ICON
Independent
Commission on
Neighbourhoods

Progress and Pressure: Understanding economic and social change in England's neighbourhoods

ICON Research Working Paper

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The Independent Commission on Neighbourhoods

The Independent Commission on Neighbourhoods (ICON) was launched with the support of Alex Norris MP, Minister for Local Growth, in September 2024. The Commission aims to address the significant challenges faced in England's most disadvantaged neighbourhoods and how tackling them could generate significant social and economic improvements in the lives that live in them. The initiative aims to build on existing research, generate new insights and propose concrete actions that could improve the lives and prospects of people living in these areas.

The Commission's Interim Report, _Think Neighbourhoods_, was published in March 2025.

The Commission's Green Paper, _Delivering Neighbourhood Renewal: Proposals for Change_, was published in May 2025.

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Foreword

Can policy make a difference in our most disadvantaged neighbourhoods?

Looking at the evidence in this paper, the clear answer is yes.

The decisions taken by New Labour during the early 2000s to invest in disadvantaged neighbourhoods, fund public services and strengthen social infrastructure across the country through programmes such as Sure Start appears to have had a positive effect.

It is tempting to credit any improvement with a more general improvement to the economy and the country during this time, but as we can see from the data, growth in one region, city or even town does not necessarily reach disadvantaged neighbourhoods. We cannot hope that a rising tide will lift all boats.

On the other hand, governments that ignore the importance of neighbourhoods can see things go backwards.

This paper contains both a message of hope and a warning for policy makers.

Active, targeted, government intervention can make a positive difference. Take your eye off the ball and things can go backwards. We must be in neighbourhoods for the long haul.

There are many competing ideas for how we can transform neighbourhoods that have been in decline for decades.

Again, this paper is insightful. Taking data from the Big Local programme, we can see that investments in social infrastructure can have a positive impact on employment, skills and crime. These are core to the current government's missions and arguably the priorities of any government in office.

Social infrastructure – the community spaces, arts, culture and sporting institutions that make up our social fabric – are far too often ignored when it comes to investment decisions.

Policy makers must put rebuilding the social infrastructure of places at the core of their agenda. The good news is that at the most recent Spending Review, this message has been heard by senior decision makers.

There is no silver bullet to improving our most disadvantaged neighbourhoods, but we do know that transformation is possible.

Armed with that knowledge, it is our responsibility to act.

Andrew O'Brien
Head of Secretariat, Independent Commission on Neighbourhoods

Executive Summary

Things can get better

We can see that the 2000s were, broadly, a period of national and neighbourhood improvement. In neighbourhoods right across the country improvements in health, education, and employment were made during this time. **The gap between the best and worst-off areas narrowed, while the position of the worst-off areas rose.**

For example, between 2001 and 2011, employment outcomes improved significantly across all neighbourhoods — but especially for those at the bottom. The employment rate in the worst-performing 10% of neighbourhoods rose from 31.4% to 54.6%, a dramatic gain.

Not all the gains were lost during the austerity years

But this trend did not hold.

Between 2011 and 2021 employment rates fell across the board but the sharpest drop was concentrated among the worst-off neighbourhoods, where the average rate fell back down to 46.1%. A third of the gains made in the 2000s were lost.

In some cases, such as on skills, the pace of progress fostered in the 2000s persisted – with broad improvements both nationally and in the most disadvantaged neighbourhoods continuing through the 2010s. But in other domains – particularly on employment and out-of-work benefits, **much of the progress that was achieved through the 2000s either stalled, or in some cases, unwound.**

Our most disadvantaged neighbourhoods have been trapped in decline

Analysing census data, government data and our own Hyper-Local Need Measure we have found that **our most disadvantaged neighbourhoods ("mission critical") have been overwhelmingly trapped at the bottom** – remaining in the bottom 20% of neighbourhoods in England between 2001

and 2021. For six out of the ten economic and health indicators at least 80% of mission critical neighbourhoods are "trapped at the bottom".

Where change has occurred in mission critical neighbourhoods it has often been in the wrong direction. For example, 40% of mission critical neighbourhoods have fallen into the bottom quintile on employment, despite starting above it in 2001. This indicates the overlapping nature of the challenges in mission critical neighbourhoods.

Investment in social infrastructure works and can save money

The Big Local programme a resident-led initiative that gave £1m to 150 of the most disadvantaged neighbourhoods to spend over ten years and was spent primarily on social infrastructure has had positive results.

We estimate that the £102mn invested in social infrastructure through the Big Local programme between 2014–2020 may have contributed to £323mn in direct fiscal savings, with the potential wider benefits to society being worth around £1.1bn over 5 years.

We found that labour markets remained more resilient in Big Local areas versus their counterparts. During a period of weakening labour markets nationally, employment fell slightly less than in similar places, and economic inactivity rose more slowly. There is evidence to suggest that investing in social infrastructure helped prevent a steeper decline.

Crime and anti-social behaviour dropped faster in areas that had Big Local interventions. Neighbourhoods with this intervention saw steeper falls in both overall crime and anti-social behaviour than comparable areas, with total crime falling around 49% more in Big Local areas.

Introduction

To understand how a country is really doing, it often helps to start with the places that are furthest behind. On our visits across the country, we have heard firsthand the challenges faced in these neighbourhoods.

When we visited an estate in Knottingley, located halfway between leeds and Wakefield, residents described how the withdrawal of the local bus service, twenty years ago, had isolated a local estate from the workforce. We heard how this had meant that many young people on the estate saw unemployment as the default option, with the lack of transport options making it impossible to attend college, or hold down an apprenticeship or a job. We heard from young parents, often with children with special educational needs, who voiced frustration at the absence of an early years centre.

But we also heard how it had not always been this way. Knottingley has a proud industrial heritage. In its long history, worklessness is very much a new, 21st century issue. The lack of early years support too is a relatively recent phenomenon: while we heard frustration from young parents, we also heard from older parents who spoke warmly of the difference their Sure Start had once made to them when they were starting out as young parents.

What we saw in Knottingley was not a community that had always struggled, but one where opportunities and support had gradually fallen away—where services once taken for granted have disappeared, and the path from school to secure work has become far less certain.

In many of the places we have visited, disadvantage runs deep. The challenges we have witnessed in many neighbourhoods are multiple and overlapping: economic insecurity, poor health, and high crime are often highest on the list of concerns that we hear. These pressures have not been sudden, but slow accumulations built over many years.

This report shares the emerging findings of the first phase of our research exploring how the conditions of England's neighbourhoods have changed throughout the 21st century.

We focus first on the neighbourhoods that today remain furthest from meeting the government's national missions— the places we call mission critical neighbourhoods. Some of what we find is sobering. Disadvantage in these areas is not fleeting. The areas that are furthest behind today were, in large part, among the furthest behind twenty years ago. Where there has been progress, there has generally been less in these neighbourhoods. We also document the geography of progress, stagnation, and decline, demonstrating the ways in which disadvantage has become concentrated.

We can see that the 2000s were, broadly, a period of national and neighbourhood improvement. In neighbourhoods right across the country improvements in health, education, and employment were made during this time. The gap between the best and worst-off areas narrowed, while the position of the worst-off areas rose.

The 2010s, by contrast, were more mixed. In some cases, such as on skills, the pace of progress fostered in the 2000s persisted – with broad improvements both nationally and in the most disadvantaged neighbourhoods continuing through the 2010s. But in other domains – particularly on employment and out-of-work benefits, much of the progress that was achieved through the 2000s either stalled, or in some cases, unwound.

What drove these trends? In some ways, it is difficult to put a finger on exactly what has happened. Was the sharp downturn in employment in disadvantaged neighbourhoods in the 2010s more a consequence of global economic conditions, or domestic policy choices?

But there are things that we do know. We know for example that in the 2010s, much of the social infrastructure that supported neighbourhood life was lost, while many of

the social programmes that were introduced in the 2000s, that we now know to have been effective, were wound down without replacement.

In this report, we demonstrate how disadvantaged neighbourhoods who were able to retain investment social infrastructure were able to hold together more strongly in the 2010s, than in similar neighbourhoods.

We look at Big Local – a resident-led initiative, still ongoing, that in the early 2010s gave £1m to 150 of the most disadvantaged neighbourhoods to spend over ten years. Local people were given time, trust and resources – something increasingly rare amid the tighter spending of the 2010s – to decide for themselves what mattered, and how best to act. In many cases, this meant investing in local spaces, setting up youth activities, supporting people into work, or building new community organisations from the ground up.

The findings are encouraging. Big Local areas saw stronger improvements in employment, and larger falls in economic inactivity, than comparable neighbourhoods. More of their residents gained higher-level qualifications. Crime fell faster than in other, similar places. In a period when many disadvantaged neighbourhoods often saw stagnation or decline, Big Local neighbourhoods appear to have been more resilient. Big Local may have been highly cost-effective – we estimate that the £102mn invested in social infrastructure between 2014-2020 may have contributed to £323mn in direct fiscal savings, with the potential wider benefits to society being worth around £1.1bn over 5 years.

It's easy to paint a bleak picture of the most disadvantaged neighbourhoods. But this report points to signs of real progress. In the 2000s, we saw how a sustained public policy focus on reducing disadvantage delivered results. And more recently, Big Local has shown that investing in social infrastructure can help communities rebuild confidence, connection, and opportunity. Together, these examples remind us that renewal is possible—and that change does not happen by accident, but by design.

How have outcomes changed in England's neighbourhoods over the 21st century?

One of the early objectives of the Independent Commission on Neighbourhoods (ICON) was to develop a picture of the current conditions of neighbourhoods across England. For our interim report, Think Neighbourhoods, we produced a new measure – the Hyper-Local Need Measure (HLNM) – that provides a snapshot of the condition of different neighbourhoods against five different types of need, each reflecting a pillar for each of the government's five missions.[1]

Using this measure, we found significant differences in both the nature and severity of challenge facing different neighbourhoods. Subsequent work we have carried out on the 613 most disadvantaged neighbourhoods in England – what we are calling mission critical neighbourhoods – shows how they face multiple overlapping challenges, particularly around widespread ill health, low skills, higher economic inactivity, and high welfare dependency.[2] People living in the most disadvantaged neighbourhoods often have different priorities than in other places. They are more likely to cite neighbourhood crime and the deterioration of the public realm as major concerns, are more pessimistic about recent change in their neighbourhoods, and are less likely to feel a strong connection to those around them.[3]

That sense of decline matters. It reflects not just current disadvantage, but the cumulative weight of years in which things have felt as if they've been getting worse — or, at best, standing still.

In this stage of our work, we have sought to deepen our understanding of the journey neighbourhoods across England have taken. Not just to map, as we have done, where they are now, but to understand how places have come to be where they are. Just as importantly, we wanted to identify the places that, despite facing deep challenges, have improved over time — and to learn from those that have moved in a different direction than expected.

We found that surprisingly little research has traced these long-term neighbourhood trajectories. In part, this reflects historical limitations in the data. But it also likely reflects how, over the past decade, national policy has had relatively little interest in understanding neighbourhood-level change. In response, we have assembled and analysed the best available data relating to the government's missions — focusing in particular on economic growth, health, and crime — and traced trends back as far as the data allows.

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1 The government's five missions, and ICON's Hyper-Local Need Measure (HLNM), are: Economic growth, opportunity, health, crime, and energy. The full data from the HLNM can be accessed and downloaded here: https://www.neighbourhoodscommission.org.uk/report/hyper-local-need-measure/
2 Independent Commission on Neighbourhoods (ICON). Anatomy of Mission-Critical Neighbourhoods: https://www.neighbourhoodscommission.org.uk/report/anatomy-of-mission-critical-neighbourhoods/
3 Independent Commission on Neighbourhoods (ICON). Think Neighbourhoods: https://www.neighbourhoodscommission.org.uk/report/interim-report-think-neighbourhoods/

Disadvantage in mission critical and mission priority neighbourhoods is persistent, and deeply entrenched

To make sense of how the economic and social conditions of different neighbourhoods have changed over time, we have developed a simple typology of six different categories that reflect the direction and scale of movement — from the earliest point data is available to the most recent – across key indicators:

- **Trapped at the bottom**: Neighbourhoods that were in the bottom 20% in England on a given indicator at the earliest point the data is available, and remain there today

- **Fell to bottom**: Neighbourhoods that were above the bottom 20% in England on a given indicator at the earliest point the data is available, but have since fallen into it

- **Escaped from bottom**: Neighbourhoods that were in the bottom 20% in England on a given indicator at the earliest point the data is available, and have since moved out of the bottom 20%

- **Decline**: Neighbourhoods that have fallen by at least two deciles, on a given indicator, from the earliest to most recent point that data is available

- **Improvement**: Neighbourhoods that have improved at least two deciles, on a given indicator, from the earliest to most recent point that data is available

- **Stable**: Neighbourhoods have remained stable (+/- 1 decile of change, but outside of the bottom 20%) from the earliest to most recent point that data is available

As Figure 1 shows, **across almost every indicator the overwhelming majority of mission critical neighbourhoods are "trapped at the bottom"**, suggesting that they sat in bottom 20% in England for a given indicator in the early 2000s, and that they remain there today. In some domains, this persistence is near-total: 97% of mission critical neighbourhoods are trapped at the bottom on out-of-work-benefit claimant rates, and just under 90% for the proportion of local residents living in bad health. For six out of the ten economic and health indicators we include in Figure 1, at least 80% of mission critical neighbourhoods are "trapped at the bottom".

Figure 1: Nature of change on core economic and health indicators in mission critical neighbourhoods: Early 2000s-early 2020s
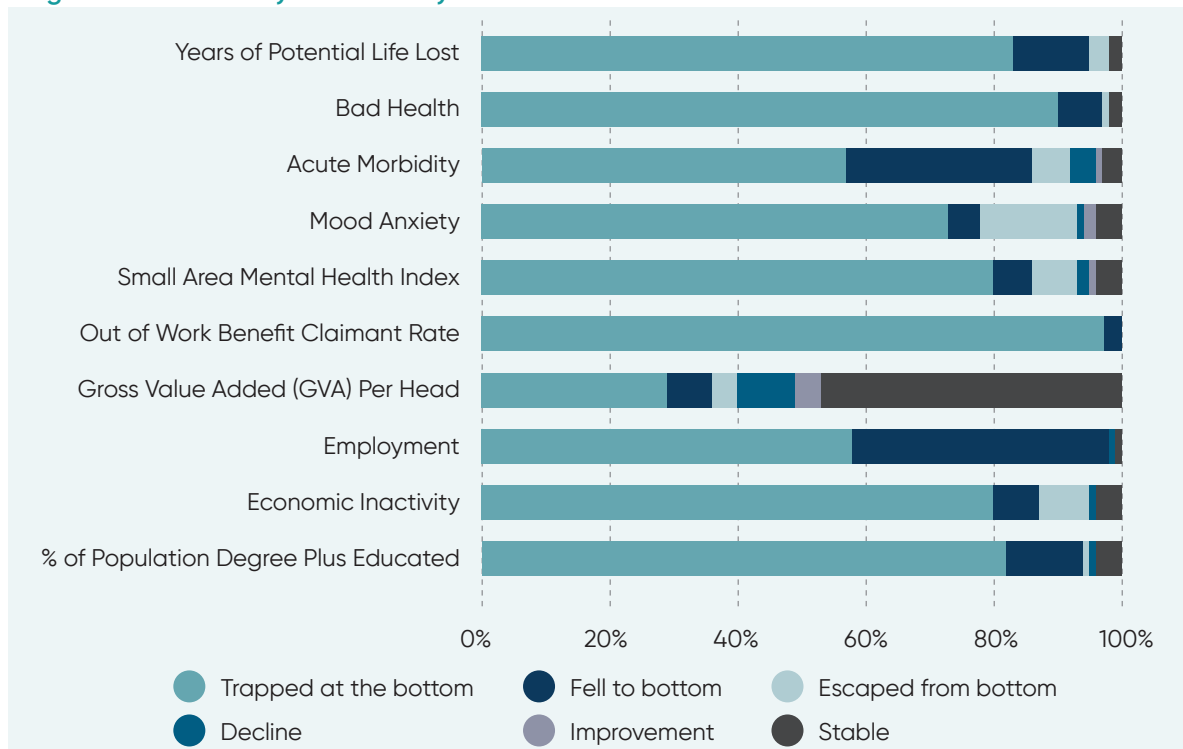
Source: ICON analysis of Census 2001, 2011, 2021; DWP Stat-Xplore; Small Area Mental Health Index (SAMHI); ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM). LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries.

In only a handful of cases do we see signs of meaningful upward movement. Fewer than 1% of mission critical neighbourhoods saw a two-decile improvement in employment, inactivity, or education rates — and in most indicators, the proportion of areas that improved is smaller than those that declined. Where change has occurred, it is more often in the wrong direction. For example, 40% of mission critical neighbourhoods have fallen into the bottom quintile on employment, despite starting above it. Across every domain, with the one exception of Gross Value Added (GVA) per head, more mission critical neighbourhoods fell to the bottom than escaped it.[4]

We also observe a similar pattern for mission priority neighbourhoods – which represent, after mission critical neighbourhoods, the second tier of priority according to ICON's Hyper-Local Need Measure.[5] Nearly half of all mission priority neighbourhoods are still at the bottom on measures such as bad health (57%), years of potential life lost (47%), and mental health (46% on SAMHI). In many indicators, including on education, GVA, and employment, the proportion of mission priority neighbourhoods that have improved is again smaller than those that have declined.

Crime remains stubbornly high in mission critical and priority neighbourhoods

Across the country, residents consistently rank crime and safety as among their most important concerns — but it is often highest in the most disadvantaged neighbourhoods. In ICON's polling and focus groups, people living in the most deprived neighbourhoods expressed deep frustration with rising anti-social behaviour, open drug use, and the lack of visible enforcement.[6] When asked to rank a set of neighbourhood issues local crime often topped the list — a concern far more pronounced in poorer areas than in affluent ones.[7]

Residents also reported the broader effects of persistent neighbourhood crime: feeling afraid to leave the house after dark, declining mental health, and a sense that social cohesion is breaking down. In these areas, crime does not just harm individual victims — it corrodes the daily fabric of community life. Crime is one of the principal areas in which the evidence of "neighbourhood effects" is strongest.[8]

These concerns are not imagined. Figure 2 shows that while overall crime fell in England between 2011 and 2021, progress has been uneven. In mission critical neighbourhoods, crime has proven stubbornly high and resistant to national trends. **Total crime fell by 13% nationally (from 102 to 88 crimes per 1,000 people). But in mission critical neighbourhoods, the fall was just 2%, from 258 to 252 crimes per 1,000**. It is unsurprising, therefore, that people in mission critical neighbourhoods do not feel their areas have got safer despite what has been reported in the media.

4 Data on GVA at the Lower Super Output Area has limitations, In part due to volatility related to the small geographic scale in which it represents. More information on the data sources this indicator draws upon and their quality can be found from the Office for National Statistics (ONS) here: https://www.ons.gov.uk/economy/grossvalueaddedgva/articles/disaggregatingannualsubnationalgrossvalueaddedgvatolowerlevelsofgeography/1998to2021#data-sources-and-quality

5 ICON identified 5,566 Mission priority neighbourhoods, which are those that score between 40-80 on our Hyper-Local Need Measure. They constitute around 16.5% of all neighbourhoods in England, and are home to around 8mn people.

6 Public First, Independent Commission on Neighbourhoods: Opinion research summary: https://www.publicfirst.co.uk/icon-report.html

7 Ibid

8 Freedman D, Woods GW. (2013). Neighbourhood Effects, Mental Illness and Criminal Behaviour: A Review. J Politics Law. 1;6(3):1-16: https://pmc.ncbi.nlm.nih.gov/articles/PMC4169988/

Figure 2: Rate and change in select crime indicators by neighbourhood type, 2011-2021[9]
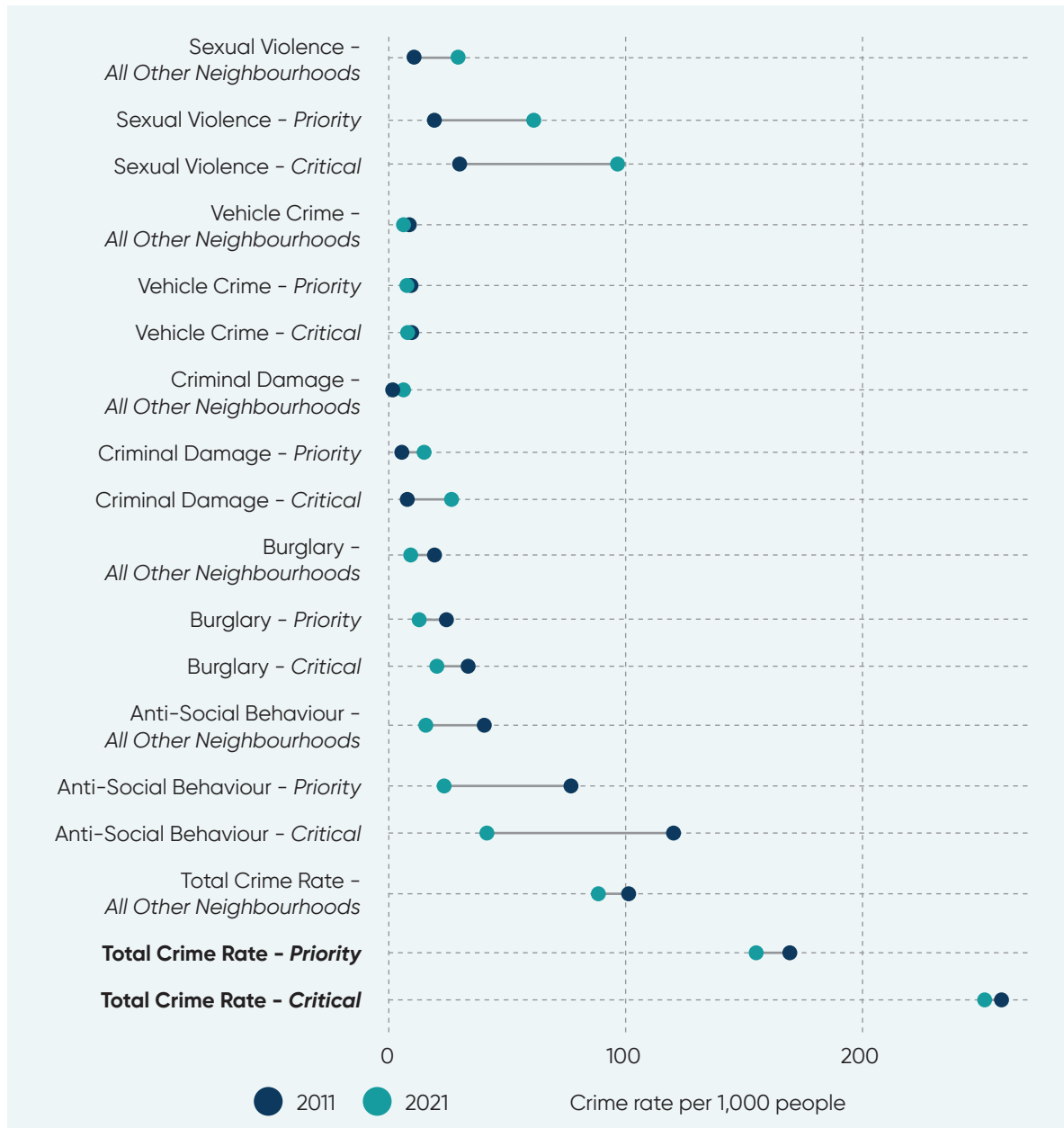
Source: ICON analysis of Police UK; ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM).

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9 The crime types featured in this chart are those that we deemed examples of neighbourhood crime, and also where the data is strongest. Much of the data on crime at the neighbourhood level - for example on drug crime, robbery, and shoplifting - is missing, therefore we exclude from the visual. However, "total crime" is an all encompassing measure of all crimes that took place within a neighbourhood. For more information visit: https://data.police.uk/data/

While we do not have crime data spanning back to the early 2000s, we know from evidence in this period that crime rates had undergone a steady decline, with the Crime Survey of England & Wales showing 50% fewer victims of crime by 2010 than in 1995.[10] Moreover, we know that neighbourhoods that received investment from the New Deal for Communities (NDC) also saw significant improvements on crime, with NDC areas on average seeing further reductions in crime than in their surrounding local authorities.[11]

Yet the slower pace of progress in mission critical neighbourhoods suggests that on crime, while we continued to see progress through the 2010s, the gap between the most disadvantaged communities and the rest of the country has widened. **In 2011, crime rates in mission critical neighbourhoods were around 2.5 times higher than elsewhere. By 2021, that disparity had increased to almost 3 times higher**. In mission priority areas the picture is also bleak, with crime rates still high at 155 per 1,000 residents.

Some neighbourhoods have moved forward – but the most significant progress has mostly been concentrated within particular geographies

Using the movement categories outlined above, we can start piecing together a picture of the nature of change – both positive, and negative – and where it has been most concentrated over the past two decades. To do this, we have developed a new *Neighbourhood Improvement Index*, which tracks overall levels of change across the core economic, health, crime, and social outcomes that reflect the government's priority missions.[12]

At the local authority level, as can be seen in Figure 3, patterns of neighbourhood-level improvement broadly follow familiar lines. Affluent rural areas are highly concentrated among the highest net improvers: areas such as Eden, Mendip, South Hams, and South Lakeland have demonstrated substantial improvement across their neighbourhoods. Just over half (51%) of the highest improving areas are based across London, the South East, and South West. Post-industrial and coastal areas are highly concentrated among the net decliners: areas such as Blackpool, Middlesbrough, Hartlepool, Thanet and Stoke-on-Trent – places that disproportionately contain Mission critical and priority neighbourhoods.
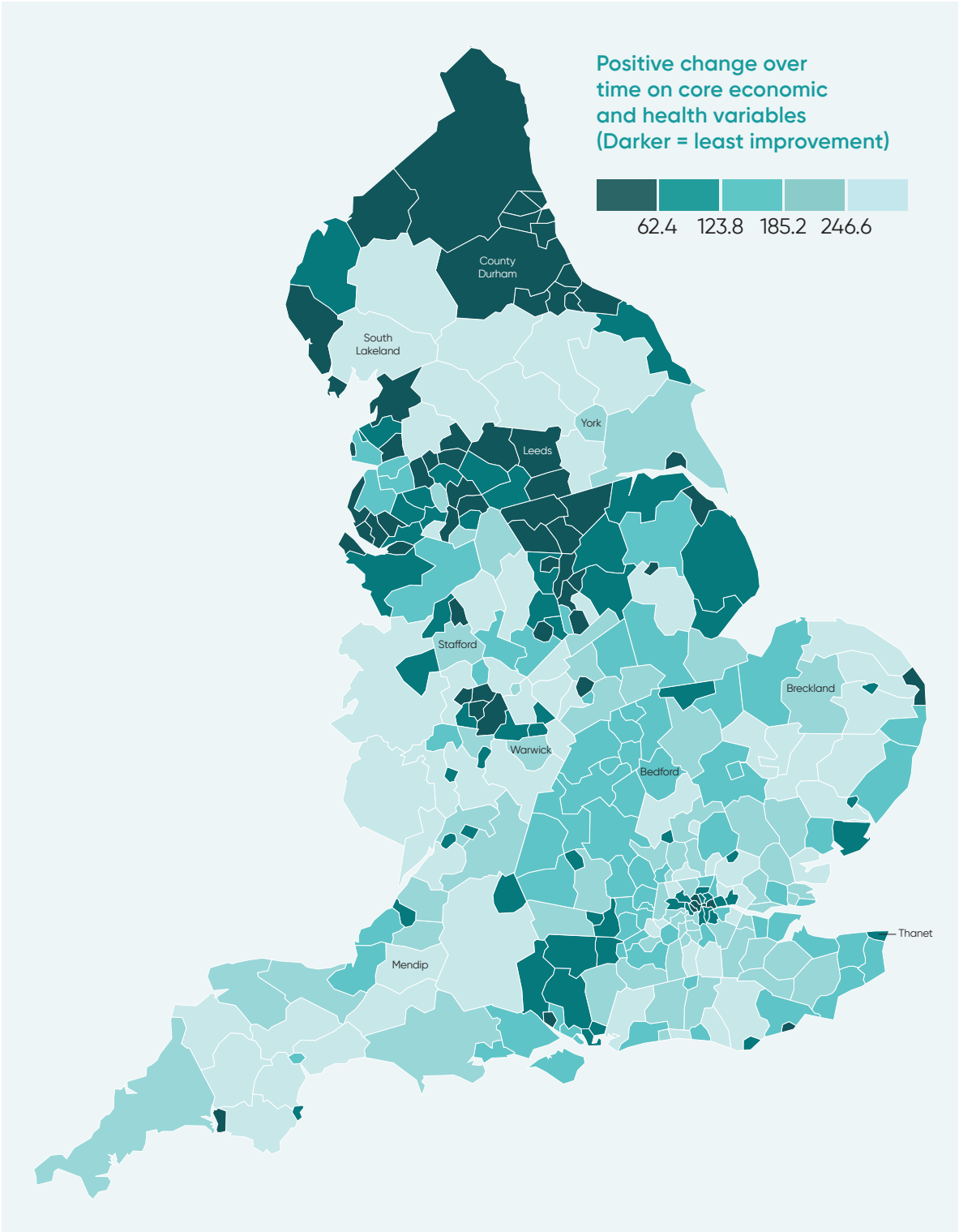
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10 Centre for Crime and Justice Studies. The curious case of the fall in crime: https://www.crimeandjustice.org.uk/curious-case-fall-crime#:~:text=By%20the%20time%20of%20the,per%20cent%20since%201995%20alone

11 Department for Communities and Local Government, The New Deal for Communities Experience: A final assessment: https://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment.pdf

12 The core of the index is the decile movement analysis: we categorise how an LSOA's decile rank changes for each indicator. For example, an LSOA might show "Major improvement" by moving up four or more deciles, or be "Trapped at the bottom" if it remains in the lowest deciles. Each movement category is assigned a specific weight, ranging from +2 for major improvement to –3 for being persistently at the bottom. These weights are then summed across all indicators for each LSOA to produce a net score. A higher net score indicates greater overall improvement. We also aggregate each LSOA's net score to the local authority (LA) level to produce a standardised local authority improvement score, using population weights to account for different sized populations at both the LSOA and LA level.

Figure 3: Concentration of overall Neighbourhood Improvement across local authority areas (Darker = less improvement)

Positive change over time on core economic and health variables (Darker = least improvement)

62.4 123.8 185.2 246.6

Source: ICON Neighbourhood Improvement Index. Full methodology can be found in the technical appendix.

Many of these places are ones that we regularly recognise today as sitting at the top or bottom of national rankings — whether on health, education, employment, or deprivation more broadly. What this analysis shows is that these positions have not simply been inherited; they reflect how neighbourhoods have often followed significantly different trajectories over the early 21st century. Some areas have enjoyed a general uplift through steady improvement across most of their neighbourhoods, while others have made limited progress or drifted further behind. In some areas the picture is more complex. We see several cases, for instance, where neighbourhoods in one city have taken steps forward, while others in that same city have moved backwards.

Some regions have steadily moved forward, while others have struggled to make meaningful gains

Over the past two decades, some parts of the country have seen real and sustained improvement in neighbourhood conditions. But others have stagnated or declined, and on some fronts, gaps between particular types of neighbourhood have widened.

It is worth saying that nowhere has neighbourhood improvement over the past two decades been more striking than in London. Neighbourhoods in London, particularly in East London, are by far the most likely to have "escaped from the bottom" – meaning they have broken out of the bottom 20% in England on a given indicator - across at least four of the domains that we have looked at.[13] Although London faces its own challenges today, it is the only region in England that does not contain any mission critical neighbourhoods.

Such improvement has not been universal. Perhaps the most stark contrasts we have been able to find are between two regions: London and the North East, where, over time, differences in health outcomes have widened over time. This contrast is one that has been recognised elsewhere - life expectancy in London has increased more rapidly than elsewhere since 2010, while the growth rate in the North East slowed, becoming the region with the lowest life expectancy in England by the end of the 2010s[14].

At the neighbourhood level we see that London has, generally, seen significant improvement across multiple health measures. As Figure 4 shows, nearly 30% of neighbourhoods improved on mood and anxiety disorders, and around 20% improved on years of potential life lost. Rates of improvement on broader health outcomes — such as acute morbidity and bad health — are also notably higher in London than elsewhere, with few areas remaining trapped at the bottom.

In the North East, by contrast, nearly half of all neighbourhoods remain "trapped at the bottom" on mental health, bad health, and years of potential life lost. Neighbourhood improvements across the region have been modest: just 6.8% have improved on mental health, 5.8% on years of potential life lost, and 4.9% on acute morbidity. On most health outcomes, the North East is not catching up — it is holding steady at the bottom, or in some cases, slipping further behind.

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13 To 'escape from the bottom' means to have moved up from the lowest 20% in the country on any given indicator. We find 1920 neighbourhoods have escaped from the bottom of at least four of the indicators we have used in this analysis.
14 Institute of Health Equity. Health equity in England: the Marmot Review 10 years on: https://www.instituteofhealthequity.org/resources-reports/marmot-review-10-years-on/the-marmot-review-10-years-on-full-report.pdf#:~:text=life%20expectancy%20to%20the%20highest,both%20men%20and%20women%20this

Figure 4: Differences in trend change in neighbourhood outcomes across select health indicators, London and North East (Early 2000s-2020s)
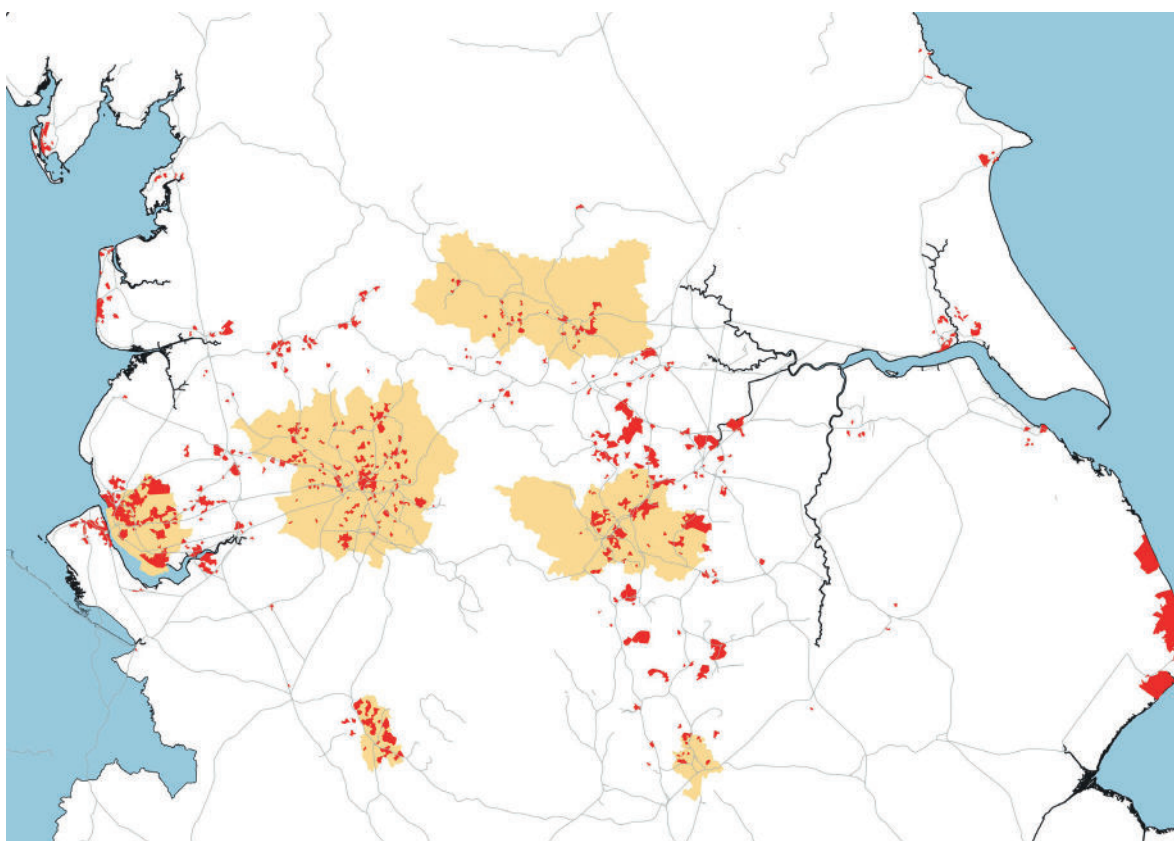
London
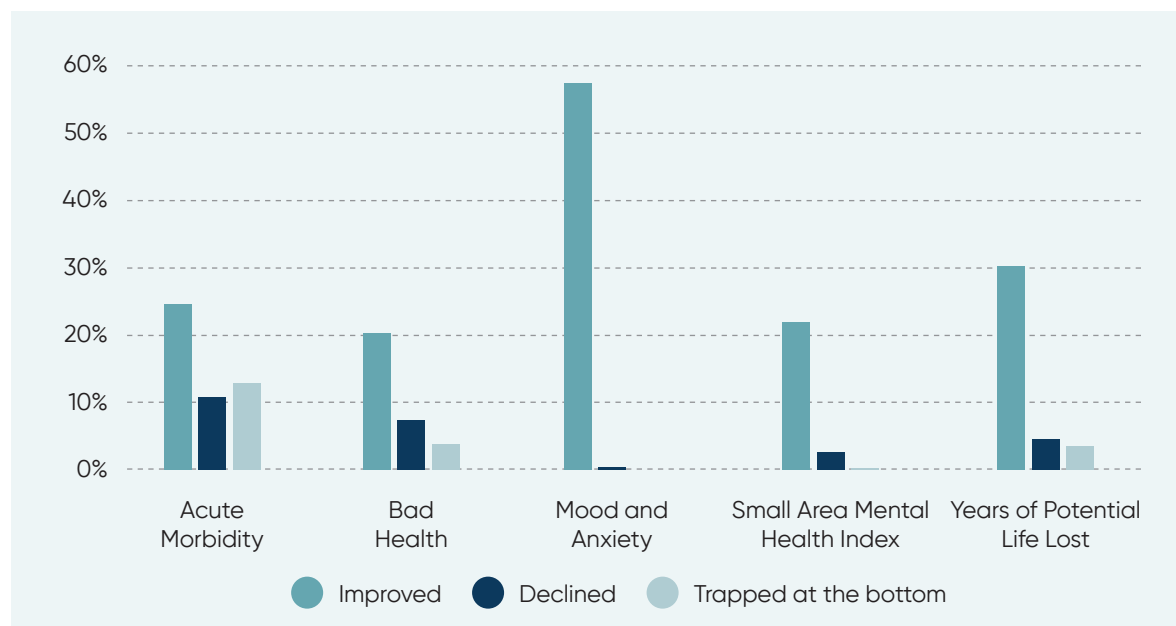
North East
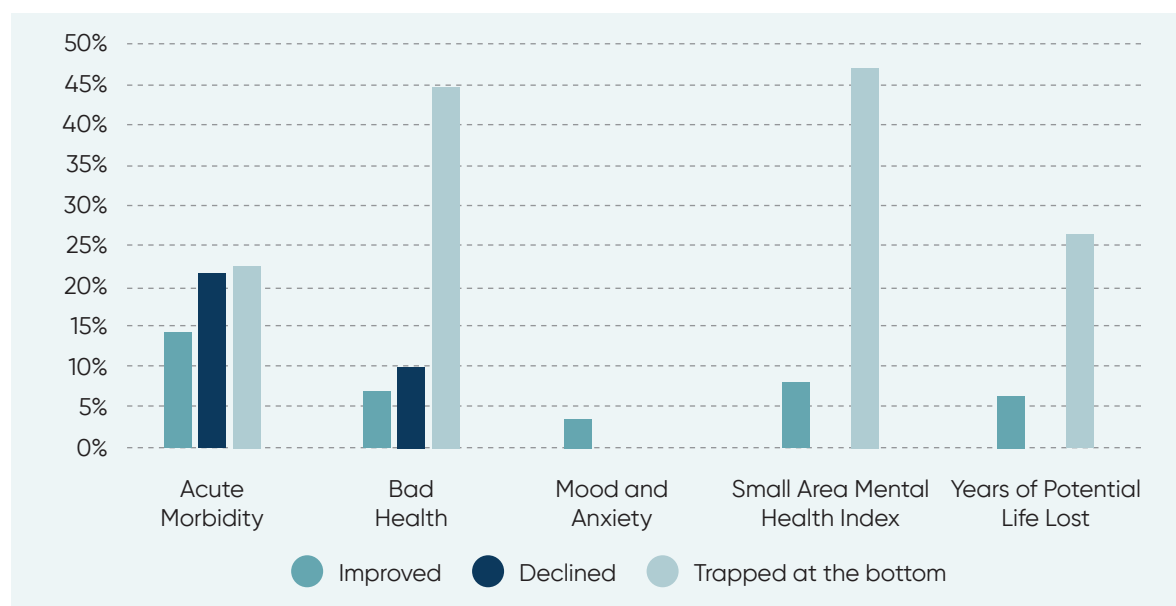
Source: Source: ICON analysis of Census 2001, 2011, 2021; Small Area Mental Health Index (SAMHI); ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM). LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries.

We find that much of the deepest entrenchment – measured by the number of neighbourhoods that have been "trapped at the bottom" on at least 10 of the datapoints that we have looked at – are concentrated in the North of England.[15] 79% of neighbourhoods that fit this criteria are based in the North. As Figure 5 shows, some of the most entrenched disadvantage can be found across several major Northern cities (shaded in yellow) – including Bradford, Liverpool, and Sheffield, as well as other major urban centres such as Hull and Preston. There is also a distinct pattern of many post-industrial and coastal areas experiencing deep, long-term disadvantage: we identify several towns and villages across East Lancashire, South Yorkshire, and Nottinghamshire, as well as a long stretch of coastal communities from Barrow to Grimsby.[16]

Figure 5: Neighbourhoods that are 'trapped at the bottom' according to at least 10 socioeconomic indicators, select Northern regions

Source: ICON analysis of Census 2001, 2011, 2021; DWP Stat-Xplore; Small Area Mental Health Index (SAMHI); ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM). LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries. Yellow fill represents city boundaries.

While some neighbourhoods have faced challenges over recent years, some of the neighbourhoods that began the 21st century among the most disadvantaged have made significant steps forward.

We have already seen how London has made substantial progress over the last two decades. **We see also that inner-city neighbourhoods have been more likely to experience broad improvements**: just under a third (31%) have experienced improvement of at least four of the indicators we have looked at, significantly higher than both large towns (16%) and rural areas (5%).

In major urban areas, it is often the inner-city neighbourhoods that have seen the most improvement. We see this most clearly in Newcastle, Manchester, Leeds, Birmingham

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15 We use a total of 17 indicators – the full list can be found in the technical appendix.
16 Notable examples include neighbourhoods in: Burnley, Accrington, Blackburn, Mansfield, Chesterfield, Doncaster, Barrow, Blackpool, Skegness, Whitehaven.

and Nottingham. Figure 6, which contrasts areas we identify as having "escaped from the bottom" in green versus "fallen to the bottom" in red, shows how progress has been made in the central areas of Leeds, Wakefield and Huddersfield. Generally, we see two patterns of decline. First, as can be seen in Bradford, is a high concentration of declining neighbourhoods in the city suburbs. Second, as can be seen in small towns such as Ossett, Birstall and Cleckheaton, is an increasing concentration of decline in semi-urban "peripheral" towns.

Figure 6: Neighbourhoods that have 'escaped from the bottom' in green, versus 'fallen to the bottom' in red, in West Yorkshire
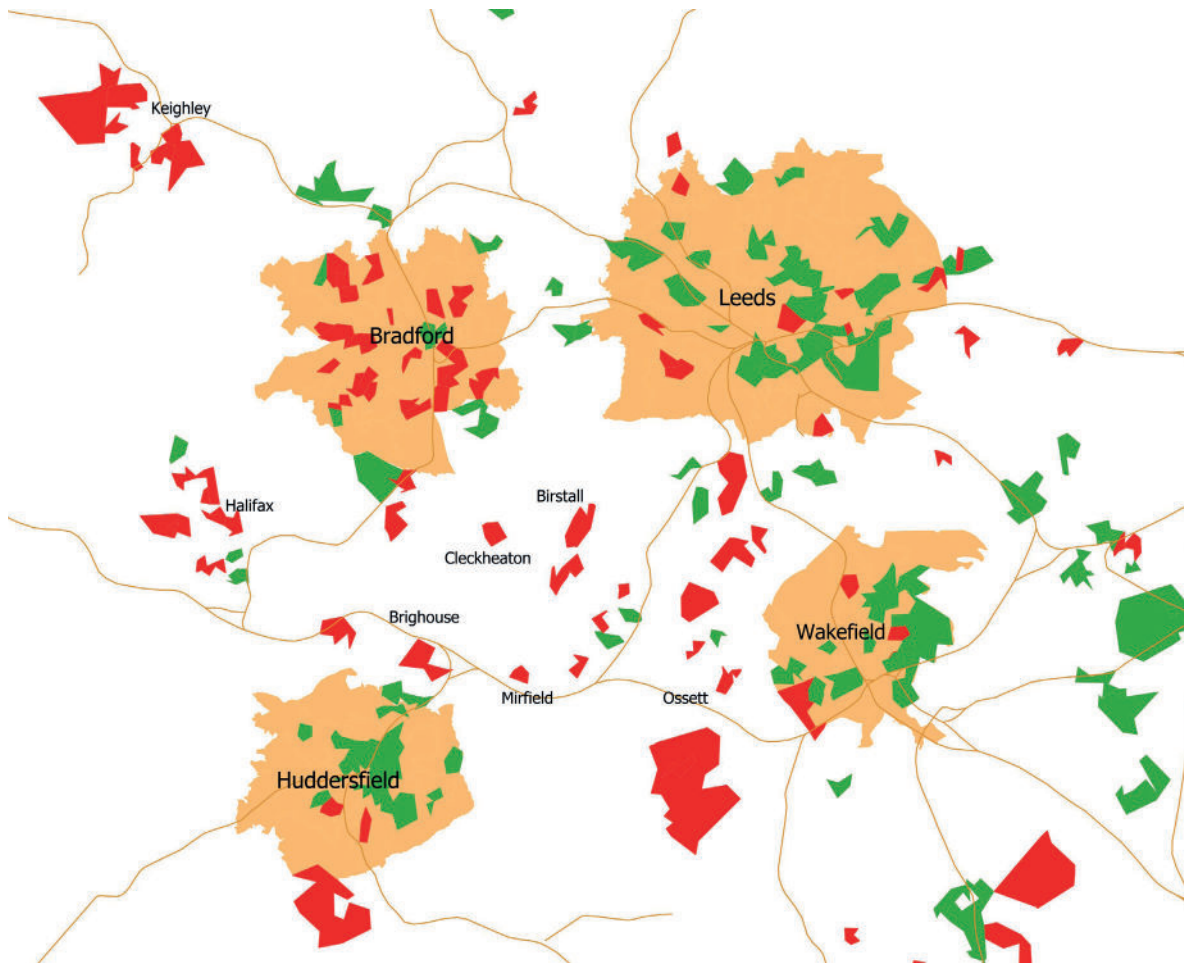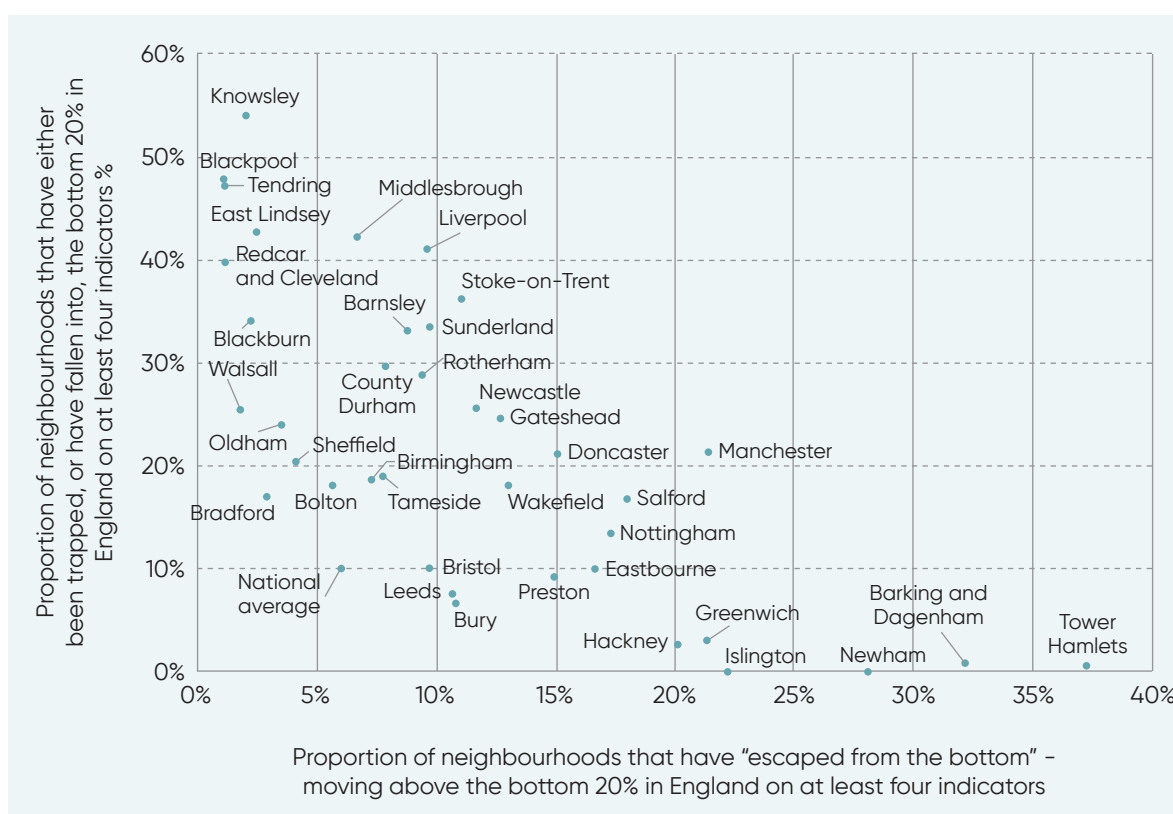

Source: ICON analysis of Census 2001, 2011, 2021; DWP Stat-Xplore; Small Area Mental Health Index (SAMHI); ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM). LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries. Yellow fill represents city boundaries.

Even within a small area, pockets of stagnation have remained

Even within the same city or town, there are many examples where neighbourhood trajectories have diverged. Figure 7 plots a mixed picture across England. While many London boroughs have seen broad improvements across their neighbourhoods, other cities such as Manchester, Birmingham, Liverpool and Newcastle have seen both significant pockets of improvement and areas that have declined or remained deeply disadvantaged—often within a few miles of one another. This uneven progress extends to many towns too; Doncaster, Gateshead, Preston, and Wakefield are examples of places where some neighbourhoods have experienced genuine improvement, while others have remained stuck or even fell further behind.

Figure 7: Net divergence in neighbourhood outcomes, select local authorities

Y-axis: Proportion of neighbourhoods that have either been trapped, or have fallen into, the bottom 20% in England on at least four indicators %

X-axis: Proportion of neighbourhoods that have "escaped from the bottom" – moving above the bottom 20% in England on at least four indicators

Data points labelled: Knowsley, Blackpool, Tendring, East Lindsey, Middlesbrough, Liverpool, Redcar and Cleveland, Stoke-on-Trent, Barnsley, Sunderland, Blackburn, Walsall, Rotherham, County Durham, Newcastle, Gateshead, Oldham, Sheffield, Doncaster, Manchester, Bradford, Bolton, Birmingham, Tameside, Wakefield, Salford, Nottingham, Bristol, Eastbourne, National average, Leeds, Preston, Bury, Greenwich, Barking and Dagenham, Hackney, Islington, Newham, Tower Hamlets

Source: ICON analysis of Census 2001, 2011, 2021; DWP Stat-Xplore; Small Area Mental Health Index (SAMHI); ONS Small area population estimates; ICON-OCSI Hyper-Local Need Measure (HLNM). LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries.

In Focus: Greater Manchester

Greater Manchester is often seen as a success story of urban regeneration, yet there remain significant divides across the city-region. The city centre and southern parts of the city-region have seen significant overall improvement. Manchester city centre has grown quickly through property-led development and the expansion of the knowledge economy, particularly jobs in sectors like finance, media, and tech. Between 1998 and 2011, private sector jobs rose by 44%, while more young, skilled workers migrated into the area.

But this success has not been felt widely across the city-region, with places like Rochdale, Bolton, Wigan, and parts of north Manchester still containing many of the most disadvantaged neighbourhoods in the country. In these areas there are neighbourhoods that have seen little positive change over time, particularly around ill health and unemployment. In our interviews with community works in the city-region, we heard how Collyhurst – one of the most disadvantaged neighbourhoods – faces steep challenges over access to public services and green spaces, increasing the extent that residents on the estate are isolated.

Yet efforts are being made widely across the city-region to embrace neighbourhood working. Greater Manchester Combined Authority (GMCA) has developed a new model for unified public services: The Greater Manchester Model, which will see a "single frontline" of police, housing, health, work, and skills workers co-locating as one neighbourhood team each serving c.30k-50k resident areas. Several local authorities have embraced neighbourhood working. Oldham has implemented Co-operative Neighbourhoods, devolving power to district teams; Stockport has launched the One Stockport Local neighbourhood and prevention programme; Salford has invested in Neighbourhood Leadership Teams across its five neighbourhoods; and Tameside is developing Place-Based Integration Hubs to link services with community assets at local level.

While significant gaps remain across Greater Manchester, there is now a clear and system-wide shift toward neighbourhood working as a means of tackling deep-rooted challenges. Though the scale of need varies, the growing focus on local coordination, resident involvement, and preventative services represents an important step toward a more inclusive and responsive model of urban governance.

Disadvantage in coastal areas is broad, and deeply entrenched

We also see a clear and persistent pattern of disadvantage affecting coastal communities. As highlighted in our interim report—and reinforced through our visits to neighbourhoods in coastal communities including Blackpool and Ramsgate—many of the neighbourhoods facing the highest levels of disadvantage today are coastal.

Our analysis suggests this is not new: coastal areas, particularly across the South and East coasts, are overrepresented among places that have experienced multiple disadvantage through the 21st century to today. As Figure 8 shows, stretches of coastline from Kent to the Isle of Wight are marked by dense clusters of decline, with towns such as Hastings, Bognor Regis and the Isle of Wight now on a clear downward trajectory.

Figure 8: Neighbourhoods that have 'escaped the bottom' (green) and 'fallen to the bottom' (red) in the South East of England
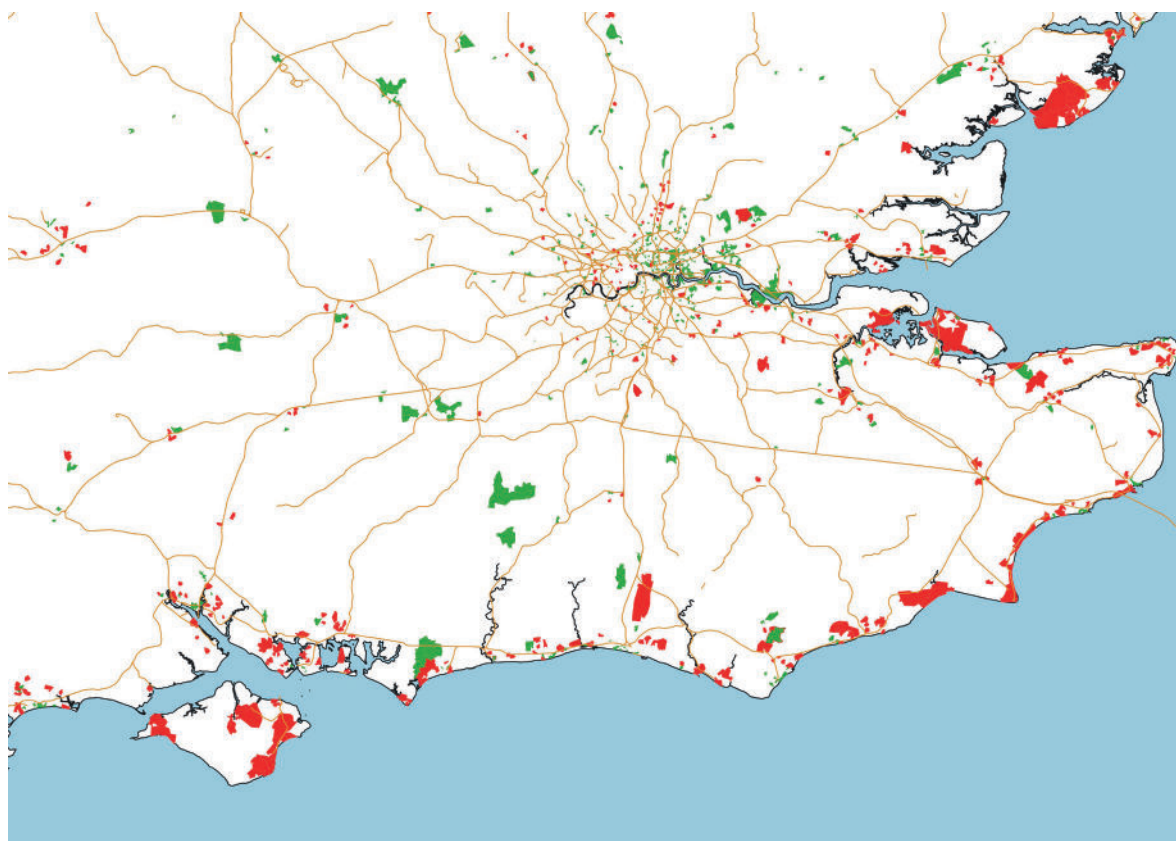
Source: ICON analysis of Census 2001, 2011, 2021. LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries

Progress and pressure – improvement in the 2000s, regression in the 2010s

From 2001 to 2011, many of England's most disadvantaged neighbourhoods saw real and measurable gains. As our analysis in this section shows, employment rose fastest in the areas with the lowest starting points, out of work benefit claimants fell sharpest in these areas, helping to narrow some of the longstanding gaps between areas while reflecting some of the then government's core economic priorities.

These improvements reflect not just a period of broad and sustained economic growth, but the importance of a wide range of interventions that were intentionally focused on reducing disadvantage to enable these areas to benefit from wider economic improvements. Targeted programmes such as Sure Start and the New Deal for Communities (NDC) led to significant improvements in some of the most disadvantaged neighbourhoods, on not just social but also on economic outcomes.[17] Other national interventions such as Working and Child Tax Credits overwhelmingly benefitted the poorest households, and offered another lever that supported further progress in these areas.[18]

In some domains, the following decade was one of a change of trajectory. Over the 2010s, progress was more fragile. Some gains held: significant progress on qualifications persisted, as we show the proportion of people in the most disadvantaged neighbourhoods having no qualifications, and degree-level qualifications, continuing to improve over this period. Others, particularly on the major economic indicators, saw a reversal of progress made in the previous decade.

As Figure 9 shows, between 2001 and 2011, employment outcomes improved significantly across all neighbourhoods — but especially for those at the bottom. The employment rate in the worst-performing 10% of neighbourhoods rose from 31.4% to 54.6%, a dramatic gain that narrowed the gap with the national median (from 18 percentage points to 12). Even the most advantaged neighbourhoods saw modest progress, with top decile employment rising from 63.1% to 74.9%. But this trend did not hold. Between 2011 and 2021, employment rates fell across the board — with the sharpest drop concentrated among the worst-off neighbourhoods, where the average rate fell back to 46.1%. Despite this reversal, employment in the bottom 10% remained higher than in 2001, suggesting some lasting legacy of progress — albeit partially eroded.

17 The Institute for Fiscal Studies (IFS). The short-and-medium term impacts of Sure Start on educational outcomes:
   https://ifs.org.uk/publications/short-and-medium-term-impacts-sure-start-educational-outcomes
18 The Institute for Fiscal Studies (IFS). The new tax credits: https://ifs.org.uk/sites/default/files/output_url_files/bn35.pdf

Figure 9: Change in employment rate across the bottom 10%, median, and top 10% of neighbourhoods on employment (2001-2021)
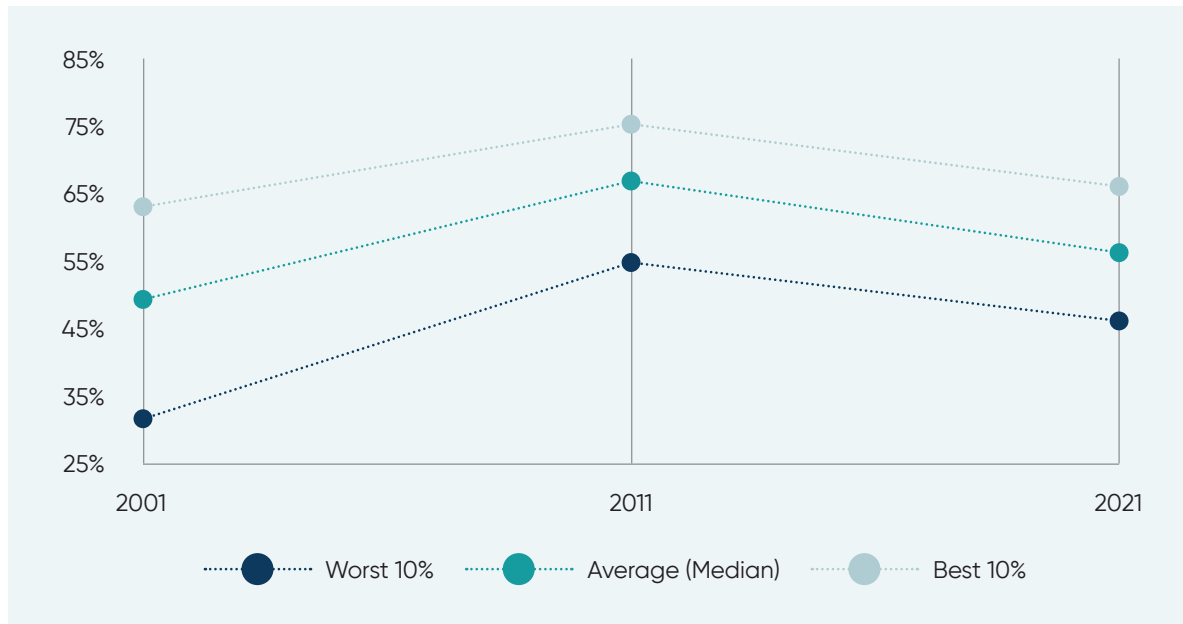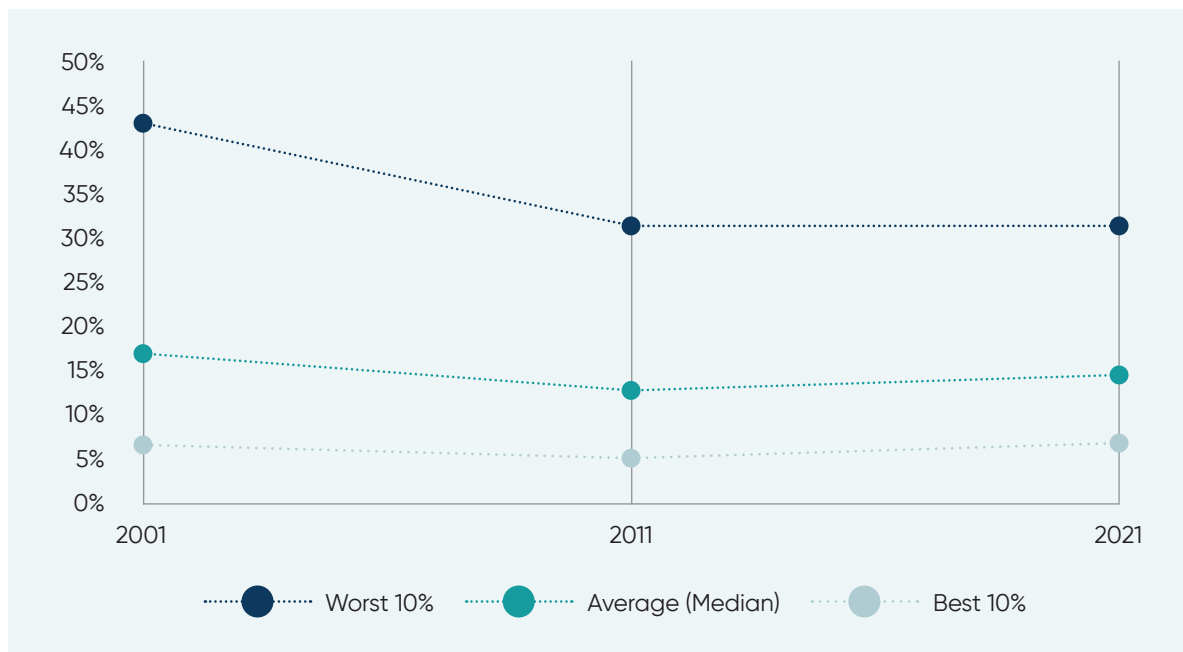

Source: ICON analysis of Census 2001, 2011, 2021. LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries.

A similar trend appears in the out-of-work benefit claimant data. From 2001 to 2011, the share of residents claiming out-of-work benefits fell sharply — particularly in the worst-off neighbourhoods, dropping from 43.6% to 32% - a fall of around 27%. However, between 2011 and 2021, this progress stalled. The worst 10% saw rates increase slightly — erasing none of the gains, but ending a decade-long trajectory of improvement. Meanwhile, the median remained largely flat, creeping from 13.0% to 14.7%.

Figure 10: Change in out-of-work benefit claimant rate across the bottom 10%, median, and top 10% of neighbourhoods on employment (2001-2021)


Source: ICON analysis of Census 2001, 2011, 2021. LSOA boundaries for data prior to 2011 were rebounded to match 2021 boundaries.

The 2000s was a period of significant improvement on child poverty, while the 2010s saw a significant unwinding of much of the progress made over that decade. Evidence from the Institute for Fiscal Studies (IFS) suggests that the number of children living in relative poverty fell by around 600,000 between 1997-2010, with half of that decline then reversing between 2010-2022[19]. While our data on child poverty does not extend that far back, we see that between 2014 and 2021 the proportion of children living in low-income households rose across the country — but the sharpest increases were seen in the most disadvantaged areas. In the worst 10% of neighbourhoods, the share of children in poverty rose by nearly seven percentage points, from 25.8% to 32.7%. Taken together this signals not just a loss of earlier progress, but the deepening of a problem that disproportionately affects the poorest places.

Figure 11: Change in the proportion of households with children living in low income across the bottom 10%, median, and top 10% of neighbourhoods on employment (2014-2021)
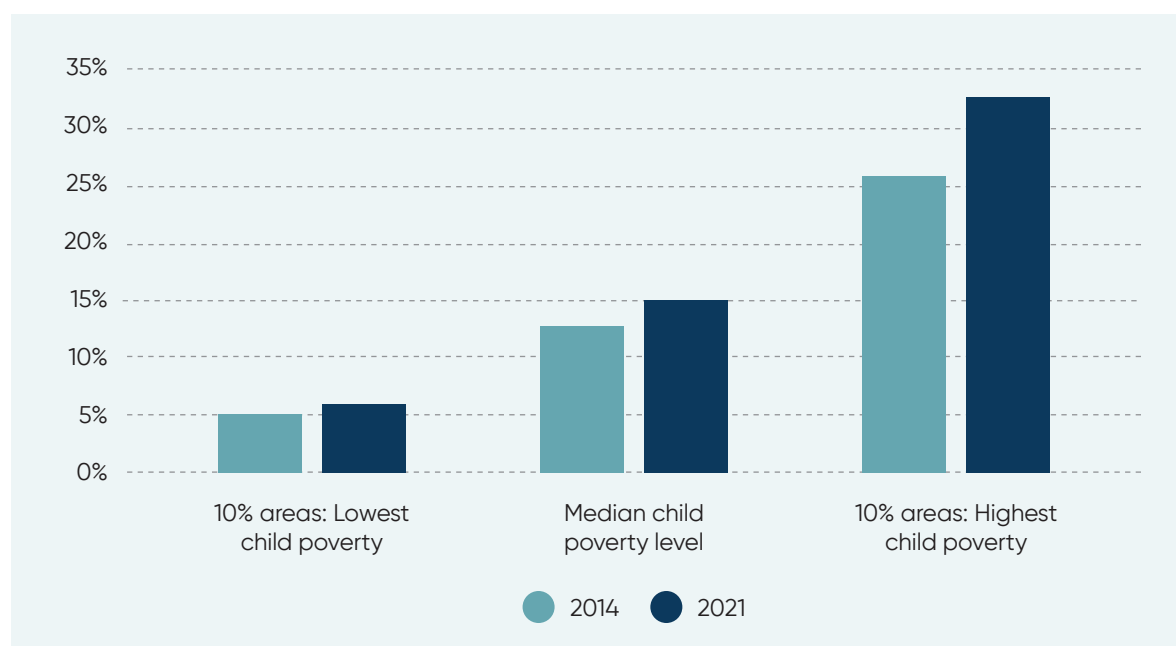
Source: ICON analysis of DWP Children (aged −19) in relative low-income households

Not all gains have been equal

Elsewhere, the picture is more mixed. On economic inactivity, rates have climbed steadily over the past two decades. In the worst-off 10% of neighbourhoods, inactivity rose from 16.7% in 2001 to 21.8% in 2011, before accelerating to 29.1% by 2021.

In contrast, the story on skills and qualifications is more encouraging. The share of adults with no formal qualifications has fallen across all neighbourhoods, most notably since 2011, following significant progress also made through the 2000s. Among the bottom decile, the rate fell from 11.4% in 2011 to 9.5% in 2021; at the median, it dropped from 21.8% to 17.6%. Meanwhile, degree-level attainment has expanded rapidly. In the lowest-performing neighbourhoods, just 5.2% of adults had a degree in 2001. By 2021, that figure had nearly quadrupled to 19.2%. Though gaps remain — in the top 10%, degree-level attainment reached 51% by 2021 — this represents one of the clearest stories of sustained improvement.

According to Sir Michael Marmot, the gap in life expectancy between the poorest 20% of local authorities and the rest reduced over the period 2000-2012, with the gap

19 The Institute for Fiscal Studies (IFS). Child poverty: trends and policy options: https://ifs.org.uk/publications/child-poverty-trends-and-policy-options#:~:text=2,poverty%20rate%20in%20working%20families

then beginning to increase again from 2012 onward.[20] While much of the public health data that is available at the neighbourhood level captures relative change, we observe a similar trend on the proportion of people reporting 'bad health' – where the 2000s saw a steady reduction for the 10% most disadvantaged neighbourhoods with the gap narrowing, before progress began to plateau from that point onwards. On years of potential life lost – a broad measure of premature mortality – the gap between the top and bottom deciles has barely shifted. As our earlier analysis has shown, in many cases the areas that were at the bottom twenty years ago remain there today.

20 Mossavar-Rahamni Center for Business and Government; Harvard Kennedy School; Kings College London, Britain's Growing Regional Divides: Interview, Michael Marmot: https://sites.harvard.edu/uk-regional-growth/directory/michael-marmot/#:~:text=Well%2C%20in%20general%2C%20what%20we,South%2C%20but%20it%20includes%20the

Learning from the present: The Big Local story

For the New Labour government of 1997-2010, neighbourhood-level interventions were a regular feature of social policy. Evidence has since demonstrated their broad impact. The New Deal for Communities (NDC) programme, which gave 39 deprived areas £50mn each, led to improvements in 32 of 36 indicators spanning crime, education, health, jobs, community, and housing, with a benefit–cost ratio of 3.13–5.08.[21] Evidence of the success of the Sure Start programme continues to build, with long-term studies identifying lasting improvements in child development, later-life outcomes, and substantial value for money.[22] Other neighbourhood initiatives led to improvements across youth crime and justice, teenage pregnancy, and school absence.[23]

Not all the progress seen in disadvantaged neighbourhoods during this period can be attributed to these programmes alone; the 2000s were also a decade of broader national improvement. But the successes of programmes like Sure Start and NDC were not incidental — they were the product of sustained investment, long-term commitment, and a serious focus on improving the conditions of the most disadvantaged neighbourhoods.

The financial crisis and its aftermath reshaped fiscal priorities, while domestic policy choices led to a sharp reduction in local investment. Many of the neighbourhood-focused programmes of the previous decade were wound down — with little in the way of direct replacement. Cuts to much of the social infrastructure, that delivered these services, were deep.[24]

In our search, we have sought to identify initiatives from this period that meet the four policy tests set out in our interim report, Think Neighbourhoods — aligned with government priorities, backed by robust evidence, scalable, and designed to empower communities themselves.[25]

One notable exception is Big Local — a resident-led funding programme launched in 2010 by the National Lottery Community Fund and delivered by Local Trust. In design, it closely echoed the principles of the New Deal for Communities (NDC): long-term investment; local control over decision-making; and a deliberate effort to build confidence, capacity, and civic life in disadvantaged neighbourhoods. Each of the 150 Big Local areas received over £1 million to spend over a decade or more, with no centrally imposed outcomes or delivery plans. Crucially, Big Local meets all four of ICON's policy tests: it was scalable, community-led, aligned with broader national priorities around civic renewal, and — as this report shows — can now point to positive, measurable outcomes.

21 Department for Communities and Local Government, The New Deal for Communities Experience: A final assessment: https://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment.pdf

22 The Institute for Fiscal Studies (IFS). The short-and-medium term impacts of Sure Start on educational outcomes: https://ifs.org.uk/publications/short-and-medium-term-impacts-sure-start-educational-outcomes

23 Wallace, M. Centre for Analysis of Social Exclusion, London School of Economics (LSE). Trends in adolescent disadvantage: Policy and outcomes for young people under Labour, the Coalition, and the Conservatives (1997 to 2019): https://sticerd.lse.ac.uk/CASE/_NEW/PUBLICATIONS/abstract/?index=10128

24 Bolton, M. and Dessent, M. Joseph Rowntree Foundation (JRF). Focussing on doubly-disadvantaged neighbourhoods: https://www.jrf.org.uk/neighbourhoods-and-communities/focusing-on-doubly-disadvantaged-neighbourhoods

25 Independent Commission on Neighbourhoods (ICON). Think Neighbourhoods: https://www.neighbourhoodscommission.org.uk/report/interim-report-think-neighbourhoods/
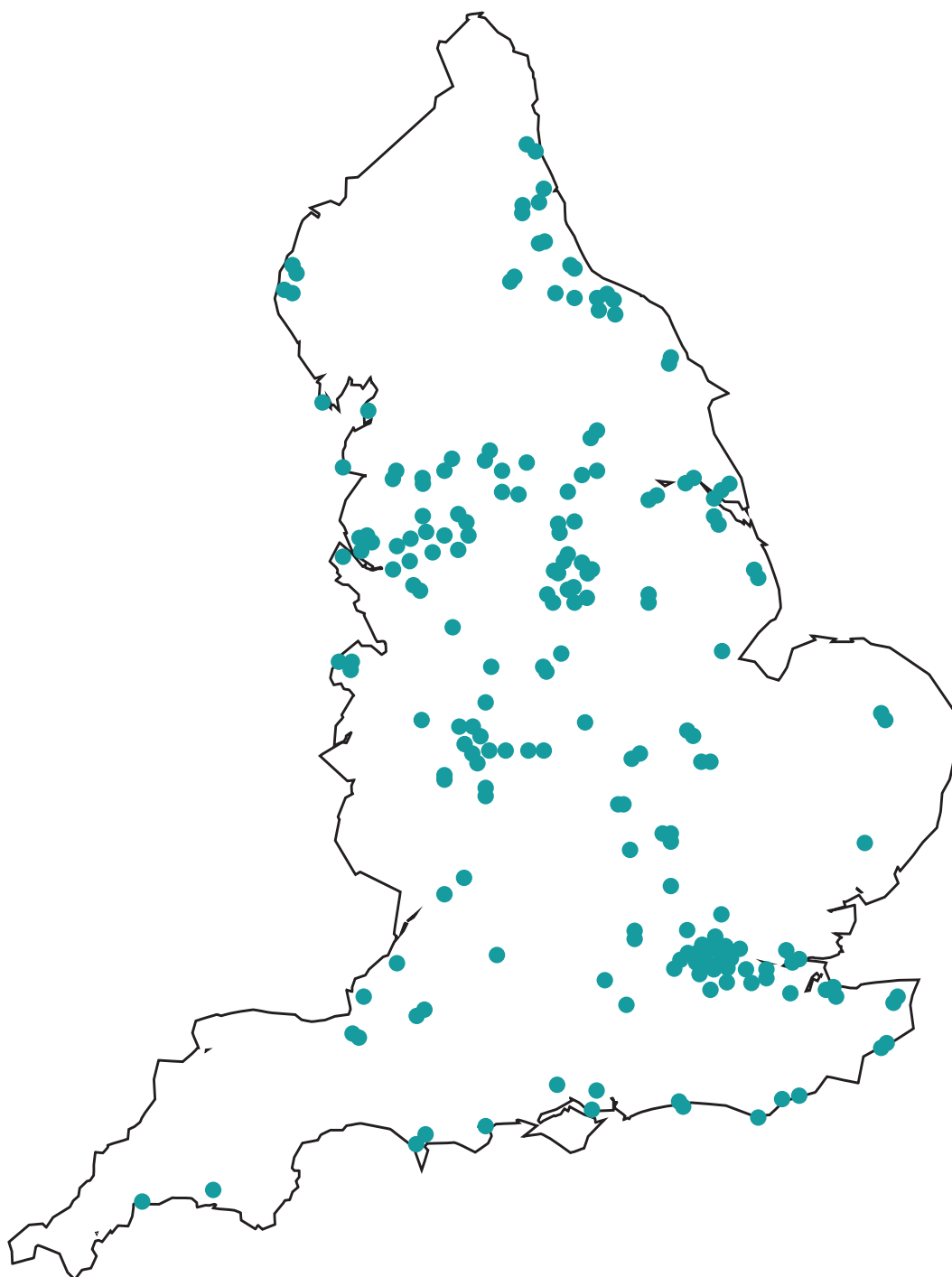
Did Big Local lead to improvements in disadvantaged neighbourhoods?

Big Local was, in many ways, a policy anomaly. For this reason, we set out to understand whether Big Local may have contributed to any improvements in the places it invested in — and, more importantly, whether this way of working still holds value in a context where wider conditions are often moving in a negative direction.

This section presents the findings of that analysis. Our findings suggest that Big Local areas saw positive, measurable improvements on several outcomes—particularly in employment, economic inactivity, qualifications, and crime. Other indicators showed weaker or statistically insignificant effects, though the direction of change was broadly positive 11 out of 14 indicators, while we find positive, statistically significant results for 5 out of 14 indicators:

- **Labour markets remained more resilient in Big Local areas versus their counterparts.** Employment fell slightly less than in similar places, and economic inactivity rose more slowly. Crucially, more residents gained degree-level qualifications — suggesting that even as national conditions worsened, communities supported through Big Local held up better in terms of jobs and skills

- **Crime and anti-social behaviour dropped faster.** Big Local areas saw steeper falls in both overall crime and anti-social behaviour than comparable areas, with total crime falling around 49% more in Big Local areas.

- **Big Local may have delivered substantial value for money.** We estimate that the £102mn invested in social infrastructure in the first half of the Big Local programme may have delivered £323mn of direct savings to the government through higher employment, skills, and lower crime over 5 years.

Methodology

This analysis tests whether neighbourhoods that received Big Local funding saw different trends up to 2021 compared to similar areas that did not. Using a difference-in-differences (DiD) approach, we assess whether outcomes in Big Local areas improved — or declined less — than expected based on matched comparisons.

Each of the 150 Big Local areas (861 LSOAs) was matched to three neighbourhoods with similar pre-programme characteristics — including both levels and trend change during the 2000s on deprivation, employment, health, and crime variables—using Mahalanobis distance without replacement.

We track change across 14 indicators between 2011 and 2021, covering broadly the first half of the programme, spanning employment, education, health, and crime. Models include region fixed effects and cluster robust standard errors at the LSOA level. Some variables use alternate years (e.g. child poverty: 2014–2021).

While the analysis cannot capture how each area used its funding — or rule out other local interventions — it does indicate whether Big Local neighbourhoods changed in distinct ways from similar places over the decade.

Figure 13: Overview of findings: ICON analysis of the potential early impacts of Big Local areas compared to matched comparison neighbourhoods

| Indicator	Positive Trend?	Statistically Significant Improvement?	Better Than Benchmark?	Statistically Significant vs. Benchmark?
Employment rate	🟢 Yes	🟢 Yes	🟢 Yes	🟢 Yes
Economic Inactivity	🟢 Yes	🟢 Yes	🟢 Yes	🟢 Yes
Degree-level qualifications	🟢 Yes	🟢 Yes	🟢 Yes	🟢 Yes
Total crime rate	🟢 Yes	🟢 Yes	🟢 Yes	🟢 Yes
Anti-social behaviour (ASB)	🟢 Yes	🟢 Yes	🟢 Yes	🟢 Yes
Burglary rate	🟢 Yes	🟡 Marginal (p=0.08)	🟢 Yes	🔴 No
Out-of-Work benefits	🟢 Yes	🔴 No	🟢 Yes	🔴 No
No qualifications	🟢 Yes	🔴 No	🟢 Yes	🔴 No
Mental health (SAMHI)	🟢 Yes	🔴 No	🟢 Yes	🔴 No
Children in low-income households	🟢 Yes	🔴 No	🟢 Yes	🔴 No
VAT-Registered business units	🟢 Yes	🔴 No	🟢 Yes	🔴 No
Bad health (self-reported)	🔴 No	🔴 No	🔴 No	🔴 No
Criminal damage	🔴 No	🔴 No	🔴 No	🔴 No
GVA per head	🔴 No	🔴 No	🔴 No	🔴 No

Big Local areas showed greater economic resilience than similar neighbourhoods, particularly on economic activity and qualifications

The 2010s were a difficult decade for many of England's most disadvantaged neighbourhoods. As the previous section of this report outlines, national economic conditions between 2011 and 2021 were marked by a fall in employment rates and a sharp rise in economic inactivity. While Big Local areas were not entirely insulated from these trends, our analysis finds some statistically significant evidence that they exhibited greater economic resilience than comparable neighbourhoods.

As Figure 14 illustrates, the decline in employment was less severe in Big Local areas—falling by 6.56 percentage points (from 59.98% to 53.42%) compared with a 7.23 percentage point drop (from 60.26% to 53.03%) in matched areas. Economic inactivity rose across the board, but the increase was more modest in Big Local neighbourhoods: a 7.01 percentage point rise (from 33.30% to 40.31%) versus 7.58 percentage points (from 33.22% to 40.80%) in the control group. Together, these findings suggest a relative economic stability in Big Local communities during a period of national strain.

Figure 14: Trends in employment and economic inactivity rates: Big Local areas versus Matched neighbourhoods (2011–2021)

Employment Rate (%)
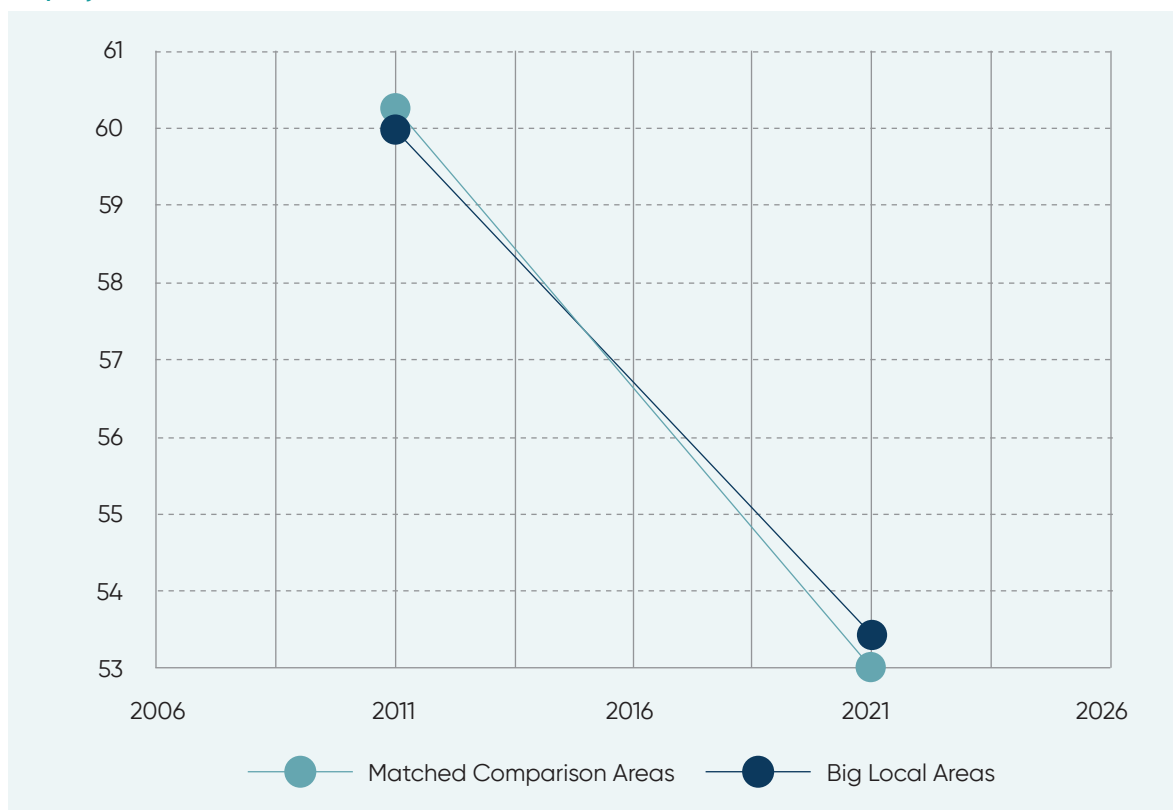
Economic Inactivity Rate (%)
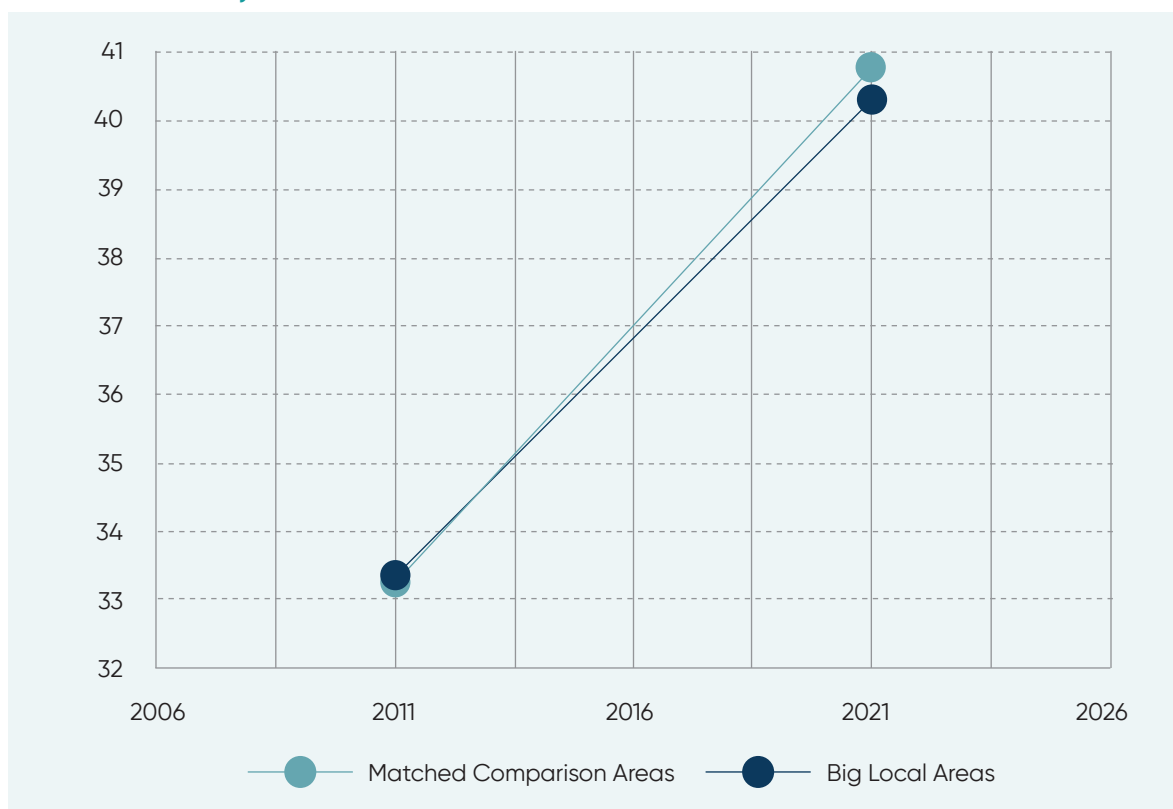
Source: ICON analysis of Census 2011, 2021; Further details on DiD methodology can be found in the technical appendix

Importantly, Big Local areas also saw slightly faster growth in the share of residents with degree-level qualifications. While matched areas recorded a 7.43 percentage point increase between 2011 and 2021, Big Local neighbourhoods experienced an additional 0.38 percentage point rise—despite starting from a lower baseline. Though modest in scale, this difference is statistically significant and suggests a possible role for Big Local investment in supporting educational progression. We also observe positive movements in Big Local areas on both the proportion of the working age population having no qualifications, and on out-of-work benefits, compared to matched neighbourhoods, although these findings are not statistically significant so should be interpreted with caution.

Taken together, these findings point to a distinct pattern of relative economic and educational stability in Big Local communities amidst broader national pressures. While not totally shielded from broader downturns in economic conditions, they appear to have weathered the storm with greater resilience than similarly disadvantaged neighbourhoods without the investment.

Our analysis of these findings suggests that the greater levels of economic resilience that Big Local may have enabled would equate to direct fiscal savings worth around £216mn to the Exchequer, as well as £783mn in wider economic benefits over 5 years.[26]

Big Local areas saw neighbourhood crime rates fall faster than in other areas

Crime and community safety is often one of the most immediate and visible indicators of neighbourhood wellbeing. In areas experiencing long-term deprivation, persistent issues with crime and disorder can corrode social trust, limit local opportunity, and erode residents' quality of life. Previous qualitative research by ICON found that residents living in the most disadvantaged neighbourhoods were overwhelmingly more concerned about crime and a perceived breakdown of social order in their neighbourhoods, compared to other areas.[27]

As the previous section of this report shows, overall crime rates across England declined during the 2010s. Yet in the most disadvantaged neighbourhoods—particularly Mission critical neighbourhoods — overall reductions were slower, while total crime rates remain stubbornly high versus other areas.

Against this backdrop, Big Local areas stand out. Between 2011 and 2021, Big Local neighbourhoods experienced significantly greater reductions in both overall recorded crime and anti-social behaviour (ASB) compared to carefully matched areas with similar starting conditions.

We find that Big Local areas saw statistically significant reductions in both overall recorded crime and anti-social behaviour compared to similar neighbourhoods. Total crime fell by an additional 6.83 incidents per 1,000 residents, a 49% faster decline than in matched areas. Anti-social behaviour showed a similar trend, with a further 4.31-incident drop per 1,000 residents in Big Local neighbourhoods.

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26 The full methodology for our estimates can be found in the technical appendix.
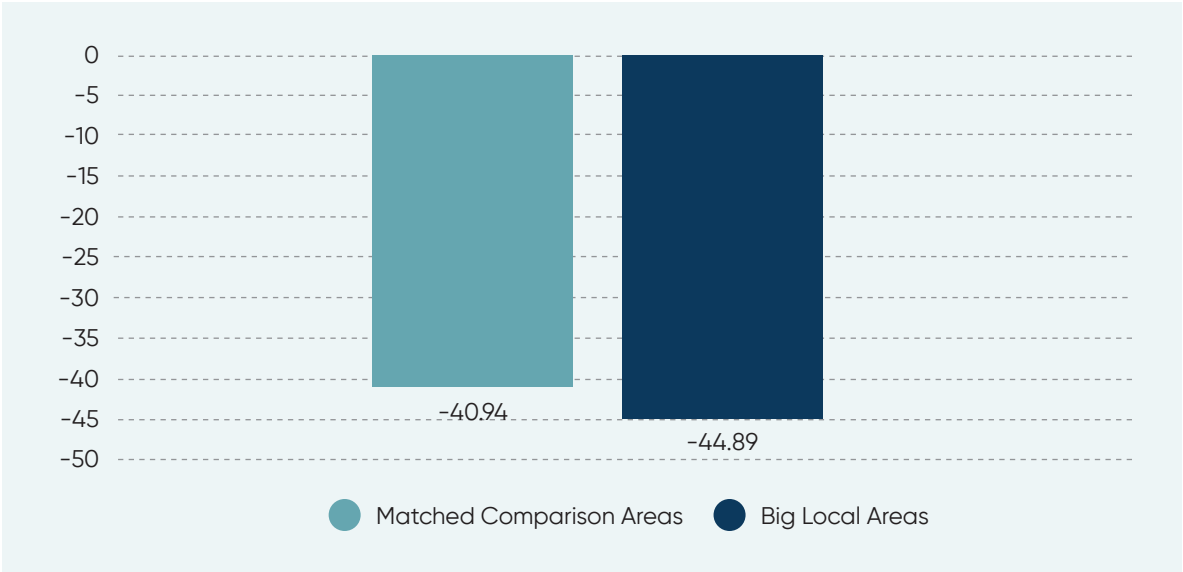27 Independent Commission on Neighbourhoods (ICON). Think Neighbourhoods: https://www. neighbourhoodscommission.org.uk/report/interim-report-think-neighbourhoods/

Figure 15: Trends in total crime and anti-social behaviour rates: Big Local areas versus Matched neighbourhoods (2011-2021)

Change in Total Crime Rate (%)
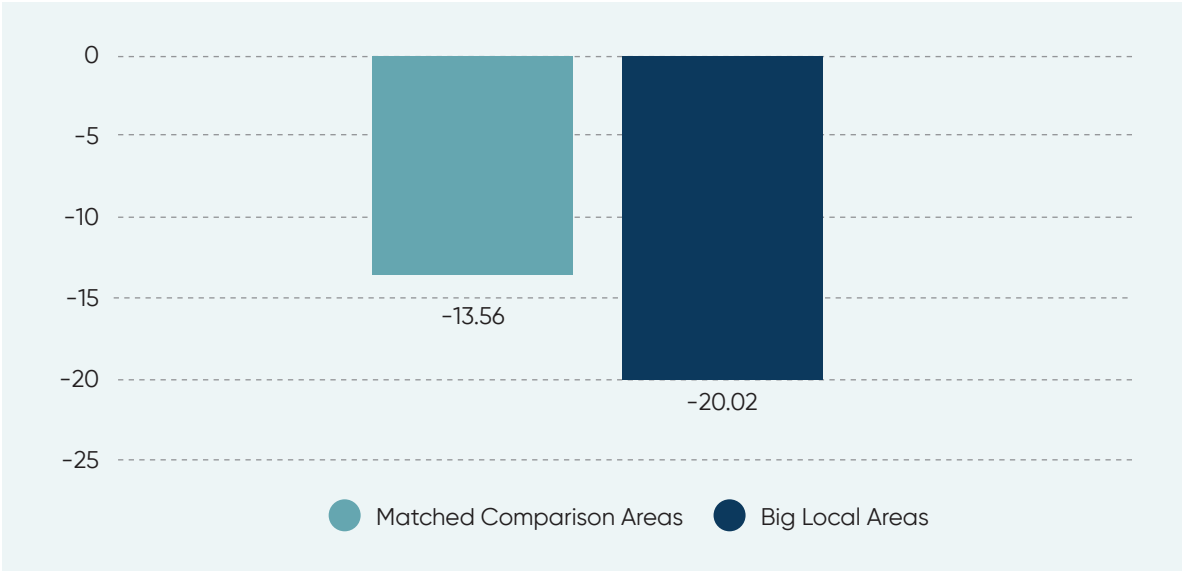
Change in Anti-Social Behaviour Rate (%)

Source: ICON analysis of Police UK; Further details on DiD methodology can be found in the technical appendix

Not all outcomes showed clear divergence. Burglary also declined more in Big Local areas, with a 1.12 unit larger drop relative to matched counterparts, but this result is only marginally significant (p = 0.08). There was no meaningful difference in trends for criminal damage, where Big Local areas saw a negligible and statistically insignificant increase (+0.10 per 1,000 residents; p = 0.76).

Nevertheless, the pattern across multiple indicators points to a meaningful shift on neighbourhood crime. At the very least, Big Local areas were not left behind in national crime reductions—despite starting from a more disadvantaged position. At best, they appear to have outpaced comparable areas, suggesting that giving communities control over local investment and decision-making may have supported greater reductions.

Our analysis of these findings suggests that the sharper reductions in crime that Big Local may have enabled would equate to direct fiscal savings worth around £107mn to the Exchequer, as well as £357 in wider social benefits.[28]

At the half-way point of Big Local the signs are encouraging, but not yet conclusive

The potential impacts of Big Local that we see in this analysis are encouraging.

It demonstrates, crucially, how investments in social infrastructure can enable neighbourhoods to become more resilient, and make progress, even when in difficult times. What we have demonstrated also is that these investments can deliver progress quickly and are cost-effective: we estimate that £102mn invested through Big Local in the period we cover may have generated direct fiscal savings worth around £323mn, equivalent to a benefit-cost ratio (BCR) of 3.16:1, with the potential wider benefits to society being worth around £1.1bn over 5 years.

This should be seen as an interim assessment of a long-term, community-led experiment. Many outcomes — particularly in health and child poverty — take time to respond to investment. While the monetary returns to Big Local are large, we do believe our estimates to be conservative given that much of the programme's most intensive local activity came after the window covered here. Further research as part of the next phase of this work will explore Big Local in much more detail — exploring the extent that different types of projects, programmes, and ways of working may have helped drive particular improvements.

The consistency of improvement across a wide range of outcomes is something that is worth reflecting on. Big Local provides an example of what's possible when power and resources are placed directly in the hands of local people. Like the New Deal for Communities (NDC) that came before it, the early evidence on Big Local demonstrates how community-led investment, sustained over time, can begin to turn the tide on long-standing challenges faced in the most disadvantaged areas.

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28 The full methodology for our estimates can be found in the technical appendix.

Conclusion

Since ICON's launch, much has changed in the overall policy environment.

We have seen the government once again speaking the language of neighbourhoods and a new interest in understanding what is going on at the hyper-local level.

This change has fed through to changes in spending priorities.

Half a billion pounds has been promised in investment for a new phase of the Plan for Neighbourhoods, including 25 'Neighbourhood Trailblazers' building on the recommendations of ICON for a new generation of targeted, area-based initiatives as outlined in our Green Paper. A new Mission Growth Fund, also funding social infrastructure, has been announced with a further £240m of capital investment.

It is vital that the insights from what worked in previous decades is put into the development of this new wave of neighbourhood regeneration.

This means recognising that change takes time, requiring patience and a consistency of support for disadvantaged neighbourhoods.

This means putting significant investment into social infrastructure, not just economic infrastructure.

This means giving leadership to communities, so that it builds social capital and ripples out throughout disadvantaged neighbourhoods.

This means recognising the importance of investment in people, not just assets.

Failure to embed these principles into the next wave of policy interventions could reduce the impact of significant investment packages.

In our Interim Report, we called for government to seize the "neighbourhood moment".

It has done so. But we must make sure that we use that moment wisely.

This paper gives guidance on how policy makers can learn the right lessons from the past.

ICON is learning all the time and strengthening the evidence base on neighbourhoods.

In the next stage of this research, we hope to track the development of areas that received investment through New Deal for Communities, dig deeper into what Big Locals did to achieve their success and think about how neighbourhoods may change in the future.

We hope that this paper and upcoming research can make a practical contribution to the future development of policy on neighbourhoods.