low-income housing stock. →

Date	Event
June 2001	Department of the Environment, Transport and the Regions (DETR) scrapped and replaced by Department for Transport, Local Government and Regions (DTLR). Stephen Byers MP heads the department.
March 2002	A select committee report into *Empty Homes* (HC 240-I, 2001-02) looks into the issue of abandonment and housing market failure in the North and Midlands of England. Using emotive examples, it calls for urgent action and the establishment of a market renewal fund.
April 2002	DTLR announces the creation of nine HMR Pathfinders with 'seedcorn' funding from the Capital Modernisation Fund.
May 2002	Office of the Deputy Prime Minister (ODPM) is established and absorbs the DTLR portfolio. ODPM is headed by John Prescott MP.
February 2003	The 'Sustainable Communities Plan' (ODPM, 2003) establishes the £500 million Housing Market Renewal Fund (HMRF) for the three years 2003/04 to 2005/06.
July 2004	Treasury spending review allocates a further £450 million to the HMRF for the two years 2006/07 to 2007/08.
December 2004	Cole and Nevin (2004) publish *The Road to Renewal*, the first major account of the development of HMR.
January 2005	ODPM publishes its *Homes For All* five year plan (ODPM, 2005a), which sets out specific objectives for the HMR programme. The plan also announces further funding (to take the total value of the HMRF since inception to £1.2 billion) and recognises three additional HMR areas in Teesside, West Cumbria and West Yorkshire, which will share a top-sliced £65 million budget.
April 2005	House of Commons select committee enquiry into *Empty Homes and Low Demand Pathfinders* reports (HC 295-I, 2004-05). The committee was concerned that government did not have clear objectives for what HMR was trying to achieve.
May 2005	*Beatles* drummer Ringo Starr, whose birthplace home becomes earmarked for demolition by Liverpool City Council, speaks out against the HMR programme.
June 2005	An edition of the television magazine programme *Tonight with Trevor McDonald* focuses on HMR and raises questions about its necessity. At around the same time, *The Daily Telegraph's* environment correspondent Charles Clover writes a series of scathing articles about HMR, with criticism mainly directed at John Prescott. →

Date	Event
January 2006	The Home Office launches its Respect Action Plan as part of a strategy to reduce anti-social behaviour.
April 2006	The three additional HMR partnerships in Teesside, West Cumbria and West Yorkshire are able to access HMRF monies distributed through regional housing boards.
May 2006	Department for Communities and Local Government (CLG) formed, with Ruth Kelly MP as secretary of state.
June 2006	Pathfinders are requested by the housing minister to consider how their plans will help to deliver the Respect Agenda. Later, in October 2006, HMR Pathfinders become clearly involved in its delivery in their areas through the HMR 'Respect Protocol' (CLG, 2006b).
March 2007	An independent evaluation of HMR (Leather *et al.*, 2007) finds that Pathfinders have made considerable progress, but that it is not clear to what extent price rises and other indicators can be directly attributed to HMR investment.
September 2007	An investor 'bank run' on Northern Rock signals the first major UK financial institution to suffer the fallout of the 'credit crunch'. Northern Rock and other similar institutions had highly-leveraged portfolios securitised by properties in lower-priced neighbourhoods.
November 2007	The National Audit Office produces an assessment of the value-for-money of the HMR programme (NAO, 2007). The report is somewhat lukewarm in its endorsement of the HMR approach and makes a number of recommendations aimed at streamlining the delivery of the programme and reducing its impact on communities.
February 2008	CLG minister Iain Wright MP announces a continuation of the HMRF for the three years 2008/09 to 2010/11, with a total budget of just over £1 billion.
April 2008	Tees Valley Living is accorded full HMR 'Pathfinder' status by CLG.
December 2008	The Homes and Communities Agency (HCA) is formed under provisions made in the Housing and Regeneration Act 2008, taking on responsibilities and assets from English Partnerships and the Housing Corporation. The HCA also takes on responsibility for HMR.
May 2009	An Audit Commission programme review report (Audit Commission, 2009) is broadly supportive of the HMR programme and approach, stating that *'the rationale of the HMR programme remains entirely valid'*.

Summary

This book is concerned with what happens when the market for housing in particular areas becomes so problematic that we need to think of ways of intervening. By writing through the 'lens' of low and changing demand for housing we highlight the universal problem associated with markets and the continual need for monitoring the relationship between housing and labour markets at a variety of spatial scales. Therefore, in this sense, the subject of this book is inextricably bound with that of the crisis promulgated by the credit crunch that arose from autumn 2007 onwards, and the ramifications of which will remain for some time to come.

The low and changing demand debate shifted the focus away from core concerns of social exclusion and the household to housing's wider role as a contributor to regional economic competitiveness and this represents a significant rescaling of the role and emphasis of housing policy. Rescaling promulgated significant efforts to reconcile the strategic role of housing and the social exclusion agenda with the desire for greater policy co-ordination to eradicate a 'silo' culture. This was a precursor to the rescaling and competitiveness agenda and housing's role within these debates. The social exclusion narrative also stimulated a wider debate on the role that place plays in contributing to exclusion – the low and changing demand debate highlighted the significant role of place in contributing to abandonment and high turnover which in turn contributed to severe exclusion. The setting up of the Social Exclusion Unit signalled a significant departure away from a 'worst estates' approach – for instance, treating the symptoms and not the causes, to a more systematic and integrated evidence base for understanding social exclusion.

The changing demand debate introduced the idea that there was a need to differentiate between the function and trajectories of deprived areas – deprived areas could be stable and cohesive, whilst low and changing demand areas were qualitatively different types of deprived places. The concept of trajectories and evidence of core cities lagging behind European counterparts provided fertile ground for the emergence of the city-region as a mechanism for reconciling territorial and thematic conflicts and delivering efficiency and growth of gross value added (GVA). Housing markets were a significant part of this narrative. The growing importance of the strategic function of local authorities and agencies reflected in both the shift towards an economic development/competitiveness led planning system (post-Barker) and the introduction of Strategic Housing Market Assessments. The credit crunch and failure of the evidence base indicates the need for a review of forecasting methods and introduction of more holistic foresight/scenario building methods that can reconcile different views of 'reality'.

Structure of the book

Chapter 2 charts the origins of the 'low demand' and 'changing demand' debates, and tracks how deep fissures in the national distribution of housing market performance were leading to tensions between different policies – notably the

question of how population change would impact on the need for housing. The structures of the housing market and its relationship to the economy are brought to the fore, supplanting more traditional concerns with the popularity of particular estates or house types. The emergence of the 'region' as a more appropriate geographic unit of analysis and policy response is described. The emerging 'asymmetry' between regional housing and labour markets is advanced as a way of better understanding the direction that future housing and regeneration policy needs to take.

Chapter 3 begins to focus on the evidence that was assembled to support the need for an analysis of housing markets that was more nuanced, geographically astute, and which recognised the multiple links with other policy areas. This multi-dimensionality is highlighted with reference to varied symptoms and causes of changed demand for housing, including the links with local economies, deprivation, and the urban form. A method of assessing the 'risk' of areas suffering from housing demand problems is described and is extended to cover the North and Midlands of England in a consistent analysis. This is set alongside the development of detailed local studies in a number of metropolitan areas, all with the aim of essentially building the case for a concerted long-term approach to tackling housing market weakness.

Chapter 4 is concerned with the ways that the regional and local evidence bases described in Chapter 3 were assembled and deployed as part of a political coalition building exercise aimed at lobbying government for a market renewal fund. The local and regional nature of the analysis and the problem was emphasised, leading to a programme with considerable flexibilities. The process of the nine original HMR Pathfinders developing their strategic thinking and investment plans is described, with particular focus on the range of issues they covered in their 'prospectuses'.

Chapter 5 takes stock of the development of the HMR programme. The chapter considers the activities that the HMR Pathfinders have undertaken to date, and specifically examines their change of strategy away from a focus on demolition. The way that the HMR programme has had to change in response to shifting political priorities and new conceptualisations of the housing problem is considered – in particular, the imperative for Pathfinders to reinvent themselves as agencies of housing growth exemplifies a shift away from the concerns with social exclusion that characterised early New Labour regeneration policy. The nature and impact of a growing body of criticism directed towards Pathfinders and the HMR approach is also considered. The chapter concludes by examining some of the key issues involved in evaluating a complex programme such as HMR and focuses in particular on whether the question of (geographic) scale has been appropriately addressed.

Finally, Chapter 6 attempts to both look back and look forward, summing up a policy and programme that has traversed a diverse range of government priorities and in so doing has embodied a range of objectives. What the lessons of the HMR

experience tell us about the possibilities of securing sustainable and resilient housing markets, particularly at the local and regional levels, are a key concern of this final chapter. We conclude that there are real lessons for a range of policy design issues: setting objectives, monitoring and evaluating, strategic planning and an emerging 'place making' agenda.

CHAPTER 4: Developing local approaches to market renewal

Introduction

This chapter considers how analysis of low and changing demand for housing was translated into a programme of action for local housing markets. Although Housing Market Renewal was announced by Whitehall as a regeneration programme within the national Sustainable Communities Plan, the analysis of the issues and the implications for the response remained inherently local or sub-regional. The importance of developing a flexible local response to a detailed understanding of local issues within the structure of a national policy, lies at the heart of the HMR approach, and explains some of its tensions. Of particular relevance is an understanding of the political context for intervention.

This chapter begins by considering the importance of local political coalition building for the genesis of HMR and shaping the possibilities of local responses. It then goes on to consider the development of renewal strategies at the Pathfinder level. It does so through the lens of case studies of selected Pathfinder 'prospectuses' – their strategic plans agreed with government – and the connection between their strategic objectives and the needs implied by regional and local analyses of housing markets.

Local coalition building: the politics of Housing Market Renewal (HMR)

In March 2002, the final report of the Select Committee enquiry into empty homes (HC 240-I, 2001-02) made strong calls for a market renewal strategy. By the next month, the nine Housing Market Renewal (HMR) Pathfinders had been announced and a pump-priming resource of £24 million had been made available from the Capital Modernisation Fund for their initial work. As a government policy, Housing Market Renewal had, therefore, quite a rapid genesis. The speed with which a concern with housing market problems in northern cities, articulated through local coalition building and evidence gathering, prompted the formation of dedicated agencies of response, was in some respects astonishing. There were a number of explanations for the rapid rise of low and changing demand for housing in the political consciousness of the government and the formulations of a set of policy goals within the Sustainable Communities Plan. These included:

- **Reconciliation of both spatial and social exclusion:** HMR provided one housing market-led solution to help spatial planning policy reduce the mismatch between communities and the opportunities arising in the local and regional economy.
- **Political backing:** It was championed by 'heavyweight' labour grandees John Prescott, Stephen Byers (as head of DTLR when the Sustainable Communities Plan was announced) and Lord Falconer, who together gave the concept its political traction. Lord Falconer as housing, planning and regeneration minister, played a significant role in the establishment of Housing Market Renewal Pathfinders. Prescott was indispensable to New Labour, as he was seen to understand the northern localities that were home to many working-class Labour supporters (Ashley, 2001). In much the same way, he was indispensable to the HMR project, which offered something to the Labour heartlands. As deputy prime minister and, at the time, the lead politician in the Cabinet Office, he occupied a pivotal role in co-ordinating the different strands of policy, and understood the importance of market renewal to the Sustainable Communities Plan.
- **Local coalitions:** There was momentum and pressure generated by the 'low and changing demand' coalition, which funded the original 'M62 Corridor' report by CURS (see Figure 4.1). The consortium included leading figures in the social housing 'industry', such as Max Steinberg and Jim Battle (then at the Housing Corporation and National Housing Federation respectively), and was organised by Brendan Nevin, whose ability to reconcile the academic evidence base with the politics of the moment, led to his identification by the *Guardian* as one of the UK's leading public policy figures (*Society Guardian*, 2003). The coalition raised the profile of the low-demand problem in the North West and brought it to the attention of senior civil servants and politicians.

These were important features that underpinned the development and success of realising the evidence into firm action and commitment by government. The rapid crystallisation of HMR as a policy tool meant that the detail on local strategy and policy intervention was to be formulated by the Pathfinders themselves in the year following the announcement of the Sustainable Communities Plan. No precise template for this was provided. Pathfinders were tasked with developing prospectuses outlining their evidence base and proposed intervention programme for the period to 2006. In 2002 and early 2003, each of the Pathfinders set down the road of visioning how HMR would work in their area. It was in these prospectuses (and the strategic thinking that went into their preparation), that local innovations in understanding the market and the fruits of the vast market renewal evidence base that was already well established, were expected to pay dividends. Many of the arguments of ideology and principal had already been won, as the intense period of debate and research into low demand and the rapid policy genesis lies in testament. It was then up to each of the Pathfinders to translate a national strategy and idea into something tangible, meaningful and deliverable at the local level.

Figure 4.1: How the housing press reported on the bid to the Comprehensive Spending Review for a market renewal fund

HOUSING today

www.housingtoday.org.uk 8 November 2001 Issue 259

NOISE ANNOYS: Weymouth and Portland mayor Joy Stanley last week drove a Chieftain tank over a pile of stereos and TVs to highlight the neighbourhood nuisance problems caused by loud music.

All the flattened items had been seized by the council's environmental health department in the past two years.

Noise problems caused by loud music were on the increase, environmental health officer Tony Beason said.

West Midlands and north councils and RSLs petition government as market collapse continues

Regions seek rebuild millions

by Janis Bright
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A unique grouping of landlords, councils and representative organisations in northern England and the west Midlands is preparing a mammoth bid for government funding to renew housing in areas where markets are collapsing, *Housing Today* has learned.

The bid to establish a special market renewal fund in next year's comprehensive spending review is certain to run to hundreds of millions of pounds, and into billions longer-term. It is backed by evidence from the groundbreaking Birmingham university studies of housing markets in the M62 corridor and west Midlands, released earlier this year.

The submission, first floated at a meeting in September with junior housing minister Sally Keeble, will include costed examples of possible remedies from three sample areas.

The grouping includes the three northern housing forums, the National Housing Federation, the key cities group including Birmingham, and the Northern Consortium of Housing Authorities.

The research, by the university's Centre for Urban and Regional Studies, caused alarm in the sector when it revealed the extent of market collapse (*Housing Today*, 8 February, and 17 May).

The M62 report found 280,000 homes in areas "at risk" and developed a model for pinpointing housing types and areas most likely to suffer abandonment.

The west Midlands research highlighted decades of "white flight" with black and minority ethnic communities left trapped in inner areas of poor housing. Parallel research is underway in the north east and in Yorkshire and Humberside.

North West Housing Forum link officer Steven Fyfe said that the aim was to establish a government commitment for 15 to 20 years. "This exercise is about returning value to areas that otherwise will not have a tremendous future," he told *Housing Today*. "That means attracting the private sector and individuals back to them. But markets need certainty. Councils will have to give long term commitments on any interventions."

The amount of government support needed has proved difficult to quantify because some areas already have programmes running. "The do-nothing option has costs too," he warned.

The group wants to see action on a far greater scale than current programmes such as the Neighbourhood Renewal Fund. One option is to form new organisations to channel all programmes into a single pot, similar to the old urban development corporations.

Fyfe added: "There will obviously need to be structures. But at present outcomes are much more important."

National Housing Federation head of northern regions Jim Battle added: "This is a key piece of work in establishing what policy initiatives are needed."

Source: *Housing Today*, 8 November 2001.

It should have come as no surprise that this was unlikely to have ever been an easy task. That the housing market was no respecter of administrative geography was an idea well accepted by local government. But, the practice of cross-boundary working remained relatively untested on the ground. At the same time, Pathfinders were expected to respond to a multiplicity of different drivers of change in what was really quite a heterogeneous set of circumstances. The physical symptoms of low demand may have been the same in Barnsley as they were in Bootle, but the drivers and

spatial configurations of the local market in these areas – despite sharing some structural commonalities – were very different.

The scale of HMR as a form of regeneration policy was beyond that previously imagined. As is evident from Table 4.1, most of the Pathfinder's intervention areas are the size of small cities in their own right. This size brought with it a level of complexity in terms of the issues at stake and the political representation that was beyond that of other regeneration policies. Despite the fact that government selected the intervention areas, there was a palpable sense of competition emerging between Pathfinders as, through their prospectuses, they were, in effect, bidding for a share of the initial £500 million HMR pie. While not exactly a race, the kudos of completing a prospectus and submitting it for ministerial approval earlier than the others was quite clearly a goal that was perceived to be worth attaining. That the Manchester-Salford Partnership (MSP) was by some margin the first to submit its prospectus and was quickly allocated £125 million (a quarter of the national budget for the programme), doubtless cemented the importance of 'not coming last' in the minds of the remaining eight.

Table 4.1: Basic characteristics of the HMR Pathfinders

Pathfinder	Area (hectares)	Population		Households	
		2001 (persons)	Change since 1991 (%)	2001 (number)	Change since 1991 (%)
Urban Living	3,295	152,354	- 5.5	57,160	- 1.5
Renew North Staffordshire	5,612	146,637	- 2.5	64,100	4.3
NewHeartlands	5,402	246,464	- 9.6	109,647	- 4.1
Manchester-Salford Partnership	6,379	240,370	- 7.9	102,085	- 7.0
Partners in Action	4,946	183,143	- 0.2	72,593	0.2
Elevate East Lancashire	8,818	206,770	- 3.3	81,754	- 1.5
Transform South Yorkshire	14,286	297,887	- 4.4	125,132	- 1.1
Gateway	6,847	241,412	- 4.8	103,078	0.0
Bridging NewcastleGateshead	3,686	154,790	- 9.3	68,716	- 6.1
All Pathfinders	59,271	1,869,827	- 5.5	784,265	- 2.2

Source: Leather *et al.* (2007, p.15).

HMR prospectuses: the evidence and drivers

In the rest of this chapter we take a closer look at how the Pathfinders were able to set about formulating their own distinctive local approaches to market renewal. The government's emphasis for the programme had always been on innovation and it was clear from the outset that local solutions needed to be designed and delivered for a variety of different markets and contexts. The real innovation in HMR was expected to come at the local level – yet, at the same time, it was arguably a policy whose existence was determined in a very top down fashion. The lack, for instance, of a competitive element to the selection of areas appeared to break with the sort of approach to urban regeneration policy that City Challenge and Single Regeneration Budget had come to epitomise.

The Pathfinders all identified a range of housing market 'drivers' and either used in-house research and analysis to inform their prospectus, or otherwise commissioned external consultants to develop 'holistic' accounts of the local housing market. Such 'holistic' accounts meant different things in different places and the Pathfinders' prospectuses reflected a plurality of approaches. In its advocacy of HMR, the 2002 Select Committee report stressed that:

> *Different solutions are required in different places, taking account of the circumstances facing the housing market in each conurbation and the need to manage change. The rules governing a Housing Market Renewal Fund must provide sufficient flexibility to take account of that diversity* (HC 240-I, 2001-02, para. 155).

A number of the Pathfinders provided comprehensive statistical appendices and bespoke research reports to underpin their evidence base and justify their proposed interventions. The Merseyside Pathfinder 'NewHeartlands' was typical in this respect, drawing on a range of bespoke and existing evidence to provide an overarching commentary and analysis of market weakness and opportunities. Hence, such studies as the Merseyside Urban Housing Capacity Study (2003); CURS' analysis of the Liverpool housing market (1999-2003); the Merseyside Economic Review; the Merseyside Urban Housing Capacity Study (2003); Merseyside Housing Demand Study (2003); CURS' Changing Housing Markets and Urban Regeneration in the M62 Corridor Study (2000), and Sefton Council's Private Sector Stock Condition Survey (2003), all formed part of the significant evidence base for the NewHeartlands prospectus. Other Pathfinders compiled comparable evidence bases. The range of concerns is reflected in the Pathfinders' approaches and can be seen in the themes that their prospectuses address. We have considered the prospectuses for the nine original Pathfinders according to the following themes as well as the methods used to address these themes:

- the economy;
- house prices;

- residents' perceptions (from both within and outside Pathfinder areas);
- housing 'stress';
- vacant property;
- crime;
- demography;
- migration; and
- labour market connections.

The development by the Pathfinders of neighbourhood-based models, especially where these focus on neighbourhood 'function' and change is also considered. These holistic accounts of the local housing market, across tenures and emphasising the importance of sub-markets, presaged the way that subsequent housing market guidance (CLG, 2007b) would consider the analysis of housing markets in Strategic Housing Market Assessments (SHMAs). The Pathfinders' neighbourhood-based models provided an opportunity to take stock of how the housing market worked as a wider system (Gibney *et al.*, 2009), and how 'joined-up' thinking and cross-boundary working for the purpose of delivering resilient and sustainable housing markets was developed.

The economy as a housing market driver

The role of the economy and its future trajectory were clearly influential factors with implications for the level and type of demand for housing. Table 4.2 demonstrates the importance of the economy in constructing the evidence base and drivers in the Pathfinders' prospectuses. All of the prospectuses dealt with the economy in their submissions, although the emphasis varied considerably in terms of the level of detailed analysis.

This coverage reflects the role of the economy as a significant influence within the low and changing demand debates that gave rise to HMR. The changing demand debate referred to the way in which housing in older industrial urban cores had been built to service a different economic era. HMR thus represented an opportunity and mechanism to re-calibrate the local housing market so that it fitted more effectively with the 'new urban economy'. From what we understand about the asymmetry between housing and labour markets (Allen and Hamnett, 1991) our cities and regions today are the legacy of historic development and economic agglomeration (Wannop and Cherry, 1994; Musterd, 2006), that has occurred in response to a number of economic signals and over a number of periods of development. These legacies point to a degree of path dependency of space, whereby previous policy eras (whether positive or negative), affect and shape subsequent policy eras and interventions (see Kay, 2005). Lee and Murie (2004) summarise this in the identification of four distinct phases in which the function of housing has been inextricably linked to the role of the economy:

Table 4.2: Evidence base characteristics of Pathfinders' prospectuses

	Housing tenure	Size of properties	Council tax bands	Type/design of housing	'Connectedness' to economic opportunities	Stock condition	Vacant housing	Household turnover	Ethnicity of population	House prices	Multiple deprivation	Social deprivation & family breakdown	Household income	Health	Demographics	Migration/population mobility	Neighbourhood satisfaction	Housing aspirations	Local economy	Skills	Crime & community safety	Environmental quality	Local facilities/transport	Education
Partners in Action	✓	✓	✓	✓	✓		✓ (BA)	✓ (S)	✓	✓ (RA, PT)	✓ (IMD)		✓ (BS)		✓		✓ (BS)	✓ (BS)	✓	✓	✓	✓ (C)	✓ (C)	✓ (BA)
Manchester-Salford Partnership	✓		✓	✓	✓		✓			✓	✓ (IMD)	✓		✓	✓				✓	✓	✓	✓		✓
Bridging NewcastleGateshead	✓			✓	✓		✓		✓	✓	✓ (IMD)				✓	✓			✓		✓			✓ (BA)
Renew North Staffordshire	✓			✓	✓		✓	✓	✓	✓	✓ (IMD)		✓		✓		✓		✓		✓	✓		✓
Elevate East Lancashire	✓		✓	✓		✓				✓	✓ (IMD)		✓ (IS)						✓	✓				
NewHeartlands	✓		✓	✓		✓ (C)		✓ (C)	✓	✓	✓ (C)				✓ (C)	✓ (C)	✓ (C)		✓		✓ (C)			✓ (C)
Transform South Yorkshire	✓		✓	✓	✓		✓	✓		✓	✓ (IMD)			✓	✓				✓		✓		✓	✓
Urban Living	✓						✓		✓	✓	✓		✓ (C)	✓ (C)	✓ (C)			✓	✓		✓	✓	✓	
Gateway	✓		✓	✓		✓		✓		✓	✓		✓						✓		✓			

RA: comparison to regional average; S: social housing turnover only; IS: income support and benefit dependency; PT: comparison of property types; BA: comparison to borough/district average; BS: bespoke survey; C: commentary only – no data sources given.

- **Production of primary manufacturing and raw materials:** In this phase, working-class housing developed in these places to bring workers to the workplace (see Wannop and Cherry, 1994).
- **Increased productivity and personal mobility:** The development of personal mobility, and in particular the motor car, meant that the skilled artisan class was no longer confined to living in walking distance of the place of employment.
- **The maturation of housing markets:** In this phase, changes in the role of the economy to more service-led spheres resulted in a separation of housing and economic functions. The location of services was not strictly determined by the location of production of housing, therefore the older housing no longer fitted with the original economic function.
- **Housing as an investment:** The increased affluence of households and the aspiration for home ownership led to a situation in which the life plans of many households included a significant investment in housing (Lee and Murie, 2004, pp.236-238). This has only recently been challenged by the 'sub-prime' market collapse associated with the most recent economic downturn.

The argument therefore proceeded that whilst developed economies had diversified, some of the housing stock had not kept pace with these developments. The spatial consequences were that housing which had been built with a primary or manufacturing function became increasingly unattractive to new households. In Newcastle upon Tyne, for example, 'housing choice' was the major reason cited for households migrating to the surrounding sub-region and for jobs leaving the region:

> *The Tyneside flat built pre-1919 was appropriate to a riverside manufacturing area, but may not meet decency and aspiration levels of current residents or attract new ones* (Bridging NewcastleGateshead, 2003, p.10).

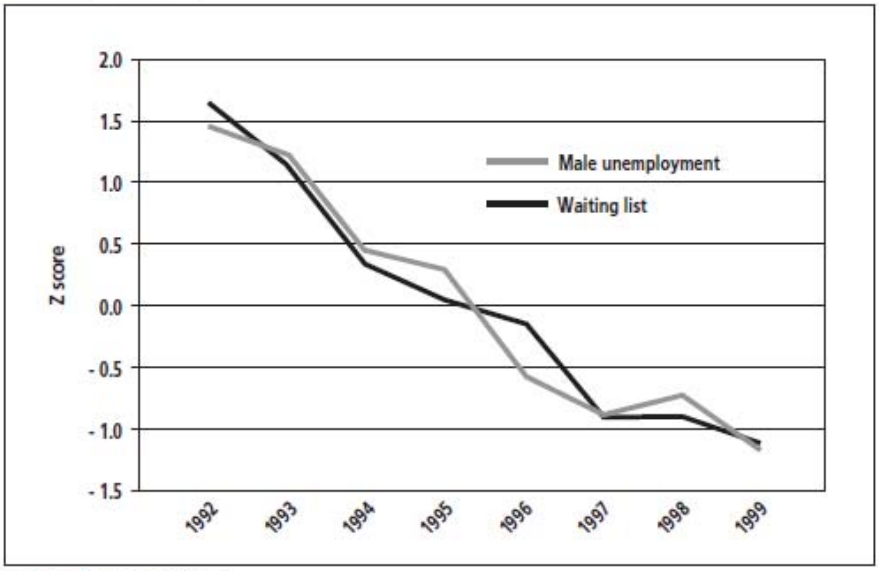
The argument for HMR intervention was built on the premise that, in some areas, a more flexible global economy, demanding more footloose labour, was increasingly adrift from the fixed and immobile housing stock. Whilst flows of financial capital became ever more flexible, production techniques such as 'just-in-time' methods, the rise of niche marketing and the commodification of information, meant that the global economy could deliver 'flexible specialisation', a departure from the patterns of mass consumption and production associated with the Fordist era (Amin, 1994). Housing could not respond in the same way. Housing's answer to flexible specialisation has been, and will continue to be, the reinvention of housing forms and neighbourhoods to perform a different function, or, cater for a new set of social or economic needs. Although there are specific examples such as the 'studentification' of inner city areas of terrace housing (Smith, 2008), or the

recycling of unpopular seaside accommodation for the housing of homeless people, the theory of 'filtering' has long held that, because of the immobility of housing, the hierarchical position of housing and the neighbourhoods it occupies will inevitably change (see Galster, 1996, for a review).

Within the spirit of this logic, the prospectuses proceeded to build up a core narrative that demonstrated and evaluated the extent of the asymmetry between local housing markets and labour markets and the extent to which intervention might be needed to re-calibrate these two divergent 'systems'. The emphasis was conceived and debated in the context of the changing economic fortunes in, and the improved housing offer on the edge of, conurbations which was being reflected in the long-term fall in male unemployment and a decline in the absolute numbers on council housing waiting lists, as evidenced in the highly influential M62 Corridor report (Figure 4.2). This evidence was subsequently used to support the restructuring of housing markets:

> *CURS concluded that 'neighbourhoods at risk (of changing demand) are predominantly social housing areas'. Their analysis also demonstrated 'an almost perfect statistical relationship between fall in male unemployment and the fall in waiting lists for social housing 1992-99'. Their main recommendation was a 'strategic restructuring of housing markets* (House of Commons, 2008, p.41).

Figure 4.2: The relationship between male unemployment and waiting lists (standardised 'z scores', 1992-1999)



Source: Nevin, Lee *et al.* (2000).

The second element in this debate concerned the proactive role that housing could play in stimulating the economy. The argument proceeded that the housing 'offer' needed to be sufficiently diverse in terms of the range and type of housing available in order to attract and/or retain a diversity of households at different life stages and with varying incomes. A monolithic offer, or one with no housing opportunities for higher-income groups, would diminish the prospect and potential for diversifying households and increasing the tax base of the local authority. If there are no housing opportunities for higher-income groups then the potential for diversifying both the housing offer and increasing the tax base of the local authority is reduced. As the economy changed, the housing and neighbourhood offer declined as a result of this. Reinvigorating the economy through a combined assault on housing and the economy was perhaps a lost opportunity when the urban development corporations were set up in the 1980s. The UDCs in many areas focused on transforming the economic uses of land and brought about only limited benefits to local residential neighbourhoods, partly because new workers were drawn from wider areas (Syrett and North, 2008, pp.167-8). Burfitt and Ferrari (2008) predicted a similar effect for more contemporary 'high tech' economic developments in Birmingham on the basis of a lack of fit between housing and economic development strategies. Housing Market Renewal was therefore in some ways the (belated) response to a perceived need for a proactive intervention in the housing market and to address the asymmetry between local housing and labour markets.

In this vein, the Bridging NewcastleGateshead prospectus (Figure 4.3) drew links between changes in the local economy, the loss of traditional manufacturing employment, a process of population out-migration to take up new employment, and the increasingly polarised age structure of the residual population in part of the Pathfinder's area. The lack of diversity in the housing market, they argued, had resulted in a high proportion of employees commuting into the Pathfinder to work for larger employers in the area, such as Sanofi Winthrop and Nestlé. The Renew North Staffordshire prospectus (Figure 4.3) provided a separate annex on the housing market implications of economic change and made considerable effort to compare the performance and size of its central business district (CBD) to comparable city centres such as Leicester and Nottingham.

The prospectuses demonstrated a considerable evidence base in relation to the economy and how the housing market within their areas had been by-passed, or, had developed asymmetrically alongside their emerging sub-regional and regional economies. HMR was therefore viewed as a tool for re-calibrating the (re)development of local housing and local economy.

In the introductory chapter we noted how the 'social exclusion' agenda, became replaced by a competitiveness agenda, which embraced housing by asking, 'how does housing fit within the competitive economy?'. It is clear from the HMR prospectuses that the policy 'mindset' was part of this overarching process of finding,

Figure 4.3: Bridging NewcastleGateshead (BNG) (2003) and Renew North Staffordshire prospectuses (March 2004)

or reimagining, housing's position within a narrative of economic competitiveness. In the following chapter, we argue that this emphasis on the economy 'crowded out' other perspectives, and contributed to a backlash from local communities to the Pathfinder's plans. We also return later to the implications of an over-elaboration of economic drivers in connection to the current credit crisis in the conclusion.

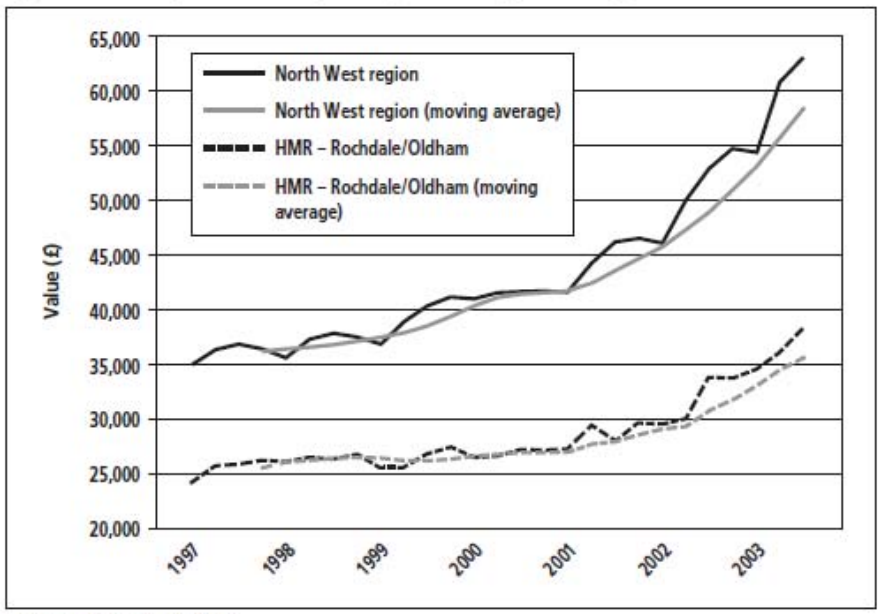
House prices

The HMR programme was given the principle objective of raising house prices, so that the gap between the Pathfinders and the regional average was reduced and this immediately signalled tensions in policy concerning the intended target group. But was HMR principally concerned with raising prices and the offer, so that existing residents could choose to stay? Or, was it about a fundamental change in the symbolic capital of the HMR Pathfinders and an emphasis upon the attraction of higher-income groups from outside the Pathfinder? In some ways, this emphasis on price was to become problematic. It exposed the programme to charges that it was tantamount to an official policy of 'gentrification', where government policy was aimed specifically at eradicating low-cost housing and introducing higher-value housing. Certainly, the house price boom, when it reached Pathfinder areas, meant that questions of the affordability of housing in these areas became more important.

Notwithstanding this, 'changing demand' emphasised the cross-tenure nature of housing market weakness, and demanded that house prices signals were brought within the purview of social and urban policy. Low prices were characterised as problematic first and foremost because it indicated a lack of confidence in local housing markets. Beyond this, there was also concern that wider gaps between different quality and price levels in the housing market might hinder social and residential mobility and consequently serve to socially exclude low-income households. Such outcomes would run counter to key New Labour promises on meritocracy and the 'level playing field'. At the neighbourhood level, increasing price polarisation also undermined objectives associated with 'sustainable communities' and the mix of property and household types these objectives sought to bring about.

When the changing demand debate ignited, there had been much emphasis on the low prices realised by properties being sold in areas at risk of low demand. An emphasis on prices was one way in which the polarisation of housing markets had become evident. This was true both at the local and regional scale. There was concern that growth in house values in the South was outstripping that in the North and Midlands, and also that gaps between high-value and low-value neighbourhoods within these regions were becoming more pronounced. The extent to which prices in Pathfinder areas were falling behind regional averages became a particular focus (see for example Figure 4.4).

Figure 4.4: Tracking terrace house prices against the regional average in Oldham and Rochdale



Source: Partners in Action (2003).

All of the Pathfinders analysed house price trends: firstly, mainly because the aim of Pathfinders was to reduce regional and sub-regional differences in price performance – through their interventions prices would be stabilised and increased; and secondly, because of the availability of a consistent series of house prices geocoded to a variety of spatial scales and available across England and Wales via HM Land Registry data. Urban Living provided a technical appendix to its prospectus, analysing house price change at postcode level and showing detailed comparisons of change over several years. The analysis demonstrated the segregated nature of the housing market and the growing gap between the Pathfinder and the regional average. The analysis of house prices at various spatial scales within the prospectuses reflected both the theoretical and policy thinking behind the policy – and such an objective aimed to help focus minds and attention on attracting new households with a different socio-economic profile from the existing residents.

One of the criticisms of HMR has been its insensitivity to the heritage of the built form that is represented in the terrace house. Critics such as Save Britain's Heritage (2006) point to the successful rehabilitation of terrace housing in gentrifying areas such as Islington, London. Both the critics and the original analysts, however, generally fail to fully acknowledge the diversity of the terrace housing stock. Large terrace town houses with period features set in generous streets are very different from the 'mean' terraces of brick housing, set without foundations, that so horrified George Orwell as far back as the 1930s. In retrospect, while small area statistics were widely used in modelling the risk of housing market change, more perhaps needed to be done to subject the findings to local tests of veracity through 'grounding' the evidence and triangulating a range of methods and perspectives.

Many of the prospectuses therefore provided house price analysis broken down by house type. Land Registry data on house prices allows only the most rudimentary analysis of house type i.e., detached, semi, terrace and flat; but it is through analyses of property type that the most emblematic aspects of HMR have found expression. The original CURS analysis included the proportion of terrace housing and flatted accommodation as indicators underpinning the concept of the risk of changing demand for housing. The logic here was that the immobility and durable nature of housing meant that the housing stock was unable to change in line with societal change and shifts in consumer preferences. In the parlance of HMR, terrace housing (in particular), having been speculatively provided in a former economic era, was now an 'obsolete' archetype; however, the statistics we used to understand local housing stock – principally the ten-yearly population census and the Land Registry's record of house sales – fail to make this distinction. It is therefore very difficult for local market analysis to capture these significant qualitative distinctions. Some of the prospectuses used information from stock surveys to estimate the number of older terrace properties (pre-1919), comparing the proportion of terrace housing and social housing against the borough averages (see, for example, PiA, 2003).

The explosion of information technology and availability of data at small area level was also reflected in the way that the Pathfinder made extensive use of administrative data such as council tax registers. This was used for a variety of purposes including the mapping of the number of properties in each council tax band and estimating the number of empty properties. There was a range of techniques used to estimate vacancies, but these typically would depend on various discount statuses being recorded within the register.

Given the centrality of 'turnover' and 'residential mobility' to the operation of the housing market, it is perhaps disappointing that so few of the original Pathfinder prospectuses did not contain a detailed analysis of population or housing turnover. Some Pathfinders such as Transform South Yorkshire were able to exploit well-developed social housing management systems within their local authorities, to calculate detailed measures of turnover, and the use of CORE data for housing association lettings was used to evidence difficult-to-let and abandoned properties. However, this was much more difficult to achieve across all housing tenures. The private rented sector was particularly under-represented in Pathfinders' analyses, mainly because of the difficulties in obtaining secondary data on the sector. In a pre-HMR study of housing market function, Lee and Nevin (2002) used the council tax register to impute the tenure status of 'payee' and 'statutory payee', in order to provide an impressionistic picture of the changing tenure characteristics of neighbourhoods. Some of the earliest analyses of low and changing demand emphasised high rates of turnover in being indicative of a 'loosening' of local market conditions. Keenan's (1998) study of Newcastle upon Tyne considered the frequency with which local households were able to 'churn' around local neighbourhoods. His graphical depiction of the detailed processes of turnover at a street-by-street level (Figure 4.5), powerfully demonstrated how low demand for properties could effectively empty out local housing markets and enable a more fluid, and less competitive, environment for the exchange of properties (see Keenan, 1998, p.39).

Connectedness

Measures of the proximity or connectedness of Pathfinder areas to wider economic opportunities were often used to highlight the importance of economic links to the sustainability of local housing markets. In some cases, this implied a change of function or role within regional economies, as relatively isolated, formerly economically-insulated settlements struggled to adapt to new outside pressures and a more outward-looking economy. The maturation of housing markets and the asymmetry of housing-economy elevated the importance of other drivers such as location, services and the absence of crime in determining housing market behaviour and choices, and house prices, as a measure of housing market performance, encapsulated in a number of dimensions of the house and environ which the Pathfinders attempted to reflect upon in their submissions. Some Pathfinders, for example, emphasised the proximity of valued leisure or environmental assets, underpinning a 'quality of life' agenda. Partners in Action (PiA) in Oldham-Rochdale highlighted the location of the Pennines and a good

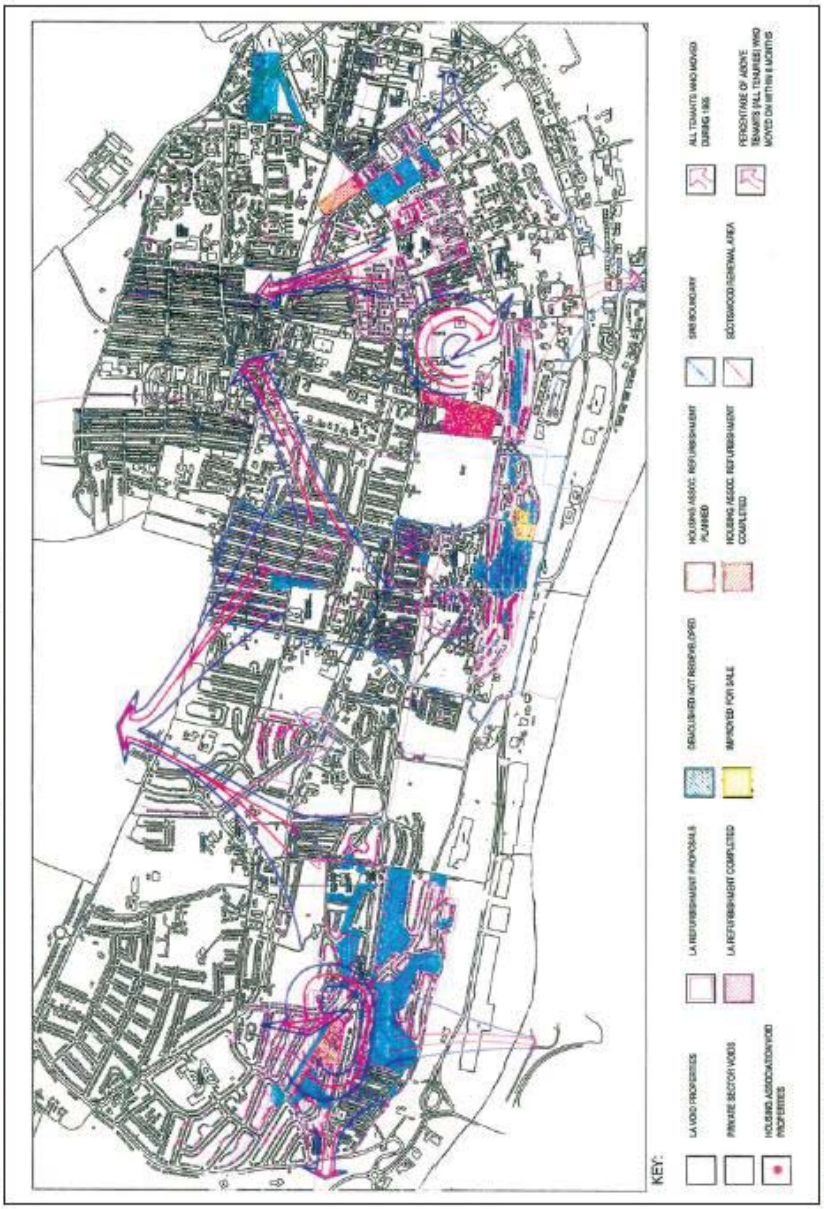


Figure 4.5: Processes of household mobility in west Newcastle upon Tyne

Source: Keenan (1998). Reproduced with kind permission.

environment, good access to rail links and the motorway network, and the fact that 80 per cent of the Pathfinder's housing stock was within two miles of a town centre to demonstrate the opportunities that the Pathfinder could build upon in tackling its weak housing market. This was accompanied by an analysis of environmental quality, assessed by way of a commentary on the green space and the presence of neglected and abandoned buildings within the Pathfinder area.

Renew North Staffordshire emphasised the impact on the local housing market of being 'caught' between the three travel-to-work areas of Greater Manchester, Merseyside and the West Midlands, which was exposing it to wide competition for employment and housing. Renew also highlighted the highly fragmented governance structure that is the historical legacy of industrial development in the six separate towns that make up Stoke on Trent. This had led to a more mixed pattern of land use and the proximity of housing to industrial land and transport arteries. Renew recognised that, *'…not all industrial/commercial uses are "good neighbours"'* (RNS, 2004, p. 39).

Another important spatial relationship was highlighted in the competition between neighbourhoods in local housing markets, particularly where it was felt that nearby new supply had undermined the market in more established neighbourhoods. The first round of HMR prospectuses explored in some detail the broader regional implications of these spatial connections, the views of residents on the local housing market, and the factors affecting their decisions to move in or out of the area. Table 4.3 lists some of the main spatial relationships that were routinely identified in the Pathfinders' work.

Table 4.3: Important spatial relationships for Pathfinders

Economic opportunities
- Access to economic opportunities and growth economic sectors.
- Commuting distance and quality and frequency of transport connections.
- Links between local economy and wider regional or national economy.
- Area attractive to long distance, employment-seeking migrants.

Leisure and environmental assets
- Access to countryside or other 'natural' environments.
- Proximity to retail centres offering quality and choice.

Housing market
- Competition with nearby new housing supply.
- Attractiveness of neighbourhood.
- Local demographic and socio-economic characteristics.
- Performance of local housing market (relative to nearby areas).
- Quality of local facilities (e.g., schools) driving local housing market.

Governance and democratic accountability
- Cross-boundary co-operation.
- Joint planning agreements.
- Political 'factionalism' between areas.

Residents' aspirations and intentions

In dealing with the complex nature of the spatial relationships they had identified in their areas, Pathfinders tended to combine both quantitative survey and secondary data sources (such as council tax data) with more qualitative findings. This was particularly the case in Pathfinder work on assessing residents' aspirations and intentions. Bridging NewcastleGateshead used a 2002 housing needs study to identify demand for different types of housing from households wanting to move and from concealed households. It was contended that the housing market in Newcastle and Gateshead was being affected by a polarised age structure. In particular, the intensification of student housing in certain neighbourhoods was identified as contributing to the changed demand for the area, resulting in neighbourhoods being associated with transient demand groups and not being suitable for households with families. The NewcastleGateshead survey demonstrated a low demand for flats. This suggested a need to diversify the stock profile to tackle an ongoing long-term trend for households with children to move out of the Pathfinder area into to the adjacent sub-region. Although its prospectus steered away from providing a benchmark, Partners in Action (Oldham and Rochdale) was one of the few Pathfinders to define housing market vulnerability on the basis of resident responses to a bespoke survey:

> *Housing market vulnerability is defined as the percentage of current residents who wish or plan to leave the neighbourhood in the next 5 years. Within the Pathfinder only 29% expect to and wish to remain in the neighbourhood compared to those outside the Pathfinder area where 46% expect and wish to remain in their neighbourhood. In some of the most vulnerable neighbourhoods this figure rises to around 80% of the respondents planning to or wishing to leave in the next 5 years* (PiA, 2003, p.13).

Like many other Pathfinders, Renew North Staffordshire invested heavily in research underpinning the programme outlined in its prospectus. A *Market Towns New Buyers Survey* provided a representative sample of households in newly-built owner-occupied housing within a 15 mile radius of the conurbation. This survey was used to explore whether adjacent housing development served to displace demand from the HMR area. It found that in general householders had negative perceptions of the urban core. It also demonstrated that a relatively low proportion of households living in new-build housing had previously lived elsewhere in the conurbation. At the same time Renew commissioned a survey of the occupants of new-build properties within the Stoke and Newcastle under Lyme conurbation. This demonstrated very different results from the Market Towns survey, with high levels of demand originating from households already living in the conurbation. In terms of lessons for housing research, these studies demonstrate the importance of having a framework that recognises the dynamics between different parts of the sub-regional housing market and the different aspirations of residents within existing and new and emerging

markets. Similar methods, comparing patterns of mobility and household perceptions within and beyond the metropolitan core, were also used by the other Pathfinders. Transform South Yorkshire, commissioned 'insiders' (MRUK, 2004), and 'outsiders' (SQW, 2005), surveys to establish perceptions and demand within the South Yorkshire housing market. The results from these surveys indicated that outsiders tended to have a negative view of the housing offer within the Pathfinder area.

In a pre-HMR survey of leavers, a household survey in Merseyside found that households that had previously lived in Liverpool and had migrated to the Wirral, would not be attracted back to the area even where there were significant investments in the neighbourhoods they had previously lived in (see Lee and Nevin, 2002). In the Bridging NewcastleGateshead Pathfinder, 'housing choice' was cited as a major reason for households migrating to the surrounding sub-region and employment for leaving the region; and in Sandwell and Birmingham (Urban Living), focus groups were used to explore the perceptions of residents living outside the Pathfinder.

Generally, the findings of these various studies implied that whilst efforts should be made to attract people to the area, more emphasis should be placed on retaining households and population and developing a 'housing pathway' (in the loose sense, albeit derived from Clapham's (2002) more formal social constructivist framework), to allow existing residents to remain especially as their economic circumstances and ability to exercise choice improve. This highlighted a tension between the need to respond to existing older and established communities, and the strategy of appealing to the new economy by 're-branding' and 're-packaging' the neighbourhood, to enable the re-calibration of housing and labour markets along the lines discussed earlier in this chapter. Whilst proximity to amenities and quality of life play an important role in determining the trajectory of housing markets and neighbourhoods, the symbolic capital bound up in areas and the perceptions of outsiders are also key drivers. The evidence base assembled by the HMR Pathfinders appears to suggest that whilst changing the areas' profiles may have a long-term impact on changing the trajectory of the area and attracting different household types to it, in the shorter term, the emphasis should be on working with the existing community to develop housing pathways and a long-term vision for the area.

Crime

Crime features as a major driver of housing market performance and was treated in some depth by the Pathfinders in their prospectus submissions. Bridging NewcastleGateshead, for example, identified crime as a significant factor affecting the housing market in its area (BNG, 2003). Levels of crime were differentiated by neighbourhood, demonstrating an unevenness in the types and spatial incidence of crime. Interestingly, their research found that rates of violent crime were low in many neighbourhoods compared to the average for England, and indeed, some

neighbourhoods had lower rates than the Newcastle and Gateshead district average. This reinforced the notion that it is the perception and fear of crime, rather than actual incidence, that is often most influential in determining how different areas are viewed. Other Pathfinders used local level data on crime in similar ways. Transform South Yorkshire used crime statistics at small area level to create an index of social cohesion combining population and turnover statistics with crime levels. Meanwhile, Partners in Action drew on existing survey data to suggest that the proportion of residents that thought the borough was a safe place to live had increased over the period 2001-02. The implications of many of the analyses of crime undertaken in the Pathfinders' prospectuses are that housing renewal strategies need to work hard to counteract negative stigmas associated with areas, which may persist long after the 'actual' problem is tackled. In Wood and Vamplew's (1999) study of Teesside, the importance of stigma and negative perceptions are keenly felt, both by residents who often feel that they are unwarranted.

Overcrowding

It must be recalled that the Housing Market Renewal 'agenda' influenced the development of Pathfinder prospectuses, and emphasised the degree of abandonment and 'churning' in the market, as evidence of changing demand and the need for intervention. The emphasis on abandonment, churn and the asymmetry of housing and labour markets (as reflected in house prices) also reflected the politics of HMR and the need to present the most convincing messages to ministers. It is no surprise, therefore, that little attention was paid to the problems of overcrowding in Pathfinder areas. Only two Pathfinders made reference to overcrowding in their submissions and these were generally in areas in which there was a high BME population. Whilst it is not surprising that there was little emphasis on overcrowding, it perhaps explains the emphasis on 'low demand' and 'abandonment' in the Communities Plan, whereas overcrowding depicted a different, but associated problem of changing demand. Overcrowding continues to represent a significant housing stress issue for BME communities, but also characterises the asymmetry between patterns of supply and arising need and the segregation and limited choice in some areas with a high concentration of BME population. This was certainly the case in Birmingham-Sandwell Urban Living, where a pre-HMR report on the North-West Birmingham SRB 6 area indicated a high degree of interaction between overcrowded neighbourhoods in Handsworth and migration to newly-built larger properties in the adjacent local authority of Sandwell (Nevin, Goodson *et al.*, 2001).

Segregation and ethnicity

Whilst the issue of overcrowding was treated parsimoniously, there was considerable attention paid to patterns of ethnic segregation and concentration of ethnic minorities. The availability of 1991 census data, which included for the first time a question on ethnicity, was supplemented by the availability of 2001 data during the

production of the prospectuses, and this allowed some limited (although flawed) longitudinal analysis of change in the ethnic composition of neighbourhoods and the broader housing market. Comparison of 'ethnic minority' neighbourhoods was made with other variables such as house prices and empty properties; in PiA, for example, this prompted a number of policy issues regarding the changing demand debate, low demand and segregation:

- Preferences for owner-occupation results in pressure on house prices in existing/traditional areas of residence.
- Household growth amongst BME communities adds to this pressure.
- Movement out of these areas is restricted by social and community ties and fear of harassment, particularly when considering moving into social rented neighbourhoods.
- Danger of social unrest resulting from feelings of social injustice and increased levels of overcrowding, especially in the context of adjacent areas with high levels of empty properties.

A majority of the Pathfinders had relatively low proportions of ethnic minority households compared to the national or regional average. In Liverpool, a number of explanations have been put forward for the problems of low demand, and whilst the relatively low proportion of ethnic minority households (8 per cent), was not the cause of low demand, the absence of a large ethnic minority population was one significant factor in a set of processes that failed to avert the large-scale population decline over the post-war period. In contrast, almost 65 per cent of the Birmingham-Sandwell Pathfinder population was from a Black or Minority Ethnic background, and whilst there were pockets of abandonment and low demand in Birmingham-Sandwell, the problem was more of rapidly changing demand arising from the housing needs of a growing and mobile BME population, in addition to the needs of a large base of asylum seekers and refugees that had been subject to national dispersal policies. This contrasted with the contiguous and high volume of abandonment in areas such as Kensington in Liverpool that had witnessed population loss and accompanied by a relatively low proportion of BME households.

The presence of ethnic minority populations therefore presented significant implications for future household growth and demand within Pathfinders. Partners in Action used a methodology pioneered by Bradford City Council and Ludi Simpson of Manchester University for estimating future growth in the number of households based on the ethnic minority population. PiA also used ODPM's population and household projections to base their analysis of future trajectories and housing needs. The majority of the Pathfinders used existing population trends and projections, and whilst there was some evidence of innovation, the prospectuses signalled the need for more robust and ongoing development of evidence-based data, which is less dependent on inter-census returns in order to track and monitor population change on a consistent and timely basis.

Bringing it together

A number of prospectuses brought the overall analysis together using a range of summary devices such as SWOT analysis (strengths, weaknesses, opportunities and threats) and various forms of indices and domains of housing market weakness. Renew North Staffordshire, for example, utilised a neighbourhood typology to identify the areas of greatest housing weakness across its area development frameworks (ADFs). The indicators used to create the typology included:

- Households with the lowest incomes.
- The lowest house prices and the highest levels of property sales (churning).
- The highest rates of crime and disorder.
- Disproportionate numbers of private renters, students and asylum seekers.
- The highest levels of statutorily unfit properties.
- A proliferation of non-conforming mixed uses.

Transform South Yorkshire grouped domains of indicators together to provide an analysis of *social exclusion*, *social cohesion*, *housing market weakness* and *environmental* indicators. These were mapped at small area level to provide a focal point for investment and areas for intervention. The Manchester-Salford prospectus provided a commentary on the features of low and changing demand and how this has shaped the housing and neighbourhood offer within the Pathfinder. It was based on a comprehensive set of indicators and is a good example of the way in which housing market analysis can be brought together in a summary fashion to demonstrate the collective understanding of the situation locally. The Manchester-Salford Pathfinder used these to maximum effect by concentrating on the narrative and how these indicators related them to the need for interventions, action plans and areas for investment. Alongside this was a summary of the evidence for each ADF and how the planned interventions would make a difference in each area was provided. SWOT analysis was embedded in a variety of different narratives of housing markets and their performance within each of the prospectuses; PiA and Manchester-Salford were more explicit in summarising the strengths, weakness, opportunities and threats within their respective markets (see Table 4.4).

Weighing up the influence of these local factors against other, more consistent, sets of drivers is difficult, however, and examples of locally specific factors included: the role of deep mining and the 30 metre rule affecting house prices within North Staffordshire (Renew), and the historical legacy and path dependency of 'Tyneside flats' in Bridging NewcastleGateshead's submission. Urban Living provided a summary of key market drivers with symptoms and a baseline position for each indicator (see Table 4.5).

Table 4.4: Comparative SWOT analysis of MSP and PiA prospectuses

Strengths	PiA	MSP	Opportunities	PiA	MSP	Weaknesses	PiA	MSP	Threats	PiA	MSP
Proximity to town or regional centre/countryside	✗	✗	Strong growth in the regional centre (knowledge economy)	✗	✗	High economic inactivity and benefit dependency/low income	✗	✗	Continued out-migration by families		✗
Assets of regional centre		✗	Completion of planned investments in schools, transport and/or health	✗	✗	Declining population and families leaving		✗	Displacement by investment outside HMRP	✗	✗
Committed investment in public services		✗							Transport improvements lead to commuting into regional centre		✗
High levels of private sector investment in commercial and housing developments across the city		✗	High prices in other areas so HMRP represents value for money family housing		✗	Poor quality physical environment, aspect/ maintenance	✗	✗			
LAs with track record of delivering change		✗	Interest from developers in large-scale investment		✗	Poor quality social infra-structure, especially schools		✗	Unregulated private sector undermines HMRP and other investment		✗
Coherent funding strategies across the LAs		✗	Key workers – retaining economically active working in the city		✗	Lack of housing choice, age and obsolescence	✗	✗	Macro-economic conditions change		✗
Good transport links	✗		Household growth	✗		Opportunities for the private sector piecemeal and small scale		✗	Image and perception of the boroughs and neighbourhoods	✗	
Population remains and voids low	✗		An improving schools performance	✗		Below average educational performance	✗		Low skills base unable to take up job opportunities	✗	
Communities with strong cultural and social bonds	✗		Joint Vision and borough Masterplanning	✗		Perception of crime and image of neighbourhoods	✗		Unnecessary or premature release of greenfield sites for residential development	✗	
Communities with a sense of place and pride	✗		Improving transport	✗		High turnover in social rented housing			Potential lack of suitable building land in the HMR area in the longer term	✗	
Population young and diverse	✗					Polarisation and segregation of communities	✗				

PiA: Partners in Action; MSP: Manchester-Salford Partnership.
Note: PiA identifies sources to support its SWOT analysis.
Source: authors' comparison of prospectuses.

Table 4.5: Summary of housing market drivers in Birmingham-Sandwell

Key market drivers	Typical symptoms	Examples of baseline position
People: demographic and economic change	Loss of population	6% decline in population 1991-2001
	Increase in BME communities	Over 90,000 new BME residents (39% growth 1991-2001)
	Decline in manufacturing jobs	Decline in manufacturing jobs (Sandwell 49% in 1981 → 26% in 2001)
	Low wages/incomes	Mean household income 16% below Birmingham/Sandwell
	Loss of skilled workers	40% of population has no qualifications
	Increase in dependent population	23% of all households, include someone disabled or long-term sick
	Loss of 'family' age groups	Decline 1991-2001 0.3% HMRA (13.4% decline WB/GG)
	Levels of asylum seekers/ refugees	8 x concentration of NASS contracts in Pathfinder area compared with Birmingham/Sandwell as a whole
	Growth of private rented sector	Private rented sector 10% HMRA 7% Birmingham/Sandwell (2001)
Perceptions: rising aspirations in the housing market	Increase in home ownership	GB 49.1% to 68.1% (1971-2001) HMRA 49% (2001)
	Preference for large properties	35% moving want a larger house
	Negative perceptions of inner city neighbourhoods	68% of existing households likely to move or show preference to leave area
	Negative external perceptions of HMRA	External perceptions are that the area is run down, with poor housing quality and choice, poor facilities and services, and high levels of crime
	Higher levels of affordability	Total household income (£/capita) increased by 17.38% from 1995-1999
Property: inability to restructure housing provision	Lack of new housing supply	670 completions in HMRA area in last 3 years
	Dominance of social renting	37% LA + RSL in HMRA area (28% Birmingham/Sandwell)
	High desire to leave area	68% of existing households preference is to move out of area
	Predominance of lower-value properties	75% of transaction below £50,000, 5% above £100,000 UK average house price £150,000 (Average price 61% of WM regional figure)
	Level of unfit housing	15% in Sandwell – 7.6% nationally
Place: inadequate public services/ dysfunctional urban form	Relatively poor education offer	Only 35.2% of pupils 5 or more GCSE's A*-C passes
	Dissatisfaction with neighbourhoods	17% of households dissatisfied with neighbourhood
	Unkempt and untidy local environment	18% of households dissatisfied with area around property
	Relatively poor health levels	Infant mortality 20% above national average. Life expectancy 2.5 years less than national average
	High crime levels/anti-social behaviour	Incidents of arson 1.84/1,000 properties (1.04/1,000 for rest of Birmingham/Sandwell)

Source: Urban Living Prospectus, 2003, p.41.

Whilst there are no examples of specific models of neighbourhood trajectories to anticipate what the market for particular neighbourhoods will be in the future, there are some examples of Pathfinders providing commentaries on the anticipated future profile of parts of the Pathfinder. For example, Renew provided a profile of key demographic statistics (including household type, ethnicity, and employment status) against its 'social housing' neighbourhood typologies (such as 'social periphery' and 'social core') and speculated that, *'…in time the estates will become more unstable as demography creates vacancies'* (RNS, 2004, p.55). In Renew's case this was supported by evidence on incomes and average mortgage payments and rental payments within different parts of the Pathfinder which provided a commentary on the competition between tenures to provide further background on the trajectory of neighbourhoods:

> *The continuing market for the terraced sector in Stoke-on-Trent is dependent upon the sub-regions low wage economy. The Inland Revenue data base records the average income as the third lowest of the 354 local authorities on their records. Evidence from the household surveys highlights average mortgage repayments of between £36 to £55 per week in areas in the first phase of the Market Renewal Programme. By way of comparison, in Meir* [a suburb of Stoke] *council house rents are £49 and private rented accommodation £63 per week. Therefore, the cheapest accommodation for a low wage employee in Stoke-on-Trent is the pre 1919 terraced property* (RNS, 2004, p.56).

Developing in-house expertise and the 'collective memory of place'

All of the prospectuses were founded upon some element of newly commissioned work. Renew North Staffordshire, for example, commissioned a number of bespoke reports including 'The Economic Futures for North Staffordshire and their implications for the Market Renewal Area', which informed the development of the prospectus and were published as separate appendices to their prospectus. However, there was also considerable use of existing data sources and systems, whose principle purpose was not housing market analysis, but which was brought to bear on the housing market question. Some Pathfinders such as the Manchester-Salford Partnership were able to begin to explore the use of council tax data as a means of measuring turnover (in addition to vacancy rates), although this has not become a widespread practice, due to inconsistencies in the way that council tax datasets are maintained. However, as we noted in the previous chapter, the environment in which data from sources such local council tax registers can be used has changed, with a risk averse environment predominating and public service agreements creating obstacles to shared intelligence and data. This is a topic we return to in the conclusions where we discuss the development of data management systems and foresight.

The development of HMR prospectuses led to a number of cross-boundary initiatives designed to understand the local housing market and to share intelligence.

In Liverpool (NewHeartlands), the designation of HMR status subsequently led to the development of an asset management database on facilities and land-use, which was used extensively in the development of the prospectus and implementation of HMR. In South Yorkshire, TSY (Transform South Yorkshire) merged its research and intelligence function with the existing sub-regional housing and regeneration partnership SYHARP, developing an evidence base for the sub-region based on best practice of the monitoring of the housing market locally. These arenas will become more important in the future not just as reception areas for data but also as mechanisms through which data and interpretation of data can be challenged. The infrastructure and data sharing mechanisms of HMR (across boundaries and across themes) is a lasting legacy which was demonstrated within the first wave of HMR prospectuses. This has had the effect of creating a more systematic focal point for the Pathfinder for understanding the local dynamics of declining markets, but also provides a basis for capturing the collective memory of place: the trajectories and changing fortunes of places, and how they are shaped by events.

Summary

This chapter has focused on the development of the initial wave of prospectuses which reflected a large volume of activity in the research and intelligence gathering of housing market processes and outcomes locally. More significantly, data was harmonised systematically across local authority boundaries and the findings placed within a broader spatial framework of the sub-region and region. The language of Housing Market Renewal and the prospectuses consistently favoured radical interventions in order to provide 'housing pathways', to 'reconnect communities to the emerging economy', and to close the gap in housing prices between parts of the sub-region and HMR area. This provided a fertile collective mood favouring demolition as a major tool for restructuring the housing market.

CHAPTER 6: Retrospect and prospect: delivering sustainable and resilient housing markets

Introduction

As we noted in Chapter 1, concern with the 'socially excluded' became one of the defining characteristics of early New Labour. Urban blight and poor housing conditions – hand in hand with social problems – helped to define New Labour's domestic policy focus. This transformational agenda – not only of society, but of its housing and urban space – led directly to a variety of policies and programmes such as urban renaissance (Urban Task Force, 1999), decent homes (DETR, 2000b), the National Strategy for Neighbourhood Renewal (SEU, 2001) and ultimately, Housing Market Renewal (ODPM, 2003). HMR in particular, has signalled both an acceptance of the dominance of the market in housing provision as well as a will to intervene in its operations where necessary.

Housing Market Renewal was presented as a tool for re-calibrating low-demand areas to the needs of a competitive economy. The competitiveness agenda overtook the 'social exclusion' agenda and was underpinned by narratives around the 'knowledge' and 'creative' economy. Rescaling arguments were presented to support and underpin these narratives concerning the competitiveness of regions and city regions, and the need to attract and retain the right kind of workforce for a knowledge-based economy (KBE) and creative economy to prosper. Creating good quality neighbourhoods in the Pathfinder areas was paramount to this agenda. The prelude to HMR had stressed the need for housing pathways, and re-aligning the housing market and the evidence base of HMR emphasised the asymmetry between the housing and labour markets, by presenting evidence that showed the failure to provide housing pathways for aspirational groups. In this context, the Housing Market Renewal 'mindset' engaged with the 'core' narrative of competitiveness by asking, 'how does housing fit within the competitive economy?'. Through demolition and replacement, HMR, therefore, introduced a tension between existing communities and a new set of households with different aspirations and tastes.

The last fifteen years (1995-2010) has witnessed unusual volatility in the housing market and has been characterised by three distinct phases: i) a period which combined high rates of abandonment, falling waiting lists for social housing and rapid rates of churning and turnover in the rented sector in the North and Midlands (1995-2003); ii) a period of record increases in house prices and problems of housing

supply and affordability (2003-2007), and iii) a period of almost universal devaluation in the market, fuelled by the restriction in the supply of credit, the concomitant collapse in the number of housing mortgage products, and a stalled supply pipeline as builders and developers struggled with the reduced supply of credit to fund their activities (2007-2010). The unparalleled slump in the market has led to house prices falling by more than 20 per cent and economists predicting that values will fall further (*The Guardian*, 2009). In some markets, such as city centre flats, market confidence has been decimated as prices have dropped by more than half in some cases. A special report in investment trends in UK cities reported on flats selling for £50,000 less than the owner had originally pad over an 18 month period and repossessed flats being dumped on the market at much reduced prices (*The Guardian*, 2008). The report gives examples of market prices deflation such as a one-bedroom flat sold by a developer for £140,000 in 2001 fetching just £87,970 in 2008, and a two-bed flat selling for £180,000 in 2005 achieiving just £128,000. The price falls of between 28-38 per cent are not reflected in an overall decline in UK house prices, but reflect a differentiated market and the over-inflated prices achieved through a distributed network of arms length investors encouraged by a deregulated financial system.

In this book we have used the experience of the Housing Market Renewal programme as a means for exploring changes in perspectives and interventions in the housing market, and to explore whether this has worked. The HMR programme was the result of a new set of perspectives on housing. Housing was increasingly seen not just as a locus of processes of social exclusion and a reflection of those processes, but also central in shaping the links between local areas and regional economies. These twin perspectives were emblematic of policy developments associated with New Labour and a shift towards a competitiveness agenda which viewed housing as a vital component of the development of a modern economy.

The challenge facing the market beyond 2010 is of a different magnitude from the late 1990s and arises from a different set of starting points and drivers. The credit crunch and resultant recession is a global phenomenon affecting most markets whereas the problems of low and changing demand was very localised in the UK. The credit crunch and recent housing market downturn resulted from excessive supply of credit rather than the lagged housing market response to industrial restructuring and adjustments in the demand for social housing, which was the case with low demand. As we saw in Chapter 2, in the case of Liverpool the drivers were operating at a variety of spatial and temporal scales and were dependent on previous policy eras, for example, i) decentralisation of planning during the 1950s and 1960s; ii) diversification of the economy during the 1970s and 1980s; iii) the impact of national welfare policies in the 1980s and 1990s; iv) the reinvention of housing markets (e.g. student markets) during the post-war period; and v) the fragmented governance and political instability of the early 1980s. The evidence base was slow to catch up with what local authorities knew was happening 'on the ground', but it gathered pace quickly and support for intervention grew quickly because of speed at which political alignments

and coalitions were being formed. None of the subsequent phase of policy development had the foresight to predict the dramatic collapse witnessed since 2007; partly because of the speed of reaction and implementation of policies designed to arrest what had been a slow, long-run of decline.

A great deal of emphasis in this book has been on the asymmetry of housing and labour markets. The credit crunch has demonstrated the degree to which our evidence and foresight has been limited in its ability to forewarn policy-makers of the consequences and impact of different economic scenarios and potential outcomes. The post-credit crunch and the recession question our ability to deliver sustainable housing markets. The combined evidence base of HMR could not predict the credit crunch and subsequent housing market failure. HMR interventions were designed to underpin the housing and economic renaissance of the North and Midlands and failed to avert or arrest a collapse in prices and demand. Given this state of affairs, what confidence do we have in the future development of research and policy in housing market behaviour? What does this mean for a policy agenda in building sustainable housing markets? Given the global interconnectedness and spatial scale at which processes are operating, can a regional or national response insulate future policy from negative effects?

The goal of this book has been to consider such questions alongside the policy developments in housing markets over the past decade or so. The question therefore arises as to how we can avoid such fluctuations and market volatility in the future? How can we build sustainability and resilience into the housing market so that we can avoid the repetition of excessive fluctuations in the market? In this concluding chapter we consider the lessons learnt from the low and changing demand debate, the implementation and adaptation of HMR policy and the prospects for the future especially in the context of the post-credit crunch challenges. The requirement is for a 'new normal' for housing-led regeneration and renewal ('Redesign our Regeneration', Tim Williams, *Regeneration & Renewal*, 11 January 2010), and the increasing importance of building in resilience to public policy-making and the strategic housing function. In the following sections we reflect on some of the problems that beset and continue to challenge HMR as a housing policy programme and consider what needs to change in order to deliver more sustainable and resilient housing markets in the future.

The rhetoric of low demand: the ambition of HMR

In the context of recent growth in the housing market – including growth in previously low-demand Housing Market Renewal areas – it is easy to forget how significant the experience of 'low demand' was. In the early 2000s, after about five years of general acceptance of the existence of low demand, weak local housing markets and empty homes were still posing very difficult questions for policy-makers especially for those planning, developing and managing social housing; it was also

having severe implications for those who owned their own homes, or, were tenants and residents in affected communities. Low house prices in the worst affected low-demand areas impacted on social and residential mobility by trapping homeowners in low-value housing in their neighbourhoods in a spiral of decline. Images of boarded up housing in Merseyside and other deindustrialised conurbations highlighted the polarised nature of the market in the late 1990s and the plight of many of those trapped in low-value housing – so we should guard against delusion and not overlook the plight of homeowners and tenants in such neighbourhoods – their interests need to be protected as well as those of future households. By the mid 2000s house prices had moved so dramatically and the situation had changed so completely that the issue for housing policy and housing markets was now one of 'getting into the market', rather than 'getting on in the market'.

The distinction between low demand as a 'real' market condition with real losers and a drag on economic performance and neighbourhood approval, and low demand as a general narrative of the North and Midlands (low-demand areas in their own right), highlights how low demand could exist as a phenomenon which engendered a set of behaviours and responses among actors in the housing arena. It quickly became a much abused, catch-all term for unpopular housing and reflected the way the housing policy world was shocked by the way low demand appeared to manifest itself very quickly. It is not an over-exaggeration to say that low demand became the predominant housing concern towards the end of the 1990s. Low demand became firmly embedded within the housing lexicon and continues to be used interchangeably to refer to lettings difficulties, high void rates and turnover, investment 'mistakes' and as a characteristic of regional housing market differences. A mindset of low demand extended to a general pessimism about social housing and its role; and certain neighbourhoods and their role. The repercussions of this were a quickly growing concern with alternative modes of investment and its delivery, remodelling the form and extent of housing supply and the opening up of questions of demolition – a discussion that had always been previously somewhat taboo following slum clearance in the 1960s. But, because low demand and abandonment in some parts of the North and Midlands were so stark, the evidence was used to suggest a significant threat or risk to a much wider area. In retrospect, it is easy to detect a rhetoric that fuelled the ambition of HMR. The rhetoric was used to exaggerate and gain political traction.

Perhaps because of this, the HMR programme was set with an over-ambitious set of objectives: for example, in addressing low demand it was set with the aim of reducing the house price differential and the gap in prices between areas. A key moment in the genesis of HMR was the select committee inquiry into the problem of empty homes. This made some strong recommendations and was quite unflinching in its description of what would happen without a market renewal approach. The committee talked of northern cities being wholly and unremittingly comprised of *'…a devastated no-man's land encompassed…by suburbia'* (HC 240-I) unless

remedial action was taken. The enormous cost and time implications of what was being proposed were clearly acknowledged, as was the futility of any intervention that did not involve co-ordinated policy and leadership across a wide area. It made the case for sweeping away the past and was consistent with a Blairite modernisation agenda. It was framed in a way that suggested a total collapse in some parts of the North, and that HMR represented a once-in-a-lifetime chance to develop a new and modern future for the North's cities:

> *…the problem of market collapse is also a unique opportunity. It gives us the chance to restructure and rebuild our cities for the twenty-first century. We must now seize that opportunity* (Great Britain, 2002, p.5).

> [HMR is] *absolutely the last chance to get what we call regeneration right in the UK* (Brendan Nevin on *File on Four*, 'Urban Regeneration' on BBC Radio 4 on 8 March 2005).

However, this was patently not true. To claim that HMR was a last chance to get regeneration right highlighted the degree of rhetoric that beset the programme, and undermined its long-term credibility.

Oddly enough, given New Labour's concerns with communitarianism in other strands of its urban policy (Imrie and Raco, 2003), HMR could be characterised as representing a new form of a rather old-fashioned concept. It was centrally designated (without the competitive bidding associated with the era of City Challenge and the Single Regeneration Budget), and had significant powers and an array of policy options. Curiously for a programme that had its powers drawn quite widely, community consultation mechanisms were not as well developed from the outset, as they perhaps ought to have been (Cole and Flint, 2007). The ambition and rhetoric of the programme created confusion as to how precise interventions would bring about the perceived improvements in the market, which in turn confused the degree to which HMR was accountable, and how Pathfinders should consult. HMR should have developed more effective accountability from the start and could have better anticipated need for effective community engagement (Cole and Flint, 2007). The programme had echoes of post-war comprehensive redevelopment programmes which were also characterised by similar sorts of central-local relations (Jones and Evans, 2006, p.1493). Demolition and clearance attracted considerable criticism, with some detractors likening it to post-war slum clearance and replacement with systems-built housing (Save Britain's Heritage, 2006), and trenchant criticisms of HMR, both from a pragmatic perspective and also from the point of view of the alleged subjugation of residents' views in the face of professional 'power elites' (Allen, 2008).

HMR presented and continues to present a paradoxical set of policies for sustainable communities by backing a programme of market renewal that was using demolition

as one of its main tools. An irreconcilable 'knot' in reasoning had been reached: tackling poor neighbourhoods and housing conditions may do little to fundamentally restructure the market but will achieve some short-term, local-level 'wins'. But, it is unlikely to have a significant impact on long-term market stability and the closure of sub-regional economic differentials. In part, achieving the latter needed a highly effective exercise in consultation (or public relations at the least). At the very minimum, Pathfinders needed to be very clear in their own minds as to the strategic aims and objectives of their intervention and to communicate this more effectively. However, the question always remains with clearance as to whether it is possible to convince local residents, many of whom will have invested significant time and resources in their own house that demolition will be in the interests of some 'greater good'? It is a question of *place leadership* (see later in this chapter). More practically, appropriate relocation and compensation policies needed to be developed; as we noted, the rapid change in house prices quickly undermined this and also made the programme prohibitively expensive.

The HMR baseline evaluation report (Leather *et al.*, 2007) found that a number of Pathfinders were giving renewed emphasis to community engagement, employing community development or media relations consultants. The evaluation's authors acknowledged that such initiatives would take some time to bed in and to enable trust to develop. But some of the Pathfinders were also having to grapple with complex ethnic and religious tensions within their areas, in addition to reconciling support for existing long-standing residents (many of whom are living in circumstances of social deprivation), and attracting new households. It was the failure of the programme to engage more holistically with stakeholders that created the atmosphere of cynicism and hostility to the programme, and as we noted in Chapter 5, the heritage lobby combined with local community campaigns to provide strong opposition to demolition and clearance plans, which were then subsequently reduced by CLG.

Measuring success

The policy of clearance and failure to consult properly on this early on, dogged the programme, therefore, a key evaluative question to consider is whether HMR was the right policy design to deliver sustainability and address both the competitiveness of declining neighbourhoods and weak markets, whilst at the same time protecting social inclusion? The criticisms of HMR suggest that it had shifted emphasis and lost sight of a social inclusion agenda. Moreover, during the period 2004-2007, the market appeared to have solved the problem of low prices and excessive abandonment and the emphasis of housing policy and politics of housing shifted to the problems of supply and affordability.

In many senses, the question posed by HMR was the right one; it challenged politicians and policy-makers to do something about this, and it created a spatial focus for intervention (Pathfinders), in some of the most problematic and intractable

housing markets and neighbourhoods in England. It also challenged the growing division between neighbourhoods and the emerging economy – what we have described in Chapter 2 as the *asymmetry* between housing and labour markets – and the *path dependency* (how previous eras of economic development and housing policy lock areas into particular development trajectories) of these neighbourhoods.[9] Therefore, despite the rise in prices and the subsequent credit crunch, the Pathfinder areas will likely remain weak markets, since within a market system the differentials between areas will remain reasonably constant over long periods. By maintaining a consistent long-term focus on these weak markets, and by sequencing planning and housing market investments into these areas, then long-term sustainability may be secured. But, the amount of time that has elapsed since the start of the programme is too short for us to be definitive about its success. The path dependency of space, the haste by which the programme was drawn together, its over ambitious nature, and the criticisms that continue to attract negative attention to the programme, remain fundamental challenges to its success.

The backlash and criticism towards HMR highlighted the contradiction and tension between a competitiveness and inclusion agenda which served to confuse the goals and objectives of HMR. The core 'narrative' (around the knowledge-based economy, creative cities and competitiveness) had the effect of driving out other voices and perspectives. It was possibly part of the reason for a backlash against the Housing Market Renewal concept which resulted in critiques and resistance by communities affected by clearance. The perception was one of gentrification or state-sponsored social engineering and accusations of a revanchist state. These are fundamental issues of *displacement*, i.e., that the demolition and clearance was designed to displace existing residents and appealed to a new set of (middle-class) households outside the area. What needed to be emphasised was that the improvements were also intended to benefit leavers – households that were moving out of low-demand areas because they did not have a housing pathway or option to stay, could not find the right housing for their needs, or were concerned about the value of any future investment.

Financial deregulation as a mechanism of displacement

Sensitivities towards policies of displacement need to be widened to understand how the general market conditions were shaping to displace alternative outcomes for Pathfinder areas. Pathfinder areas have been systematically undermined by countervailing pressures that have effectively redistributed empty and dysfunctional

9 We have already noted that evidence on deprivation shows that the pattern of relative deprivation at small area level has not altered significantly over the past 20 years, indicating a high degree of *path dependency* for some neighbourhoods (Lee and Ferrari, 2007); associated with this, patterns of housing investment have tended to reinforce the underpinning economic and social function of neighbourhoods with a strong pattern of low-value housing built in low-value areas demonstrated by recent research (Bramley *et al.*, 2007).

housing stock, and the seeds of a potentially new 'low demand' through the over-supply of monolithic housing represented by city centre apartments. Investment in city centre flats/city living in areas adjacent to core Pathfinder areas underpinned a 'knowledge' economy narrative and fitted with a logic of creating markets for different 'segments' of the economy.

Patterns of activity and investment that went on within and adjacent to HMR areas, but not funded by HMR, have therefore arguably had more influence on market outcomes than has HMR itself over the past decade (see Chapter 5). Some of this activity displaced investment and renewal work in Pathfinder areas and contributed to an over-extension of the market. As we have seen with the credit crunch, the over-extension of 'effective demand' contributed to a wholesale collapse in lender and purchaser confidence. Over the decade to 2007, a number of factors aligned which allowed the development of city living and city centre apartment development, and was triggered by a number of key decisions and market assumptions:

- The planning system's emphasis on greater density (how many units?) as opposed to utilisation (*who* will use them and *how* effectively?) which was underpinned by Lord Rogers' Urban Task Force in 1999.
- Assumptions that volume and smaller dwelling sizes were required following the influence of Alan Holmans' housing projections and assumptions about household formation and household size (Holmans, 2001).
- An explosive growth in the buy to let industry fuelled by a highly deregulated financial sector and a relaxation by the banks on the rules concerning equity leverage.

These features of the housing and planning system and the wider economy aligned to result in the delivery of an excessive amount of housing that was not 'needed', but was 'expressed' demand by 'off-plan' investors. Economic prosperity and increased equity (through increased share of outright ownership), had increased the potential for investment and a growing number of outright homeowners used their equity to purchase stakes of communities at arms' length. This displaced private sector investment in HMR and the renewal of Pathfinder suburbs which would have linked to existing services and expressed 'need'. This also had the effect of diluting direct ownership and 'community interest' in new developments in city centre locations.

Competitiveness, knowledge and financial models combined to confuse the 'expressed' needs and demand within local housing markets. The credit crunch has demonstrated the need for a new model of economic development and housing-led regeneration, which recognises the tensions between need and 'effective' demand, and acts as a bulwark to the abstracted notion of *competitiveness* and housing's role within it. What has been lost in these abstract narratives is that, first and foremost,

housing should be seen as shelter. The credit crunch has provided a definitive answer that the supply of credit is finite and could not carry on forever. Its seemingly relentless supply created a dissonance between investment and underlying needs. This can be witnessed in the high proportion of empty flats now evidenced in cities such as Birmingham, Leicester, Manchester and Leeds, which are surrounded by high concentrations of ethnic minorities in overcrowded and deprived housing conditions. The post-credit crunch/low-demand era signals the need for the development of new models of housing-led regeneration which are community-based and where there is the potential for leverage, reinvestment and equity redistribution built into the 'model'. It requires the protection of communities from excessive speculative building and investment from arms' length investors. It also requires the sequencing of investment to be regulated in order to protect low-demand areas and Pathfinders that are vulnerable to long-term structural weakness.

Changing objectives: a strength or weakness of HMR?

Even over the course of its short life, HMR has seen a shift in its objectives. Originally, a clear descendent of an early-New Labour focus on renewal in housing policy, it began to occupy a much less comfortable place, struggling to reconcile the new dominant discourse of 'supply', with its local tactical programmes of clearance, reconstruction and new build. HMR was also undermined by a rising housing market and a 'growth' agenda which partly deflected activity away from HMR areas. As house prices rose and affordability problems dominated the housing agenda, this allowed ministers to put pressure on HMR to deliver on emerging political agendas such as 'growth' and 'Respect' and to re-orientate the policy and the programme to fit concerns about affordability. The programme thus became focused on 'supply' rather than 'restructuring' and housing policy changed in its language and focus. The concern with renewal receded, to be replaced by a more prevalent discourse on 'growth' (Growth Areas, New Growth Points) and culminating in a housing green paper (CLG, 2007a), with its focus on increasing the supply of new housing. The Brown government's aspiration to provide an additional three million homes by 2020, represented a significant increase over and above already-contentious house building targets, and was accompanied by some 'hard talk' from the department of Communities and Local Government (CLG) in terms of building on flood-plains and questioning the sanctity of green belt land.

In the late 1990s, it would not have seemed unreasonable to use house prices as a mechanism of measuring HMR interventions and how successful they were in re-calibrating housing and labour markets. But, as the supply of credit and explosion of investment opportunities created false optimism, house prices as measures of success proved controversial, and this controversy was only alerted to policy-makers when affordability levels became intolerable, and became political when the policy of demolition appeared anathema in such a heated and seemingly under-supplied housing market.

The goals and measurement of future housing market performance and renewal need to change. The goal of HMR was to re-align the housing market with the economy. Whilst competitiveness is measured at regional and sub-regional level in terms of productivity and gross value added (GVA), housing market performance relied on too simple a set of measures which did not relate to the structural problems. The programme was essentially set up on the basis of three indicators: empty properties, house prices and waiting lists ('low demand'). In terms of prices, it was tasked with reducing the differential in prices between the Pathfinders and the regional average.

During the period of house price growth (2003-07), policy-makers and commentators found it much more difficult to refer to the problem of low demand. This underscores the sway that house prices hold over the overall analysis of housing market conditions. The implication is that if prices are rising then everything must be fine – or at least that the problems were yesterday's concern. Yet, an over-reliance on house prices as an indicator of overall market 'health' might also lead us to some spectacularly wrong conclusions. There might be the temptation to view the problem of low demand as simply a mis-specification of some other problem. What was really happening might not have been fundamental and structural, but simply 'more of the same': residualisation in the social rented sector; poor private sector stock condition; low incomes and unpopular areas. Weak local economies and unemployment may have compounded this, but the situation may have ultimately been revocable without major intervention as the economy recovered. A focus on house prices would most certainly support this conclusion.

However, a focus on rising house prices also potentially involves missing the 'real story' about housing markets. This real story might suggest that house price growth will do little to solve any of the fundamental problems in the long term. Whilst prices rose, problems of widening spatial and sectoral differences in the market did not go away; they were merely masked by the optimistic biases provided by house price headlines. Average house prices do little to explain the variety of properties bought and sold; and the top end of the market has a tendency to disproportionately drive the average. Mean (average) house prices are consistently above the median price in most analyses. In addition, house prices only relate to properties that sell and do not necessarily say anything about the wider structure of the housing stock, or of household needs for the thousands of households that do not move in any given year. This is particularly relevant for the social rented sector, where John Hills' review of the sector reminds us of the problems of immobile households and worklessness among social tenants.[10]

10 Hills (2007) also cites evidence from Sefton (forthcoming) which suggests that only 0.5 per cent of social tenants finding work moved long distance to do so, compared to 1.0 per cent of owners and 4.1 per cent of private renters.

It certainly seems to stretch credibility to suggest that the severe structural weaknesses that were identified in the last decade had been solved of their own accord and without intervention over the course of three or four years. Alan Murie has consistently suggested that it is not absolute low demand that is of sole concern, but problems associated with the changing nature of demand (Lee and Murie, 2002). His analytical framework allows problems that are the reverse of the 'classic' symptoms of low demand (such as affordability problems), to be reconciled within a consistent market framework. Hence, indicators of the market (such as prices or turnover rates), may mean different things in different contexts. The term 'changing demand' also better reflects the fact that needs and aspirations continue to change over time, partly in response to changes in the way that individuals organise their lives and where they choose to live.

House price growth does not necessarily mean that demand is consistent throughout the housing market, nor is it sensitive to how the form of that demand may have changed: an increase in speculative investment activity (buy to let), and multiple property ownership, are key examples of how this might have changed. This forces us to consider whether these wider forms of demand represent an efficient or acceptable outcome in housing policy terms. Markets continually have to deal with fluctuations in both the schedules of supply and demand and the market for housing in this respect is no different. The problems associated with low-demand conditions (neighbourhood unpopularity; social exclusion; poor stock condition) are persistent, are not being cleared by the market, and co-exist with general market confidence in other contexts and locales. This re-emphasises the need to focus on changing demand, thereby building resilience into the strategic function of planning and housing.

House price change therefore dominated and became a fixation of policy and a measure of success. The next phase of policy development for housing and urban renewal and the monitoring and evaluation of such policies needs to be driven by a different set of measures of success and outcomes; these should include:

- Measurement of spatial outcomes which captures the *utilisation* of housing and land as opposed to the *density* of buildings.
- How house prices are influenced by investment decisions – who owns what, and what share of investments is from outside the region or strategic housing market area, leaving it vulnerable to credit supply whilst distorting the relationship between local labour markets and housing costs.
- The economy and wellbeing of the local community need to be balanced – for example, the GVA and GDP measures of economic success and competitiveness need to be assessed alongside alternative measures of social and economic wellbeing, such as the Index of Sustainable Economic Welfare (ISEW).

More qualitative dimensions of success therefore need to be incorporated into the evaluation of housing led renewal. HMR, and its successor policies, need to deliver neighbourhoods with higher quality housing that balances need and is cautious of 'expressed demand' in the market. The strategies of individual HMR Pathfinders will probably need to be much more responsive to local differences than they have been to date. Whilst many of the symptoms look the same, it is clear that some of the causes of the problem in the bigger, resurgent cities are different to those in the poorly-connected, economically-depressed sub-regions.

Data management

Of course, the emphasis on house prices was also partly due to the explosion of IT and data availability. Housing Market Renewal represented a significant leap in the 'spatial literacy' of local authorities and the ability to share intelligence across local authority boundaries and, more importantly, to begin to create a shared perspective on the dynamics and trajectories of neighbourhoods and housing markets. In our introduction we refer to the rather myopic view of housing and its contribution to social disadvantage that New Labour inherited. The 'worst estates' was symptomatic of a central view of local authority responsibilities towards 'the poor', which emphasised the symptom rather than the underlying structural and spatial causes. HMR provided the impetus to unleash the collective data and understanding and bring that to bear in a unified and largely coherent way within the focal point of Pathfinder boundaries.

The evidence presented by the prospectuses indicates that the analysis of the housing market in each of the Pathfinders does not represent a precise science with a core set of common indicators and a developed methodology for determining the nature of the housing market. As we have emphasised in the introduction, the analysis of the housing market represents the intersection of a number of disciplinary areas. The asymmetry between housing and labour markets and the time lags between them means that local features of the housing market and its operation locally will differ from place to place. The original HMR prospectuses demonstrate how a combination of drivers and individual commentaries were used to look at the intersection between the processes most likely to affect changing and future trajectories of demand. In utilising a range of evidence, the Pathfinders sometimes presented this at an aggregate level supplemented with more detailed analysis in appendices. The drivers of the housing market were often treated summarily in the initial Pathfinder prospectuses; however, this concealed a large amount of intelligence gathering and bespoke commissioning of research, or built on pre-existing housing market analysis of low and changing demand. All of the prospectuses generally referred to the 'areas at risk' analysis developed by CURS, which was a central component of the evidence base informing the selection of the Pathfinder areas and the definition of their precise boundaries.

The capacity for innovation and local flexibility was therefore recognised explicitly from the outset of the policy and was responsible for unleashing much creativity and local variation in approach to data analyses and understanding. Whilst central government has always emphasised the devolved nature of the programme, in practice, Pathfinders had to deal with a degree of constraint in the analysis and interpretation of the problem and in the delivery of solutions.

However, the environment in which locally derived data can be used (e.g., local council tax registers) has changed, with a risk averse environment predominating, and public service agreements creating obstacles to shared intelligence and data. Privatisation practices and the trend towards public service partnerships in which local authorities contract out the delivery of IT and 'data rich' services such as the administration of housing benefit, will undermine their ability to use data for purposes other than those specified in the partnership agreement. Privatisation of data handling services and contracting out practices, such as Birmingham City Council's 10 year preferred strategic partnering arrangement with Capita (providing IT and business services), make it more difficult for local authorities and local strategic partnerships to develop *ad hoc* monitoring systems, where business partnerships and joint ventures of this nature are in existence.

Public service partnerships of this type offer unique opportunities to develop monitoring systems that can capture neighbourhood changes by bringing together a wealth of data at individual and neighbourhood level that can be used to explain changes and inform policy responses. However, the terms of reference for such public service partnerships tend to be based on a lowest common denominator with the partnership emphasising investment in hardware and software to integrate systems for efficiency and e-governance objectives. This fails to take advantage of the underlying data for wider strategic goals (such as planning and regeneration). The danger is that many local authorities may cede control of their data, so that it is more expensive in future to interrogate for purposes beyond that of the immediate end service user requirements. This will result in higher revenue costs to service *ad hoc* demands placed on IT systems. There will inevitably be significant contractual costs attached to the local authority re-using and analysing its own data, unless this was considered in the system's planning and implementation at contract stage. These concerns about privatisation also raise concern that local authorities need to explore the full 'spatial dimensions' of IT services and public service contracts before proceeding to long-term binding agreements. This will reduce costs and protect the interests of consumers and council tax payers by using readily available administrative data and in-house systems to monitor changes in the housing market. The majority of the Pathfinders tended to fall back on official population estimates and projections based on the census. While there was some evidence of innovation, where Pathfinders used local administrative data sets to track population change, arguably more could be done to develop local housing market monitoring systems that are more dynamic and less reliant on periodic censuses. This is especially important

within the context of a 'plan, monitor and manage' planning regime, of which we say more in the next section. One available option for local authorities and multi-area agreement authorities is to consider the use of Primary Care Trust GP records (the Exeter System) to monitor population change at the small area level. Whilst this has disadvantages (e.g., failure for some groups such as men aged 18-30 to register and problems with change of address where patients fail to register with their local GP), it does have its advantages in providing a basis on which population trends and vulnerable groups (e.g., under 5s), with particular housing needs, can be monitored or assessed for their impact on future population trends and housing demand.

Planning and regional housing markets

The Planning and Compulsory Purchase Act 2004 introduced new statutory planning documents in the form of Local Development Frameworks (LDFs) and regional spatial strategies (RSSs). In planning for housing provision, these effectively formalised a shift in approach away from the former 'predict and provide' methodology to that of 'plan, monitor and manage' (PMM). The PMM process, if properly conducted, introduces a set of mechanisms that are highly appropriate for dealing with low and changing demand for housing, as compared to a 'predict and provide' approach (which can take some of the share of responsibility for contributing to the underlying problems of over-supply that contributed to low demand). However, a PMM approach requires that the relationship between Pathfinders' plans (especially their masterplanning work), and the new planning hierarchy from RSS down to LDFs, needs to be consistent. Because of the realisation that a well-functioning housing market might 'unlock' economic growth, this issue has become critically important and was central to the competitiveness 'strand' of HMR. Together, these changes to the planning system, as well as Kate Barker's recommendations and guidance within Planning Policy Statement 3 (PPS3, Planning for Housing), have significant implications for housing renewal. They promote a language of economic and housing growth that was previously considered to be an issue only for the South of England.

The ability to dynamically monitor demand and adjust the future release of sites for new housing is crucial in this respect, but Pathfinders have found themselves at the interface of competing local and regional aspirations. Pathfinders must reconcile housing requirements for multiple local authorities in their areas, while influencing planning policy across those, and other adjacent, authorities in their entirety. The main dangers arise when local authorities harbour 'growth' aspirations at the same time as trying to manage low demand. There is an immense risk that they could fall back into the old trap of viewing local housing market weakness as being simply a neighbourhood issue. While overall 'targets' for housing provision contained within RSS could be accommodated, experience of low and changing demand would suggest that local qualitative and spatial expressions of these targets are of equal importance. Closer integration of Regional Housing Strategies and Integrated Regional Strategies (IRS) will help, as well as the further development of Strategic

Housing Market Assessments (SHMAS, see below), but the onus is clearly on monitoring, the acknowledgment of the sub-regional scale of the relationship between supply and demand, and awareness of the impact of developments in adjacent regions.

The Northern Way was considered to be a response to these issues. It highlighted a £29 billion gap annually between the northern regions' productivity and the UK average and set out a strategy for closing this gap. It was based on the integration of social, economic and environmental objectives and, importantly, inter-regional working; the promotion of connectivity between and within markets, and a focus on the city regions as the main delivery agents to promote sustainability (Northern Way Steering Group, 2004).

Growth aspirations, such as those in the Northern Way, encouraged the upward shift of regional housing targets through the adoption of more bullish economic scenarios. Local authorities began to convince themselves of their ability to absorb market restructuring *and* the significant release of new housing sites. But, the success of the former is potentially contingent on the restriction of the latter.

We have argued throughout that this environment has resulted in Pathfinders placing a greater strategic emphasis on demonstrating how housing renewal will bring about economic growth. In some cases, this was being translated as housing growth, i.e., the net addition of dwelling stock over and above that projected for reasons of natural population change. Reasons why this may be the case vary. In some instances, additional housing was always part of the plan. In some cases, it is not unreasonable to expect that the house price growth and worsening affordability (even in 'low-demand' areas) during the period 2003-2007 blinded Pathfinders (and government) into thinking that there is no longer a surplus of housing stock. The most worrying scenario, however, is where problems with implementation, strategic alignment, or partnership working have led to a fallback position of going for growth – hence avoiding the difficult and politically divisive issue of restructuring. In particular, there has been much concern that Pathfinder teams and their delivery partners lack the necessary skills and capacity to put some of the more radical HMR plans into operation. This, along with concerns about the length of time it takes to put these plans into action, was one of the main findings of a select committee enquiry into the low-demand Pathfinders (HC 295-I, 2004-05).

A concern with new housing supply leads us back to the 'question of scale', which we suggest is of great importance in the future direction and evaluation of market renewal policy. In adopting a growth strategy, one that eschews a re-balancing of supply in favour of promoting new housing release, there is a real risk of revisiting old mistakes. First, is the untrammelled supply of new housing on edge-city sites, or, of continued new RSL general needs rental provision at a time even when demand was weakening: *'…who dared say…that there were really too many houses in their*

area?' (Keenan *et al.*, 1999, p.711). This is an historic legacy known to have directly contributed to market weakness. The second point is that HMR could be, *'…"normalised" into just another kind of physical regeneration programme'* (Cole and Nevin, 2004, p.70), one that focuses on neighbourhood level problems without tackling underlying structural inequalities.

A *changing demand* as opposed to *low demand* response, recognises that local economies continually change and that the housing market response lags, but needs to be understood. But, equally the response must challenge itself by trying to influence economic policy. The days of industrial policy are long gone and a strategic response that is synergistic with local economic policy is now what is expected.

The debate on changing and low demand was however lost, so that the HMR policy was truncated to a policy that was designed to tackle the worst manifestations of low demand, but to do this in a way that would alter the pattern of demand so that house prices would be stabilised and neighbourhoods would be turned around. Whilst the worst manifestations of low demand have been largely eradicated in the Pathfinder areas, the changing nature of demand will mean that problems of demand and supply will never be fully eradicated. Demand for housing will always be subject to change and the asymmetry between housing and labour markets will mean that there are constant adjustments and shifts in demand for areas and types of housing. HMR has been used to illustrate both intelligence and intervention in the housing market as a mechanism to address asymmetry. But, how can housing markets be kept in step with the economy?

At times, the evidence base and prospectuses for HMR reflected a world of limited horizons based on regional economies running limitless credit and purchasing power (see, for example, Figure 6.1). This is not a failure of the Pathfinders or their efforts;

Figure 6.1: Shopping and football – a depiction of the future economy within a 2005/06 Housing Market Renewal annual report

Source: NewHeartlands (2006, p.19).

it is a collective failure of economic and housing market logics to offer more sustainable alternatives. The failure of imagination is therefore a collective failure of government and governance. Whether the credit crunch has forced all of us to think more critically and to challenge some of our underlying assumptions is yet to be seen.

There does need to be a re-evaluation of the basis of the local and regional economy and what kind of housing and neighbourhoods that can be supported. The success of Housing Market Renewal is premised on the success of the existing economic model that underpins regeneration and economic development of towns and cities, but the credit crunch has demonstrated the fragility of this. Building in resilience to our housing and labour markets will be the biggest challenge in the future. Nowhere in the evidence base for HMR was there a consideration of alternative economic scenarios, or economic outcomes that may have promoted wider caution and behaviour in the broader housing market, and considered the potential of such a significant scaling down of the national and regional economy signalled by the credit crunch. Future evidence building will need to be more robust in its appraisal of risk and the resilience of the market.

Looked at through a different lens, HMR has been responsible for moving the agenda forward considerably. Strategic Housing Market Assessments (SHMAs) were introduced largely on the back of the HMR development of evidence and 'drivers of change' and have their roots in the Sustainable Communities Plan. They are designed to help local authorities and partnerships understand the housing market and plan accordingly. However, SHMAs are a data driven and 'tick-box' approach to understanding the market, which need to be supplemented by guidance and best practice on the interpretation of data and on the softer 'process' driven elements. Best practice needs to be developed, not least in the commissioning and interpretation of evidence by consultants. In some cases, the consultant may have a vested interest in the commissioning of new housing and regeneration. Therefore, there should be a separation of these activities and scrutiny of declared interests.

Switching to a more sustainable pattern of growth will necessitate several changes. The underlying drivers of the market will remain the asymmetry of housing and labour markets. In the new market conditions, the carbon-based urban form (housing, economy, urban forms and styles of residential developments) of the core cities and older conurbations will appear anachronistic. The urban form of the future may have to consider more polycentric forms with the conurbations needing to diversify as well as intensify their land-use patterns. This will mean re-designing our built-up areas so that they can accommodate more urban farming and recreation space to enable a more sustainable pattern of production and consumption. This challenges the conventional narrative of the 'knowledge' and 'creative' economy. Different kinds of knowledge need to be emphasised and some

old ones will need to be revisited. Diversifying the housing and neighbourhoods within the core cities and other older conurbations will enhance their contribution to environmental sustainability. Higher quality, more ecologically friendly housing will offer direct benefits. But, arguably the greatest contribution will be indirect, coming from reducing the need to travel for work and food shopping as households can once again choose to live closer to where they need to be.

Beyond this, the interpretation and preparation of intelligence supporting SHMAs should be triangulated and tested using foresight and scenario testing techniques and there is a need to develop more interactive models of housing demand, including how evidence maps onto local neighbourhoods. Similarly, we need to understand the underlying composition of economic growth and its implication for neighbourhood and housing preferences. SHMAS (and HMR plans in a 'growth context') are very supply driven. Increasingly, the tools of the housing planning system (such as PPS 3, identifying forward supplies of land and their viability, and assessing market demand in SHMAs), have to be alive to the possibilities of managing demand and not just be about delivering supply. We must not forget that part of the low-demand problem was caused by 'structural' changes to the supply over periods of time: decentralisation; suburbanisation; and a surfeit of new, cheap 'boxes' in places that did not really need them. The same could easily happen again. Not that much has changed in ten years!

Governing places

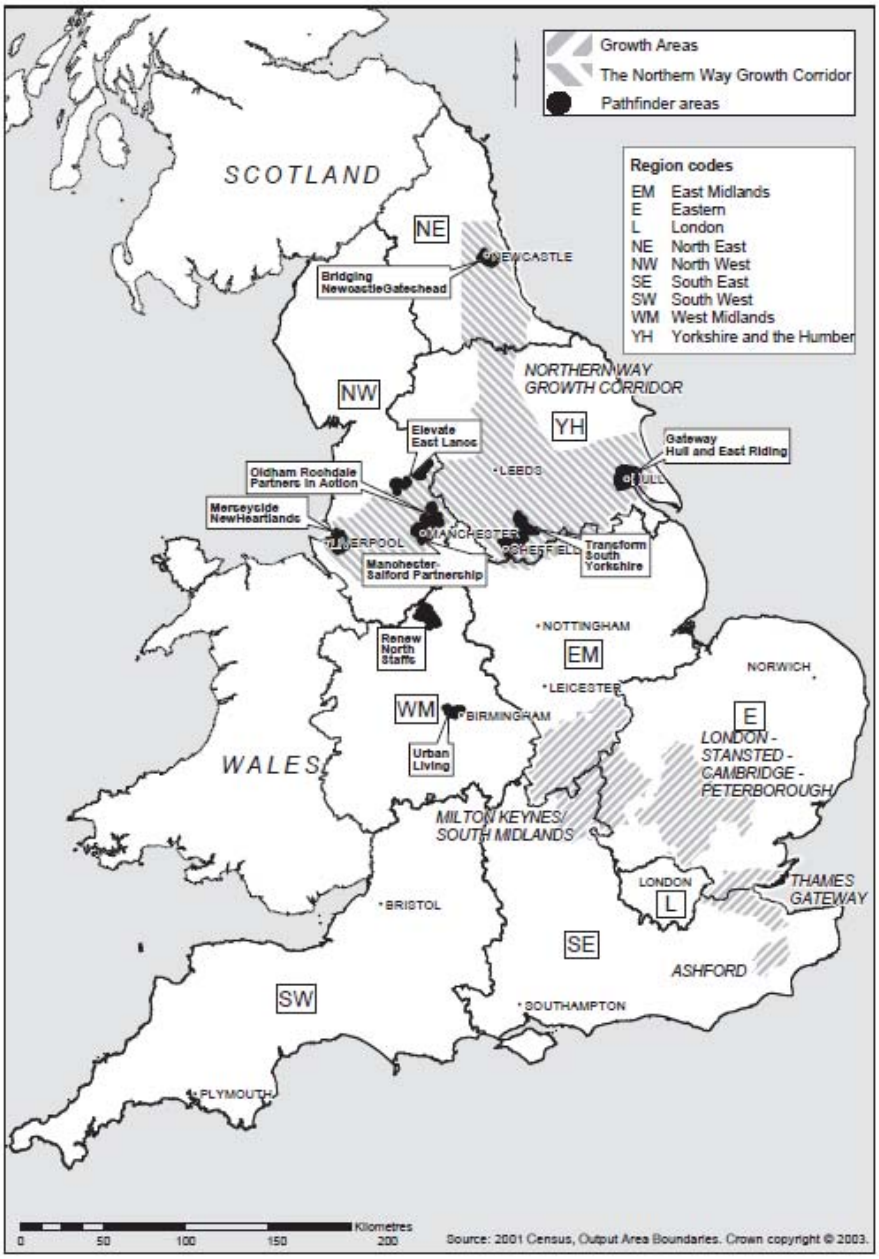
Taking this forward will require a refreshing of our organisational and leadership requirements. The backlash to HMR was in part a defence of the vernacular housing form (the *terrace* house or the *suburban* ex-council semi), and the expression of a tangible set of objections in the face of an abstracted set of strategic considerations. This highlights the need to develop new approaches and ways of thinking that are not tainted by political dogma and are open to effective dialogue and debate. This extends into reconciling political tensions that vie for ownership of solutions across spatial scales and that lead to gaps in the democratic representation of space and accountability. The Housing Market Renewal story spans thinking from the spatially bounded 'worst estates' to a competitiveness approach that is susceptible to an erosion of local political accountability. But, the rescaling of housing issues and the inter-connections between housing markets and neighbourhoods means that we have to think beyond the estate; beyond the street. The concept of *leadership of place* (Trickett and Lee, 2010, forthcoming), emphasises a more nuanced style, incorporating a broader spatial literacy and a whole systems approach, which aims to tackle the symptoms and the causes of dysfunctional housing market performance. HMR more neatly falls into the territory of 'place leadership' incorporating a shared thematic and spatial understanding of the market and how to intervene.

During the past decade the 'place shaping' and 'place making' agendas, and the roles of local authorities and other stakeholders in creating places that people want to live has grown in importance and will continue to do so. Place is seen as important within a competitive global economy with cities seen as the focal point for competitiveness and creativity:

> *…along with an increased concern for cities generally, there is a growing recognition that the centres of those cities are an increasingly important economic asset…the key drivers of a modern economy are innovation and skills, economic and cultural diversity, connectivity, strategic decision-making capacity and place quality. In particular place quality is an important element of the* [location] *factors which are crucial to attract investors, employers and skilled workers to cities* (Parkinson, 2007, p.4).

HMR was, alongside the city region debate and the changing governance and planning infrastructure within England (cf. the development of regional spatial strategies, the sub-national review of economic development and regeneration, the Barker Review of Planning and Housing and the introduction of Strategic Housing Market Assessments), a necessary precursor to the language of 'place shaping', Comprehensive Area Assessments and the 'leadership of place'. Whilst HMR is a significant departure from estate-based interventions and intelligence typified by the 'worst estates' of the late 1990s, the journey has not ended. Where, therefore, do we expect the HMR story to end or lead? In the next period of housing policy for the UK, the city centre market will require a new wave of creative strategic commissioning to re-balance the market and to respond to the needs of both local communities and the underlying 'real economy' (LGA, 2008). Whilst we have argued that the social exclusion agenda was supplanted by a competitiveness agenda, and that Housing Market Renewal was one of the most significant and emblematic policies reflecting that repositioning of New Labour narrative, this may of course be a false dichotomy. Is the social exclusion agenda sacrificed as a result of a competitiveness agenda? What price the neglect of low-demand areas without intervention? The answer, of course, is that a policy that promotes both competitiveness and safeguards inclusion can be compatible. The answer will continue to be one of detail in the implementation and the degree of incision into the housing market needed in order to balance these two competing ends.

Appendix 1: Map of HMR Pathfinders and Growth Areas



Appendix 2: The CURS index of the risk of low and changing demand for housing

In a number of the studies reported in this book the data used are from the 1991 census. A baseline risk indicator is constructed by standardising these variables for census enumeration districts (EDs) using chi-square standardisation, and then summing the standardised values to give an overall risk index. Equal weighting is given to each of the standardised variables.

Thus, in each case:

$$\chi^2 = \frac{(x_o - x_e)^2}{x_e}$$

$$x_{standardised} = \log_{10}(\chi^2 + 1)$$

and the overall risk index,

$$risk = \sum x_{standardised}$$

for all variables.

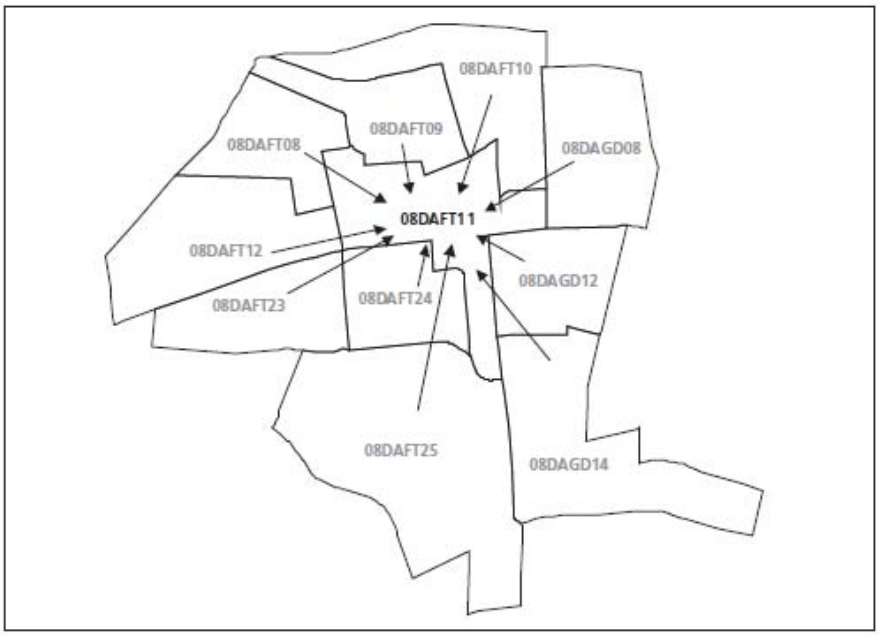
The expected proportion of the denominators for each variable is:

Variable	Description	Expected proportion
Age 65+	Proportion of population aged 65+	0.162030
Flat	Proportion of dwelling spaces that are flats	0.115582
Terrace	Proportion of dwelling spaces that are terrace houses	0.310495
Inactive	Proportion of population that is economically inactive	0.198629
Unemployed	Proportion of economically active population that is unemployed	0.109935

Where the standardised score for an ED was negative, it was set to zero. One of the main advantages of the chi-square standardisation method is that it copes well with small area counts because it under-weights the contribution of small counts.

Appendix 3: Adjacency analysis method

A GIS was employed to adjust each unit of statistical geography's crude risk score on the basis of the average scores of surrounding (intersecting) units to mitigate variations in the population size of units. This technique also allowed the identification of coalescences of risk (areas with a large concentration of problems associated with a weakening of demand). In effect, this allows the risk index for one area to be influenced by that of neighbouring areas, in the same way that perceptions of neighbourhood blight, anti-social behaviour and fear of crime might also transcend boundaries.



Given the variable size and shape of geographical units, equal weighting was given to each. It was not considered advantageous to introduce an arbitrary decay function or similar on the basis that boundaries, in isolation, randomly describe the properties within them. Any unit that had a negative or zero standardised score prior to averaging was reset to zero. This has the effect of suppressing the 'travel' of low scores into very different adjacent areas, which may be a result of natural obstacles such as rivers, parkland or other physical features such as transport corridors.

Index

APPENDIX 2: SELECTED CITATIONS[19]

[19] Google Scholar, Accessed: June 16th 2010

[1] Housing and Spatial Deprivation: Relocating the Underclass and the New Urban Poor, Urban Studies, 1994, Vol.31, No.7 (27 citations):

This paper influenced subsequent thinking around the flexible specialisation of housing and the asymmetry between economic and housing market processes. Ideas of the underclass or residual poor concentrating in spaces that have lost their role resonate through the paper and subsequent contributions echo this earliest contribution which describes the path dependency of these processes. As at 21 June 2010 there were 27 direct citations in international journal articles and books. The subjects covered by the articles citing this report covered a wide range of topics including: area effects; economic segregation; spatial mismatch; globalisation; spatial polarisation; social exclusion and the underclass; community studies; employment policy and deindustrialisation. The contribution has been cited in papers appearing in the following journals: *Urban Studies* (2), *British Journal of Sociology*, *Economic Geography*, *Regional Studies*, *Review of Sociology* and *Applied GIS.*

Methods to test the spatial mismatch hypothesis
DS Houston - Economic Geography, 2009; Keywords: spatial mismatch, economic segregation

Spatial Pattern of Economic Activity and Inactivity in Britain: People or Place Effects?
A Little - Regional Studies, 2009; Keywords: spatial mismatch, people and place effects

Research on Immigration and Integration in the Metropolis
SY Teo – 2007; Keywords: immigration

Oil vulnerability in the Australian city: Assessing socioeconomic risks from higher urban fuel prices
J Dodson, N Sipe - Urban Studies, 2007; Keywords: globalisation, spatial mismatch

Underclass: a history of the excluded, 1880-2000
J Welshman – 2006; Keywords: social exclusion, underclass

Employability, skills mismatch and spatial mismatch in metropolitan labour markets
D Houston - Urban Studies, 2005; Keywords: skills mismatch, spatial mismatch,

Suburban socio-spatial polarisation and house price change in Melbourne: 1986–1996

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P Mullins, J Western, B Broadbent, 2001; Keywords: evidence, policy, housing

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C Jensen-Butler - Urban studies, 1999; Keywords: globalisation, knowledge-based economy, competition between localities

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A Buckingham - British Journal of Sociology, 1999; Keywords: underclass, behavioural accounts

Employers, young people and the unemployed: a review of research
C Hasluck – 1999; Keywords: employment policy, young people, unemployment

Exclusion, unemployment and non-employment
AE Green - Regional Studies, 1997; Keywords: social exclusion, labour markets, spatial mismatch

Learning from experience: the ingredients and transferability of success
W Van Vliet Affordable housing and urban redevelopment in the USA, 1997 (Sage Publications, Inc); Keywords; housing policy, affordable housing, social exclusion, housing markets

The changing structure, distribution and spatial segregation of the unemployed and economically inactive in Great Britain
AE Green - Geoforum, 1995; Keywords: labour demand and supply, spatial mismatch; deindustrialisation

Housing provision in developed economies
J Barlow - Urban Geography, 1995; Keywords: cross-national comparative research, theory, empiricism

[2] Area measures of deprivation A study of current methods and best practices in the identification of poor areas in Great Britain, 1995, Joseph Rowntree Foundation (58 citations)

This paper was highly influential both domestically and overseas. As at 21 June 2010 there were over 58 direct citations and a significant number of secondary citations in international journal articles and books. The subjects covered by the articles citing this report covered a wide range of topics including: methods in the measurement of deprivation (12 papers); evaluation of regeneration policy (8); health policy and health inequalities (6); public health and epidemiology (5); neighbourhood theory (4) and a variety of cross-cutting comparative papers (8). The contribution has been cited in papers appearing in the following journals: *Environment and Planning A* (4), *American Journal of Epidemiology* (2), *Urban Studies* (2), *Journal of Economic Inequality*, *Journal of the American Statistical Association*, *Environment and Planning C*, *American Journal of Public Health*, *Community Dentistry and Oral Epidemiology*, *Social Science & Medicine*, *Annals of Epidemiology*, *Fiscal Studies*, *Progress in Planning*, *Oxford Review of Economic Policy*, *Transactions of the Institute of British Geographers*, *Regional Studies* and *Economics and Organization*. The publication has continuing relevance with the most recent citation appearing in an article published in the Journal of Economic Inequality in 2009. This paper and the associated research were also used as the basis of a series of fee-paying one-day CPD seminars delivered between 1996 and 1998. More than 200 delegates from across a broad spectrum of local authority and voluntary sector officers involved in economic development, regeneration and anti-poverty work attended these sessions. It has had a significant ongoing impact on the methodological issues of measuring deprivation across space:

> "There are relatively few attempts to compare and contrast the various indexes. One of the more thorough exceptions is the previously mentioned study by Lee, Murie and Gordon. It compares 10 indexes, considering their theoretical bases, their components, their methods of combination and the reasons why they may produce different results. It is an excellent source for anyone wanting more detail" (Carr-Hill and Chalmers-Dixon, 2005, p.95; see below).

Relative labour deprivation and urban migration in Turkey
P Verme - Journal of Economic Inequality, 2009; Keywords: index of relative labour deprivation, spatial mismatch, social exclusion, comparative methods

Socio-Economic Deprivation Indices (Case Study: Jordan)
SS Abu-Kharmeh, JA Abu-Al Sondos, American Journal of Scientific Research, 2009; Keywords: comparative research, area deprivation

Methodological implications of social inequalities for analyzing health disparities in large spatiotemporal data sets: An example using breast cancer incidence data
JT Chen, BA Coull, PD Waterman, J Schwartz, N Krieger, Statistics in Medicine, 2008; Keywords: monitoring health outcomes, social inequality, epidemiology

The public health observatory handbook of health inequalities measurement
R Carr-Hill, P Chalmers-Dixon - South East Public Health, 2005; Keywords: Public Health, inequalities and health, epidemiology

Geodemographics, GIS and neighbourhood targeting
R Harris, P Sleight, R Webber, Wiley – 2005; Keywords: GIS, neighbourhood analysis, spatial targeting.

Bayesian factor analysis for spatially correlated data, with application to summarizing area-level material deprivation from census data
JW Hogan, R Tchernis - Journal of the American Statistical Association, 2004; Keywords: factor analysis of spatially correlated multivariate data

Targeting clusters of deprivation within cities
R Harris, P Longley - Applied GIS and Spatial Analysis, 2004; Keywords: Targeting, Clusters of Deprivation, census-based and lifestyles approaches to identify and represent spatially concentrated areas of urban deprivation

Is Targeting Deprived Areas an Effective Means to Reach Poor People? An assessment of one rationale for area- based funding programmes
R Lupton, R Tunstall - CASE Papers, 2003; Keywords: Targeting Deprived Areas

Is targeting deprived areas an effective means to reach poor people?: an assessment of one rationale for area-based funding programmes
R Tunstall, R Lupton – 2003; Keywords: social exclusion, methods, area based policies and targeting

Spatial scale and neighbourhood regeneration in England: a case study of Avon
R Harris, R Johnston - Environment and Planning C, 2003; Keywords: neighbourhood regeneration, social exclusion, spatial and social segregation

Monitoring socioeconomic inequalities in sexually transmitted infections, tuberculosis, and violence: geocoding and choice of area-based socioeconomic measures

N Krieger, PD Waterman, JT Chen, MJ Soobader, and S V Subramanian, 2003, Public Health Reports; Keywords: area based socio-economic measures, health inequality, indicators of deprivation, multilevel frameworks and area-based socioeconomic measures (ABSMs) for public health, monitoring outcomes

Race/ethnicity, gender, and monitoring socioeconomic gradients in health: a comparison of area-based socioeconomic measures
N Krieger, JT Chen, PD Waterman, MPH, David H. Rehkopf, MPH and S. V. Subramanian, October 2003, Vol 93, No. 10 American Journal of Public Health 1655-16712003; Keywords: area based socio-economic measures, health inequality, indicators of deprivation, multilevel frameworks and area-based socioeconomic measures (ABSMs) for public health, monitoring outcomes

Creating small area measures of urban deprivation
RJ Harris, PA Longley - Environment and Planning A, 2002; Keywords: deprived neighbourhoods, Neighbourhood Statistics

Spatial analysis to identify differentials in dental needs by area-based measures
JLF Antunes, P Frazão, PC Narvai, CM Bispo CM. Pegoretti - Community Dentistry and Oral Epidemiology, (2002); Keywords: social deprivation, income inequality, social cohesion, epidemiology.

Geocoding and monitoring of US socioeconomic inequalities in mortality and cancer incidence: does the choice of area-based measure and geographic level matter?
N Krieger, JT Chen, PD Waterman, MJ, American Journal of Epidemiology, 2002; Keywords: area based socio-economic measures.

Predicting Fuel Poverty at Small Area Level
D Gordon - University of Bristol, 2002 – predictive methods, fuel poverty, social exclusion

Using Measures of Social Capital to Monitor the Impacts of Community-led Regeneration Policies in Wales
G Higgs, S White - Contemporary Wales, University of Wales Press, 2001

The significance of neighbourhood
A Kearns, M Parkinson - Urban studies, 2001; Keywords: neighbourhood, area anlaysis

Social deprivation, income inequality, social cohesion and dental caries in Brazilian school children
MP Pattussi, W Marcenes, R Croucher, A, Social Science & Medicine, 2001; Keywords: social deprivation, income inequality, social cohesion, epidemiology.

Area characteristics and individual-level socioeconomic position indicators in three population-based epidemiologic studies
AV Roux, CI Kiefe, DR Jacobs, Annals of epidemiology, 2001; Keywords: epistemology, epidemiology, health and inequality

The Geography of Misery: Area Disadvantage and Patterns of Neighbourhood Dissatisfaction in England
R Burrows and D Rhodes - Researching poverty, Ashgate publishing, 2000; Keywords: neighbourhood disadvantage, unpopular areas, social exclusion, social cohesion

Getting the smaller picture: small-area analysis of public expenditure incidence and deprivation in three English cities
G Bramley, M Evans - Fiscal studies, 2000; Keywords: public expenditure at small-area level, evidenced based spatial policy, best value

Area deprivation in Scotland: a new assessment
A Kearns, K Gibb, D Mackay - Urban Studies, 2000; Keywords: methods of measuring area deprivation, non-census indicators

Alternatives to census-based indicators of social disadvantage in rural communities
G Higgs, S White - Progress in Planning, 2000; Keywords: indicators of deprivation, rural poverty

The nature of local area social exclusion in England and the role of the labour market
A Brennan, J Rhodes, P Tyler - Oxford Review of Economic Policy, 2000; Keywords: Social Exclusion Unit, social exclusion, methods, area targeting

Mutuality, de-mutualization and communities: the implications of branch network rationalization in the British building society industry
JN Marshall, R Willis, M Coombes, S Raybould, Transactions of the Institute of British Geographers, 2000; Keywords: social exclusion, rural poverty indicators

An exploration of bundles as indicators of rural disadvantage
I Hodge, J Dunn, S Monk, C Kiddle - Environment and Planning A, 2000; keywords: social exclusion, rural poverty

Estimating the socioeconomic characteristics of school populations with the aid of pupil postcodes and small-area census data: an appraisal
A Gibson, S Asthana - Environment and Planning A, 2000; Keywords: education, social exclusion, equity, social justice

Benefit take-up and the geography of poverty in Scotland
G Bramley, S Lancaster, D Gordon - Regional Studies, 2000; Keywords: poverty and social exclusion, local and small area level deprivation.

The nature of local area social exclusion in England and the role of the labour market
RK Fleck - Journal of Law, Economics and Organization, 2000; Keywords: Social Exclusion Unit, social exclusion, spatial mismatch

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G Bramley, M Evans - Researching Poverty, Ashgate Pub Ltd, 2000; Keywords: public spending, area deprivation

Poverty, social exclusion and neighbourhood: studying the area bases of social exclusion
H Glennerster, R Lupton, P Noden, A Power LSE STICERD Research Paper No. CASE022, 1999; Keywords: area policy, deprivation, social exclusion

Area-Based Initiatives: The Rationale and Options for Area Targeting
G Smith, LSE STICERD Research Paper No. CASE025, 1999; Keywords: area targeting, area-based initiatives, geographical concentration of deprivation, polarisation.

Use of Census-Based Aggregate Variables to Proxy for Socioeconomic Group: Evidence from National Samples
Krieger, D Gordon - American journal of epidemiology, 1999; Keywords: measuring and monitoring socioeconomic inequalities in health

The geography of fund holding in southwest England: implications for the evolution of primary care groups
S Asthana, AJ Gibson, EM Parsons - Health & Place, 1999; Keywords: weighted deprivation indices, health fund holding and deprivation.

The role of housing in disadvantage and ill-health
M Coombes, S Raybould, NorthEast Regional Research Laboratory Newcastle University Conference of the European Network for Housing Research Cardiff University September 1998; Keywords: housing and disadvantage, housing and ill-health.

The Department of Environment's index of local conditions: Don't touch it
L Simpson - Radical Statistics, radstats.org.uk, 1995; Keywords: ontology, epistemology, methods

[3] Poverty, housing tenure and social exclusion, 1997, Joseph Rowntree Foundation, Policy Press: Bristol (97 citations)

The publication had a considerable impact on the literature and between 1998-2009 had been cited 97 times across a wide spectrum of social policy and urban sociology journal articles, books, chapters in books and official reports (including government reports) covering a diverse range of topics on *housing policy, poverty & social exclusion, segregation & the divided city, abandonment & low demand, area 'effects', housing affordability, gentrification, mixed communities policies, comparative housing studies, social cohesion, race & multiculturalism, urban regeneration policy, crime & anti-social behaviour, the underclass, intergenerational poverty, labour market restructuring, family studies and citizenship*. The contribution has been cited in papers appearing in the following journals: *Housing Studies* (9 papers), *Urban Studies* (6), *Housing Theory and Society* (2), *Environment and Planning D, International Journal of Urban Regeneration, Journal of Housing and the Built Environment, Journal of Social Policy, International Journal of Sociology and Social Policy, Sociology, Political Quarterly, Geographical Research, Policy and Politics, Australian Journal of Social Issues, GeoJournal, Young, Child and family Social Work* and the *Journal of Forensic Psychiatry and Psychology*.

Unpacking Social Exclusion in Western Sydney: Exploring the Role of Place and Tenure
B Randolph, KJ Ruming, D Murray, Geographical Research, 2009; Keywords: social exclusion, discourse analysis, causes of disadvantage.

The new divided city: changing patterns in European cities
R Van Kempen, A Murie - Tijdschrift voor economische, 2009; Keywords: social and spatial divisions within European cities.

DIY community action: neighbourhood problems and community self-help
L Richardson, The Policy Press, 2008; Keywords: neighbourhood problems and community self-help

Housing Contemporary Ireland: Policy, Society and Shelter
M Norris, D Redmond, Ashgate, 2007; Keywords: social exclusion, housing, concentration

The spatial foundations of community construction: the future of pluralism in Britain's 'multi-cultural' society
L Vaughan - Global Built Environment Review, 2007; Keywords: race, identity, ethnicity, social exclusion, neighbourhood disadvantage, segregation.

Housing and the New welfare State: perspectives from East Asia and Europe
R Groves, A Murie, CJ Watson, Ashgate, 2007; Keywords: globalization, comparative research, social exclusion and housing.

Youth culture, subculture and the importance of neighbourhood
T Shildrick – Young, Vol. 14, No. 1, 61-74, 2006; Keywords: youth culture, neighbourhoods.

Assessing the impact of community programmes working with children and families in disadvantaged areas
Evaluation of English Housing Policy 1975–2000
C Whitehead, K Gibb, M Stephens, ODPM, 2005; Keywords: housing policy, housing tenure, evaluation, social exclusion.

G Jack - Child & Family Social Work, 2005; Keywords: community policy, area targeting, disadvantaged neighbourhoods, families and disadvantage, children at risk, child poverty

Social exclusion in Great Britain: An empirical investigation and comparison within the EU
M Barnes, Ashgate 2005; Keywords: social exclusion,

National, regional and local patterns in the residualisation of the social rented tenure: the case of Ireland and Dublin
M Norris, K Murray - Housing Studies, 2004; Keywords: Residualisation, social exclusion

The uneven geography of housing affordability stress in Canadian metropolitan areas
T Bunting, AR Walks, P Filion - Housing Studies, 2004; Keywords: housing, social stratification, social exclusion

Intergenerational and life-course transmission of social exclusion in the 1970 British cohort study
W Sigle-Rushton, LSE STICERD Research Paper No. CASE078, 2004; Keywords: longitudinal studies, area studies, social exclusion, underclass, poverty

'Opportunities and Despair, it's all in there': Practitioner Experiences and Explanations of Area Effects and Life Chances
R Atkinson, K Kintrea - Sociology, 2004; Keywords: perceptions, residential location and life chances, area effects, social engagement, participation.

Housing and the Social Exclusion Agenda in England.
A Marsh - Australian Journal of Social Issues, 2004; Keywords: social
Exclusion, national policy, area based policy

Child protection at the community level
G Jack - Child Abuse Review, 2004; Keywords: child protection, social disadvantage, concentrations of poverty, children at risk.

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R Burrows - Urban Studies, 2003; Keywords: poverty and home-ownership

Urban marginality and labour market restructuring: local authority tenants and employment in an Inner London borough
P Watt - Urban Studies, 2003; Keywords: labour market restructuring, council housing, social exclusion.

Poverty and home ownership in contemporary Britain
R Burrows – 2003; Keywords: poverty measure socio-demographics

Gentrification, housing differentiation and urban regeneration: 'going for growth' in Newcastle upon Tyne
S Cameron - Urban Studies, 2003; Keywords; Growth and housing renewal, deprivation, social exclusion, urban regeneration.

'Mixed tenure' policy in the UK: privatisation, pluralism or euphemism?
R Tunstall - Housing, Theory and Society, 2003; Keywords: mixed neighbourhoods, housing, deprivation, social exclusion, area based policy, urban regeneration

'The Poor in a Loomp is Bad': New Labour and Neighbourhood Renewal
B Lund - Political Quarterly, 2002; Keywords: social exclusion, underclass, deserving poor, spatial concentrations.

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S Musterd, M de Winter - International Journal of Urban Regeneration, 2002; Keywords: segregation, social exclusion.

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G Galster - Housing Studies, 2002; Keywords: housing, social stratification, social exclusion

Tackling social exclusion
J Pierson – 2002; Keywords: social exclusion is a central part of government

Part of the problem or part of the solution? Social housing allocation policies and social exclusion in Britain
H Pawson, K Kintrea - Journal of Social Policy, 2002; Keywords: social housing allocations policies, social exclusion, housing processes and social exclusion

Housing models and inequality: perspectives on recent Irish experience
PJ Drudy, M Punch - Housing Studies, 2002; Keywords: housing models, social exclusion and housing, comparative research

Social housing as crime control: an examination of the role of housing management in policing sex offenders
D Cowan, C Pantazis, R Gilroy - Social & Legal Studies, 2001; Keywords: housing management, social exclusion

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R Atkinson, K Kintrea - Urban studies, 2001; Keywords: is it worse to be poor in a poor area or in an area which is more socially mixed? Area effects

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R Meegan, A Mitchell - Urban Studies, 2001; Keywords: spatial scales, neighbourhood policy, urban regeneration, social inclusion, area-based policies.

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A Robinsonô - Environment and Planning D, 2001; Keywords: space and collective action, agency, identity, narratives of place.

The Politics of Regeneration
T Allen - Housing, Theory and Society, 2001; Keywords: regeneration, regulation theory, Fordism, globalisation, social exclusion.

Neighbourhood renewal: A toolkit for regeneration
A Hull - GeoJournal, 2000; Keywords: evaluating policy, evidence based policy, outcomes v outputs, urban regeneration.

Ruling out trouble: anti-social behaviour and housing management
E Burney - Journal of Forensic Psychiatry & Psychology, 2000; Keywords: neighbourhood housing policy, anti-social behaviour, housing and social exclusion.

The necessities of life in Britain
C Pantazis, P Townsend, D Gordon, Bristol University, PSE Working Paper, 2000; Keywords: Poverty and Social Exclusion

Social exclusion and public sector housing policy in Scotland
S Alvey - International Journal of Sociology and Social Policy, 2000; Keywords: social exclusion, social policy, neighbourhood regeneration, renewal

Urban regeneration: a handbook
B Edgar and J Taylor, Sage, 2000; Keywords: Urban regeneration, social exclusion, area based initiatives, area targeting of policy.

The Geography of Misery: Area Disadvantage and Patterns of Neighbourhood Dissatisfaction in England
R Burrows and D Rhodes - Researching poverty, Ashgate publishing, 2000; Keywords: neighbourhood disadvantage, unpopular areas, social exclusion, social cohesion

Scotland divided: poverty, inequality and the Scottish Parliament
G Mooney, C Johnstone - Critical Social Policy, 2000; Keywords: poverty and social exclusion, urban policy

Discourses of social exclusion: an analysis of bringing Britain together: a national strategy for neighbourhood renewal
P Watt - Housing, Theory and Society, 2000; Keywords: Discourses of Social Exclusion.

Race and representation: electoral politics and ethnic pluralism in Britain
S Saggar – Manchester University Press, 2000; Keywords: segregation, social exclusion

Social cohesion and multilevel urban governance
A Kearns, R Forrest - Urban Studies, 2000; Keywords: social exclusion, governance, area based policies

Community, ethnicity and neighbourhood
S Cameron, A Field - Housing Studies, 2000; Keywords: adjacency analysis, housing markets, deprivation, urban renewal and regeneration.

Owner-occupation, social mix and neighbourhood impacts
R Atkinson, K Kintrea - Policy & politics, 2000; Keywords: social exclusion, deprived social housing estates, social isolation, material disadvantage, neighbourhood and area effects

Housing management matters: Citizenship and managerialism in the new welfare market
R Goodlad - Journal of Housing and the Built Environment, 1999; Keywords: restructuring of housing policy, welfare restructuring, management regimes, spatial inequality, spatial variations in welfare impacts

Housing Abandonment in Inner Cities-The Politics of Low Demand for Housing
P Keenan, S Lowe, S Spencer - Housing Studies, 1999; Keywords: changing demand, deprivation, social exclusion, housing markets.

Longitudinal Monitoring of Housing Renewal in the Urban Core: Reflections on the Experience of Glasgow's Merchant City
L Rosenburg, C Watkins - Urban Studies, 1999; Keywords: housing markets, housing renewal strategies

Crime and banishment: Nuisance and exclusion in social housing
E Burney, Waterside Press, 1999; Keywords: nuisance, social exclusion, anti-social behaviour.

Area-based initiatives: the rationale and options for area targeting
G Smith - STICERD 1999 CASE Paper; Keywords: Area Based Initiatives, area targeting, social exclusion, urban regeneration.

Explanations of social exclusion: where does housing fit in?

P Somerville - Housing Studies, 1998; Keywords: concepts of social exclusion, social constructivism, social isolation, social segregation

Combating the social exclusion of housing estates
M Taylor - Housing Studies, 1998; Keywords: urban regeneration, difficult estates, social exclusion and housing

The social exclusion perspective and housing studies: origins, applications and limitations
A Marsh, D Mullins - Housing Studies, 1998; Keywords: social exclusion, housing

[4] Where are the Socially Excluded? Continuing Debates in the Identification of Poor Neighbourhoods, Regional Studies, 1999, Vol.33, No.5, pp.483-486 (10 citations)

The main area of citation was in *Housing Theory and Society*, *Urban Studies*, *GeoJournal*, *Housing Studies*, *European Journal of Housing Studies*, *International Journal of Urban and regional Research* and *International Journal of Sociology and Social Policy*. Whereas the earlier publications had demonstrated a strong record of citation in public health and epidemiological related research this paper was cited only once in the International Journal of Epidemiology. The strand of research and publication was focusing more upon urban policy, competitiveness and social exclusion; and this paper was pivotal in altering the focus of enquiry.

Linking social deprivation and digital exclusion in England
PA Longley, AD Singleton - Urban Studies, 2009; Keywords: Social Deprivation, digital exclusion.

Active citizenship in later life: older volunteers in a deprived community in England
I Hardill, S Baines - The professional geographer, 2009; Keywords: social exclusion, citizenship.

Unpacking Social Exclusion in Western Sydney: Exploring the Role of Place and Tenure
B Randolph, KJ Ruming, D Murray, Geographical Research, 2009; Keywords: social exclusion, discourse analysis, causes of disadvantage.

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E Fahmy, D Dorling, J Rigby, B Wheeler, D Ballas, B Thomas, D Gordon, & R Lupton, Radical Statistics, 97, 11-30, 2005; Keywords: inequality, social exclusion, spatial disadvantage.

Measuring neighbourhood deprivation: a critique of the Index of Multiple Deprivation
I Deas, B Robson, C Wong, M Bradford, Environment and Planning C: Government and Policy, 2003; Keywords: geographical variation in social, Formula Spending Share, Standard Spending Assessment, area based deprivation

Persistent poverty and the failure of area-based initiatives in the US
A Modarres - Local Economy, 2002; Keywords: anti-poverty, area-based initiatives

Initial impacts of community economic development initiatives in the Yorkshire and Humber Structural Funds programme

HW Armstrong, B Kehrer, P Wells - Regional studies, 2001; Keywords: community economic development, Structural Funds Programme, Regional Studies

Community regeneration Review of best practice
D Adamson, H Dearden, B Castle - 2001

Urban Policies and The Urban Poor in the UK
K Bassett - The power of planning: spaces of control and transformation; Springer, 2001; Keywords: New labour, poorest neighbourhoods, spatial mismatch

[5] Spatial and Social Divisions within British Cities: Beyond Residualisation, Housing Studies, 1999, Vol.14, No.5, pp.625-640 (33 citations)

This publication was pivotal in arguing for a different framework for locating housing within debates on social exclusion, housing need and its fit within economic development and planning. The fragmented and differentiated pattern of tenure outcomes in relation to social exclusion and the function and trajectory of neighbourhoods demanded a new strategic approach. The paper made linkages to the low demand debate and influenced the development of methods assessing the function of neighbourhoods within the context of their historical trajectory and symbolic capital. Between 1998-2010 the paper been cited 33 times across social policy and urban sociology covering the following range of topics including: *residualisation*, *urban management*, *changing demand*, *public housing*, *social exclusion*, *governance*, *urban renewal*, *urban regeneration*, *migration*, *longitudinal analysis*, *methods*, *psychosocial health*, *environmental and neighbourhood effects*, *area disadvantage*, *segregation*, *urban decay*, *deprived neighbourhoods*, *spatial mismatch*, *social mix* and *gentrification*. The contribution has been cited in papers appearing in the following journals: *Housing Studies* (2 papers), *Urban Studies* (3), *Housing Theory and Society* (3), *GeoJournal*, *European Journal of Housing Policy*, *International journal of Epidemiology*, *International Journal of Urban and Regional Research* and *International Journal of Sociology and Social Policy*.

Migration in comparative perspective: Caribbean communities in Britain and France
M Byron, S Condon, Routledge, 2008; Keywords: Migration, exclusion, Diaspora, comparative studies.

Homes, cities and neighbourhoods: planning and the residential landscapes of modern Britain
B Goodchild, Ashgate, 2008; Keywords: residualisation, urban management, changing demand

Municipal Housing Companies in Sweden–Social by Default
L Magnusson, B Turner - Housing, Theory and Society, 2008; Keywords: public housing, social exclusion, governance

The poverty of transition: from industrial district to poor neighbourhood in the city of Nanjing
F Wu - Urban Studies, 2007; Keywords: causes of poor neighbourhoods, urban renewal, urban regeneration.

Poverty and social exclusion. Two sides of the same coin or dynamically interrelated processes?
F Devicienti, A Poggi - Workshop on "Dynamic Analysis using Panel Data", Working Paper no. 62, 2007; Keywords: longitudinal analysis, methods

Tackling social exclusion in European neighbourhoods: experiences and lessons from the NEHOM project
A Kährik - GeoJournal, 2006; Keywords: Disadvantaged urban neighbourhoods, complexity, neighbourhood renewal, area based initiatives

Transforming social housing: taking stock of new complexities
P Hickman, D Robinson - Housing Studies, 2006; Keywords: residualisation, housing market restructuring, patterns of housing consumption.

Residential differentiation, housing policy and urban planning in the transformation from state socialism to a market economy: the case of Tallinn
S Ruoppila, Helsinki University of Technology Centre for Urban and Regional, 2005; Keywords: differentiation, housing policy, urban planning

So many managers, so little vision: registered social landlords and consortium schemes in the UK
T Manzi, BS Bowers - European Journal of Housing Policy, 2004; Keywords: trajectories of housing policy, restructuring, residualisation

Are social comparisons of homes and cars related to psychosocial health?
A Ellaway, L McKay, S Macintyre, A Kearns, R, International journal of Epidemiology, 2004; Keywords: perceptions, psychosocial health, environmental effects, neighbourhood effects, area disadvantage

Urban poverty and marginalization under market transition: the case of Chinese
F Wu - International Journal of Urban and Regional Research, 2004; Keywords: social inequality, income inequality spatial disadvantage

The uneven geography of housing affordability stress in Canadian metropolitan areas
T Bunting, AR Walks, P Filion - Housing Studies, 2004; Keywords: housing policy, affordability, spatial disadvantage, segregation

Urban sores: on the interaction between segregation, urban decay, and deprived neighbourhoods
HS Andersen, Ashgate, 2003; Keywords: segregation, urban decay, deprived neighbourhoods, spatial mismatch

Patterns and concentrations of disadvantage in England: A rural-urban perspective
J Midgley, I Hodge, S Monk - Urban Studies, 2003; Keywords: area disadvantage, methods, area targeting, indicators and domains of deprivation.

Excluded places: the interaction between segregation, urban decay and deprived neighbourhoods
HS Andersen - Housing, Theory and Society, 2002; Keywords: deprived urban neighbourhoods, pockets of poverty, social inequality, segregation

Consumers' Responses to Choice-based Letting Mechanisms
J Kullberg - Housing Studies, 2002; Keywords: social rented housing, allocations policies, spatial disadvantage, residualisation.

Can deprived housing areas be revitalised? Efforts against segregation and neighbourhood decay in Denmark and Europe
HS Andersen - Urban Studies, 2002; Keywords: area-based initiatives, deprived urban areas, revitalisation and renewal policies, evaluation, outcomes and effects

Social exclusion and public sector housing policy in Scotland
S Alvey - International Journal of Sociology and Social Policy, 2000; Keywords: social exclusion, neighbourhood renewal, area based initiatives

Young Peoples? Perceptions of Housing Tenure: A Case Study in the Socialization of Tenure Prejudice
R Rowlands, CM Gurney - Housing, Theory and Society, 2000; Keywords: meaning of housing tenure, residualisation, patterns of housing consumption.

Social Mix and the 'Balanced Community' in British housing policy–a tale of two epochs
I Cole, B Goodchild - GeoJournal, 2000; Keywords: Social Mix, Balanced Communities, housing policy, social exclusion, gentrification.

[6] Changing Housing Markets and Urban Regeneration in the M62 Corridor, 2000, Housing Corporation (29 citations)

This paper developed and influenced approaches to sub-regional housing strategy development. The M62 report (as it became known) developed a methodology for highlighting 'areas at risk' of low demand and demonstrated how deprivation was not a primary cause of low demand as areas with above expected levels of deprivation (according to the Index of Multiple Deprivation) (IMD 2000) were widespread throughout the North West, whilst the worst aspects of low demand and abandonment were affecting discrete neighbourhoods. As at 21 June 2010 it has been cited in 29 articles concerned with *housing markets*, *market analysis*, *renewal and regeneration*, *housing market assessment*, *filtering*, *stock and flows*, *scale*, *gentrification*, *migration*, *dispersal*, *segregation*, *methodology*, *needs*, *affordability*, *changing demand*, *poverty*, *social exclusion*, *material disadvantage*, *social capital* and *relational disadvantage*. The contribution has been cited in papers appearing in the following journals: *Urban Studies* (5 papers), *Environment and Planning A*, *Housing Theory and Society*, *People, Places & Policy*, Europe*an journal of housing policy*, *Sustainable Development* and *Radical Statistics*.

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S Hincks, C Wong - Urban Studies, 2010; Keywords: housing market assessment, migration, filtering, stock and flows.

The question of scale in housing-led regeneration: tied to the neighbourhood?
S Pinnegar - Environment and Planning A, 2009; Keywords: complexities of scale, structure v agency

Rethinking the Role of Markets in Urban Renewal: The Housing Market Renewal Initiative in England
Housing, Theory and Society, 2009; Keywords: Gentrification, renewal, HMR, housing markets.

Economic Migration from the EU 'A8' Accession Countries and the Impact on Low-demand Housing Areas: Opportunity or Threat for Housing Market Renewal
S Pemberton - Urban Studies, 2009; Keywords: migration, Housing Market Renewal Pathfinders, dispersal, segregation, gentrification.

Housing market renewal and social class
C Allen, Routledge, 2008; Keywords: Housing Market Renewal, social class, gentrification, evaluation.

A framework for housing market area delineation: principles and application
PJB Brown, S Hincks, Urban Studies, 2008; Keywords: housing market areas (HMAs), housing market assessments, methodology, market analysis, needs.

Economic Migration to Housing Market Renewal Areas in North West England Opportunity or Threat?
S Pemberton& C Stevens, MSIO Policy Report – 2007; Keywords: economic Migration, evaluation, Housing Market Renewal Areas.

Housing Market Renewal in an era of new housing supply
E Ferrari, People, Places & Policy - 2007; Keywords: renewal and regeneration, growth, affordability, HMR.

Problem or opportunity? Asylum seekers, refugees, employment and social exclusion in deprived urban areas
J Phillimore, L Goodson - Urban Studies, 2006; Keywords: dispersal and asylum seekers, changing demand, segregation.

A new vision for housing
C Holmes, Taylor and Francis, 2006; Keywords: evaluation, housing policy, changing demand, spatial policy.

Neighbourhood renewal policy and spatial differentiation in housing markets: recent trends in England and Denmark
I Cole, D Etherington - European journal of housing policy, 2005; Keywords: neighbourhood renewal, changing demand, comparative research.

Poverty of place
S Fitzpatrick, Centenary Lecture Joseph Rowntree Foundation, 2004; Keywords: poverty, social exclusion, material disadvantage, social capital, relational disadvantage, place.

Understanding local housing markets? Examining approaches to housing market
A Wallace, ODPM/ESRC - 2004; Keywords: housing market areas (HMAs), housing market assessments, methodology, market analysis, needs.

Tackling UK poverty and disadvantage in the twenty-first century
J Strelitz, D Darton, Joseph Rowntree Foundation, 2003; Keywords: spatial variation, poverty and disadvantage, area measures of disadvantage

Housing policy: an introduction
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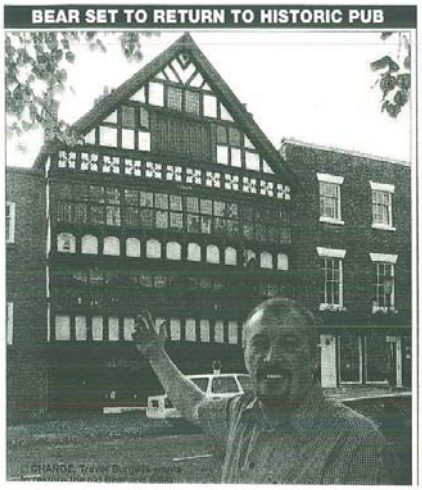
APPENDIX 3: IMPACT AND RECOGNITION
SELECTED MEDIA AND LETTERS OF APPRECIATION

£12m for city homes

BEAR SET TO RETURN TO HISTORIC PUB



CHARGE: Trevor Burgess wants

By Emma Bird
Daily Post Staff

HOUSING associations on Merseyside are set to receive an extra £12m in funding over the next three years.

There are nearly 10 times more vacant houses in Liverpool than the Government's target.

Baroness Brenda Dean, chairman of the Housing Corporation, revealed the funding boost ahead of a major report into Liverpool's housing situation, due to be published next month.

The study reveals a 50pc increase in grants to housing associations from the public service by the 2003.

The current £23m will rise to £29m at the beginning of next year before reaching £35m.

Renewing the Housing Market of Liverpool's Inner Core was commissioned by Liverpool City Council and housing associations in the city.

It has been undertaken by Peter Lee and Brendan Nevin at the Centre for Urban and Regional Studies (CURS), based at the University of Birmingham.

But Mr Lee has warned the city faces a bleak future unless it solves its current housing crisis, which he blames on the bad planning decisions made in the 1960s.

He underlined the problems faced in the inner core of Liverpool, including Granby and Toxteth, Kensington, Picton and the Scotland Road corridor.

The Government's threshold for the number of vacant house is 3pc, compared with Liverpool's figure of 30pc in the inner core. The study identified around 6,000 vacant properties in that area.

Mr Lee, a lecturer in urban studies, said: "Liverpool should be one of the key cities not just in Britain but also in Europe.

"It has got lots going for it: its architecture, its history, its culture but it is not a key city and the reason for that is that people have tended to take a very one-dimensional view of housing.

"The market is skewed towards lower quality housing. The city cleared inner areas in the 1960s and put the people into corridor towns such as Runcorn and Kirkby.

"But now planners are very nervous about clearing areas because of the mistakes that were made, even if it is the way forward.

"In the past, people lived with their families, moved into rented accommodation and then into council houses where they stayed until they died.

"But that is no longer the case and people are more aspirational. It is all very well building social housing but people move on. And if there is nowhere to go for them after that, they move out of Liverpool.

"These are the people that Liverpool needs to keep hold of. The local authority has to ask themselves why they are leaving and what they are going to do about it."

Labour life peer Baroness Dean, who took over the role of Housing Corporation chairman in 1997, welcomed the CURS report.

She said: "We expect the final CURS report will pose some difficult decisions about the future of Liverpool housing stock.

"This funding will make a real contribution to the region. Not only will it help renew Liverpool's ageing housing stock, it will also bring much needed jobs to the area."

Bid to solve Merseyside housing crisis

12 February 2001

Brendan Nevin and Peter Lee
Centre for Urban and Regional Studies
School of Public Policy
JG Smith Building
The University of Birmingham
Edgbaston
Birmingham
B15 2TT

North West
Housing Forum
Working for the best interests of the people of the North West of England

Dear Brendan and Peter

NORTH WEST HOUSING FORUM ANNUAL EVENT, 8 FEBRUARY

I am writing to thank you for the enormous contribution you both made to the success of the North West Housing Forum's annual gathering at Old Trafford last Thursday. I hope your journey home was smoother than your trip up to Manchester.

Much was said on the day about the huge value and high quality of the research you have undertaken on behalf of the M62 Group, but I would also like to record our thanks for the way in which you presented the analysis and findings of your research, and for setting out your recommendations in such a clear and focused way. The Forum will, I am sure, be taking an active role in pressing on with many of those recommendations in this region and, we hope, looking to cooperate with colleagues in other regions and in national debates too.

Yours sincerely

Cllr Noel Spencer
Chair, North West Housing Forum

Forum Partnership: Housing Authorities of Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside, Chartered Institute of Housing (NW), House Builders Federation, Housing Associations providing homes in the region, The Local Government Association, The National Housing Federation, The Northern Consortium of Housing Authorities

Housing Market Renewal Areas The Guardian 11.4.2002

Members of the steering committee said they were giving ctual, scientific reasons for eping primate research, and e ethical questions about the gher cognitive and social life primates over other animals ould be better considered by her commission advisers.

Keith Jones, one of the eight rmanent members of the mmittee, and director and ief executive of the governent's medicines control ency, said yesterday there re lobby groups with a seris interest in "eliminating" ork using monkeys. "Sub-huan primates have an importnt role that is actually irreaceable in terms of public alth and medical science."

James Bridges, of Surrey iversity, another committee ember said: "Politically, it is ver going to be popular to y animal experiments of any nd should be done. We all feel aten about the head by it."

Anthony Hardy, of the Cenl Scientific Laboratory, York, id Ian White, a consultant rmatologist at St Thomas' spital, London, who also chair J scientific subcommittees, e the other British scientists.

The Research Defence Soci- welcomed the stand taken the commission's advisers. f they had held the perspec- e to be able to say how imrtant this is to the future, d they said nothing about it, cy would be seriously failing their responsibility."

cillins, and almost five million for warfarin sodium.

Generic drugs are supposed to be commodity products with high sales volumes and low profit margins.

Prices are not expected to fluctuate unless there is a drafraud services in 1998.

While the unit's 500 investigators primarily work to reduce small scale prescription fraud, in this case its sights were set on the generic drugs industry, producing a detailed report that was passed on to

Pharmaceuticals, based in Asnford, was the sixth drug manufacturer raided.

All firms declined to comment or denied any wrongdoing. No arrests were made and the SFO said charges were "not imminent".

Byers to rescue north's blighted neighbourhoods

Peter Hetherington
Regional affairs editor

The government unveiled plans to rescue hundreds of thousands of rundown homes in the north of England and the Midlands yesterday after research showing that, with the collapse of local housing markets, many blighted neighbourhoods were approaching the point of no return.

The local government secretary, Stephen Byers, announced nine housing renewal areas where his department will work with local councils, mortgage lenders and Whitehall-funded housing associations, to improve properties and demolish others.

He is pressing for extra money from the Treasury in the forthcoming spending review after a report from a consortium of 100 councils and housing associations in the north and the Midlands called for a 10-year regeneration programme funded by a national renewal fund with up to £8bn at its disposal.

The idea is to launch renewal areas, covering up to 120,000 houses, which could be run by new social companies, embracing town halls, government agencies, lenders and developers, charged with transforming communities using a mix of public and private capital.

Already thousands of home owners are trapped with negative equity. Ministers face the challenge of restoring confidence in these areas via a mix of rebuilding and selective demolition.

Recently a government official revealed that 75,000 houses in the north-west alone might be lost.

Mr Byers said yesterday: "Derelict homes don't just scar the landscape, they make life intolerable for those living there. Those that can, leave, and those that are left are often trapped in negative equity. Legitimate landlords struggle and rogue landlords flourish. The knock-on effect is immense, permeating our towns and cities."

The areas selected yesterday are in Manchester and Salford, Merseyside, and east Lancashire, embracing Burnley and Blackburn, Oldham and Rochdale. The areas also include parts of South Yorkshire from Sheffield to Doncaster, Hull, Tyneside, Stoke-on-Trent, and parts of Birmingham and neighbouring Sandwell.

Research undertaken by Birmingham University shows that 280,000 homes in the north-west's M62 corridor alone — approaching 20% per cent of the total housing stock — are blighted.

The City of Liverpool

Direct Line : [redacted]
Facsimile : [redacted]
Email : [redacted]ool.gov.uk
Our Ref : HSU/20/A/5/AS/LR
Date : 15th April 2002

Mr Peter Lee
Senior Lecturer
CURS
The University of Birmingham
Pritchatts Road
Edgbaston
Birmingham
B15 2TT

Dear Peter,

Housing Market Renewal Fund

Now that the dust has settled on last week's announcement, I thought that I really should drop you a line to congratulate you on what has been achieved. When you think that the M62 study was only started in 1998 and here in Liverpool we only started our housing market research programme with you in 1999, it is amazing the ground that has been covered and the impact that it has had with Central Government.

Who would have thought four years ago that we would have been able to convince Government to invest up to £8 billion in housing market renewal in the North and Midlands. Whilst the credit for this rests with a number of people, the contribution that staff from CURS, and in particular you and Brendan, have made has been enormously significant and helpful.

We all know that this is only a staging post and that we still have to produce a robust prospectus for each pathfinder area and also put in place governance and delivery mechanisms, but what a step forward it is just to be able to move beyond making the case to the whole question of delivery. This really gives key cities the opportunity to completely change their residential landscape over the next 20 years in a way that has simply not been possible under the policy framework for housing that has existed for over 50 years.

Liverpool City Council
Regeneration Portfolio
PO Box 38, Kingsway House
Hatton Garden, Liverpool, L69 3YR

Whilst writing, I know that you will be pleased to note the news that all three ballots on the Eastern Fringe have been successfully delivered with turnouts of over 65% and votes in favour ranging from 67% to 88%. As I said in my recent email to you, we really must organise a proper celebration up here in Liverpool about all this, possibly when the local housing markets study, which is CURS last current commission in Liverpool, has been completed.

I will be in touch about all this in due course.

Best Wishes

Alan

23 MAY 2005 -1563

GOVERNMENT OFFICE
FOR THE WEST MIDLANDS

Professor Alan Murie
Centre for Urban and Regional Studies
University of Birmingham
Edgebaston
Birmingham
B15 2TT

Graham Garbutt
Regional Director

5 St Philip's Place
Birmingham
B3 2PW

☎:
🖷:
✉: [redacted]-regions.gsi.gov.uk

20 May 2005

Dear Alan

Regional Housing Strategy

I am writing as Chair of the Regional Housing Board to express both the thanks of the board and also my personal thanks for the excellent support you have provided to regional partners to produce a new draft strategy.

Your overview of the suite of research for the Regional Housing Board over the last year and work on individual work projects has demonstrated work of a very high standard. In addition to this research work, I have been particularly impressed by feedback I have received on your stepping in to work with the Regional Housing Partnership to fine tune the draft document.

I would be grateful if you would pass on our thanks to your team

Kind regards,

GRAHAM GARBUTT

19 MAY 2005 1552

West Midlands
Regional Assembly

13 May 2005

Prof Alan Murie
Head of School
School of Policy
University of Birmingham
Edgbaston
Birmingham
B15 2TT

Dear Alan

On behalf of the Assembly and Regional Housing Partnership, I would like to express our gratitude for the assistance provided by CURS throughout the development of the Draft Regional Housing Strategy.

In view of the tight deadlines and difficulties encountered during the process to produce the Draft Strategy, CURS have demonstrated a pleasing flexibility and dedication towards 'getting the job done'. Your presentations during the consultation stages made the process credible and advanced the cause of Regional working on housing issues.

Therefore, I would ask you to forward my thanks to all of your colleagues whom have contributed to the Draft Strategy and also convey our particular appreciation to Peter Lee, whose assistance to our Housing Team during the final drafting and editing of the Draft Strategy has been invaluable.

Yours sincerely

Trudi Elliott
Chief Executive - WMRA

West Midlands
Regional Assembly

25 January 2006

Peter Lee
Senior Lecturer
Centre for Urban and Regional Studies
The University of Birmingham
Edgbaston
Birmingham
UK B15 2TT

Dear Peter

West Midlands Regional Housing Strategy 2005 – 2021

As you are aware, the WM Regional Housing Strategy was formally launched to the press and media on Tuesday 6 December 2005 at the Bullring Management Suite in Birmingham City Centre.

I would like to take this opportunity to thank you personally on behalf of the WM Regional Assembly and the Housing Secretariat for the support you provided throughout the development of the Strategy and especially during the difficult final stages. You were instrumental in ensuring that the document was ready for submission to ODPM by the deadline and the willingness to support us so effectively is greatly appreciated.

You will appreciate the publication of the WM Regional Housing Strategy is only the start of a much longer process, with the implementation of the Strategy, the creation of a joint Monitoring system, the establishment of effective Housing Market Area Partnerships and the Regional Spatial Strategy Partial-Review all currently being considered or as yet to be undertaken. Clearly, this is a huge agenda and one which will only be successfully completed through continued partnership working and by the help and co-operation from Regional organisations, such as CURS.

Therefore, we look forward to working with you again in the near future.

Kind Regards

Steve

Steve Forrest
Strategic Advisor - Housing

guardian UK news

Small flats pushing families out of cities

James Meikle
Tuesday June 20, 2006

Families are being forced out of town and city centres because developers are building so many small flats for key workers and the rising numbers of people living alone, MPs warned today.

They fear that the trend towards building larger homes on the suburban fringes and on greenfield sites encourages urban sprawl, leads to more commuting and further undermines the social stability of inner cities, which will become filled by ever more transient populations as middle-income families move out.

Article continues

The MPs on the Commons select committee that monitors the Department for Communities and Local Government suggest local authorities may need greater powers over when and how former industrial sites are developed. They say developers may be trying to maximise profits by building smaller homes.

The MPs commend the fact that new homes, including flats, are helping to revive urban life, but are concerned that in some

areas entrepreneurs are snapping up new flats as "buy to let" investments, which drives up local prices. They say the flats are likely to be occupied by childless couples who will then move on to buy family housing elsewhere at a later date.

They add: "The opportunity must be grasped, wherever possible, to revitalise areas suffering from low housing demand, where giving in to market pressure to build in high demand areas on the edge of cities would further hollow out those inner city areas."

The committee was impressed by evidence from Peter Lee, of Birmingham University, who said there was a danger from "too many monolithic one and two bedroomed apartments" when people living in them "will still have friends and, where they have been divorced and have families, they will want their kids to stay over".

The MPs quote approvingly Yvette Cooper, the minister for housing and planning, who told them: "I think we underestimate the terraced house. You can have very large terraced houses with plenty of bedrooms that are relatively high density. I think people think the only way to deliver density is through blocks of flats and that is simply not true."

Other witnesses to their inquiry on the supply and affordability of housing accused builders of holding back building on sites with planning permission in order to keep prices high. The MPs say local authorities should be able, as a last resort, to compulsorily purchase such land and find alternative developers.

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Daily sections

Weekly sections

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December 2010