

Imagining  
Powerful  
Communities  
#Empowered2020s

**Place matters:**  
How communities in  
England are changing

A report by Localis for Local Trust



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# Place matters:

## How communities in England are changing

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This report has been researched and authored by Localis, and commissioned by Local Trust, for the [Empowered Communities in the 2020s](#) research project. Empowered Communities in the 2020s is a joint research and public engagement project inviting organisations, public services, community groups, and individual citizens to share their visions of how communities can become more empowered. The project asks *'How can communities become more empowered and vibrant in the 2020s?'* The report will inform the Empowered Communities in the 2020s research but has wider relevance to all of those helping to lead local communities through changing times.





# Introduction

**As the 2020s approach, England is in a state of flux. The country is experiencing a series of major changes in its political and economic model. Too often, questions of national significance and their impact on places and people – a future migration policy, mismatches in people’s education and the skills a modern economy demands, how to care for an ageing population – are overlooked or ignored. Localis has produced this research to begin to fill this gap.**

The research uses data sets to show how communities are changing on a number of the most important indicators of vitality and vibrancy. It highlights where and how change is being, and will be, felt most acutely. It outlines the factors likely to impact these trends in the near future.

Data analysis is provided first by a national picture, and, second, by case studies that are statistically representative of three types of community common across the country: market and new towns, the urban north and rural areas. Detailed in the report are key themes by which these types of community are changing and their main challenges in the coming years. The methodology for creating the three case studies communities and process of data collation is described in the appendix.

Not every place in England is included in the case study communities – and other typologies are worthy of analysis too – but each has a characteristic in common: all are poorly served by policy:

- **Market and new towns:** tend to be grouped with shires. Interest in towns is growing, but this has not yet translated into policy.
- **Urban north:** cities in the urban north are a focus of policy in recent years, yet the urban north extends beyond them as a relatively densely populated area. As this report shows, communities in the urban north have a number of urgent issues related to deprivation.
- **Rural areas:** have no major population hub. They are perennially forgotten, yet are also where the change can be felt most acutely.

The research shows a country where, to quote the Prime Minister’s first speech from Downing Street, the ‘burning injustices’ afflicting society are distributed unevenly across the country. Communities across England are moving in different directions at different, sometimes alarming, speeds. On a number of indicators these gaps in vitality and vibrancy are widening.





# National picture

To provide a snapshot of how communities are changing across the country, a national picture is provided by four themes:

- **Movement of people**
- **Health and wellbeing**
- **Household finances**
- **Young people**

For each, headline trends are detailed as well as challenges that will cause uncertainty in the trends over the next few years.

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<sup>1</sup> [IFS \(2017\) – Public spending on adult social care in England](#)

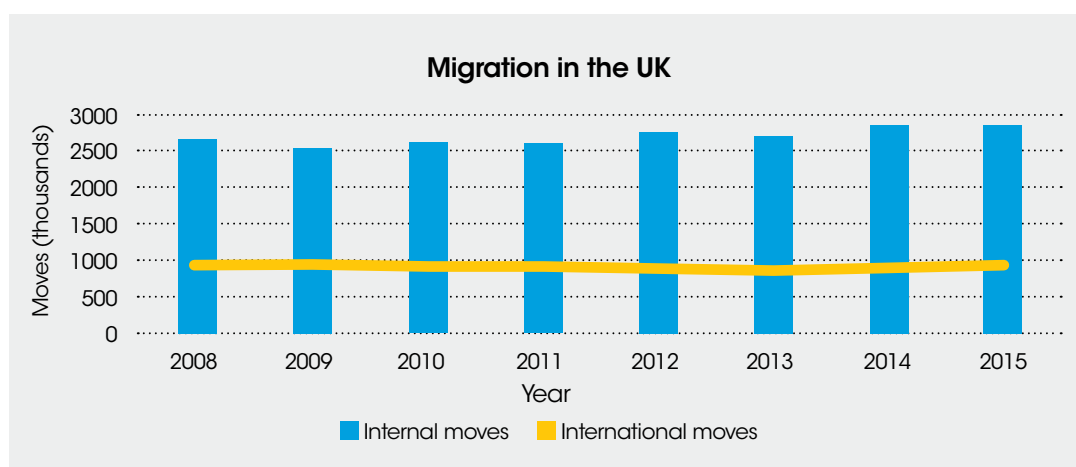
# Movement of people

## Headline trends

- **The number of internal moves made by UK residents each year is gradually increasing to three million. This is a 9 percent increase from 2011-2015.**
- **The number of international moves out of and into the UK each year remains relatively stable at approximately one million.**

The depth, quality and flexibility of a place's labour market is a key driver of its productivity and economic success. Without the presence of the labour it needs, a business is less likely to move into, or invest in, an area. Similarly, the demographic structure of a place's population has a significant bearing on demand for local public services. In areas with an ageing population, demand for services such as health and care tends to increase. Twinned with a net reduction in the working age population this presents significant challenges to the local authority – the Institute for Fiscal Studies reports that 39 percent of local authority service spend goes on social care.<sup>1</sup>

Allied to these questions of a place's attractiveness to investment and capacity to provide local public services is the less tangible issue of a community's perception of and response to, often rapid, community change. In 2013, the British Attitudes Survey found that 77 percent of people thought that immigration should be reduced.<sup>2</sup> Although negative perceptions are traditionally associated with migration from outside the UK, the impact of migration within the UK often has an equal bearing on a community.



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<sup>2</sup> Migration Observatory (2016) - UK Public Opinion toward Immigration: Overall Attitudes and Level of Concern

<sup>3</sup> Data source: ONS Migration Statistics

All these issues, and more, make analysis of migration into and out of communities' essential. As illustrated by the graph above, the sum of the number of people moving within the UK is considerably higher than the sum of the number of people leaving the UK for another country. The number of internal moves has gradually increased in the past five years, but both measures are relatively stable. However, this tells only half the story. Two observations stand out.

First, internal migration is inherently seasonal. Predictable events like young people starting university are clearly observable in the data.<sup>4</sup> University starters have impacts both on the place they arrive in and the place they leave. The peak age for movement is 19.<sup>5</sup>

Second, the impact of the country's vote to leave the European Union (EU) on international migration is unclear. Since 2016 there has been a downturn in international migration, particularly from within the European Union: in the year to March 2017, net migration to the UK was 246,000; significantly lower than 327,000 recorded in the preceding year.<sup>6</sup> Further, government is yet to outline a clear post-Brexit migration framework. A number of questions important to communities across England remain unanswered. For example, if a work-permit system is put into place, what kind of jobs will be eligible for what kind of permits?<sup>7</sup> Or, how will a system of right-to-remain be implemented for those that have been here for a long time?<sup>8</sup>

Places where the rate of international migration has been highest will be most affected by forthcoming changes to migration policy. For instance, in places whose local labour markets are dependent on migrant labour, there is vulnerability to labour shortages. Local housing demand, particularly for homes in the private rental sector, will also be impacted by changes to migration policy.

## Future uncertainties

- **New migration framework.** The characteristics of the country's new migration framework is dependent on government's negotiations with the EU. To date, there is no clear indication of what new arrangements with the EU, and other parts of the world, will look like post-Brexit, nor when those arrangements will be introduced.
- **Local and national economic performance.** There tends to be a cyclical relationship between rates of internal migration and economic performance.<sup>9</sup>

<sup>4</sup> ONS (2016) - Internal migration, England and Wales: Year Ending June 2015

<sup>5</sup> see ONS internal migration official publications, 2012-2016

<sup>6</sup> The Guardian (2017) - Net migration to UK drops to lowest level for three years

<sup>7</sup> The Migration Observatory (2016) - Labour Immigration after Brexit: Trade-offs and Questions about Policy Design

<sup>8</sup> Centre for European Reform (2016) - Britain Will Struggle to Make EU Migrants 'Go Home'

<sup>9</sup> George J. Borjas (1994) - The Economic Benefits from Immigration

# Health and wellbeing

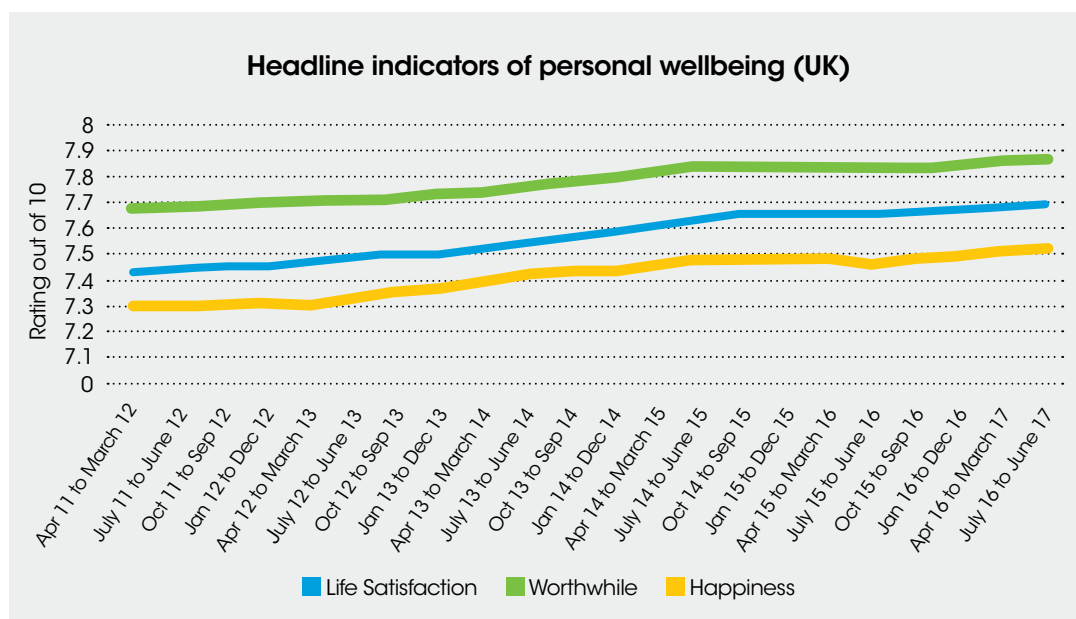
## Headline trends

- In the past two decades life expectancy has increased by close to five years.
- The level at which people report themselves to be on headline measures of wellbeing – happiness and worthwhile, is increasing year-on-year.

On the whole, England is becoming healthier and happier. Over the past two decades, in line with other EU countries, life expectancy at birth has increased by almost five years. Low birth weights have decreased from 3.1 percent in 2005 to 2.8 percent in 2015.

However, there are also reasons for concern. Since 2010, levels of childhood obesity have increased by one percentage point. Recorded prevalence of depression in GP practise registers has increased every year since 2012 (from 5.8 percent to 9.1 percent in 2016). Flu vaccination coverage of people aged over 65 has decreased from 73.4 percent to 70.5 percent between 2013 and 2017.<sup>10</sup>

Headline 'measures of wellbeing' are at their highest since 2011. These are measured by asking Annual Population Survey respondents to rate themselves on a scale of one to ten on issues such as 'happiness', 'life satisfaction', 'worthwhile' and 'happiness' have all steadily increased since 2012. However, there are differentials across the country's communities, as explored in the next section.



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## Future uncertainties

- **Disposable income.** There is a considerable amount of research linking health, and the maintenance of a healthy lifestyle, to disposable income.<sup>13 14</sup> For this reason, trends in health are sensitive to trends in household finances.

<sup>11</sup> Data source: ONS (2017) - Personal well-being in the UK: July 2016 to June 2017

<sup>12</sup> Ibid.



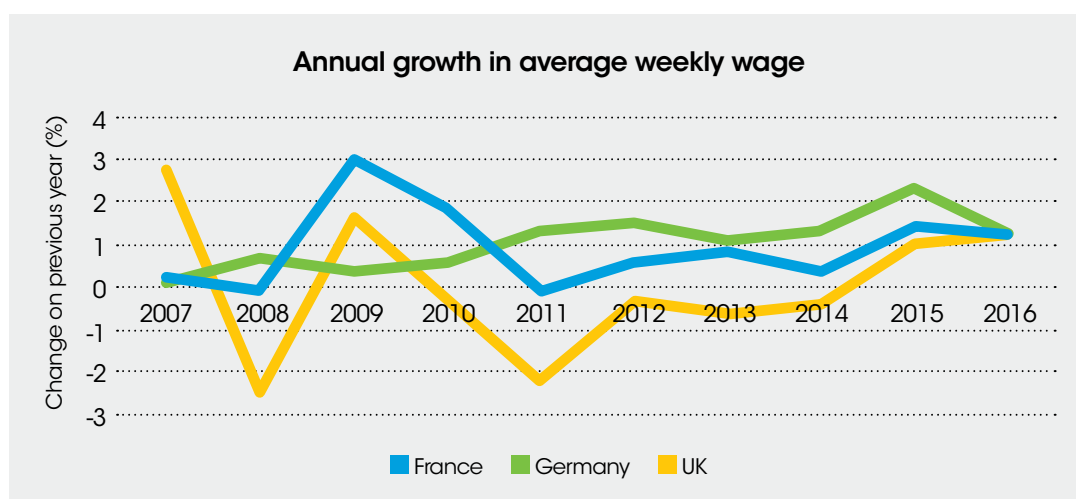
# Household finances

## Headline trends

- Since the 2008 recession, unemployment levels have remained relatively low.
- However, wage growth has slowed in comparison with other EU countries.

In November 2017, the Bank of England raised interest rates for the first time since 2007.<sup>15</sup> It is expected that rates will continue to rise throughout 2018.<sup>16</sup> The Bank's decision to bring up the cost of borrowing is a sign of confidence in the economy at large, but it also has implications for communities, especially those most indebted, across the country. Recent research from the Money Advice Service and CACI reports one in six individuals in the UK find keeping up with financial commitments to be a heavy burden.<sup>17</sup>

Interest rate rises are particularly important in the context of the economy's recovery from the 2008 financial crisis. Although unemployment has remained relatively low in comparison to previous recessions and other countries,<sup>18</sup> the financial crisis has had a significant and sustained impact on wages: recent research has suggested the country faced cuts to real-term pay and reduced working hours which have not yet been recovered.<sup>19 20</sup>



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<sup>13</sup> Fritzell, Nermo and Lundberg (2004) - The impact of income: assessing the relationship between income and health in Sweden

<sup>14</sup> Laaksonen et al (2003) - Income and health behaviours. Evidence from monitoring surveys among Finnish adults

<sup>15</sup> BBC (2017) - UK interest rates rise for first time in 10 years

<sup>16</sup> Fund Strategy (2017) - Capital Economics: UK rates likely to rise in Q2 2018 and move up faster than expected

<sup>17</sup> Money Advice Service/CACI (2017) - A Picture of Over-Indebtedness

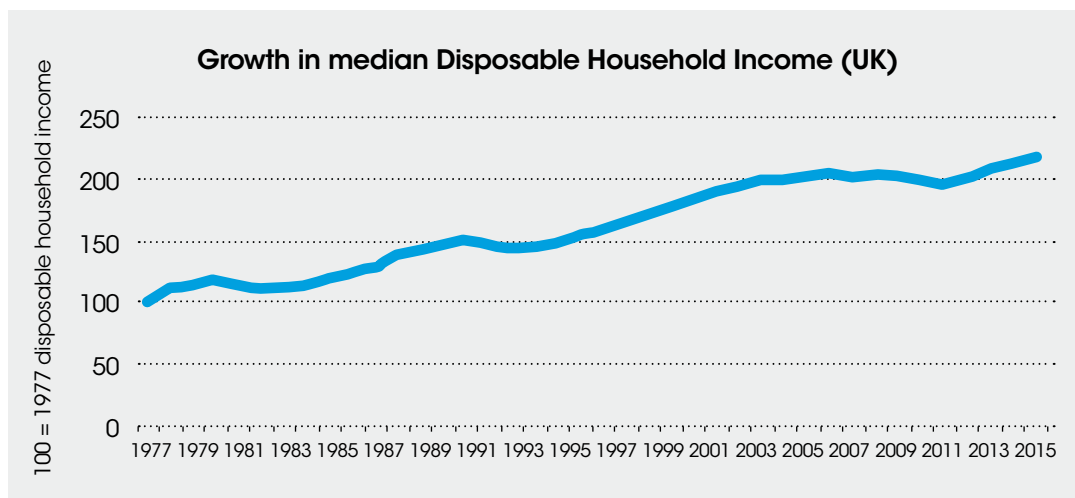
<sup>18</sup> Peter Urwin and Emma Parry (2017) - Age, Generations, and the Labour Market

<sup>19</sup> Daniel Schaefer and Carl Singleton (2017) - Real Wages and Hours in the Great Recession: Evidence from Firms and their Entry-Level Jobs

<sup>20</sup> David Blanchflower and Stephen Machin (2016) - Slowing UK Wage Growth

<sup>21</sup> Data source: OECD wage data

The impact of the recession can also be seen in relatively slow growth in household disposable income in the late 2010s. After a sustained increase, growth plateaued between 2003/04 and 2014/14.



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## Future uncertainties

- **Rising interest rates.** In November 2017, the Bank of England raised interest rates for the first time since 2007.<sup>23</sup> It is expected that rates will continue to rise throughout 2018.<sup>24</sup> As this increases the cost of borrowing, it will be felt by communities across the country
- **Wage growth.** Wages have not recovered to pre-crisis levels.<sup>25</sup>
- **Cost of living.** The Consumer Prices Index reached a four-year high in mid-2017.<sup>236</sup> The effect of living costs on levels of over-indebtedness will depend on whether this trend continues into 2018.
- **Working age benefit freeze.** The uprate of working age benefits is frozen and is expected to be frozen for the foreseeable future.<sup>27</sup> Added to this are current complications with the implementation of Universal Credit.
- **Underemployment.** Although difficult to measure, underemployment – part-time and temporary workers unable to find permanent jobs – has almost as many social costs as unemployment.<sup>28</sup>

<sup>22</sup> Data source: ONS (2016) Household disposable income and inequality in the UK: financial year ending

<sup>23</sup> BBC (2017) - UK interest rates rise for first time in 10 years

<sup>24</sup> Fund Strategy (2017) - Capital Economics: UK rates likely to rise in Q2 2018 and move up faster than expected

<sup>25</sup> ONS (2017) - UK labour market: November 2017

<sup>26</sup> The Guardian (2017) - UK cost-of-living crisis grows as dearer imports push inflation to 2.9%

<sup>27</sup> Richard Keen & Vyara Apostolova (2016) - Commons Briefing Paper CBP7818: 2017 Benefits Upgrading

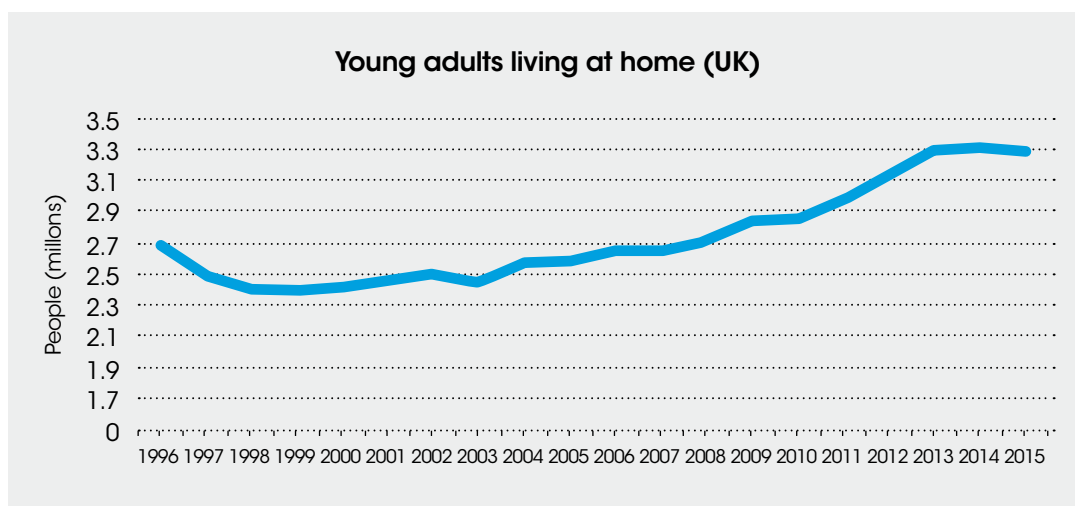
<sup>28</sup> David Dooley & JoAnn Prause (2003) - The Social Costs of Underemployment

# Young people

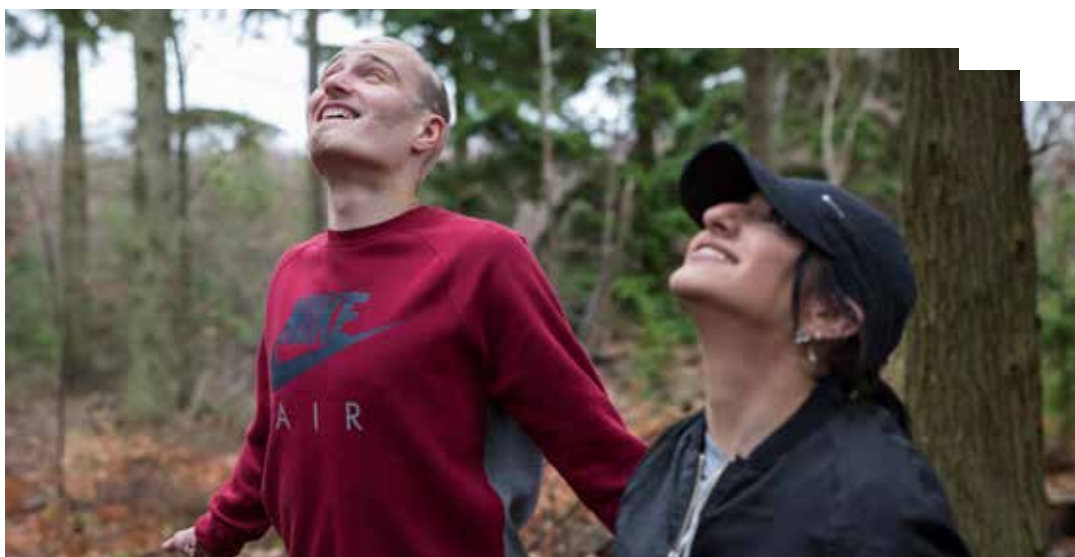
## Headline trends

- In the first half of the current decade, the number of young adults living at home increased by 46 percent.
- The percentage of dependent children aged under 20 in relative poverty has, after gradually decreasing over a five year period, recently begun to increase.

Since the General Election, where youth turnout was relatively high, the issues faced by young people have come closer to the fore. One of the most important of these in recent years has been the number of young people living at home. It has risen year-on-year since 2003.<sup>29</sup> This is indicative of a number of issues, for instance the rising costs of both privately renting costs and higher education.



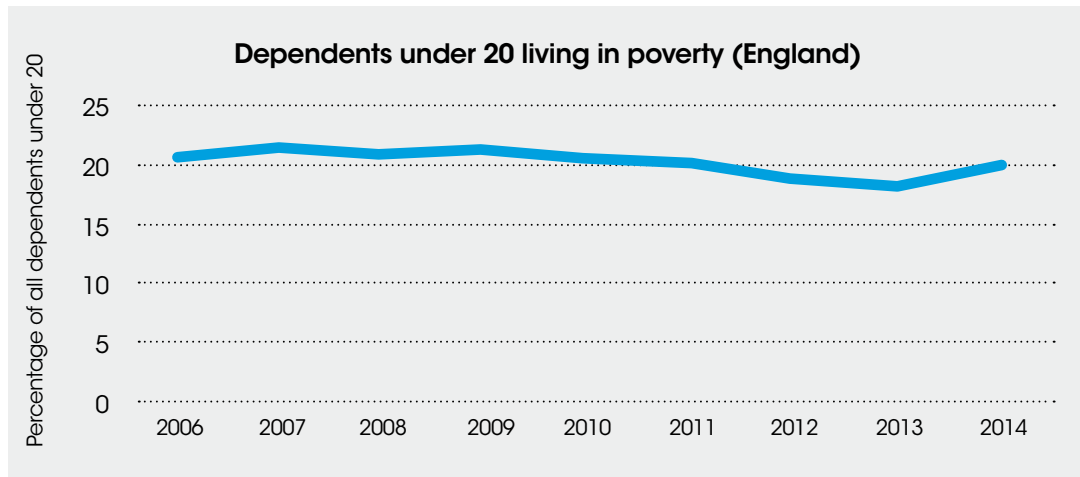
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<sup>29</sup> Mail Online (2016) - One in four young adults are still living at home: Millions of 20 to 34-year-olds can't afford to move out

<sup>30</sup> Data source: ONS (2016) - Why are more young people living with their parents

At the same time, the percentage of dependent children aged under 20 in relative poverty (living in households where income is less than 60 per cent of median household income before housing costs) has, after gradually decreasing over a five year period, recently begun to increase. This trend is currently forecast to continue. The Institute for Fiscal Studies have predicted increases in child poverty until at least 2021<sup>31</sup>.



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### Future uncertainties

- **Take home pay.** Dependent on wage growth, jobs availability, benefit allowances and rates of taxation.
- **Post-18 student numbers.** The costs of higher education may encourage more young people to live at home when studying for university.
- **Strength of local economy.** A key driver of young people's migration is the availability and quality of jobs.<sup>33</sup>

<sup>31</sup> IFS (2017) - Living standards, poverty and inequality in the UK: 2017-18 to 2021-22

<sup>32</sup> Data source: HM Revenue and Customs (Personal Tax Credits: Related Statistics - Child Poverty Statistics) via Public Health England

<sup>33</sup> Centre for Cities report



# Case studies

The research was undertaken to help understand how communities are responding to changes in the economy, politics and policy. The case studies focus on three statistically representative communities in market and new towns, the urban north and rural areas. They will examine their strength and vulnerabilities and will draw comparisons from each other.

## Market and new towns

### Strengths

- Attractive place to move to, particularly for over-30s. Market and new towns are net importers of people both from within the UK and abroad.
- High and fast-improving standards of education with attainment improving year-on-year. This suggests young people from market and new towns are well-equipped to enter the labour market.

### Vulnerabilities

- High number of people aged 15-25 leaving for other parts of the country. Market and new towns are haemorrhaging their young people at an ever-quicker rate.
- Rates of homelessness are high. The level has remained consistently high and there are no indications of it reducing.

Market towns are some of the oldest forms of conurbation in England. Places like Cirencester and Colchester date back to Roman Britain. Their role as 'hubs' for rural areas is as important for their communities today as it was centuries ago. New towns are much more modern – planned by government in the years that followed World War Two and created in three waves<sup>34</sup> – but, also typically the major population centre of a wider, otherwise rural, area.

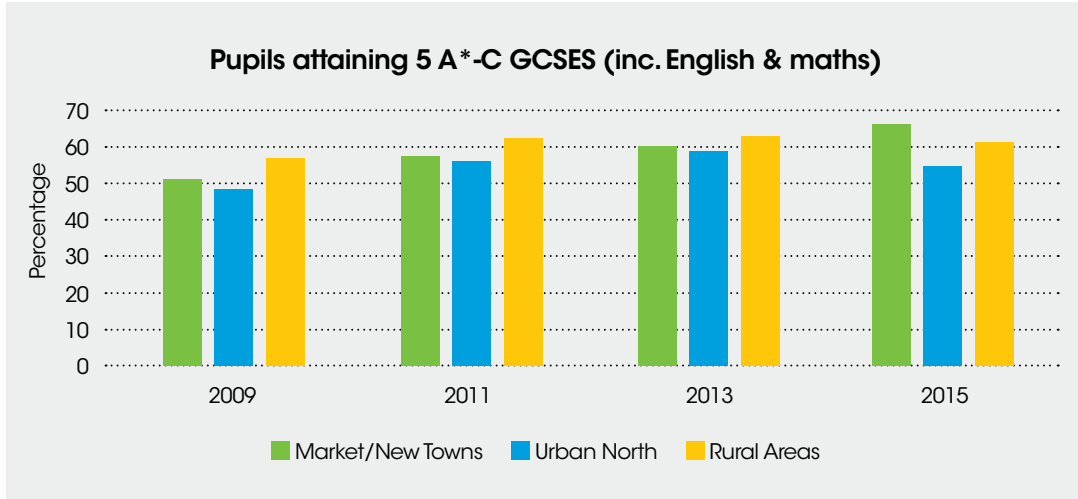
Both represent a frontline of communities emerging in places increasingly economically successful, but also with emerging growing pains. Their pains tend to be centred around issues of migration and housing.

<sup>34</sup> Royal Town Planning Institute (2014) – [New Towns Come of Age](#)



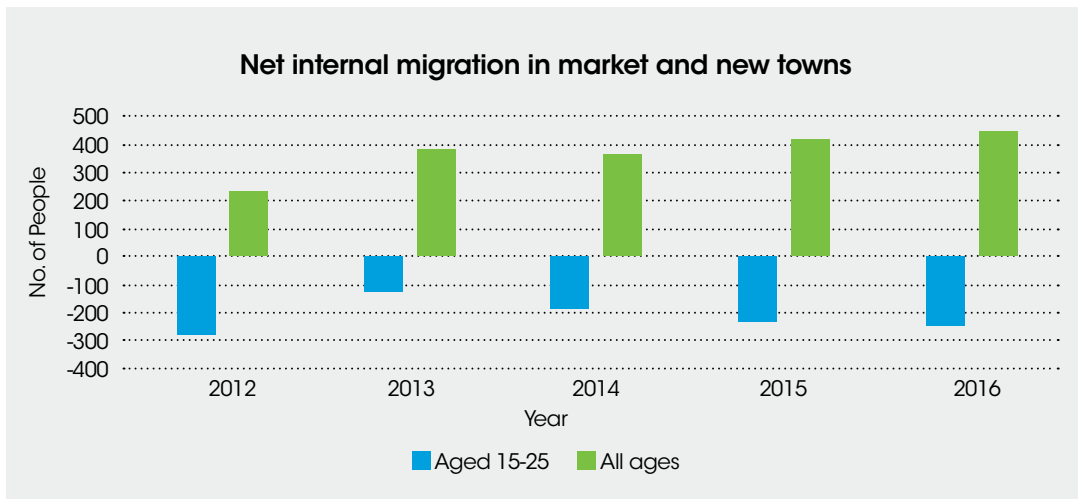
## Education and exodus

Education attainment in market and new towns is improving year-on-year. Between 2009 and 2015, the percentage of pupils achieving five A\* to C grades in their GCSEs (including English and Maths) increased by 15 percent.<sup>35</sup> There are many drivers of this trend, though one of particular note is that, unlike communities in northern and rural England,<sup>36 37</sup> market and new towns do not tend to struggle with teacher recruitment and retention problems.



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Although standards of secondary education in market and new towns are improving, this is coupled with their young people leaving for other parts of the country at an alarming rate. In recent years over two hundred more fifteen to twenty-five year olds have left market and new towns for other parts of the UK than have moved in. This contrasts sharply when accounting for all age groups; for which market and new towns are net-importers of people from the rest of the UK. As the country continues to age,<sup>39</sup> retaining, and attracting, young people will become ever more important for places for both social and economic reasons.



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<sup>35</sup> Although this measure has been recently replaced by a new scoring system, the data for A\*-C goes back far enough to observe trends.

<sup>36</sup> Telegraph (2014) - Ofsted warns of looming teacher recruitment crisis

<sup>37</sup> Chronicle Live (2016) - North East teacher recruitment crisis laid bare as online jobs portal launched in region

<sup>38</sup> Data source: Department for Education

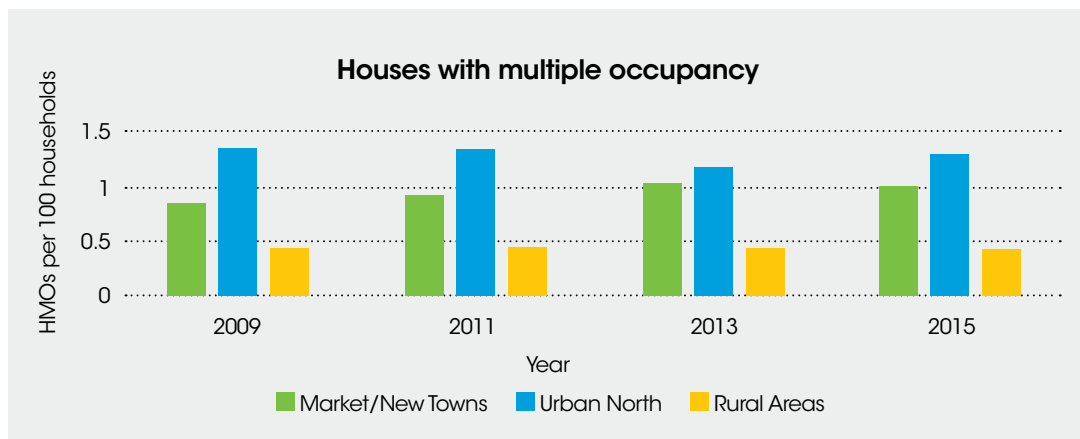
<sup>39</sup> Government Office for Science (2016) - [Future of an Aging Population](#)

<sup>40</sup> Data source: ONS Migration Data

## Transience

As market and new towns attract new people from the rest of the country, their communities have also become more transient. Community transience is defined here as people who live in the community without many connections to the community, namely due to not having a long-term intention to stay. Transience in a community could be because of a high number of students, people living there solely for the purpose of commuting out to work or people whose work requires them to stay somewhere for a short period of time and then move on (certain types of labourer, for example).

There is no direct measure of transience, however the composition of the local housing market is a useful proxy. In this case, we consider the number of single occupancy dwellings and houses with multiple occupancy.<sup>41</sup> In market and new towns, there has been a steady increase in the registration of such properties: in 2016 every 100th house is multiple occupancy, compared to every 125th in 2013. The challenge for market and new towns is to ensure that people moving to their areas become invested in the community.



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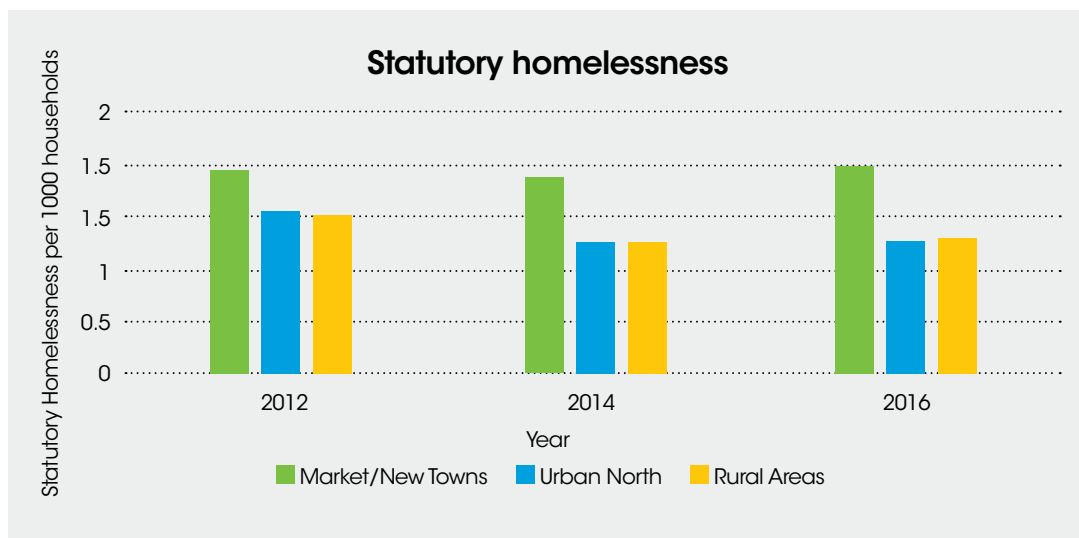
<sup>41</sup> Both collated are from the Valuation Office Agency's Council Tax: Stock of properties data set. Houses with multiple occupancy (HMOs) are defined by the government as "a property rented out by at least 3 people who are not from 1 'household' (e.g. a family) but share facilities like the bathroom and kitchen", a license is required to rent out a large HMO.

<sup>42</sup> Data source: Valuation Office Agency

## Homelessness

Rising homelessness is an issue of increasing political salience. At the time of writing, the government is preparing to introduce legislation aimed at tackling the issue.<sup>43</sup> This is particularly important for market and new towns where, as illustrated by the graph below, levels of statutory homelessness remain stubbornly high (and significantly higher than communities in the urban north and rural areas). One person in every five-hundred in market and new towns has been determined homeless by their local authority.

Statutory homelessness is by no means the only measure of homelessness. For instance, the figures do not take into account 'hidden homelessness', which is harder to calculate but generally accepted to be much higher than the statutory homelessness rate,<sup>44</sup> However, statutory homelessness has the most widely accessible source of data.<sup>45</sup>



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<sup>43</sup> Legislation.gov.uk (2017) - [Homelessness Reduction Act 2017](#)

<sup>44</sup> Homeless Link - [Hidden Homelessness](#)

<sup>45</sup> Statutory homelessness is defined as homelessness which has been accepted by a local authority under their main homelessness duty. This is the duty of local authorities to house people who have nowhere to live. Residents made homeless must apply to their local authority to be protected under this duty, those accepted are those counted under statutory homelessness figures.

<sup>46</sup> Data source: DCLG via Public Health England

# Urban north

## Strengths

- A destination for people aged 15-25. By the presence of a large number of universities, communities in the urban north will continue to attract young people from across the country.
- Relatively low cost of living. Housing costs are a large proportion of private renters' income – averaging 35 percent in England – and will continue to be. In the urban north, rent is relatively affordable and is not increasing year-on-year as quickly as other places.

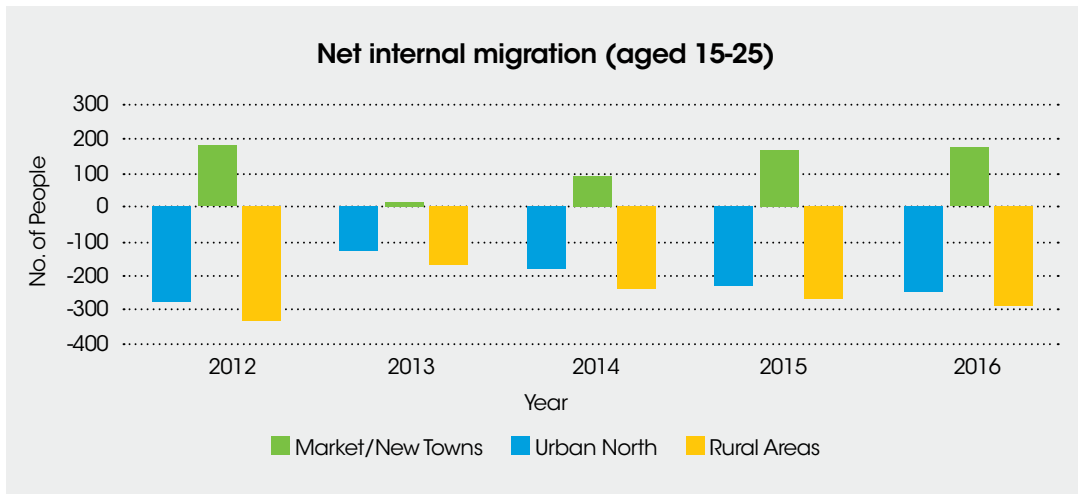
## Vulnerabilities

- High levels of relative poverty and deprivation. Communities in the urban north have lagged other parts of the UK in levels of disposable income by several thousand pounds and will continue to. Urban north communities have a high proportion of young people living in poverty with no indication this will drop. Worryingly, they are also most indebted.
- Population's health and happiness. People in the urban north live shorter lives with less exercise than other parts of the country. They are also less happy.

Urban north communities are relatively densely populated areas in the north of England and typically part of a major conurbation. For instance, metropolitan areas like Merseyside and Tyneside, or cities like Preston and Carlisle. Their challenges tend to be defined by their industrial past and they struggle to adapt to the demands and dynamics of the modern economy.



## Young people and local economies

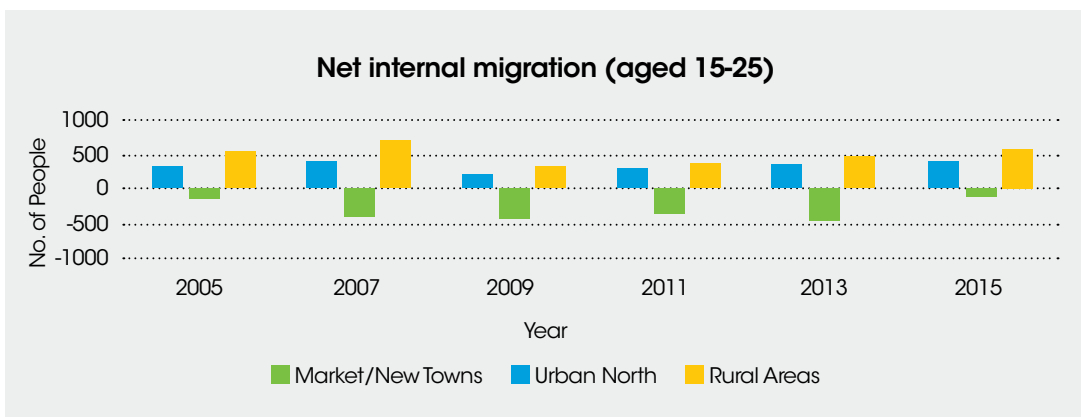


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approximately two hundred more fifteen to twenty-fives have moved into urban north communities from another part of the UK than have left (see graph above). A key driver of this has been the number of universities in northern towns and cities and the increasing number of young people going to university: the ONS have found universities to be a key driver of internal migration of young people.<sup>48</sup> This has been highly valuable to local economies in the urban north. For instance, research from Universities UK calculated the knock-on effects of the north west's universities to be worth £2.9bn to that region.<sup>49</sup>

The key challenge for communities in the urban north is achieving greater long-term gains by raising graduate retention. Research by the Higher Education Careers Services Unit (HECSU) has found that while the northern places are a magnet for students, many move away within a few years of graduating.<sup>50</sup> If graduates leave an area, the economic benefit of students may end with their degree programmes, creating a 'brain drain' out of the area and into other parts of the country.

The urban north's attractiveness to young people from the rest of the UK contrasts with other age groups. Overall, the urban north loses people to other parts of the UK.



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<sup>47</sup> Data source: ONS Migration Data

<sup>48</sup> <https://visual.ons.gov.uk/how-has-the-student-population-changed/>

<sup>49</sup> Universities UK (2014) - The economic impact of the North West higher education sector

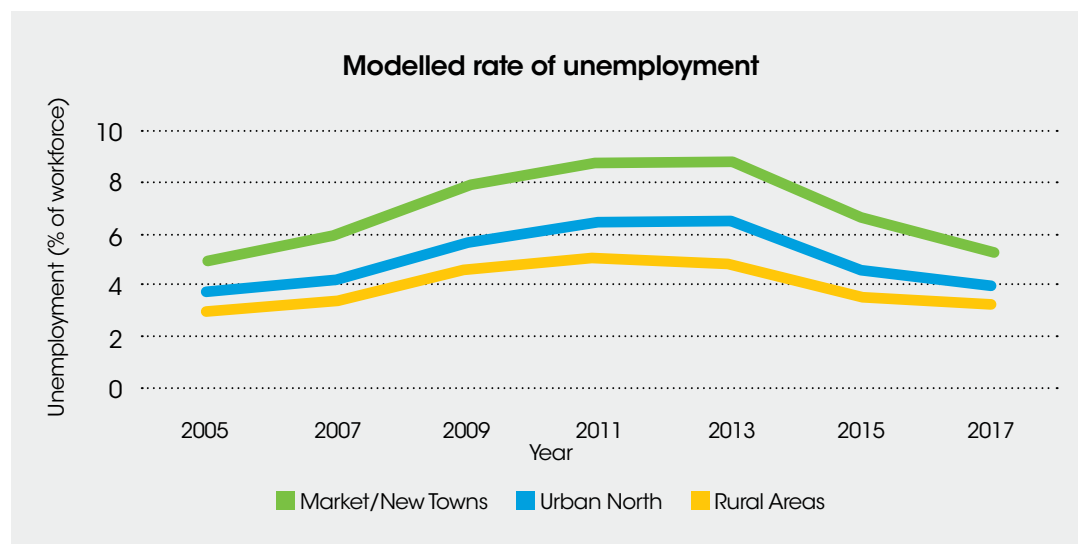
<sup>50</sup> HECSU (2015) - Loyals, Stayers, Returners and Incomers: Graduate migration patterns

<sup>51</sup> Data source: ONS Migration Data



## A slow recovery post-2008

The 2008 financial crisis had a significant impact on the rate of unemployment across each of the case studies in this report, and most acutely in the urban north. From 2005 to its peak, unemployment rose by 4 percent. Almost one in ten people of working age were unemployed between 2011 and 2013. Although its job market has now recovered across the country, wage growth has not kept pace with job recovery.<sup>52</sup> As of 2017, wages are falling in real terms.<sup>53</sup>



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The urban north's economic struggle since 2008 is evident in its rate of deprivation. In government's 2015 Indices of Multiple Deprivation (IMD)<sup>55</sup> eight of the top 10 most deprived local authorities are in the urban north.<sup>56</sup> Its rate of deprivation increased between 2010 and 2015. Urban north communities' struggle since 2008 is also apparent in its domestic finances. Polling for Money Advice Service found the percentage of the population describing themselves as 'over-indebted' in local authorities in the urban north was, on average, the highest in the country in 2016.<sup>57</sup>

<sup>52</sup> Telegraph (2016) - Sluggish wage growth takes shine off record UK employment

<sup>53</sup> ONS (2017) - UK labour market: November 2017

<sup>54</sup> Data source: ONS via Nomis UK

<sup>55</sup> The IMD are used to produce a score which measures an area's relative deprivation regarding issues like crime, employment, health, education, housing and services.

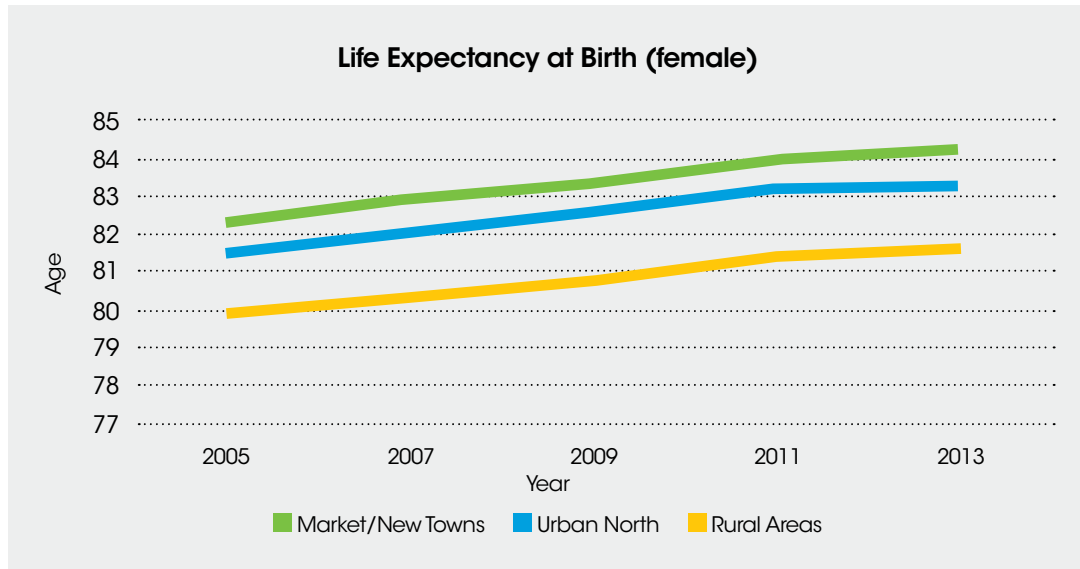
<sup>56</sup> DCLG (2015) - Indices of Multiple Deprivation 2015: Statistical release

<sup>57</sup> Money Advice Service/CACI (2017) - A Picture of Over-Indebtedness

## Public health and wellbeing

Public health and wellbeing in the urban north consistently lag behind the other case study areas in this research. Of the three case studies, the urban north also has the highest levels of adults getting less than 30 minutes exercise a week, 3 percent above rural areas. This reflects a wider, national concern in people not getting enough exercise, particularly middle aged men.<sup>58</sup> Most strikingly, a women born in the urban north can expect to live close to three years less than a woman born in a rural area.

Both variables highlight growing concerns of a north-south divide in health – in line with recent findings in the British Medical Journal.<sup>59</sup>



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<sup>58</sup> Guardian (2017) - 6 million middle-aged people take no exercise

<sup>59</sup> Iain Buchan (2017) - North-South disparities in English mortality 1965-2015: longitudinal population study

<sup>60</sup> Data source: Public Health England

# Rural areas

## Strengths

- Rate of employment among young population. Rural areas' young population. Rural areas' youth population enjoy high and increasing levels of employment. They also, at least in terms of unemployment, recovered fastest from the recession.
- Rates of civic participation. EU referendum turnout was particularly high in rural areas.

## Vulnerabilities

- Haemorrhaging 15-25 year olds at an increasing rate. Rural areas are losing their young people at an even quicker rate than market and new towns.
- Costs of privately renting increasing every year. The costs of renting privately are gradually increasing and almost at the level of market and new towns.

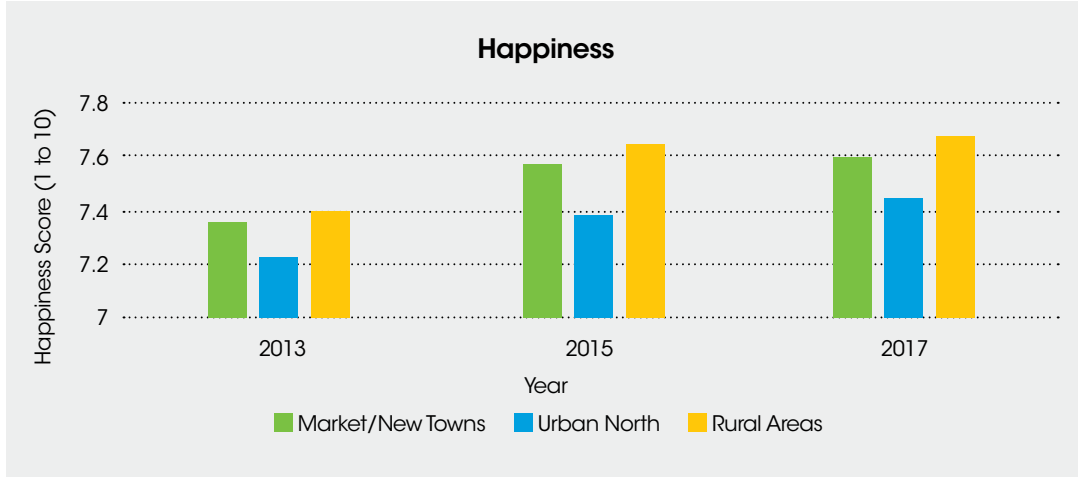
A rural community is one with no major population hub. The population is quite spread out, living in minor hub towns and villages. Close to 17 percent of England's population live in areas classed as 'rural' by the Office for National Statistics. Over four million people live in a village or hamlet.<sup>61</sup> This is more than live in all city-regions but London. Yet despite considerable economic and migratory issues, rural areas receive relatively little attention in the media or in political discourse.



<sup>61</sup> DEFRA (2016) – Rural Population 2014/2015

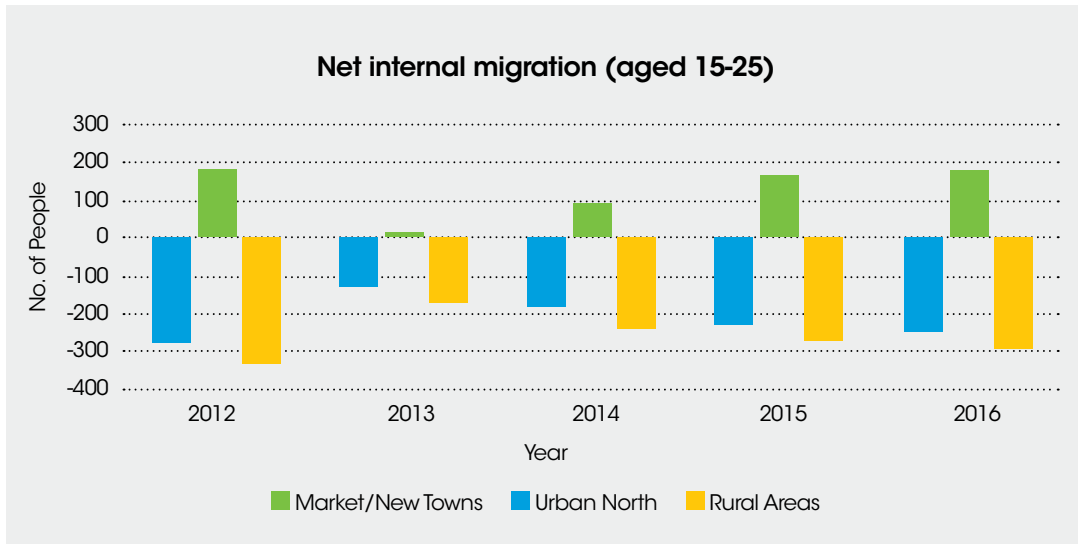
## Happy, healthy and old

People living in rural areas report themselves to be the happiest in England. In the limited years the ONS has collected data on wellbeing, rural happiness has increased every year. Life expectancy in rural communities is also higher than in market and new towns and the urban north.



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Although happy and healthy, rural areas face significant challenges in the retention of their young people. England's looming demographic time bomb – its ageing population – will be felt most acutely in rural areas. Of the three case study areas, rural areas are the biggest net-importers of people, but also by far the biggest net-exporters of young people. This represents significant challenges to existing industries and also local authorities. As its working population decreases, so do its local taxpayers.



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<sup>62</sup> Data source: Annual Population Survey Headline Indicators of Personal Wellbeing

<sup>63</sup> Data source: ONS Migration Data

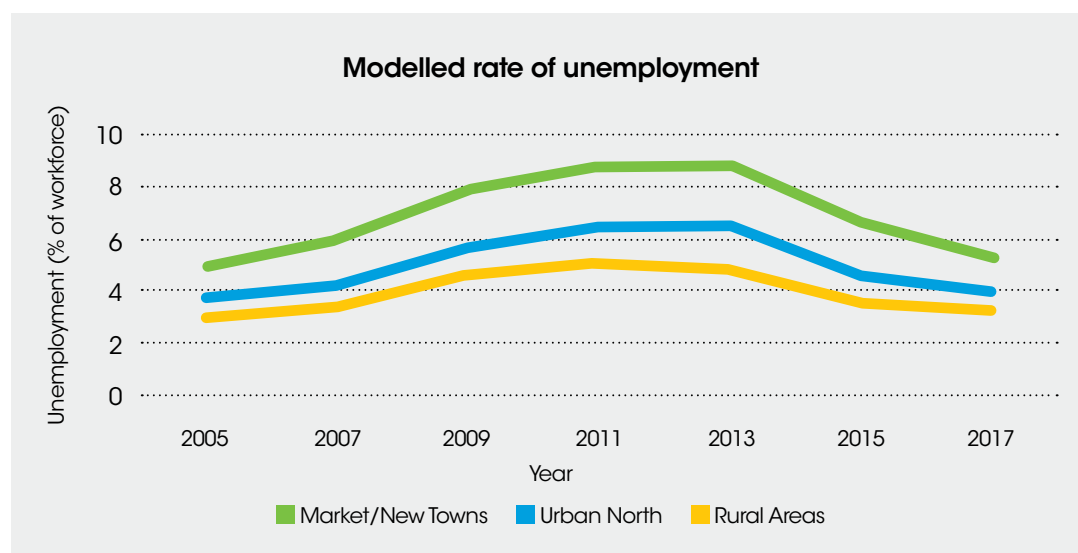
## Labour and teacher shortages

The impact of outward migration of young people in rural areas is particularly concerning in light of the UK's upcoming withdrawal from the European Union. Many rural economies are dependent on agriculture and many agricultural labourers are young EU migrants.<sup>64</sup> Some places are already reporting labour shortages and responding to these will be a challenge without a sufficient supply of domestic young people to fill the vacancies.<sup>65</sup>

A second danger of labour shortages in rural areas is in the teaching profession. As a recent National Audit Office report highlighted, teacher recruitment is particularly disparate across the country.<sup>66</sup> Reforms have recently been introduced to attract more teachers to struggling rural areas,<sup>67</sup> however these difficulties will remain in the coming years.

## Robust employment and rising rents

In contrast to urban north communities, rural areas recovered relatively quickly from the 2008 financial crisis. The modelled rate of unemployment shows unemployment peaking at a relatively low level and more quickly than in the urban north or market and new towns.



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<sup>65</sup> House of Commons Library (2017) – Briefing Paper 7987: Migrant Workers in Agriculture

<sup>65</sup> Financial Times (2017) – Migrant labour shortage leaves fruit rotting on UK farms

<sup>66</sup> National Audit Office (2017) – retaining and developing the teaching workforce

<sup>67</sup> [Independent \(2015\) - Outstanding teachers to be parachuted into England's struggling rural schools](#)

<sup>68</sup> Data source: ONS via Nomis UK



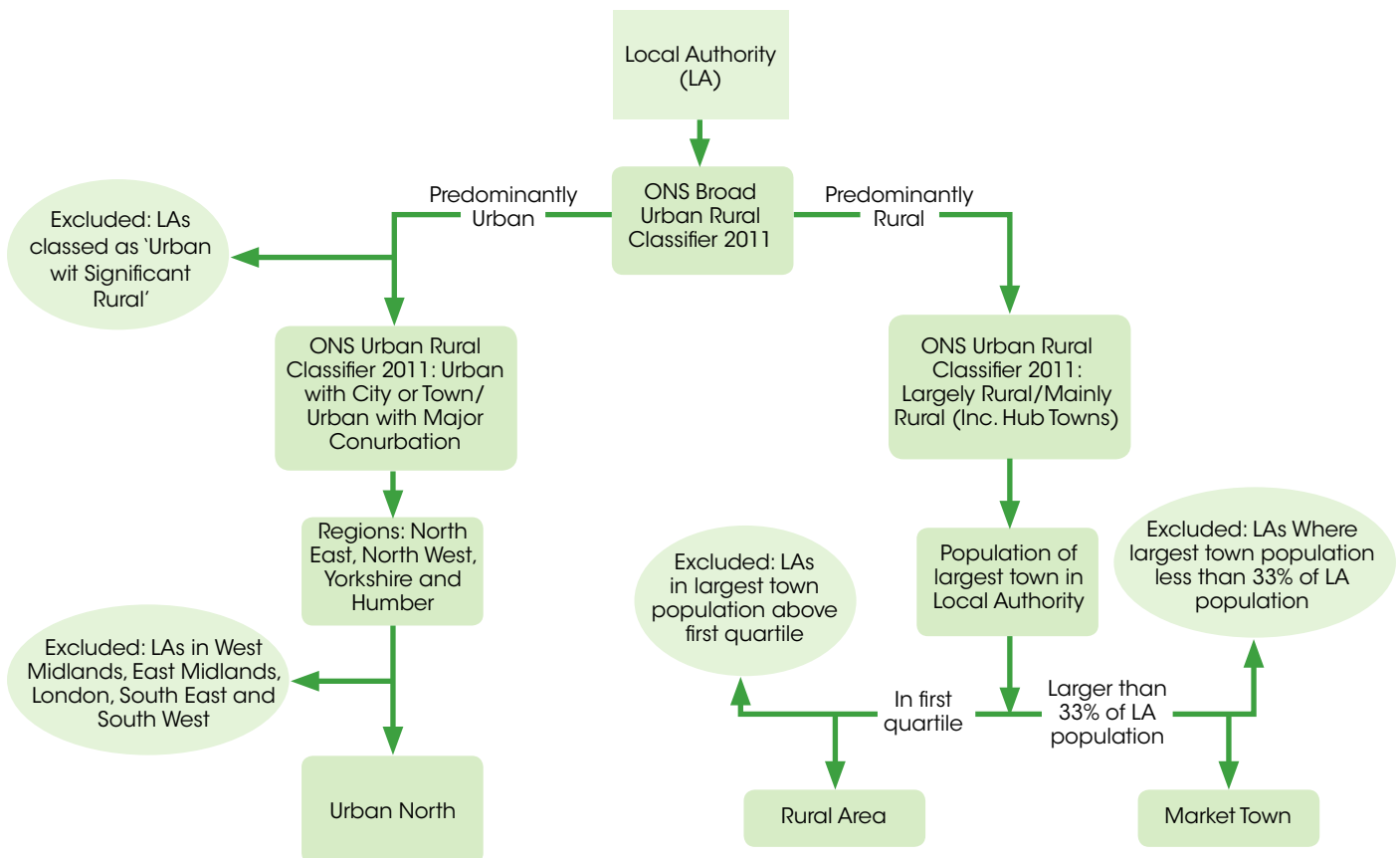
# Appendix

## Methodology

The research considers social and economic trends in places across England. Alongside national analysis, the research looks at how three statistically representative communities – market and new towns, the urban north, rural areas – are changing. Data was collected from public sector data sets, all accessible online, and processed and analysed by Localis researchers.

The case study communities are a proxy unit of analysis, intended to show average change across these kinds of places in England. A set of rules was established to determine which lower-tier local authority areas in England fit in which typologies, as explained below. In all, 138 local authority areas are included in the typologies.

The diagram below illustrates the rules by which the typical communities – i.e. their local authority make-up – were established.



Each rule was applied as a classifier to all local authorities in England. A list of local authority areas in each typical community is included in Appendix One. The rules are explained in greater detail below:

- **Urban north:** All local authorities classed as predominantly urban by the ONS's urban-rural classifier, and within the statistical region of the North (North East, North West and Yorkshire and the Humber), are included.
- **Market and new towns:** All local authorities classed by the ONS as predominantly rural, and whose main settlement is both defined by the ONS as a hub town and with a population exceeding 33 percent of the local authority's total population, was included.<sup>69</sup> All new towns, which were created by charter and occurred in three 'waves',<sup>70</sup> were included apart from Central Lancashire.<sup>71</sup>
- **Rural areas:** All local authorities classified by the ONS as predominantly rural, and whose largest settlement is in the lowest quartile for population size of towns in the *predominantly rural* category, are included.<sup>72</sup>

## About Local Trust

Local Trust was established in 2012 to deliver Big Local, a unique programme that puts residents across the country in control of decisions about their own lives and neighbourhoods. Funded by a £217m endowment from the Big Lottery Fund - the largest ever single commitment of lottery funds - it provides in excess of £1m of long-term funding over 10-15 years to each of 150 local communities, many of which face major social and economic challenges but have missed out in the past from accessing their fair share of statutory and lottery funds in the past. [www.localtrust.org.uk](http://www.localtrust.org.uk)

## About Localis

Localis is an independent, leading not-for-profit think tank that was established in 2001. Their work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues. <http://www.localis.org.uk/>

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<sup>69</sup> Market towns are normally defined by the ONS as hub towns. However, because we collated data by local authority area as opposed to town area - data coverage is more extensive at local authority geographies, a population share of 33 percent was set for the local authority's largest settlement. This rule omitted some smaller market towns. However we could not confidently generalised those places to be the main driver of social and economic trends in their local authority area.

<sup>70</sup> Royal Town Planning Institute (2014) - New Towns Come of Age

<sup>71</sup> Central Lancashire was not included because it was absorbed by the urban north districts of Chorley, Preston and South Ribble.

<sup>72</sup> This rule omitted a number of local authorities traditionally considered rural, for instance Wiltshire. However we had to be sure trends were driven predominantly by one community type. In the case of Wiltshire, the population is spread out and split between a number of different types of community, from the cathedral city of Salisbury to a multiplicity of small villages.

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