CHAPTER 2
DEPRIVATION IN THE LIVERPOOL CITY REGION
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2.1 The Liverpool City Region faces several challenges. Statistics on productivity and the rate of business births have been quoted extensively and show the city region to be below the levels recorded as the national average.

2.2 However, it is important to remember that indicators like productivity and business start-ups are dependent variables: they depend upon (and can be affected by) a host of other variables. For this reason it is critically important that we contextualise some of these statistics and look behind them for clues to what underpins issues such as low productivity.

2.3 To begin thinking about this question we must first acknowledge that the city region has a long standing issue with entrenched deprivation. Measuring, cataloguing and displaying this data cartographically serves to illustrate the extent and variation in the issue and is an established way of informing spatially-targeted policy. However, by disaggregating the data that comprises the Index of Multiple Deprivation to allow for meaningful comparative statistics reveals some interesting patterns. Firstly, as we know, poverty is multi-dimensional and temporal. However, understanding the differences, for example, between income deprivation and health deprivation across the city region reveals important insights into how we might think about tailoring interventions to places. Secondly, by looking at the historical incidence of deprivation we can reconsider the value of displaying statistics that are customarily presented as a ‘snapshot’ of poverty’s geography. This allows us to explore the hypothesis that your life chances are not just a function of how deprived the neighbourhood you

Figure 2.1: Index of Multiple Deprivation 2015, Liverpool City Region

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grew up in is today; they are a function of the period of time over which that neighbourhood has been deprived.

2.4 To reveal our first point contrast Figures 2.1 and 2.2. The first image depicts the Index of Multiple Deprivation, the most common reference point for a composite measure of poverty. There are clear concentrations of poverty across the city region. However, when we disaggregate the data to look at one specific category - access to housing - in Figure 2.2 we reveal a very different picture.

2.5 Disassembling the IMD statistics in this way allows us to pick out important trends regarding the specific character of the problems we face in the Liverpool City Region and, by extension, identify the indicators that might underpin why we perform below the national average in relation to productivity.

2.6 Barriers to accessing housing, illustrated in Figure 2.2, serves well to illustrate this point. As the IMD is usually reported as a composite indicator the relative strength of the connections between the constituent variables are often masked. For example, parts of the UK that have some of the worst statistics on access to housing and housing deprivation - particularly some London Boroughs – actually boast some of the best numbers in relation to productivity. Similarly, when all other variables are held constant and we look solely at housing deprivation, the Liverpool City Region actually fares relatively well - certainly better than in relation to other aspects of deprivation.

2.7 This is not to conflate the issues of housing and productivity or to imply that there are no problems in the Liverpool City Region’s housing markets. Correcting market failure in areas of low-demand was one of the principal objectives of spatially targeted policy from the late 1990s onwards, particularly through interventions such as the Housing Market Renewal programme. However, it is important to note that, at the time of writing,
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Figure 2.3: Health Deprivation and Disability 2015, Liverpool City Region

Deprivation percentile among all English LSOAs where lowest is most deprived
- 0.0 - 10.0
- 10.1 - 25.0
- 25.1 - 50.0
- 50.1 - 92.0

2.8 Turning to the academic literature for some clues there is a great deal of well-established evidence that now posits a correlation between productivity with health/well being and entrepreneurialism with skills (Arora, 2001; Faggian and McCann, 2009). If we perform a similar statistical task in breaking the IMD down into its constituent elements for these two categories – health and education – we see some startling results. Beginning with health deprivation the Liverpool City Region is a profoundly unhealthy place:

2.9 The extent and incidence of health deprivation in the Liverpool City Region is striking. When the multi-faced IMD is disaggregated it is clear that the most significant hallmark of poverty in the Liverpool City Region is poor health.

2.10 If we apply similar logic to education and skills we can see that this is another area where attention is required: a very large proportion of the city-region’s working age population are not equipped with the education and skills that are required to thrive in an economy that is increasingly dependent upon science, engineering, technology, mathematics and the creative sector. Although the geographic incidence of this aspect of deprivation is less pervasive than statistics on poor health there are significant concentrations across the city region.

2.11 Addressing skills deficits is a hugely complex issue that will require a multi-faced approach. It will demand new methods of providing education and training opportunities for all life stages, work-based learning and access to education opportunities within communities and out of traditional working hours. Whilst acknowledging the breadth of the issue, it is clear that one core part of building a Liverpool city regional agglomeration will comprise attracting and retaining a graduate workforce – the subject of Chapter 4.

2.12 Before addressing this specific issue of graduate mobility, however, there is one further aspect of deprivation that is often over-looked but which is significant in explaining outcomes: deprivation is path dependent and longitudinal. That is, the outcomes experienced by people who live in deprived neighbourhoods are not just a function of conditions in that neighbourhood at a particular moment in time, they are a function of the length of time over which such conditions have prevailed. We are now better than ever at demonstrating this temporal aspect.
2.16 On the balance of the presented evidence it is perhaps unsurprising that the entrenched poverty that is present in some of the city region’s neighbourhoods and the particular nature of this poverty, particularly characteristics such as ill-health and low educational attainment, is matched by lower than national average rates of productivity.

2.17 Addressing these issues will demand a concerted and joined-up approach by policy makers. Part of this will be targeting policy interventions both spatially and thematically. The next generation of urban policy should seek to arrest and reverse the trends that have bequeathed a decades-long history of urban decline in some of the city region’s neighbourhoods. In practice this may be less about interventions in the built environment and more about affecting human agency: healthier lifestyles, providing access to valued programmes of education and training, creating socially cohesive mixed communities (See box 2.1). The evidence presented here provides some first clues regarding how we might be able to support a renewed conviction to tackle what is seen by many as the single largest brake on realising the city region’s full potential.
Box 2.1

An enduring issue – chronicling the entrenched nature of deprivation

2.13 The Liverpool City Region contains some of the most deprived wards in England. The factual basis for this statement is the index of multiple deprivation (IMD) – the most common measure of multi-faceted poverty. However, the IMD is a relatively recently developed tool that allows us to explore periodic changes in deprivation. In most of the academic literature it is well established that poverty has important structural and systemic aspects – in short it is a problem that has an entrenched geography. To understand this issue more fully researchers at the university of Liverpool have developed new statistical and cartographic ways of looking into the past to explore patterns of deprivation from when they first became established. To illustrate we can produce two maps of the Liverpool one using IMD data from 2015, the other from 1971.

2.14 The maps show two alternative measures of deprivation for small areas called Lower Layer Super Output Areas (LSOAs). The Townsend score (shown for 1971) combines information on employment, housing tenure, car or van access, and overcrowding. The index of multiple deprivation (IMD; shown for 2015) is the sum of information over seven domains of deprivation (income; employment; health and disability; education, skills and training; barriers to housing and services; crime; living environment). The IMD is not available as far back as 1971 and so alternative measures must be used to assess long-term patterns. The two measures (when computed for similar years) show similar patterns and the comparisons between 1971 and 2015 are, therefore, sensible. In both maps, deprivation is divided into ten groups – as an example, class 1 indicates LSOAs which are amongst the most deprived 10% of all LSOAs in England. The maps show that deprivation patterns have remained constant over the 44 years covered by the data, with high rates of deprivation in some neighbourhoods of north, east and south Liverpool in both 1971 and 2015. This persistence of deprivation highlights the challenges faced in the metro area – areas within the Liverpool City Region are amongst the most deprived in all of England for the whole of the period 1971-2015.

2.15 The evidence on this basis is clear – the period over which an area has been deprived is very relevant in describing how entrenched these patterns have become. For some neighbourhoods in Liverpool we have a 40+ year history of deprivation which sheds new light on the seeming intractability of addressing these issues. However, between this analysis of where deprivation is most rooted and the foregoing analysis of its particular character we argue that new spatially and thematically targeted approaches can be tailored to neighbourhoods in a renewed conviction to address this deeply rooted issue.

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For data and tools to explore population change in Britain see: www.popchange.liverpool.ac.uk/