

# POVERTY AND PLACE BASED DEPRIVATION: WAITING FOR ECONOMIC GROWTH?

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November 2024<sup>1</sup>

Disclaimer: The views in this paper are personal views of the authors and are not representative of any organisations to which they are affiliated.

## ABSTRACT

This paper critically examines the persistent issues of poverty and socio-economic deprivation in the UK, especially within the context of the new 2024 Labour government's economic policies. Despite being the sixth wealthiest nation globally, the UK faces alarming levels of poverty, with over 12 million people, including 2.6 million children, living in absolute low-income households. The analysis highlights the complex, interconnected challenges these individuals face, including inadequate housing, health disparities, and social immobility, which are further exacerbated by systemic austerity measures that have hollowed out public services over the past decade.

The paper argues that the current policy focus on economic growth and trickle-down benefits is insufficient for addressing the immediate needs of vulnerable populations. Instead, it calls for a more integrated, place-based approach that leverages existing models like Integrated Care Systems to improve coordination among various public services. The new government's Keynesian-inspired budget, while offering increased investment in public infrastructure, lacks specific commitments to directly tackle poverty. The paper concludes that, without a fundamental shift toward addressing social inequalities, the UK risks further socio-political instability, as evidenced by rising populist sentiments.

## THE SCALE OF POVERTY AND DISADVANTAGE IN THE UK

Defining 'poverty' is complex<sup>2</sup>, but an increasing number of families in the UK "*lack the material resources to meet minimum needs*"<sup>3</sup>. Data to measure poverty are far from simple and subject to a wide range of accuracy and definitional issues, particularly after the pandemic<sup>4</sup>, but around **12 million** people in the UK are defined as living in absolute low income (before housing costs)<sup>5</sup>. That is around 18 percent of the overall UK population<sup>6</sup>. In labour market terms **9.6 million** people between the age of 16 and 65 are economically inactive<sup>7</sup>. Around **1.3 million** (18%) of the people claiming Universal Credit are

<sup>1</sup> Please cite as: Peter Lloyd and Michael Blakemore (2024) *Poverty and Place Based Deprivation: Waiting for Economic Growth?*, <https://www.peter-lloyd.co.uk/papers-and-blogs/>

<sup>2</sup> <https://cpag.org.uk/child-poverty/what-poverty> <https://www.irf.org.uk/deep-poverty-and-destitution/what-is-poverty>

<sup>3</sup> <https://lordslibrary.parliament.uk/child-poverty-statistics-causes-and-the-uks-policy-response/>

<sup>4</sup> The information about poverty is complex but it is there - drawn largely from sample surveys, newspapers and reports from think tanks that have a direct interest on the topic – such as the Joseph Rowntree Foundation (JRF), the Trussel Trust and the Resolution Foundation.

<sup>5</sup> "Absolute low income refers to people living in households with income below 60% of median income in a base year. This measurement is adjusted for inflation. Material deprivation is where it is not possible to afford certain essential items and activities" <https://www.irf.org.uk/deep-poverty-and-destitution/what-is-poverty>.

<sup>6</sup> <https://www.resolutionfoundation.org/publications/living-standards-outlook-summer-2023/>

<sup>7</sup> [UK Labour Market Statistics - House of Commons Library](#)

estimated to have been *at risk of homelessness* in the previous 12 months, and almost two-thirds (63%) of people living in privately rented homes are finding that the **shortfall between benefits and housing costs** is impacting their ability to afford other day-to-day costs<sup>8</sup>.

A report by the Joseph Rowntree Foundation in 2023 took this to another level, reporting that “3.8 million people (1 million of them children) experienced **destitution**, the most severe form of hardship, at some point in 2022”<sup>9</sup> The background to this is that the UK has one of the highest levels of income inequality in Europe.<sup>10</sup>

In 2023/23, the Trussell Trust, a charity and network of foodbanks, supplied the highest recorded number (3,120,000) of three-day emergency food parcels. Around 7.2 million people, or 11 percent of the UK population, live in households experiencing food poverty. Children make up 17 percent of that figure. Against a context of high food price inflation, “**more than 655,000 people used a Trussell Trust food bank for the first time in 2023/24, in addition to the more than 760,000 first time users in 2022/23**”<sup>11</sup>.

The overall picture for children is particularly disturbing. Child poverty in 2022/23 was at its highest level since 1999. Just over **2.6 million** children (18 percent) were living in absolute low-income households (before housing costs) and this was **3.6 million** (25 percent) after housing costs<sup>12</sup>. The Resolution Foundation noted:

*“Child poverty in 2027-28 is forecast to be the highest since 1998-99, with 170,000 more children in poverty than in 2021-22. This rise is driven entirely by large families: child poverty for families with three or more children is set to hit 55 percent in 2027-28, and 77 percent of children in families with four or more children will be in poverty by 2027-28”*<sup>13</sup>.

On 4<sup>th</sup> September 2024 David Blanchflower (formerly of the Bank of England Monetary Policy Committee) observed: “*Last week the Children’s Society reported the results of a study of 15-year-olds’ life satisfaction, which has steadily declined*<sup>14</sup> *over the past decade. The findings showed that British 15-year-olds had the lowest life satisfaction levels of 27 European countries. In a 2023 report on global mental health, the UK ranked the second worst*<sup>15</sup> *of 71 countries, with only Uzbekistan scoring lower. My own research*<sup>16</sup> *also makes for grim reading: my co-author and I found a collapse in the mental health of the young, and especially young women, in the UK. Scotland looks especially bad. Meanwhile, there are millions of people of all ages on waiting lists for surgeries, GP services are in decline, dentists are scarce and social care is in disarray*”<sup>17</sup>.

There are regular media reports of small up or down percentage changes in GDP<sup>18</sup> as indicating good or bad news about the economy, but less is reported about the scale of poverty and material deprivation. Indeed poverty is a word hard to find in government documents, and ‘disparities’ or ‘inequalities’ feature more regularly in public discourse. It is left to researchers and NGOs in particular

<sup>8</sup> <https://www.charitytoday.co.uk/almost-half-of-people-receiving-universal-credit-ran-out-of-food-within-the-last-month/>

<sup>9</sup> <https://www.jrf.org.uk/deep-poverty-and-destitution>

<sup>10</sup> <https://equalitytrust.org.uk/scale-economic-inequality-uk/>

<sup>11</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-9209/>

<sup>12</sup> <https://assets.publishing.service.gov.uk/media/65fae6eb703c42001a58f093/summary-hbai-1994-95-2022-23-tables.ods>

<sup>13</sup> <https://www.resolutionfoundation.org/publications/the-living-standards-outlook-2023/>

<sup>14</sup> <https://www.theguardian.com/society/article/2024/aug/29/uk-teenagers-low-life-satisfaction-europe>

<sup>15</sup> <https://mentalstateoftheworld.report/>

<sup>16</sup> [https://www.nber.org/system/files/working\\_papers/w32500/w32500.pdf](https://www.nber.org/system/files/working_papers/w32500/w32500.pdf)

<sup>17</sup> <https://www.theguardian.com/commentisfree/article/2024/sep/04/keir-starmer-rachel-reeves-austerity>

<sup>18</sup> <https://www.bbc.co.uk/news/business-13200758> <https://commonslibrary.parliament.uk/research-briefings/sn02784/>

to be active communicators about poverty and deprivation<sup>19</sup> and about the details of multiple interactions that make things worse for people in poverty.

For example, they tend to have poorer health<sup>20</sup>, suffer from more mental illness<sup>21</sup>, struggle to have healthy diets<sup>22</sup>, live in poor accommodation<sup>23</sup>, are less socially mobile<sup>24</sup>, are less physically mobile<sup>25</sup>, and find it more challenging to stay warm because of energy poverty<sup>26</sup>. These all interact together in multiple ways and can become deeply embedded in lived experience. An integrated solution would be the only effective way to overcome them – but, to date, most ‘solutions’ have only tackled the issues in partial ways<sup>27</sup>.

By any standards, the data for the 6<sup>th</sup> most wealthy nation<sup>28</sup> in the world<sup>29</sup> are appalling. We have been hearing regularly about tackling inflation, maintaining fiscal discipline, and the ‘discovery’ of a ‘black hole’ in the government finances<sup>30</sup> but the October 2024 budget statement only once uses the word inequality in its text as the nearest it comes to acknowledging that poverty is an issue. The Labour government has stated a commitment to “*fixing the foundations*”<sup>31</sup> but, for millions, the roof (if they are lucky enough to have one and are not homeless<sup>32</sup>) is metaphorically leaking badly. They struggle daily to make ends meet and do not have the available waiting time while government pursues its long-term plan for growth<sup>33</sup>.

Perhaps surprisingly, given its historical roots as a political party, there is no dedicated mission to address this problem in Labour’s much promoted ‘Mission Driven Government’<sup>34</sup>. An ambition to make “*everyone, not just a few, better off*” is present but it comes as an adjunct “*to secure the highest sustained growth in the G7*”<sup>35</sup>. The other Missions include fixing the NHS, making the streets safer and breaking down barriers to opportunity for children and young people.

We now have a budget (of which more later) that breaks the mould with what looks like a distinctly Keynesian approach to pumping considerable resources into the economy from borrowing against a

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<sup>19</sup> <https://www.jrf.org.uk/deep-poverty-and-destitution> <https://www.health.org.uk/evidence-hub/money-and-resources/persistent-poverty/trends-in-material-deprivation> <https://natcen.ac.uk/publications/material-deprivation-among-children-uk>

<sup>20</sup> <https://www.kingsfund.org.uk/insight-and-analysis/press-releases/poverty-health-nhs-services>

<sup>21</sup> <https://www.mentalhealth.org.uk/explore-mental-health/publications/poverty-and-mental-health>

<sup>22</sup> <https://www.foodethicscouncil.org/theme/food-poverty/>

<sup>23</sup> <https://www.jrf.org.uk/housing/the-links-between-housing-and-poverty>

<sup>24</sup> <https://ifs.org.uk/topics/poverty-inequality-and-social-mobility>

<sup>25</sup> <https://www.smf.co.uk/publications/transport-poverty-hidden-crisis/>

<sup>26</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-8730/>

<sup>27</sup> While Universal Credit was supposed to provide a form of integrated approach, consider “*Inadequate Universal Credit and barriers to work*” <https://www.jrf.org.uk/social-security/inadequate-universal-credit-and-barriers-to-work>

<sup>28</sup> <https://www.investopedia.com/insights/worlds-top-economies/>

<sup>29</sup> Admittedly, there are other relevant indicators beyond ‘wealth’ as measured by gross domestic product (GDP) which itself is a controversial indicator. <https://www.scientificamerican.com/article/gdp-is-the-wrong-tool-for-measuring-what-matters/> and measured by GDP per capita at constant prices <https://gfmag.com/data/richest-countries-in-the-world/> or by GDP per purchasing power parity <https://www.forbesindia.com/article/explainers/top-10-richest-countries-in-the-world/87305/1> the UK is not even in the list.

<sup>30</sup> Although the Institute for Fiscal Studies argues that it was plainly evident well before the ‘discovery’

<https://ifs.org.uk/articles/ps22bn-black-hole-was-obvious-anyone-who-dared-look>

<sup>31</sup> <https://www.gov.uk/government/publications/fixing-the-foundations-public-spending-audit-2024-25>

<sup>32</sup> Estimates include 1 in 200 households are homeless <https://www.bigissue.com/news/housing/britains-homelessness-shame-cold-hard-facts/> and the OECD reports the UK has having the highest rate across OECD member countries <https://ourworldindata.org/homelessness>

<sup>33</sup> <https://www.gov.uk/government/news/chancellor-unveils-a-new-era-for-economic-growth>

<sup>34</sup> <https://labour.org.uk/change/mission-driven-government/>

<sup>35</sup> This was the approach of the last government – get the economy right, get more people into work and off benefits, and growth and good times will follow.

redesigned set of PSBR parameters. Here, too, however, it is impossible to find an overt recognition of the scale of poverty in the nation. The central plank of the new government's approach is to address the needs of those they identify as "*working people*". This is to be applauded, but it serves also to make a (hopefully unintended) distinction between this chosen segment of the population and those very large numbers of people (9.6 million) who are *not working* for a complex set of reasons.

The clear rhetorical aim of the government's label is perhaps to make a distinction between "*working people*" and those who earn their living from asset ownership and from movements in the financial markets. However, as just set out, the nation has a massive problem of *inactivity* – of people not employed or seeking employment for a complex variety of reasons. The thrust of this paper is to raise the understanding of the condition of poverty and material deprivation to a point where simple labelling and perhaps "*othering*" is no longer the norm.

The nation has, then, 12 million people – with 2.6 million children among them – hoping for better lives. They fall clearly under the new government's pledge about "*putting citizens at centre stage from the outset, (and) making sure policy is built around meeting people's needs*"<sup>36</sup>.

## DISADVANTAGED PEOPLE LIVING IN MULTIPLY DEPRIVED PLACES

A look at the map, whether it be food, energy, health, mobility or the other drivers<sup>37</sup> of poverty and deprivation, will show that it is highly clustered. Household poverty is lived out in blighted local settings with respect to the environment, infrastructure and the quality of public services. When geography plays in, the national average of around one in five people living in poverty conceals much more than it reveals for a highly skewed distribution. As a stark example, the ten local authorities with the highest levels of children in poverty in England have absolute low-income rates ranging from 25 to 39 percent<sup>38</sup>.

Poverty data can be found about geographies such as regions, local authorities<sup>39</sup> and parliamentary constituencies<sup>40</sup> - but it is below those spatial levels where poverty is a real lived experience and only one statistical series opens a comprehensive window on it over a series of variables. The Index of Multiple Deprivation<sup>41</sup> (IMD) shows how people living with multiple social and economic issues are distributed across the nation. It is heavily cited and used in justifying claims for funding and intervention in the nation's poorest places<sup>42</sup>. Only recently has it been decided to repeat the exercise for 2025.

The Index is based on seven key "weighted domains" – Income Deprivation (22.5%), Employment Deprivation (22.5%), Education, Skills and Training Deprivation (13.5%), Health Deprivation and Disability (13.5%), Crime (9.3%), Barriers to Housing and Services (9.3%) and Living Environment Deprivation (9.3%)<sup>43</sup>. Each domain is constructed from combined census (that is the 2011 Census used in the 2019 index) and sample data to build an array of variables that, with the assigned weighting

<sup>36</sup> <https://labour.org.uk/wp-content/uploads/2023/02/5-Missions-for-a-Better-Britain.pdf>

<sup>37</sup> Try a Google search [https://www.google.co.uk/search?sca\\_esv=0a9855b1adeae542&q=uk+map+of+poverty](https://www.google.co.uk/search?sca_esv=0a9855b1adeae542&q=uk+map+of+poverty) and click on more images to see many mappings of aspects of poverty. There is a strong spatial correspondence with many of them.

<sup>38</sup> <https://researchbriefings.files.parliament.uk/documents/SN07096/SN07096.pdf>

<sup>39</sup> <https://www.gov.uk/government/statistics/children-in-low-income-families-local-area-statistics-2014-to-2022/children-in-low-income-families-local-area-statistics-financial-year-ending-2022#england>

<sup>40</sup> <https://commonslibrary.parliament.uk/constituency-data-child-poverty/>

<sup>41</sup> <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

<sup>42</sup> The index has constraints for reporting arising from issues of disclosure and confidentiality. Where the numbers within census units are small, these can limit the degree of map granularity needed to see the processes at "ground" level and in detail. Where the IMD is depicted through shaded area (choropleth) mapping, the 'modifiable area unit problem' and the danger of falling for the 'ecological fallacy'.

<sup>43</sup> [https://assets.publishing.service.gov.uk/media/5dfb3d7ce5274a3432700cf3/loD2019\\_FAQ\\_v4.pdf](https://assets.publishing.service.gov.uk/media/5dfb3d7ce5274a3432700cf3/loD2019_FAQ_v4.pdf)

factors, generates the overall index. While the index is available at many geographical levels, it is at the *hyper-local level* (such as families, households, streets, communities) that the real meaningful stories about ‘actually existing’ poverty are to be found<sup>44</sup>.

Without delving into the data and their interpretative complexities, the least well off tend to be clustered in particular areas such as the North and the Midlands, in urban and remote rural areas<sup>45</sup>. At a low level of geographical resolution, the index maps onto the inner residential areas of the major cities, degraded suburban public housing estates, the older industrial towns and cities and less obviously some rural settings.

As a stark example, the financial year ending 2023 data<sup>46</sup> for children aged under 16 in Relative and Absolute low income families shows that “*highest proportions are primarily spread across Northern England and the Midlands*” with Pendle being respectively 43.2 and 35.8 percent, while “*the lowest proportions are spread across London, the South East and East of England*” with Richmond being respectively 5.2 and 4.2 percent.

## CUMULATIVE CAUSALITIES

What the IMD does not reveal is the impact of the additive interaction effects that arise as problems in one domain cascade into others for those people and places experiencing poverty. There is often a process of *circular and cumulative causation* that can accelerate and deepen the impact<sup>47</sup>. For example, persistent bouts of unemployment or being trapped in low paid unstable work can generate low incomes and a struggle to put bread on the table to feed and clothe the children. This, in its turn, can lead on to a higher incidence of health issues arising from poor diet and stress, and can then ‘cycle back’ to bear upon availability for work and to inactivity.

Mounting debt and its pressures may lead on to mental health problems and potentially to criminal behaviours. The cycle of causation can be entered at many points and accumulate over many issues. Children, living under these multiple household stresses can be led to experience mental health and developmental difficulties and educational problems<sup>48</sup>, triggering further cycles of stress in the household and further impacts on work availability.

Many of the features associated with poverty and material deprivation, be they diet, lifestyle, homelessness, stress, substance abuse and others, impact over various life stages. To a significant extent, their outcomes are revealed through engagement with the *health and social care system*. What Michael Marmot calls “*the social determinants of health*<sup>49</sup>” are writ large when poverty is the prime vector.

No programme that has to deal with people living in poverty can be unaware of the considerable weight that it exerts across the NHS, the Local Authorities, the Voluntary, Community and Social Enterprise (VCSFE) sector, schools and colleges. The costs (monetary and otherwise) that these institutions and organisations have to bear are extreme. There is no simple ‘market forces’ approach to apply. Paying

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<sup>44</sup> The Index is a composite of data that predated its publication in 2019 It tells us nothing about the last 5 years of Covid -19 and continuing austerity – it is a metric frozen in past time. but for all that it is the best we have in census form

<sup>45</sup> [https://assets.publishing.service.gov.uk/media/5d8e26f6ed915d5570c6cc55/loD2019\\_Statistical\\_Release.pdf](https://assets.publishing.service.gov.uk/media/5d8e26f6ed915d5570c6cc55/loD2019_Statistical_Release.pdf)

<sup>46</sup> <https://www.gov.uk/government/statistics/children-in-low-income-families-local-area-statistics-2014-to-2023/children-in-low-income-families-local-area-statistics-financial-year-ending-2023#england>

<sup>47</sup> Derived from the work of Gunnar Myrdal at the regional level, the idea has value in bringing forward the dynamics associated with a condition of deprivation. <https://pangeography.com/cumulative-causation-theory-by-gunnar-myrdal/>

<sup>48</sup> <https://cpag.org.uk/child-poverty/effects-poverty>

<sup>49</sup> <https://www.instituteofhealthequity.org/resources-reports/fair-society-healthy-lives-the-marmot-review>

for what is needed to deal with the people and places that have high poverty levels is a matter for the public purse.

Poverty as a lived experience is, then, a complex condition with the potential for pernicious circuits of causal interaction that can significantly multiply its impact on those people, households and places caught up in it. All this comes closely connected with the likelihood of being assigned to, or trapped in, poor low rent housing in localities with poor schools, overburdened health and social care services and poor environmental conditions. In turn, this can work against the prospect of being able to capture the education or skills needed to leave benefit dependency, find a reasonably paid job<sup>50</sup> and earn a sustainable income.

Particularly for young people, this can lead on all too easily to socially disruptive behaviours. It also has importance from the viewpoint of the *economic supply side*. A substantial portion of the workforce for the future is being left behind in ways that certainly challenge them - but also *denies capacity to that economy* in the search for higher economic growth.

Given recent events in the US presidential election, it is worth emphasising at this point that a loss of faith in the status quo among those who find themselves at the bottom of the income and social wellbeing ladder can have *consequences for all*. Looking for a better future, they are open to many channels of influence across the print and social media, and they have the democratic right to express their dissatisfaction at the ballot box.

It should not be too much of a surprise that a political shift to the extreme right is gaining momentum not just in the eastern States of the EU but now in the US with the election of Trump. The scale of poverty and deprivation in the UK cannot be ignored. It can find expression as a political force.<sup>51</sup>

## AUSTERITY AS AN ACCELERANT

To a degree, what has just been discussed is not new. Those with a lived experience of growing up in poverty in previous eras would recognise it. What is different now, however, is that the experience of poverty has been made worse by the **depletion of the public service realm** and the privatisation of many of its key services. This was a result of a deliberate choice by former Chancellor George Osborne. The original aim was to eliminate the budget deficit that had grown up as a result of the 2008 financial crash and this was to be achieved by a rolling five-year programme of severe public expenditure cuts. A broader ambition was to reduce the national debt as a proportion of GDP to create the 'headroom' for economic growth and tax cuts<sup>52</sup>.

The new 2024 Labour government originally announced in its election manifesto that the Osborne approach to fiscal probity would generally still apply. (However, the Budget on 30<sup>th</sup> October 2024 turned out to take a very different line and this is explored later). The impact of the macroeconomic measures during the 14 years of Tory rule on the poorest in society was to *hollow out* the critical layer of those support services they need to get by.

In our last paper we set out in detail the scale of the impact of the cuts on the public services<sup>53</sup>. They

<sup>50</sup> And this is much more complex than the seemingly naïve proposal to give obese claimants a weight-loss injection to get them back into work <https://www.bbc.co.uk/news/articles/cgk7l30egjeo>

<sup>51</sup> <https://ukandeu.ac.uk/the-state-of-public-opinion-the-red-wall/>

<sup>52</sup> <https://www.ft.com/content/2853910d-f654-4344-b4a0-948d8564e1a9>

<sup>53</sup> See our paper 'A Nation in Difficulty: Lived Experience Under Polycrisis' <https://www.peter-lloyd.co.uk/app/download/5814589030/Moving+with+the+Times+and+Governing+Differently+%28Final+Version%29.pdf>



impacted the capital and revenue accounts of the non-privatised public services across the board and held back the wages of public sector workers to the point where it triggered regular bouts of strikes<sup>54</sup> and labour unrest - while blighting recruitment. To a degree, the National Health Service was protected, but here too pay was held back and strikes became increasingly frequent<sup>55</sup>. The local authorities and their VCSFE clients had to face cuts of up to 40 percent in some cases. Given a legacy of crumbling schools and hospitals<sup>56</sup>, cutbacks in adult and children's services and staff shortages, Rachel Reeves's £22 Billion 'black hole' inherited in the public finances is not the half of the story of what was handed over to the new government at the recent general election.

The millions living in poverty were in the front line for the downside effects of the Tory and Coalition drive for fiscal probity. The services on which they depended were consistently cut over fourteen years<sup>57</sup>. A parallel policy saw cuts in the welfare benefits budget set the baseline income condition for households and many of the local authorities facing the severest budget cuts turned out to be those with high rates of local poverty<sup>58</sup>.

Alongside this, there was a fast-rising trend toward outsourcing and privatisation for parts of the social care landscape formerly in the hands of the local authorities<sup>59</sup>. Around 80 percent of care homes and children's homes are now in private hands. This came with a tendency for the privatisation process to offer a bias in provision toward more affluent places<sup>60</sup>. Housing continued to be a fundamental problem with a shortfall of new affordable homes and sharply rising rents - delivering many into homelessness. In education, support for special needs (SEN) has been allowed to fall away badly while demand has risen sharply<sup>61</sup>.

The story of the last 14 years was, then, one of ongoing cuts unemployment and welfare benefits, local government services, health and social care, education and mental health provision and problems with housing. Not unconnected with this, issues of mental health have risen sharply across the board but particularly among the young<sup>62</sup>. The national effect of the cuts was, of course, widespread. However, for those whose circumstances see them having to depend heavily on the services of the state for their basic needs, the impact was far greater.

What it did was to accelerate the vortex of decline in the lived experience and prospects of those living in poverty in multiply deprived places. It is not surprising that there were riots whipped up by right wing influencers or politically loaded media stories about who is to 'blame' for destitution and homelessness (with children 12 to 15 prosecuted for violent behaviour in spite of the warnings about cumulative damage for them<sup>63</sup>).

This opens a window on the conditions Karl Polanyi warned about in his seminal 1944 book *The Great Transformation*<sup>64</sup>. His concern at that time was that ignoring the societal costs of liberal market forces

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<sup>54</sup> For example:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacedisputesandworkingconditions/articles/theimpactofstrikesintheuk/june2022tofebruary2023>

<sup>55</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-9775/>

<sup>56</sup> <https://inews.co.uk/news/politics/crumbling-schools-hospitals-budget-boost-3342959>

<sup>57</sup> <https://www.ft.com/content/562bdd76-f242-47e6-9deb-a3beeaebe732>

<sup>58</sup> <https://www.sigoma.gov.uk/news/2023/poorest-councils-have-seen-3-times-the-cuts-as-richest-say-sigoma>

<sup>59</sup> <https://www.theguardian.com/commentisfree/2024/oct/07/the-guardian-view-on-privatised-care-failures-a-service-crying-out-for-change>

<sup>60</sup> <https://www.spi.ox.ac.uk/sitefiles/main-public-output-full-report-final.pdf>

<sup>61</sup> <https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/>

<sup>62</sup> <https://www.mentalhealth.org.uk/explore-mental-health/statistics/children-young-people-statistics>

<sup>63</sup> <https://www.theguardian.com/society/article/2024/aug/28/only-prosecute-children-over-riots-as-last-resort-says-youth-justice-chair>

<sup>64</sup> <https://www.penguin.co.uk/books/461123/the-great-transformation-by-polanyi-karl/9780241685556>

policies could potentially lead on to the rise of populism and fascist movements as the scale of deprivation and inequality passed critical levels. This resonates with the populist right beginning to increase its voice and influence both in the UK and in continental Europe<sup>65</sup>. The election of Trump in the US is a clear warning to social democrats everywhere about how far the swing to the right has already gone.

## A 'MAELSTROM' OF DISRUPTION ACROSS PUBLIC SERVICES

Looking across the seven domains that the IMD uses for place-based poverty, budget cuts and service disruptions were very much the norm for the local services supporting those in difficulty. This was at a time when the national economy was flatlining, wages were static, and inflation was starting to rise sharply. The layers of governance that could traditionally see and respond to rapidly rising levels of place-based unemployment and inactivity were cut and disrupted further as employment support and welfare benefits were outsourced privately with a mandate to cut costs<sup>66</sup>.

Housing had its needs-based post war council housing element stripped away in favour of 'right to buy'<sup>67</sup>. Health was assigned to a purchaser-provider<sup>68</sup> market model for acute hospitals and care homes dedicated to pursuing (ever-elusive) efficiency gains at a time of rising demand. The environment and infrastructure were subjected to the privatisation of the public utilities with limited gain for the public and significant profits for the providers<sup>69</sup>. Even the voluntary, charity and social enterprise sector sectors had to trim their more altruistic ambitions to line up as 'market' contractors to government and to local authorities that were facing shrinking resources<sup>70</sup>. The safety net to meet the needs of those in poverty was being rendered increasingly threadbare.

The power to resist these changing circumstances was not the same for every level in the governance hierarchy. The major city authorities and later the newly created Combined Authorities had had more absorption capacity from reserves and more voice. They were able to make their voice heard more effectively and to capture special initiatives and in some cases core funding from the centre: that is until recently when some are in or on the verge of technical bankruptcy and having to sell off assets<sup>71</sup>.

Those in the lower tiers of governance have experienced the acceleration of economic and social challenges to their people and their physical infrastructure - using bid and challenge project funds from the centre as a remedy (City Deals<sup>72</sup> and Levelling Up<sup>73</sup> etc.). Significantly, these were mostly schemes designed from the centre and closely monitored by the Treasury, and most involved physical regeneration. For housing they depended on private developers under the National Planning Policy Framework<sup>74</sup> (NPPF) which protected satisfactory financial returns before 'affordable'<sup>75</sup> housing could

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<sup>65</sup> <https://blogs.lse.ac.uk/europpblog/2022/06/01/understanding-right-wing-populism-and-what-to-do-about-it/>

<sup>66</sup> The Department for Work and Pensions (DWP), which replaced the Benefits Agency, contracts out a significant portion of its services to private and third-sector organizations. This includes areas such as: Employment services: Programs like the Work Programme and Work and Health Programme are delivered by external providers. Health assessments are outsourced to companies like Maximus and Capita to conduct health assessments for disability benefits.

<sup>67</sup> <https://lordslibrary.parliament.uk/right-to-buy-past-present-and-future/>

<sup>68</sup> <https://pubmed.ncbi.nlm.nih.gov/10129155/>

<sup>69</sup> <https://centreforpublicimpact.org/public-impact-fundamentals/privatising-the-uks-nationalised-industries-in-the1980s/>

<sup>70</sup> <https://www.gov.uk/government/publications/the-role-of-voluntary-community-and-social-enterprise-vcse-organisations-in-public-procurement/>

<sup>71</sup> <https://www.ft.com/content/3ec920d6-d4eb-42fe-8cd4-61ec8a17244a>

<sup>72</sup> <https://commonslibrary.parliament.uk/research-briefings/sn07158/>

<sup>73</sup> <https://www.local.gov.uk/about/campaigns/levelling#:~:text=The%20Levelling%20Up%20Whit>

<sup>74</sup> <https://www.gov.uk/government/publications/national-planning-policy-framework--2> and the current consultation on its revision <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>

<sup>75</sup> <https://www.gov.uk/affordable-home-ownership-schemes>



be added to a development plan<sup>76</sup>.

The NHS has been increasingly unable adequately to meet the demands from the people it served for badly needed emergency, acute and GP services. It would deflect us too much to open the box of NHS challenges<sup>77</sup>, from GP access to A&E waiting lists to ‘dentistry deserts’ and all too frequent scandals in acute care. The Lansley Reforms and the Health and Social Care Act 2012<sup>78</sup> added further disruption to an NHS that was constantly having to cope with organisational change while the demand pressures on it were rising fast. Public health was transferred to the local authority sector in 2013. Later, having discovered a need for better integration, there emerged *Sustainability and Transformation Partnerships*<sup>79</sup> (2016) and then in 2022 *Integrated Care Systems*<sup>80</sup> (ICS)<sup>81</sup>. Very little stood still in the NHS for over a decade.

Hit hard by the Covid pandemic<sup>82</sup>, as the NHS attempted to ingest these changes there has been a continued loss of traction on the health of the nation<sup>83</sup>. Even now, the NHS is subject to yet more demands for reform by the government *before further resources will be granted*<sup>84</sup>. At the point of contact where the citizenry engages with the NHS in their grounded lives - GPs, A&E, Acute Hospitals – levels of satisfaction<sup>85</sup> are at an all-time low<sup>86</sup>.

Looked at as an overall system of governance, what emerges is a complex web of players with variable powers and spans of control and varying mandates to deliver policy and services with special significance for poverty and deprivation. The mode of operation is generally top-down – carrying out locally decisions which are taken at higher levels. The last government not only starved the local level of the resources<sup>87</sup> needed just to carry out mandatory duties, but it also presided over the operational failure of the public services to respond effectively to the crisis being faced by those already marginalised.

As yet we hear little from the new government about the governance and organisational form of the public sector and its array of private-for-profit contractors. It is early days. The assumption must be that they are content for the moment to declare that *organisational reform* will be a prerequisite for the new financial resources to be captured while the details will take time to be worked out. This is certainly the case for the NHS and Social Care where Wes Streeting has declared that “*We’ve got to make sure that the investment the chancellor has committed to the NHS is linked to reform*”<sup>88</sup>.

An NHS Spring Review is already in the pipeline. The drive for increased productivity in the public services is a generic budget theme (as it was with the last government) – with a 2 percent efficiency improvement factored into the overall Treasury spending estimates. Mercifully, the budget has seen

<sup>76</sup> <https://www.gov.uk/guidance/financial-viability-for-housing-led-projects>

<sup>77</sup> <https://www.bma.org.uk/advice-and-support/nhs-delivery-and-workforce/pressures/an-nhs-under-pressure>

<sup>78</sup> [https://www.instituteforgovernment.org.uk/sites/default/files/publications/Never%20again\\_0.pdf](https://www.instituteforgovernment.org.uk/sites/default/files/publications/Never%20again_0.pdf)

<sup>79</sup> <https://www.england.nhs.uk/professional-standards/medical-revalidation/ro/info-docs/roan-information-sheets/sustainability-and-transformation-partnerships-stps/>

<sup>80</sup> <https://www.england.nhs.uk/integratedcare/what-is-integrated-care/>

<sup>81</sup> There are 42 ICSs across England with a brief to “*plan, buy, and provide health and care services in their geographical area*”. Their most active local footprints are ICBs (Integrated Care Boards) and ICPs (Integrated Care Partnerships) distributed on a sub-regional basis.

<sup>82</sup> <https://www.bma.org.uk/advice-and-support/covid-19/what-the-bma-is-doing/covid-19-impact-of-the-pandemic-on-healthcare-delivery>

<sup>83</sup> <https://www.kingsfund.org.uk/insight-and-analysis/blogs/action-improve-nations-health>

<sup>84</sup> <https://www.dailymail.co.uk/news/article-14014383/Wes-Streeting-NHS-knees-face-Rachel-Reeves-Budget.html>

<sup>85</sup> <https://www.kingsfund.org.uk/insight-and-analysis/projects/public-satisfaction-with-nhs>

<sup>86</sup> <https://www.nuffieldtrust.org.uk/news-item/public-satisfaction-with-the-nhs-slumps-to-new-record-low>

<sup>87</sup> <https://lordslibrary.parliament.uk/local-government-finances-impact-on-communities/>

<sup>88</sup> <https://www.bbc.co.uk/news/articles/c238njy0vmmo>

government reverse the position with increased spending.

There is no indication that the role of the private sector will be under challenge (except of course for the railways and public utilities). Reform is badly needed - not least in the way poverty and multiple deprivation is handled through a complex tapestry of policy delivering agents that lack integration – but it needs to be carefully done after decades of disruption.

## A DOOR OPEN TO DIVISIVE DISCOURSES

The unfolding story of the last fourteen years has not just been one of financial discipline and cuts to public services, it has brought in its wake a dialogue and language that would have been recognisable a hundred and fifty years ago in the age of laissez faire economics. The essence of the discourse is to be found in the idea of the *'deserving and the undeserving poor'*. Unspoken openly, it runs, for example, through the view that a more punitive benefit regime is required to incentivise the unemployed and inactive to find work<sup>89</sup>.

For the last government these underpinned divisive scripts about the *'work shy'*<sup>90</sup> and *'benefit scroungers'*<sup>91</sup>. Catchy labels for the media promoted the idea of *'strivers and skivers'*. In policy terms it served to justify the claim that it was necessary to *'price people back into work'*. (There is a danger that without clearer definition the thrust of the new government's policy focus on improving the lot of *'working people'* will keep the door open to the stigmatisation of the unemployed and inactive).

These punitive measures sat alongside – still in place - benefit caps on welfare claimant parents with two or more children<sup>92</sup> - a moral judgement made and then converted into an issue of public expenditure. All this formed part of a divisive political-moral dialogue sanitized as a policy of needing to tighten benefit rules in support of fiscal probity and sound economic policy. A cross-party thread of this included New Labour under Blair focusing attention on what were blandly called *'problem families'*<sup>93</sup>. As Kenan Malik so aptly put it; *"Once the finger is pointed at the individual, and unemployment and poverty become seen as moral rather than political issues, then coercion is rarely far away"*<sup>94</sup>.

There are particular dangers associated with political sloganizing when it opens the door to those modern-day *'influencers'* who can gain political capital from making causal inferences about whose fault the nation's poverty might be. For the far right, the chief candidates for causing the problems are likely to be *'others'* in general and immigrants in particular. The *'boat people'* script deployed by the last government offered a clear example. Following that, the August riots offered a worrying signal of how perverse narratives around scapegoating can combine with a context of destitution for a disaffected segment of society and play out on the streets.

Once again, the voice of Polanyi is worth taking note of when *'great simplifier'* and populist narratives feed from the societal costs of an economic ideology that over relies on market solutions. The need directly to address the conditions of poverty without waiting for the holy grail of economic growth

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<sup>89</sup> This the danger we referred to earlier from the budget simplistically identifying *'working people'* as their focus. Again early days, a more sophisticated view in inactivity will hopefully emerge over time.

<sup>90</sup> <https://www.telegraph.co.uk/columnists/2024/03/07/unemployment-work-jobs-market-staff-economy-labour-sickness/>

<sup>91</sup> <https://www.dailymail.co.uk/news/article-13456501/benefits-scroungers-Britain-deprived-seaside-town-say-election-free-cash.html>

<sup>92</sup> <https://www.gov.uk/guidance/claiming-benefits-for-2-or-more-children>

<sup>93</sup> [http://news.bbc.co.uk/1/hi/uk\\_politics/5312928.stm](http://news.bbc.co.uk/1/hi/uk_politics/5312928.stm)

<sup>94</sup> <https://www.theguardian.com/commentisfree/2024/oct/20/pumping-the-unemployed-with-weight-loss-drugs-echoes-victorian-attitudes-to-the-poor>

should also take into account concerns about the *maintenance of the social fabric of the nation*.

A new government in power should make a difference, but Labour is in danger of losing people's confidence<sup>95</sup> that real and meaningful change is possible when it makes such a point of telling the population there will be 'hard times ahead' and started by badging itself with the credentials of fiscal conservatism. This key element in their election strategy before the election may have been good for getting elected but will surely not work as a radical plan for government.

There is a reality to poverty that abstract economic models tend to neglect. The rise of the extreme right and the threat of disorder is not unconnected with homelessness and the struggle for liveable rents as media vox pops from after the riots seem to indicate. The rising level of overall inequality in a nation where an increasing share of assets and income goes into the hands of a small number of people and offshore private equity is a provocation in a country where more than one in five people are struggling daily to get by.

## A NEW GOVERNMENT AND A BUDGET

The new Labour government has dedicated itself to "*fixing the foundations of the economy, deliver(ing) change by protecting working people, fixing the NHS and rebuilding Britain*"<sup>96</sup>. Under the theme chosen for this paper we want briefly to explore what is being proposed specifically from the perspective of people living in poverty and material deprivation. We do not seek to join the tsunami of post-budget commentary. We do not have the space for it. What we want to do is cherry-pick some relevant policy items for the purposes of the narrative.

Around three months in for the new government there are signs of a new approach but as we pointed out earlier the existence of 12 million people living in poverty is not given specific recognition. The overall macroeconomic model is largely unchanged from the Tory era. Growing the economy and good fiscal housekeeping are the central themes. Policy is still framed in terms of the Treasury View and the dominant discourse remains an economic one. It remains to be seen what 'mission driven' policy will look like in practice, but clearly the over-riding shape of policymaking system remains fixed around Ministerial briefs and Departmental priorities. There is much that sounds different - but also much that is a continuation of the familiar Neoliberal macroeconomic policies of the previous regime and its forebears.

The October 2024 budget gives a much clearer indication of what the new government's priorities will actually be. The fiscal straitjacket has, in fact, been loosened by re-writing of the definitional parameters of public debt. This has opened the door to a much higher level of public expenditure than was previously anticipated. It is within this broader financial envelope that the government is setting out to declare its values. First, public expenditure is no longer exclusively conceived in negative terms. It is regarded as not only necessary for the wellbeing of the people but also for the effective functioning of the economic and social infrastructure on which economic growth can be constructed. The public realm is accepted as an economic driver and not just a burdensome cost to be managed down in times of hardship.

Second, where possible within the limits of the much-expanded financial envelope, 'working people' will be 'protected'. There are some difficult issues with this language as we have already pointed out but the sense appears to be that wages, incomes and working conditions will respond to market forces but not be exclusively determined by them in a society that values fairness and acceptable levels of equality. Social justice is back on the agenda if only lightly. From the perspective of this paper, this is to be

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<sup>95</sup> <https://www.independent.co.uk/news/uk/politics/trust-government-labour-keir-starmer-b2631291.html>

<sup>96</sup> <https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html#executive-summary>

welcomed.

There is, however, still a concern that ‘waiting for trickle-down’ as a product of economic growth will not be adequate to address the scale of poverty previous policies have already allowed to accumulate and that *waiting time* is a serious issue. A generic policy to reduce inequalities or one for ‘levelling up’ is entirely laudable in itself but is too slow and too contingent on deflective forces to meet the challenge we set out at the beginning of the paper. Something more direct, more coordinated and more integrated needs to be done. The concept of ‘mission’ is precisely the one that – without necessarily needing huge resource – might be called into action.

Continuing to pursue the core theme of the paper, we want to limit ourselves in the next section to what is being proposed in the budget from the perspective of people living in poverty and in places suffering multiple deprivation. The box below presents in simple form the key elements of the budget.<sup>97</sup>

#### The Budget headlines

- Growing day-to-day departmental spending at an average of 2.0% per year in real terms between 2023-24 and 2029-30 to support public services, including to deliver 40,000 extra elective appointments a week and reduce NHS waiting lists.
- Boosting capital investment by over £100 billion over the next five years, including in transport, housing and research and development (R&D), with a greater focus on value for money and delivery to help unlock long-term growth.
- Boosting wages for the low paid by accepting the recommendations of the Low Pay Commission in full, increasing the National Living Wage. This is expected to benefit over 3 million low paid workers across the UK.
- Extending the Household Support Fund and Discretionary Housing Payments in 2025-26 through a government provision of £1 billion to local authorities to address immediate hardship and crisis.
- Adjusting Universal Credit by creating a new Fair Repayment Rate, which caps debt repayments and allows 1.2 million households to keep more of their Universal Credit award.
- Raising the Carer’s Allowance weekly earnings limit to improve financial security for carers and support them into work or to work more hours if they choose.
- Increasing the funding for public services particularly the NHS and Social Care, schools, prison places and local roads maintenance.
- Raising public investment by more than £100 billion over the next five years - £13 billion in the next year – including 1.5 million homes, a well-functioning NHS and education system.

The list above represents both a major shift of priorities and the assembly of very considerable resources over the 5-year time horizon. These are dedicated both to repair past damage (rebuilding Britain) and to deploy a substantial programme of Keynesian style public investment to drive forward economic growth (fixing the foundations). By doing these two things, that expectation is that there will be a move toward a more balanced and less unequal society (protecting working people).

There are still questions about the extent to which the projections of economic growth in the budget

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<sup>97</sup><https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html#executive-summary>

are reasonable<sup>98</sup> and the effects of front loading for the multi-billion package - with some critics raising later austerity as a potential prospect<sup>99</sup>. There is no doubt, however, that some benefits from all this will flow to the most deprived people and places. Trickle down is perennially hard to anticipate and measure but it is hard not to envision some level of improvement for the poorest.

The reality of the spend will itself be a major boost and there will be a guaranteed gain to come as the damage to the public realm and the general infrastructure is tackled after 14 years of neglect. From all that has been said earlier about the important of the public services to those in poverty, this alone will improve the lives of the poorest people and most deprived places in the country.

Specific features of the budget that relate to their impact across the multiple deprivation domains of the IMD can be identified as:

- Supporting public services generally by +2.0% per year in real terms.
- Increasing the National Living Wage.
- Granting £1 billion to local authorities to address immediate hardship and crisis.
- Adjustments to Universal Credit Rules; Raising the Carer's Allowance.
- Increasing the funding for social care, schools, prison places and local roads maintenance.
- Delivering £13 billion in the next year for 1.5 million new homes and a well-functioning NHS and education system.

Seen as a bundle, these budgetary adjustments will undoubtedly make a difference. One of issues, however, is *how quickly they can be turned into practical measures* before the fiscal headroom begins to limit what can be done. Concerns have already been expressed in the bond and currency markets about what can be delivered over the time allowed in the 5-year plan. The suggestion is that what are seeing is a short term (perhaps two year) boost in an attempt to repair past damage - but that beyond that close control of the PSBR and even austerity may yet again be back on the agenda. If this should be the case, then it will be urgent to make the best of things by giving considerable attention to just how – in governance terms – the spending boost should be delivered. We turn our attention to this – as an issue of governance - for the rest of the paper.

## **FIXING POLICY AT THE LOCAL LEVEL: GOVERNANCE, DATA AND PUBLIC ENGAGEMENT**

### **A DOMINANT CENTRE, HIERARCHICAL SILOS AND MULTIPLE COMPETING AGENCIES**

The logic applied by the designers of the IMD involved the creative act of trying to recognise and account for the *multi-dimensionality of poverty* in a single national index and this can be helpful, particularly in looking at questions of governance. The seven IMD domains run across the responsibilities of many different Departments of State. These operate through a long-standing silo structured and hierarchical system of centralised governance. The drive to cut costs by regular administrative restructuring and privatisation without changing the core structures has made things vastly more complicated and less efficient – particularly at the local level.

Each Department of State has its own statutory and ministerial priorities and budgets for operations – many across the whole country, and others just for England (respecting the devolved nations). Cross-departmental working is historically not unknown, but it is something not easily achieved. Contracting activities out to NDAs (Non-Departmental Agencies) and private companies has not served to make

<sup>98</sup> <https://obr.uk/efo/economic-and-fiscal-outlook-october-2024/>

<sup>99</sup> <https://ifs.org.uk/events/autumn-budget-2024-ifs-analysis>

integration easier but often more difficult. The system as a whole is one of the most centralised among the OECD nations. The need to make this work against a fast-moving context has required more complex administrative fixes to be applied and so to confuse things still further.

Under this system, *policy actions that impinge on poverty* can be seen as active regionally, sub-regionally and locally in a wide variety of forms. They manifest themselves as a complex pattern of actions delivered by a wide variety of institutions, agencies and companies. These may be the local offices of central government, representative statutory bodies like local authorities, the NHS, non-statutory agencies, charities, Community Interest Companies<sup>100</sup> (CICs), and project funded local partnerships.

No over-arching strategic view governs how these myriad bodies are to work in concert to tackle the problem. Each makes its individual contribution. There is overlap and more often than not a degree of inter-agency competition – especially when it comes to seeking pots of money allocated from the centre. There is a constant call for partnership, but real collaboration and integration is hard to find in a context where there is a highly competitive quasi-market for scarce resources.

At the end of its term, the last government became aware the issues involved. We can do no better here than quote from the Foreword to the launch of *Partnerships for People and Place*<sup>101</sup>. This was a two-year Treasury funded programme for more integrated working. The message is clear: the existing system needs radical change.

**[Department for Levelling Up, Housing and Communities: Guidance and advice for officials working on place-based policymaking.](#) (April 2024)**

*“Everyone wants to receive quality public services, enjoy good life chances for them and their families, and live in thriving communities where people get on well together. Good joined-up, place-based working – between central government, local authorities and communities – is core to delivering these aims, which are at the heart of our Levelling Up mission to create opportunities for everyone across the UK..*

*But, while there are many things to celebrate about such strong central-local partnership working, there is always room for improvement. Many Civil Service departments’ programmes can overlap – in both their reach and outcomes. This can happen both during the development phase, when ideas are being worked up, and the delivery phase, when work is being rolled out on the ground. This causes issues for local people and places. On occasions, central government might be working on different priorities, or different timelines to local government and communities.*

*Objectives might be repeated across multiple programmes in the same area. The complex web of centralised funding pots and programmes often doesn’t align with local needs or timescales. Institutions which mean to help can quickly become siloed. And, despite the best efforts of everyone involved, these siloes can reduce the quality of the support or investment people receive, which in turn can reduce the flexibility and dynamism of local partners. It can also reduce opportunities to learn from each other and our experiences – including mistakes that we might be making, or other glitches in the system”<sup>102</sup>.*

<sup>100</sup> <https://www.gov.uk/set-up-a-social-enterprise>

<sup>101</sup> <https://www.gov.uk/government/collections/partnerships-for-people-and-place>

<sup>102</sup> <https://www.gov.uk/government/publications/partnerships-for-people-and-place-guidance-and-advice-for-officials-working-on-place-based-policymaking>



It is not just a matter of organisational efficiency. Think of those whose daily lives have them dependent on accessing the services of the State, its agencies, the third sector and contracted private businesses for their daily survival - and what it might be like to have to navigate across such a complex tapestry of support. Many will not even be aware of what is available. Worse still, the waiting times for those in desperate need can often be measured in hours (visits to a general practitioner or accident and emergency), days (keeping debt at bay), or weeks (challenging the threat of eviction). The agencies to which they need to turn all have their own staffing and cost constraints to deal with under tight budgets and timeliness in response is not generally a feature of how they work.

It is clear that the aim should be to have all these players act in a *more integrated way*. This is fine as an aspiration, but anyone who has worked in the field of local and regional development will know that working this out in practice is a considerable challenge. Response to change is often slow (if not sclerotic) as embedded practice and organisational ways of doing things see territories defended and personal fiefdoms protected. A history of cuts and constant demand for 'efficiencies' tends further to provoke resistance to new ideas.

Privatisation<sup>103</sup> and a recourse to market-style disciplines was in large part a response to this sort of rooted bureaucracy - but its own track-record over the last four decades has not always been a success. Partnership, though it has merit in its own terms, also does not cut it. There is a case to be put that the system in place for supporting those people and localities suffering deprivation in today's fast changing context is *not fit for purpose* and some creative thinking about how to go about *integration in practice* is much needed.

## DATA BLINDNESS

When it comes to poverty and deprivation, the scale of the indicators and data needed to grasp what is really going on makes it hard to capture a clear overall view. The most widely used *comprehensive data* on multiple deprivation by local place dates back, as we have seen, to 2019 and the IMD. The capability to map it for small areas has attracted widespread attention. A problem arising from this is, however, to reinforce a tendency to believe that treating the geographical settings ('left behind places') is a good way to address poverty as a lived experience for individuals and families (the ecological fallacy problem). To a degree this does, of course, help. It is necessary but not sufficient.

This place-specific approach sits very well, of course, with an economic view that local economic development is the way to go, that regeneration policies should have priority and that trickle down will address the problem. Reviving 'left behind' places this way is, of course, the national model writ local. But not all 'boats will float'. The evidence for the success of the economic development and trickle-down approach is patchy at best for the least well off.

Good data on the wider penetration of regeneration schemes (jobs created and for whom) is rarely brought together to see who really gets the benefits. There is so much more to understanding poverty than can be seen through the lens of policies for inserting well-paid jobs into a hopefully better functioning local labour market and hoping for positive outcomes. Better data (big data) is essential to see the scale and shape of outcomes.

From the perspective of poverty data *per se*, a huge reservoir of material that has been built up over the last 30 years<sup>104</sup>. The Local Authorities have considerable data resources as do government departments and charitable bodies like the Resolution Foundation, Joseph Rowntree, Trussel Trust and

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<sup>103</sup> <https://www.instituteforgovernment.org.uk/explainer/outsourcing-and-privatisation>  
<https://academic.oup.com/cjres/pages/cfp-privatisation-local-public-services>

<sup>104</sup> For example, ONS, UK Data Service, and a range of NGOs and research units.

so on. At the level of the state itself, considerable data resources exist but they could be more effectively shared across government departments within the silo structure<sup>105</sup>. Given that poverty is something addressed in one form or another by six or more Departments of State, the siloed dispersion of such internal government data is a problem yet to be tackled<sup>106</sup>. *Interoperability and data sharing*, as always, the fundamental challenge (the sharing of energy data to protect vulnerable customers shows that it can be achieved<sup>107</sup>).

One state sector with huge stake in addressing questions about the costs of allowing poverty to rise is in the domain of *health and social care*. This is where, to a significant degree, the tariff for getting things wrong across the other policy domains tends to be paid. As the NHS now turns its attention to social and preventive care ‘upstream’, the relationship between the lived experiences of people in poverty and the cost and access burdens currently being faced in the health and social care sector becomes more significant<sup>108</sup>. There is cross-departmental common purpose here to provide a solid reason for pulling together a *comprehensive and multidimensional data system* for poverty - incorporating the 2025 IMD and a spatial referencing capability.

Significant data with a focus on social inequalities (disparities) is already present in health and social care and there is a lot to gain from this. Michael Marmot’s work on the “*social determinants of health*” goes back to in 2010 and since that time there has been a drive to look more closely at the wider referents health inequality<sup>109</sup>. The following table offers a sample of what is already available.

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<sup>105</sup> According to the head of the UK’s statistics watchdog Sir Robert Chote – “*too often government data was “siloed” because departments and other bodies were worried that people may uncover weaknesses in the data or even reach inconvenient conclusions*”. He also suggested that the “*unrealised potential of sharing and linking data could help the government generate new ideas and improve its policies*”. <https://www.theguardian.com/uk-news/article/2024/aug/18/share-government-data-to-boost-economy-says-uk-statistics-watchdog-chief>

<sup>106</sup> A further complicating issue is that much needed data is run through with the effects of turning so many of the responsible agencies over to private interests introducing “commercial in confidence” considerations.

<sup>107</sup> <https://www.energy-uk.org.uk/publications/energy-policy-matters-data-sharing-to-support-vulnerable-customers/>

<sup>108</sup> <https://www.kingsfund.org.uk/insight-and-analysis/long-reads/relationship-poverty-nhs-services>

<sup>109</sup> <https://www.gov.uk/research-for-development-outputs/fair-society-healthy-lives-the-marmot-review-strategic-review-of-health-inequalities-in-england-post-2010>

### Sources of data for Health Inequalities

**NHS England:** Provides data on healthcare inequalities and outcomes across different regions and demographics<sup>110</sup>.

**Office for Health Improvement and Disparities (OHID):** Offers insights into health disparities and inequalities, including data on social determinants of health<sup>111</sup>.

**Public Health Outcomes Framework (PHOF):** Measures of health inequalities for various indicators across England<sup>112</sup>.

**King's Fund Reports**<sup>113</sup>: Long reads and analyses on the impact of poverty on health and NHS services. Some more localised spatial data is available<sup>114</sup>:

**Local Health Tool by OHID**<sup>115</sup>: This tool presents data on health and the wider determinants of health for small geographic areas, such as middle super output areas (MSOAs), electoral wards, and local authorities. It includes indicators related to population and demographic factors, wider determinants of health, and health outcomes.

**Public Health Outcomes Framework (PHOF)**<sup>116</sup>: This framework contains measures of health inequalities for various indicators across England. It helps local authorities and other stakeholders understand and address health disparities.

**Local Health Profiles on Fingertips**<sup>117</sup>: Public health data for small geographic areas, highlights hidden inequalities and allowing for targeted interventions in areas with the most need.

**Health in England - Office for National Statistics**<sup>118</sup>: This resource offers insights into England's health at national, regional, and local authority levels using the Health Index. It covers various aspects of health, including personal well-being, mortality, and living conditions.

For a more comprehensive and imaginative approach to making data at different levels in the 'hierarchical and siloed' context more useful, a first order requirement is for *better integration, better interoperability and bringing together disparate* datasets (health and social alongside housing, employment, benefits etc.).

To do this we have a unique new advantage. Artificial Intelligence (AI) is capable of making the previously impossible possible. Mass data storage and the cloud can make the traditionally daunting size problem for tasks like this entirely manageable. Storage and handling capacity is no longer a problem for such a complex topic. AI now opens the door to analysis, interpretation and presentation of data in wholly new ways. It is even possible to bring 'stories' into play to create entirely new data series closer to lived experience. Where the greatest effort is needed, however, is in the 'humanware' of breaking down the barriers that get in the way of sharing - not just for data but for the shared learning that allows creative imagination to flourish.

<sup>110</sup> <https://www.england.nhs.uk/about/equality/equality-hub/national-healthcare-inequalities-improvement-programme/data-and-insight/helpful-sources-of-data-external-tools>

<sup>111</sup> <https://www.gov.uk/government/publications/health-disparities-and-health-inequalities-applying-all-our-health/health-disparities-and-health-inequalities-applying-all-our-health>

<sup>112</sup> <https://www.gov.uk/government/statistics/health-inequalities-dashboard-march-2021-data-update>

<sup>113</sup> <https://www.kingsfund.org.uk/insight-and-analysis>

<sup>114</sup> <https://fingertips.phe.org.uk/profile/health-profiles>

<sup>115</sup> <https://www.localhealth.org.uk/#c=home>

<sup>116</sup> <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework>

<sup>117</sup> <https://fingertips.phe.org.uk/profile/health-profiles>

<sup>118</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare>

## BETTER PUBLIC ENGAGEMENT

Another way of raising the game on addressing poverty is to set out ways by which the people involved - or at the very least those closely attuned to their interests - can be better engaged to assist with learning. This is not a new idea. For more than half a century, UK governments and the European Union set out to involve local people in helping to create forms of partnership organisation to deal with the problems they faced. This took the view that *the best decisions are made locally* and that local communities are best placed to decide on what services they want and how to deliver them.

After 2012, however, the earlier thrust of partnership based and bottom-up policy and public engagement *at local level* in the UK lost its popularity. The government focus switched to a more business driven and regional-sub-regional mode. Local Enterprise Partnerships (LEPs) and Local Development Partnerships (LDPs) and many other initiatives had been overtaken by the time of the *Levelling Up and Regeneration Bill* arrived<sup>119</sup>.

Introduced in 2022, this was firmly dedicated to a 'bricks and mortar' approach - turning now to '*local leaders*' to *regenerate their areas and to improve local infrastructure*. Alongside the National Planning Policy Framework (NPPF), it was primarily directed to freeing up the scope for physical regeneration. Over that period, of course, austerity, Brexit and then Covid-19 absorbed the attention of central government.

Despite the supportive rhetoric, the politics behind these later measures was rooted in varying shades of liberal economic thinking, the key to which was a mainstream strategy of shrinking the state, cutting public expenditure and accelerating the out-sourcing of public services. The 'noise' and added regulation that empowerment and engagement might have introduced was inconsistent with an overarching philosophy of deregulation and giving businesses (and particularly property developers) the freedom to pursue their commercial objectives. Better public engagement has not been a strong thread of central government policy since the mid-1980s.

To be more imaginative going forward, a window needs to be opened to two things – first, to remember that *some good things were done* before 2012 and second, to open the door to a *re-evaluation of the system* of policy governance, This is not only about resources and the PSBR, but also about the dysfunctionality of the policy system currently in place and its inability to deploy timely and workable interventions for the day-to-day problems that poorer people face in the localities where they live. Tokenistic "*levelling up*" and the use of bid and challenge funds have not been adequate to the scale of the problem.

At least the Labour administration has sought to provide the financial means to address the damage already done in the public realm. The parallel need is to think outside the box of traditional local economic development and local community support and get to grips with the reality of the connected causal forces that draw people into poverty and make it hard for them to get out. With an economy unlikely to experience a magic short-term turnaround in its fortunes, just waiting for significant economic growth will take too long.

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<sup>119</sup> The slogan of "*Levelling Up*" appeared as a headline of the 2019 Conservative Manifesto. While it was a good political strapline, Levelling Up ran ahead of thinking about what it implied as an active policy proposition. This came later in a White Paper launched in 2022 <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>. The ambitious claim was that it would "*address disparities based on where people live; create jobs, drive economic growth, and foster pride in all parts of the UK*". Some £4.8 billion was allocated but, by the time of the 2024 election, only £392 million had actually been spent <https://www.bbc.co.uk/news/uk-politics-65090722>

## A DEDICATED APPROACH TO ADDRESSING LOCALISED POVERTY

### THE PROBLEM: TOP-DOWN HIERARCHY, SILOS, COMPLEXITY AND INEFFICIENCY

Current practice sees the condition of poverty through its elements (domains) but not as an identifiable problem to be recognised and tackled directly except through diverse macroeconomic measures and central departmental policies. Put another way, there is not an integrated national policy to help those living in poverty, and instead there is a raft of policies operating and planned that are viewed as impacting positively on the people, households and places experiencing the condition.

From the perspective of the subjects for these ambitions for better support, the outcome is *nothing if not complicated*. Families and individuals living in poverty have to recognise and seek out the help they need across the spatial “footprints” of a bewildering array of agencies, options, offers, projects and organisational arrangements. They also have to take on board complex systems of ‘rules for access’ – this while they work out the day-to-day challenges of life at the margin.

Many forego what they are entitled to. For the most part it is the VCSFE (Voluntary, Community, Faith, Social Enterprise) sector that helps to mediate for them across this byzantine policy space – helping them source the assistance they need. The local authorities have traditionally been key players but after austerity their resources are sharply constrained - at least until the new resources set out in the budget flow into their finances. Those living under conditions of poverty cannot be visualised as informed ‘consumers’ in some marketplace of variously distributed services set out to help them (the current model). Their needs are multi-faceted – benefits, housing, employment support, education, health, social care – but the system that is presented to them lacks the integration and coordination needed to be efficient and effective.

### LEARNING LESSONS FROM THE HEALTH DOMAIN

In the field of health and social care, organisational reform has already taken steps to address some of the issues explored above. Much of the pressure on the health service comes from people living lives at the margin for one reason or another. As the NHS England<sup>120</sup> 10-Year Plan<sup>121</sup> looks to shift the balance toward preventive measures, it is going to have to confront the full spectrum of causal conditions that lead to unhealthy lifestyles and to serious health conditions – including those we have been talking about here.

Health and social care are already familiar with having to engage in these sorts of community-based issues through Marmot’s work on the “*social determinants of health*”. This recognises the health and social care demands that arise in close association with poverty through things like poor housing, poor diet, unhealthy lifestyles and the sheer inability of some in society easily to get to a GP surgery a dentist or an optician. There is also a sensitivity to wider equity issues such as gender and ethnicity.

In the most deprived communities there are local geographical circumstances where things are made much worse – decaying housing and community spaces, clusters of struggling schools, truncated and expensive public transport routes, depleted GP and dental services. They are ‘left behind’ places not just in the classic economic sense but in the *practical ability of the systems in place* to provide the services that people need. Fixing the local economy may help to a degree, but what is needed is a system to *assemble data* on the full dimensionality of the needs to be addressed alongside a *locally*

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<sup>120</sup> Notice that the plan is not joined up across the UK. While clearly health is a devolved responsibility to Scotland, Wales, and Northern Ireland, it means that those who live in localities that straddle a country border will receive different health services depending which side of the border they reside.

<sup>121</sup> <https://www.england.nhs.uk/long-term-plan/>

*integrated 'coming together'* of supporting services. This would need a means to *capture the voice* of the people involved.

## A LIGHT GOVERNANCE FIX: ADDING A NEW STRATEGIC LAYER

It is time for a *comprehensive and imaginative re-thinking* of how policy in the hierarchical and siloed architecture of poverty policy might play out differently. Let us be clear at the outset. This is, by no means, a substitute for decent wages, sound welfare policies, sensitive benefit rates, better housing provision, fairer rents and tenures, more effective policing and security and so on - discharged at a variety of government levels – national, regional or local.

What seems lacking currently, however, is a *horizontal organisational layer* dedicated to advising on how policy interventions can be applied locally to people and local settings in a *coherent and contextually sensitive way*. Most basically this is layer for *policy integration*. Helpfully, an example is in place. This is the *Integrated Care System*.<sup>122</sup> for the NHS.

This was launched formally over the period 2020-2022<sup>123</sup> with a basic aim to “*unblock legislative barriers to integrated care*”<sup>124</sup> There was a long process of consultation to establish that there was a consensus for the idea. At base, the issue to be tackled was the very same one we have been describing here – silo operations and a lack of coordination across a complex and connected domain for active intervention.

The operational element on the ground for the ICS is the *Integrated Care Board* (ICB) - set roughly at sub-regional level with 42 sites across England. An element of the ICS of particular interest here is, however, the third component – the *Integrated Care Partnership* (ICP) attached to each ICB. These are mandated to “*...work collaboratively to create joined-up services based on local needs*” and made up of: “*...the NHS, local authorities, and other partners, all working together to improve the health, care, and wellbeing of the local population*”. Part of their wider task profile is in: “*Supporting broader social and economic development*”.

Using the ICB/ICP as a template to follow, it could be possible quickly to open the door to a similar strategic solution for local policy for poverty and multiple deprivation. The integration objectives of the 2022 Health and Social Care Act are precisely those that should apply to a policy for *direct assistance* to local people living in poverty and multiple deprivation. There is also a case to be examined for it to operate with or alongside the ICS.

The key objective – wherever the body sits - would be to bring active providers together to share knowledge and experience and creatively to seek out ways of acting together jointly - even under the constraints of their individual silo mandates and public accounting frameworks<sup>125</sup>. Naïve as this may seem for a world led for 40 years to believe that market style competition is the answer to making public policy more efficient, *integration and combined public service working* has much more going for it in making a real difference.

Even in respect of *data and public engagement* there is a strong case for exploring the benefits of engaging with or adopting the ICS/ICB model. The ICBs are de facto the designated controllers for specific NHS datasets and the new Secure Data Environment<sup>126</sup> (SDE) initiative falls also under their ownership. Much of the data already in house or in prospect *is precisely what was argued for earlier* –

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<sup>122</sup> <https://www.england.nhs.uk/integratedcare/what-is-integrated-care/>

<sup>123</sup> <https://www.england.nhs.uk/integratedcare/what-is-integrated-care/the-journey-to-integrated-care-systems/>

<sup>124</sup> <https://www.england.nhs.uk/integratedcare/what-is-integrated-care/the-journey-to-integrated-care-systems/>

<sup>125</sup> There is a precedent for this in the idea of a “Territorial Pact” promoted by the European Union to bring together disparate actions for employment support. <https://aei.pitt.edu/93866/1/Guide-territorial-employment-pacts.en> - Copy.pdf

<sup>126</sup> <https://digital.nhs.uk/services/secure-data-environment-service>



quality personal, health and wellbeing data alongside household information capable of integrated assembly at granular spatial level.

In respect of public engagement, health and social care is, once again, well along the track to making PPIE (Public and Patient Involvement and Engagement) a central plank of all its operational and policy domains. Through the auspices of NIHR (National Institute for Health Research<sup>127</sup>) and HDRUK (Health Data Research UK<sup>128</sup>) a *cadre of public advisors* is place across the country. Once again, there is an existing platform to build upon when it comes to finding ways to bring the voices and views of people living in poverty into the policy and provider communities.

We do no more than plant the thought here that there is a quick and efficient way to improve the policy and operational environment for dealing with poverty and place-based deprivation as new resources come on stream. It will be for others to establish whether or not it is feasible. Waiting for trickle down is not an option.

## CONCLUSION

Our objective in this paper has been to shine a light on poverty and deprivation as something that should receive much higher priority as a social and economic issue for the nation. As Will Hutton recently put it, extreme inequality in wealth distribution “*poses as big a threat to the country’s wellbeing as climate change*”<sup>129</sup>. We have shown that an unacceptable share of the current UK population is being consigned to live in places and under conditions that should shame one of the richest nations in the world. The trend toward rising social and spatial inequality has been known and, again like the climate emergency, ignored for decades.

This is the right time to emphasise that the rise of the populist right has its seedbed in despair and against a context where – through externally control media platforms - unrest can easily be whipped up around malign grievances of all kinds. In its turn, this can be triggered into anti-social forms by careless political rhetoric and opportunistic social media rabble-rousing - even inducing riots. The election of Trump is a powerful wake-up call. There is a need to give the most deprived people some hope that the real challenges are at least recognised and that, if nothing else, some creative thinking is being mobilised on how to tackle them. “*Fixing the foundations*”<sup>130</sup> is not necessarily the first priority when the roof is falling in.

The political model that requires prior economic growth and a dependence on trickle down has proven to be a failure for the last decade and a half – both in generating growth and in producing the means to suppress fast growing inequality. Brexit and the pandemic may be used to mitigate against critiques to the model, but this is not good enough. Running a myopic ideology directly from the market economics template has not seriously addressed nation’s economic malaise and has certainly not helped the lives of those in poverty.

What it has done is to add on a significant *social crisis* as a potentially dangerous collateral outcome to poor economic performance. For a decade, commentators from across the political spectrum have been warning of the dangers associated with a fracturing social order. Not for the first time, we find ourselves trapped by an epistemology that has us see who and where we are through a singularly

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<sup>127</sup> <https://www.nihr.ac.uk/>

<sup>128</sup> <https://www.hdruk.ac.uk/>

<sup>129</sup> <https://www.theguardian.com/commentisfree/2024/oct/20/britains-wealth-gap-is-growing-its-malign-effects-seep-into-all-aspects-of-life-its-a-national-disaster>

<sup>130</sup> The Prime Minister on 27 August 2024 <https://www.gov.uk/government/speeches/keir-starmers-speech-on-fixing-the-foundations-of-our-country-27-august-2024> and a Budget announcement on 31 October <https://www.gov.uk/government/news/government-takes-first-steps-to-fix-the-foundations-and-save-the-nhs>

economistic lens – one very often configured to deal with the problems of the past rather than those in front of us at present.

The real issue now is that that local problems and the dissatisfaction of those having to face them are both rising faster than the ability of the current system of governance to deal with them. Despite better “mood music” from the new government, there is a sense that they do not yet understand that for people whose children are hungry and whose ailing elderly parents are uncared for, waiting for some hoped for economic turnaround will not do.

The message has at least got through that the public infrastructure is in a dire state and that something needs to be done on minimum wages, benefit rules, public sector pay, local authority finances and the NHS. Creatively adjusting the borrowing equation to generate a massive reconstruction and investment fund has to be given due credit.

Following the budget, things will change - certainly in the short term as a massive injection of resources is poured in to remediate the disastrous damage to the public realm wrought over the last fourteen years by austerity politics. Nevertheless, the overall economic focus appears to be the much same – concentrating on the accepted economic model while making a serious attempt to “*fix the foundations*” of the nation. The language is, however, already less strident and divisive and the fiscal rulebook is being more creatively applied to entertain social needs as well as economic concerns.

The current challenge is not just about the availability of resources. It is also about the means by which the new funds can be *effectively and efficiently spent*. This especially the case where the 5-year Treasury forecast appears to demand that much of the expenditure is front-end loaded to take place in the first two years. This speaks to the key argument of this paper about the *dysfunctionality of the policy system* currently in place and its inability to deploy timely and workable measures to day-to-day problems. Our concern here has been for the disadvantaged but it represents just one example of a governance issue that goes much wider.

Even without resources, there is a need to engage in some creative thinking about how to move to a more integrated and flexible approach from a centralised and siloed one. We have suggested that one way to achieve this this is to learn from creative things already in play. For localised poverty the ICB/ICP initiative in health is worth looking at seriously. The key reason for doing this is that there is a time constraint.

The people and places we have been describing in the paper can neither wait for economic growth to solve their problems nor can they wait for a four-year Royal Commission on statutory change. Even if resources are hard to come by the sort of imaginative thinking that the government’s heavily indebted Labour forebears were capable of after 5 years of World War II is needed once again. At the very least, the crisis must offer an impetus to re-imagine the structures of policy governance in an increasingly complex world where fast change is the normal condition.

#### POSTSCRIPT – CHANGE IS NORMAL

Just one week on from the 30 October budget came the re-election of Donald Trump<sup>131</sup>. Undoubtedly the impact of this will emerge over time, but a new uncertainty has immediately been introduced into the UK economic growth forecasts and budget prospects.

Trump’s potential tariffs and ‘US-first’ policies are viewed by the National Institute of Economic and Social Research as follows: “*were Trump to go ahead with a 60% tariff on Chinese goods and a 10% tariff on goods from all other countries, the resulting trade war would lower UK growth by 0.7*

<sup>131</sup> <https://www.bbc.co.uk/news/articles/cpvzjr8w9mxo>

*percentage points and 0.5 percentage points in the first two years. The UK is a small, open economy and would be one of the countries most affected.”*<sup>132</sup>

*NIESR has estimated that over two years the UK inflation rate would be 3-4 points higher while interest rates would be 2-3 points higher”* linked to a potential Eurozone recession<sup>133</sup>.

As we close this paper on November 11<sup>th</sup>, 2024, the omens are not good, and there is still plenty to do.

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<sup>132</sup> <https://www.theguardian.com/us-news/2024/nov/06/donald-trump-tariffs-would-cut-uk-growth-by-half-and-push-up-inflation-thinktank-warns>

<sup>133</sup> <https://www.ft.com/content/002fe4ce-14f3-44b5-a617-6015d0c3e11d>