



FUTURE OUTLOOK FOR DISADVANTAGED NEIGHBOURHOODS IN ENGLAND IN 2030

ICON RESEARCH BRIEFING

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ROSS MUDIE

Executive Summary

In less than five years' time, a child born today will walk through the school gates for the first time in 2030.

By then, their neighbourhood will already have begun to leave its mark. For some that will mean quiet green streets and parks that are clean, busy, and safe, where parents stop to chat while children run and climb. It will mean parents in steady jobs that bring routine and stability, and enough money for sports, birthday parties, and days out. Their first years will have been spent in a healthy home - nutritious meals on the table, everyday sickness quickly addressed, and parents who are well enough to be fully present to provide support and care.

A few miles away, another child born on the same day may have had a very different start. The sound of police sirens outside their home may already be familiar. On walks with a parent or pushchair rides with an older sibling, they may have passed a park but not stopped - litter, broken swings and shattered glass making it no place to play. If work has been hard to come by then that may have meant fewer toys, outings, or chances to meet others through local playgroups or sports clubs.

By the time both children walk through the school gates in 2030, the gap in their early experiences will already be wide. As they get older, those early differences will compound. This is why creating stronger neighbourhoods is an urgent outcome.

In ICON's previous work we have established the significant gaps that exist between neighbourhoods on economic opportunity, health, and crime. We know that in all three the deepest disadvantage is found in Mission Critical Neighbourhoods and Mission Priority Neighbourhoods.¹ We know also that poor outcomes in these domains correlate significantly with one and other and are negatively reinforcing.² And we know that, in Mission Critical Neighbourhoods in particular, disadvantage in these domains is not new – it is deeply entrenched and long term.³

This report looks ahead.

It presents the findings of an experimental forecasting method that we have developed, which allows us to project how conditions in England's neighbourhoods may evolve by 2030. We focus specifically on three areas – crime, health, and economic inactivity.

Our central estimates suggest that if longstanding trends that predate this government persist:

- **Mission Critical Neighbourhoods may see crime rates rise by 27%, to around 313 per 1000 people, by 2030.** Recorded crime also edges up across all deciles of

¹ <https://www.neighbourhoodscommission.org.uk/report/anatomy-of-mission-critical-neighbourhoods/>

² <https://www.neighbourhoodscommission.org.uk/report/interim-report-think-neighbourhoods/>

³ <https://www.neighbourhoodscommission.org.uk/report/progress-and-pressure-understanding-economic-and-social-change-in-englands-neighbourhoods/>

neighbourhood need, but the sharp increases we observe in Mission Critical neighbourhoods would widen the gap between the least and most deprived neighbourhoods from 4 currently, to 4.3 by 2030.

- **Economic inactivity may rise to around 46.1% by 2030 in Mission Critical Neighbourhoods, 44% in Mission Priority Neighbourhoods,** and potentially rising to 41% nationally.
- **The proportion of people living in bad health is forecast to fall very modestly in the most disadvantaged neighbourhoods.** the proportion of people living in bad health in Mission Critical Neighbourhoods from 10.6% now to 10.3% by 2030, as well as a fall from 7.8% to 7.5% in Mission Priority Neighbourhoods.

The point of this forecasting exercise is to lay out the scale of the challenges that government policy makers are grappling with this Parliament. And they are indeed grappling with them. This government has announced a raft of initiatives to address many of the challenges laid out in this report, from Pride in Place – which ICON publicly called for in May 2025 - to Neighbourhood Health Centres and Young Futures Hubs. Other than Neighbourhood Policing Guarantee, we do not try to estimate the precise policy impacts of these various interventions. These forecasts should be understood as the consequence of pursuing a 'do nothing' option – which thankfully in a host of areas the government has not chosen.

We do however provide estimates of the potential impact of the Neighbourhood Policing Guarantee. We expect that the programme will have a positive impact, but even under the best-case scenario we would not expect it to reduce crime rates in the most disadvantaged areas to rates lower than their pre-Pandemic average.

These forecasts do not need to come to pass, if we take the urgent action that is required to 'bend the curve' of these neighbourhoods and improve outcomes. To do this we need three things.

Firstly, continuing to build the social infrastructure of the most disadvantaged neighbourhoods to create social capital. This creates the conditions for success. The government is doing this through Pride in Place, however we need to develop a pipeline for this to reach more communities.

Secondly, we need to reform public services to focus resources at the most disadvantaged areas and multi-disciplinary teams that resolve specific hyper-local challenges within neighbourhoods, building on programmes such as Neighbourhood Health Centres.

Finally, we need local economic development strategies for these neighbourhoods, building on their strengths and encouraging private sector investment.

Some of the building blocks are in place but more needs to be done over the coming Parliament to help our most disadvantaged neighbourhoods to recover. These forecasts show what the price of inaction could be.

Methodological Note: How do we project neighbourhood-level outcomes to 2030?

This paper demonstrates a novel approach to projecting outcomes at the neighbourhood level. It makes use of an ARIMAX (Autoregressive Integrated Moving Average with Exogenous Variables) model, which extends the traditional ARIMA model framework by incorporating exogenous variables.

For each forecast, we take LSOA-level data for two time points, 2011 and 2021, as the end points of an interpolated panel dataset. We create an interpolated LSOA panel dataset for these years by corresponding the LSOA level data with annually produced data at the local authority (LA) level. Rather than interpolating linearly, a key assumption of this analysis is that movement in a datapoint at the LSOA level between 2011-2021 tracks that of its parent LA – e.g. if economic inactivity in an LA falls, then we assume it also falls in each respective LSOA within the boundary, but in a way that is proportionate to the overall level of inactivity being contributed to the LA by each LSOA.

For each model, we include several regressor variables to fit the ARIMAX model. These variables are annual, at the LA level, and are treated as exogenous variables in the model. These variables are selected on the basis they are widely recognised “drivers” of the variable we are seeking to forecast for instance, our model on economic inactivity uses job density, Personal Independence Payment (PIP) claimant rates, Carers Allowance entitlement rate, and claimant count, all at the LSOA level. The model learns the relationship between the dependent variable and its regressors, using broad groupings (deciles) of LSOAs based on ICON’s Hyper-Local Need Measure (HLNM). This forms the basis of the projection – which produces a baseline path for each neighbourhood that we group at the HLNM-decile level, to 2030, for the dependent variable in the model.

ICON classification of neighbourhoods

Mission Critical Neighbourhoods – the 613 neighbourhoods (Lower layer Super Output Areas) that have seen the least progress in delivering the government’s five missions (roughly 2% of neighbourhoods in England).

Mission Priority Neighbourhoods – 5,566 neighbourhoods that have considerable disadvantages in achieving the government’s five missions.

Crime

Crime is one of the areas where the evidence base for “neighbourhood effects” – the idea that the conditions of a neighbourhood have a direct effect on an individual’s life choices and chances – is strongest.⁴

Crime is heavily concentrated in areas experiencing multiple disadvantage: Home Office analysis has shown that nearly a quarter of all neighbourhood crime was committed in just 5% of local areas.⁵ Neighbourhoods that experience high crime can become stuck in a vicious cycle where visible disorder and repeat victimisation signals decline, erodes trust, and weakens the social fabric needed to sustain a vibrant community.⁶

It is also an area which we know is of greater concern to those living in the most disadvantaged neighbourhoods.

Previous research by ICON and Public First found that those living in the most disadvantaged neighbourhoods are more than three-times more likely to describe their area as not being safe compared with more affluent neighbourhoods.⁷ Concerns about some forms of crime are often substantially higher in these neighbourhoods: four times as many people in these neighbourhoods believe illegal drugs a “major issue” compared to the least disadvantaged places, while nearly half (49%) cited anti-social behaviour (ASB) as a major challenge facing their neighbourhood.⁸ Previous work by ICON has found that crime rates are typically higher in Mission critical and Mission Priority Neighbourhoods.⁹

Despite the high salience of crime among the public, there are well known issues with official data. Recorded crime rates often understate the true picture, given that many crimes go unreported and never reach the police. Policing practices can also differ from force to force. Surveys such as the Crime Survey of England and Wales (CSEW) exist in part to capture crimes that are not reported to the police, yet the CSEW is limited in that it only focusses on crimes against individuals, and more significantly for this work, that it cannot be broken down to small area level. Nonetheless, crime rates derived from are often more reliable than estimates from official surveys.¹⁰

⁴ Crest Advisory, on behalf of ICON, have recently produced an evidence and policy review exploring neighbourhood effects on crime and anti-social behaviour:

<https://www.neighbourhoodscommission.org.uk/report/why-place-matters-neighbourhood-effects-on-crime-and-anti-social-behaviour/>

⁵ <https://www.gov.uk/government/publications/beating-crime-plan/beating-crime-plan>

⁶ <https://www.neighbourhoodscommission.org.uk/report/why-place-matters-neighbourhood-effects-on-crime-and-anti-social-behaviour/>

⁷ <https://www.neighbourhoodscommission.org.uk/wp-content/uploads/2025/03/Think-Neighbourhoods-Report-Web-FINAL-1.pdf>

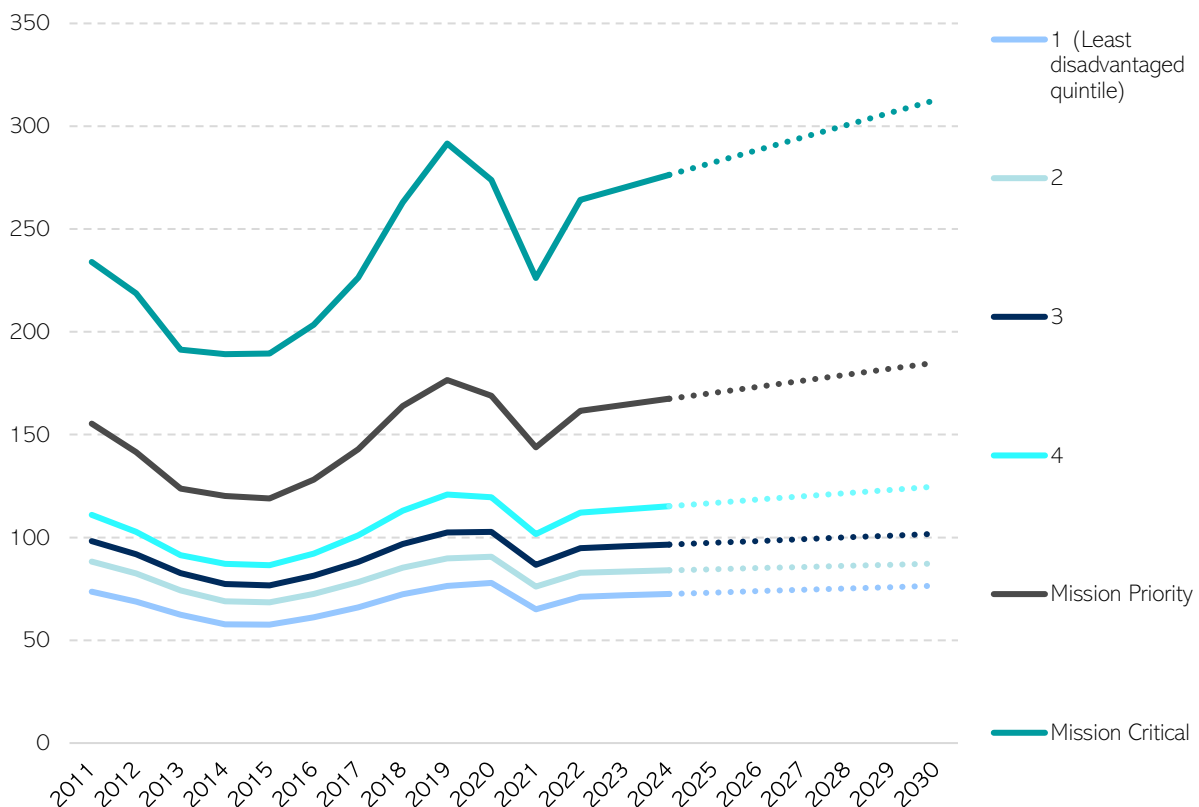
⁸ Ibid

⁹ <https://www.neighbourhoodscommission.org.uk/report/progress-and-pressure-understanding-economic-and-social-change-in-englands-neighbourhoods/>

¹⁰ <https://research.manchester.ac.uk/en/publications/estimating-the-reliability-of-crime-data-in-geographic-areas#:~:text=Crime%20data%20is%20problematic%3A%20Crimes,a%20number%20of%20methodological%20limitations.>

Our central projections¹¹ sees crime in Mission Critical Neighbourhoods rising to around 313 per 1000 population by 2030, an increase of around 27% from the drop in 2021. Recorded crime also edges up across all deciles of neighbourhood need, however the increases in the least disadvantaged neighbourhoods are significantly less steep than they are in both Mission Critical and Mission Priority Neighbourhoods. This implies a significant widening of the gap in recorded crime by 2030 – under this scenario, the gap between Mission Critical Neighbourhoods and the least disadvantaged decile would rise from just under 4 (3.98) to 4.3. This would be the highest rate of crime for twenty years.

Figure 1: Baseline forecast - Total crime rate per 1000 population, neighbourhood (LSOA) level aggregated to levels of need and select Mission need categories



Source: ICON analysis of ONS (Annual Population Survey; Personal Wellbeing estimates; Mid-Year Population Estimates; police-recorded crime) and DWP Children in Low Income Families

¹¹ Our projections follow the ARIMAX approach as set out in the introduction and in more detail in the Technical Appendix. Regressors: unemployment rate; proportion of children living in low-income households; ONS' measure of life satisfaction; population share male, aged 18-35.

Under this scenario, we would see crime levels in the most disadvantaged areas rise to levels that have not been seen for decades. The widening of the gap on crime between the richest and poorest areas would likely deepen feelings of neglect and disaffection with the state, eroding confidence in its ability to guarantee safety, order, and security. While we forecast a slight uptick in crime rates among the majority of England's neighbourhoods in most cases it would not reach a point higher than what crime rates prior to the Covid-19 pandemic. In the most disadvantaged neighbourhoods, however, the uptick in crime that we forecast would be impossible to ignore.

Should our forecasts transpire then they would carry a significant cost to both the state and to wider society.

Estimating the potential impacts of the Neighbourhood Policing Guarantee (NPG) on future crime rates

The government, however, is introducing new measures it hopes will curb potential rises in neighbourhood crime.

The Neighbourhood Policing Guarantee (NPG) is a new government initiative seeking to restore visible, community-based policing following sizeable cuts to this area of the police service during the 2010s. The NPG aims to create safer neighbourhoods by reducing neighbourhood crime and ASB, while rebuilding trust and public perceptions of the police. The NPG spans a wide range of measures, including each neighbourhood having a named officer, regular patrols, hotspot policing, with expectations of a further 13,000 officers will be placed into communities by 2029 – representing a 50% increase in neighbourhood policing capacity.¹²

The NPG is a welcome step to restore neighbourhood policing. Across our visits, we have heard on several occasions how relations with the police have often felt strained and transactional, with some places reporting a total lack of police presence altogether.

There is also a vast evidence base on the effectiveness of the sorts of interventions forming the NPG. A systematic review of the international evidence base carried out by Gill et al (2014) found that the positive effects of neighbourhood-oriented policing strategies are strongest for public perceptions of crime, and perceptions of disorder.¹³ Yet their review found that the evidence that neighbourhood policing reduces total levels of crime, or fears of crime, can be limited. Other evidence has found that the type of crime matters significantly – it has been found to be effective at reducing violent crime, in particular.¹⁴ A recent review by the Youth Endowment Foundation found hotspots policing can reduce offending by 17% on average, rising to 20% for disorder offences and 30% for drug offences.¹⁵

To test this, we set out scenario-based projections that layer a range of NPG effects onto our baseline forecast of police-recorded offences per 1,000 to 2030, focusing on Mission Critical

¹² For more detail on the specific measures forming the NPG, see:

<https://www.gov.uk/government/publications/neighbourhood-policing-guarantee-performance-framework/neighbourhood-policing-guarantee-performance-framework-accessible>

¹³ <https://www.gov.uk/government/publications/neighbourhood-policing-guarantee-performance-framework/neighbourhood-policing-guarantee-performance-framework-accessible>

¹⁴ <https://www.sciencedirect.com/science/article/abs/pii/S1359178924001010>

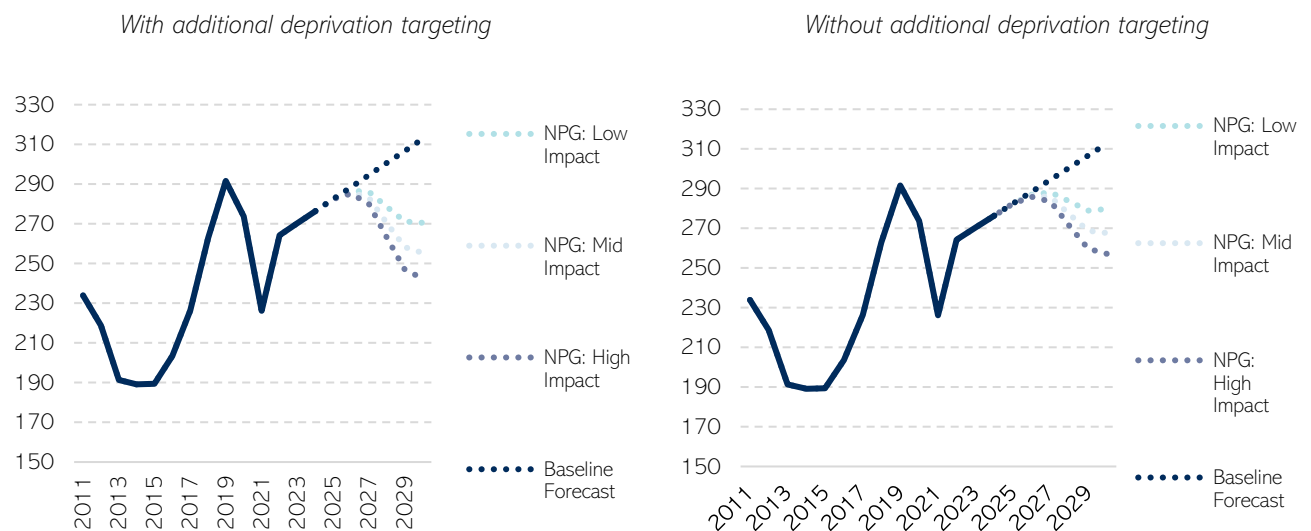
¹⁵ https://youthendowmentfund.org.uk/wp-content/uploads/2022/07/YEF-Hot-Spots-Policing-Technical-Report_Final_July-2022.pdf

and Mission Priority Neighbourhoods. To do so, we have constructed three weighted coefficients of potential crime reduction effect sizes based on the international evidence base on neighbourhood policing.¹⁶ The coefficients are phased in over time to coincide with the implementation guidance for the NPG, reading full scaler out in 2029. We also present results under two allocation assumptions: (i) a uniform distribution across neighbourhoods, and (ii) a need-weighted split that provides additional targeting to higher-need neighbourhoods.

Figure 2 presents the results under both allocation assumptions for Mission Critical Neighbourhoods. In both cases, recorded crime is projected to fall relative to the baseline forecast, yet in neither case – under the most optimistic forecasts – does recorded crime fall below levels in 2011. Under the most optimistic scenario – that the NPG provides additional targeting based on deprivation and the programme achieves a high impact – we may expect recorded crime to be 17% lower than our baseline forecast. We also see a similar effect for Mission Priority Neighbourhoods.

Crucially, this is hypothetical. The NPG has not been targeted at the more disadvantaged areas. ICON analysis of policing spending has found that the most disadvantaged 10% of areas receive just £204 spent per head on policing, versus £221 in the 10% least disadvantaged areas. Going forward it is essential that these neighbourhoods are at the front of the queue for additional policing capacity and that government encourages police forces to put investment into these communities as a matter of priority.

Figure 2: Baseline and NPG scenario-based forecasts: Total crime rate per 1000 population, Mission Critical Neighbourhoods



Source: ICON analysis of ONS (Annual Population Survey; Personal Wellbeing estimates; Mid-Year Population Estimates; police-recorded crime) and DWP Children in Low Income Families

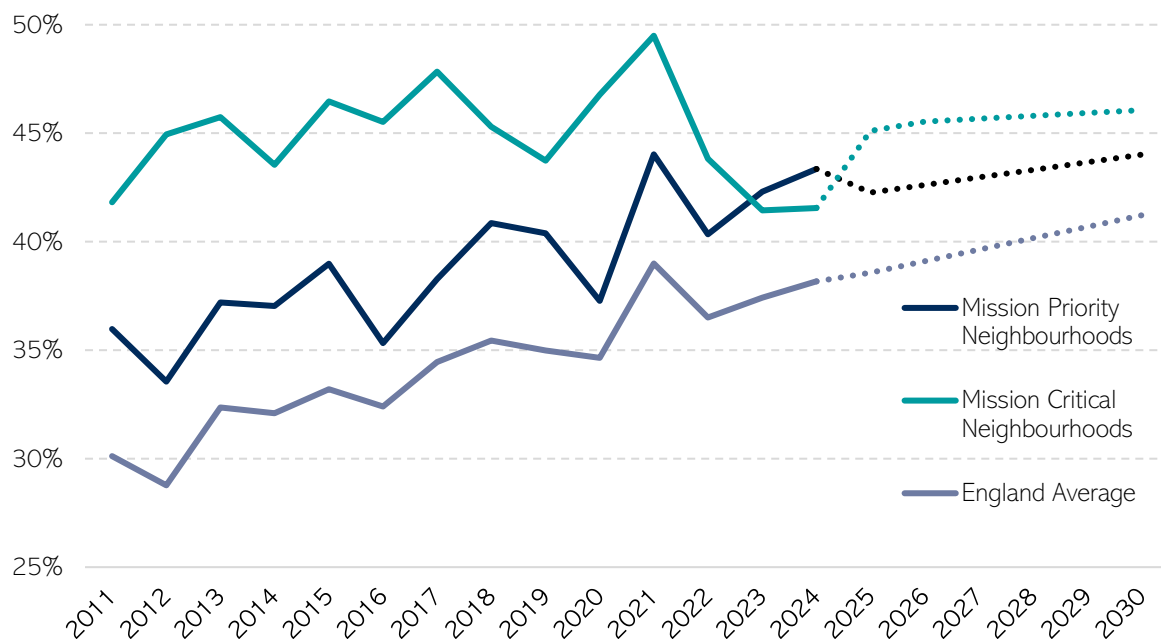
¹⁶ The scenario forecasts are based on three coefficients for crime reduction: low (-11%); mid (-15%), and high (18.5%). For more detail on how the coefficients are constructed, see the technical appendix.

Economic Inactivity

Previous work by ICON has demonstrated how economic inactivity rates, however they have varied nationally, have persistently been higher in the most disadvantaged neighbourhoods.¹⁷ The proportion of people who are economically inactive due to long-term sickness or disability, according to the latest data, is three times higher (12%) in Mission Critical Neighbourhoods than it is nationally (4%).¹⁸ Other factors have also contributed to persistently high levels of inactivity in these neighbourhoods, including a higher prevalence of caring responsibilities, as well as lower access to childcare services locking (mostly) mothers out of the labour market.¹⁹ The rise in economic inactivity since the Covid-19 pandemic, driven mostly by a rise in long-term sickness, has also featured prominently in national discourse on the economy over recent years.

Our baseline economic inactivity forecasts suggest that economic inactivity rates will remain elevated in Mission Critical and Mission Priority Neighbourhoods. Yet we observe inactivity potentially rising at a steeper rate in other, less disadvantaged parts of England, as can be seen in Figure 3.²⁰

Figure 3: Baseline forecast – Economic inactivity rate, neighbourhood (LSOA) level aggregated to levels of need and select Mission need categories



Source: ICON analysis of ONS and DWP administrative datasets

¹⁷ <https://www.neighbourhoodscommission.org.uk/report/progress-and-pressure-understanding-economic-and-social-change-in-englands-neighbourhoods/>

¹⁸ https://www.neighbourhoodscommission.org.uk/wp-content/uploads/2025/05/The-Anatomy-of-Mission-Critical-Neighbourhoods-Report_.pdf

¹⁹ Forthcoming research by ICON will spotlight the variation in access to childcare services across neighbourhoods in England.

²⁰ Our projections follow the ARIMAX approach as set out in the introduction and in more detail in the Technical Appendix. Regressors: jobs density; claimant rate; disability benefit receipt rate; caring entitlement rate.

Our central forecast suggests that economic inactivity may rise to around 46.1% by 2030 in Mission Critical Neighbourhoods, 44% in Mission Priority Neighbourhoods, and potentially rising to 41% nationally. This national-level increase is principally driven by larger increases in less disadvantaged neighbourhoods: for instance.

While our baseline forecast suggests that economic inactivity may rise nationally, it is notable that the rise is less steep in Mission Critical and Mission Priority Neighbourhoods. This is possibly owing to a saturation point in inactivity rates that these neighbourhoods have been persistently close to. Inactivity in Mission Critical Neighbourhoods has hovered between 45%-50% of working-age people through the 2010s, and further analysis of the model suggests the rise here may be driven more by a rise in entitlement to carers allowance than to Personal Independence Payments (PIP), which drives more of the increase across other deciles.

Health

Across our visits programme, health has emerged as one of the most recurrent areas that residents in the most disadvantaged neighbourhoods want to see improvement on. Ill is one of the most significant drags on people leading healthy and fulfilling lives – our previous research has identified how ill health tends to cluster with weak economic conditions, and a lack of opportunity, within neighbourhoods.²¹

Improving neighbourhood health has become a significant pillar of the government's overarching health policy: the *10 Year Health Plan for England* dedicates a section to neighbourhood health. It includes several new commitments, including proposals for 200 new Neighbourhood Health Centres targeted in areas where Healthy Life Expectancy (HLE) is lowest; and aspirations for greater multidisciplinary working and simplified neighbourhood health contracts.²²

Given that there remains a relatively limited amount of detail on the functions and roles the Neighbourhood Health Service, and Neighbourhood Health Centres, will perform, we have not carried out further scenario analysis as we did for the Neighbourhood Policing Guarantee.

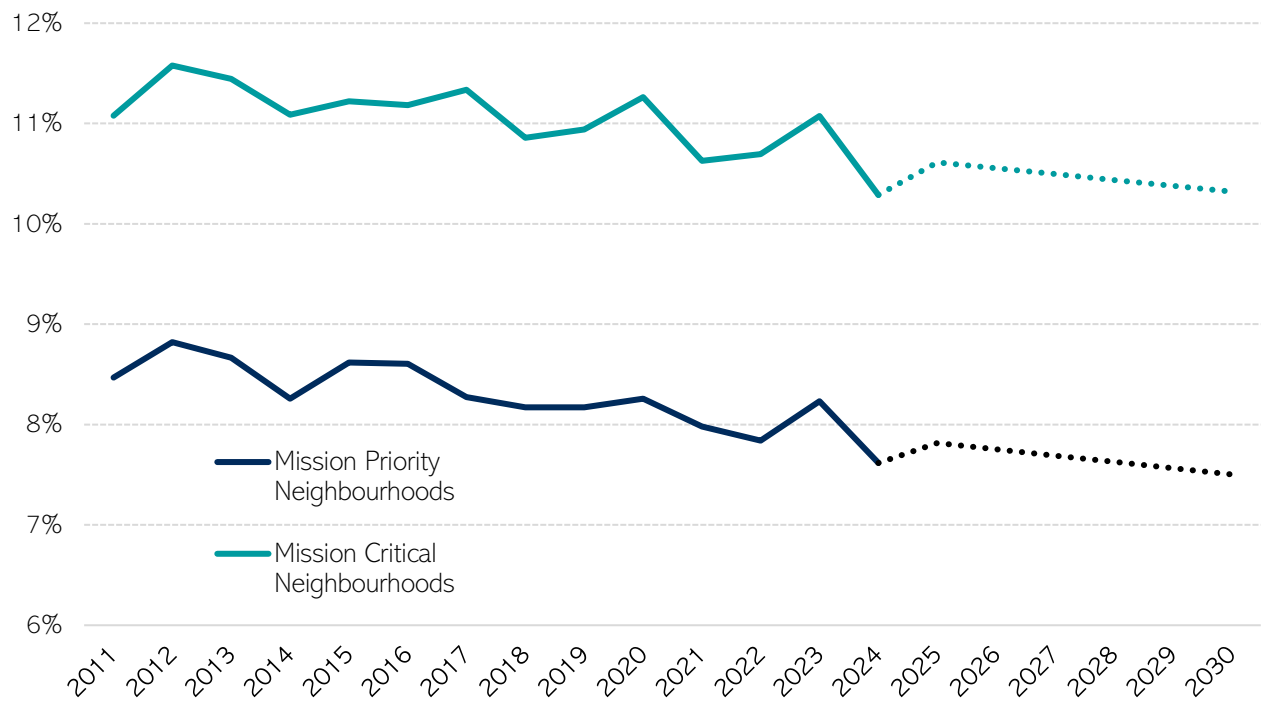
However, our baseline forecasts which tracks the proportion of people living in bad health and can be seen in Figure 4 suggests that even in the most disadvantaged neighbourhoods, we should expect to see modest improvements in neighbourhood-level health by 2030.²³ While it is difficult to pinpoint the precise reasons why this is the case we would assume this is a result of factors unexplainable in our model but recognised in the wider literature on this subject – e.g. improvements in medicine and medical technologies, dietary changes, and other lifestyle factors (e.g. lower smoking rates).

Our central forecasts point to a decrease in the proportion of people living in bad health in Mission Critical Neighbourhoods to 10.3% by 2030, as well as a fall to 7.5% in Mission Priority Neighbourhoods. Achieving this would also represent a modest narrowing of the gap in ill health between the most and least disadvantaged neighbourhoods – falling from a ratio of 3.6 to 3.5. However, it would still mean significant and persistent health inequalities.

Figure 4: Baseline forecast – Proportion of population self-reporting “bad health”, neighbourhood (LSOA) level aggregated to levels of need and select Mission need categories

²² <https://assets.publishing.service.gov.uk/media/6888a0b1a11f859994409147/fit-for-the-future-10-year-health-plan-for-england.pdf>

²³ Our projections follow the ARIMAX approach as set out in the introduction and in more detail in the Technical Appendix. Regressors: Disability benefit claimant rate, healthy life expectancy (HLE), child poverty rate, avoidable mortality rate.



Source: ICON analysis of UK administrative and official statistics: DWP claimant and Households Below Average Income (HBAI) datasets for benefit and child poverty measures; ONS Healthy Life Expectancy

Conclusion and policy implications

The projections in this report are not predictions of government action but baselines: reference points for how crime, economic inactivity and health are likely to evolve in disadvantaged neighbourhoods if current trends continue. They are the consequences of trends and forces that pre-date this government, sometimes built up over decades, but which policy makers are having to grapple with today.

Used in this way, they give policymakers a benchmark against which to stress-test interventions and assess whether new programmes are likely to shift outcomes enough to meet national ambitions.

The picture that emerges is mixed. Without stronger intervention, crime is set to rise fastest in the most disadvantaged neighbourhoods, reinforcing insecurity and weakening social order. Economic inactivity looks set to remain persistently higher in these areas, leaving too many households without the stability and routine that steady work provides. Health shows the greatest promise, but improvements are likely to be modest, and the gap between the healthiest and least healthy places may narrow only slightly.

The implication is clear: left unchecked, these trajectories will deepen divides. Government initiatives such as the Neighbourhood Policing Guarantee and the Neighbourhood Health Service offer opportunities to bend the curve, but they will need to be ambitious in scope and targeted where disadvantage is most entrenched.

We are confident that programmes such as Pride in Place can make a difference, if they are backed up by a wider suite of programmes to improve the delivery of public services in neighbourhoods, restore safety and improve skills. We have outlined these additional reforms in our report *No Short Cuts*.

We need to be double down on the government's commitment to tackle the most disadvantaged neighbourhoods, so that we can put these neighbourhoods back on the road to recovery.