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The UK Prosperity Index

2016

Contents

This report was authored by Harriet Maltby with contributions from Councillor Russell Holland.

The Legatum Institute is an international think tank and educational charity focused on promoting prosperity. We do this by researching the journey from poverty to prosperity for individuals, communities, and nations. The Legatum Prosperity Index™, our signature publication, ranks 149 countries in terms of wealth and wellbeing.

Introduction

Over the past decade, the UK has on average ranked as the world's 14th most prosperous country in the global *Legatum Prosperity Index™*, yet the top ten has eluded Britain. Why?

We believe that true prosperity is as much about wellbeing as it is about wealth, and something has held the UK back. Top-level prosperity is not the whole story: its distribution also matters. Given that Prime Minister Theresa May made clear her ambition to create a country that "works for everyone", that distribution of prosperity is pertinent.

The UK Prosperity Index shows that a country may flourish, but that the opportunity to flourish does not reach all citizens. Far too many cannot pursue and achieve their potential. It shows for whom the country is not working, and why.

Such opportunity is most lacking in urban areas, where the absence of life chances hinders an area's ability to transform its wealth into wider prosperity. Without the ambitions and achievements of all, national prosperity is hindered. Britain cannot be her best. For life outside the EU, she needs to be.

The recent referendum result made clear that a large proportion of Britons feel left behind by globalisation—that, for them, aspiration and opportunity have been extinguished. They are right. The UK Prosperity Index shows a significant negative relationship between prosperity and the share of the Leave vote. Those areas that voted to leave the EU were far more likely to be areas that prosperity has passed by, areas for which the country is not working.

In particular, the absence of opportunity and sense of despondency stand out in the Index as predictors of a high Brexit vote share. These are areas where people earn less, say they are struggling to get by on their income, and are more likely to have health problems or no qualifications.

The Index shows a clear failure by every level of local, national, and supranational government to deliver for many parts of the UK. Britain has prospered greatly over the last 40 years, but the journey from poverty to prosperity has not been open to all.

This Index is a rallying call for a new agenda of localism capable of driving wealth creation, sparking aspiration, and supporting fulfilment. Here it points to the power of strong social capital in communities to deliver transformation.

As Britain shapes her future outside the EU, the UK Prosperity Index—mapping prosperity through seven categories across 389 local authority areas—highlights the urgent need to address how wealth is translated into prosperity across these islands. It is the first full subnational Prosperity Index ever produced, and the first time that this data has been brought together to map prosperity in the UK at this level.

The UK cannot truly succeed as a global nation and as a country that works for everyone without the aspiration and achievements of all.

We hope you enjoy the *2016 UK Prosperity Index*.

Alexandra Mousavizadeh & the Prosperity Index Team

Key Findings

URBAN BRITAIN IS FAILING TO DELIVER PROSPERITY

When prosperity is compared to an area's wealth, just 34 of the UK's 138 urban areas are delivering notably more prosperity than their wealth would suggest (a surplus). The majority have marked prosperity deficits.

POOR BUT PROSPEROUS

The top ten most prosperous areas represent a staggering cross-section of the nation's wealth, from an economic output per head of around £14,000 (putting it within the ten poorest) to £33,000 (just outside the 20 richest). How well local areas do in turning their wealth into prosperity—rather than their wealth alone—is by far the strongest predictor of how prosperous they are.

DELIVER ON LIFE CHANCES AND YOU DELIVER ON PROSPERITY

Life chances—health, social capital, education level, wellbeing, and sense of opportunity— are the best predictor of whether a local area is delivering a prosperity surplus.

SOCIAL CAPITAL HAS THE POTENTIAL TO BE A POTENT DRIVER OF PROSPERITY THROUGH REAL LOCALISM

Social capital—when community-focused—has the potential to supercharge prosperity through localism, using direct community-level decision-making. When social capital is more identity-based, however, this is harder to achieve.

Key Policy Recommendations

WORKING WITHIN THE EXISTING SYSTEM

The localism agenda needs to recognise the inseparability of economic growth and social progress in delivering prosperity. The pace of devolution in the social sphere has not kept pace with the economic. As a result, no tier of government has control of the full mechanism of prosperity delivery. Local government needs to be given greater social powers to help spark prosperity.

We recommend:

ESTABLISHING LOCAL PROSPERITY PARTNERSHIPS TO OVERSEE PROSPERITY DELIVERY

The power to address both economic and the social need in an area should rest at a local level. We propose the creation of a Local Prosperity Partnership under which the existing Local Enterprise Partnership (LEP), looking at economic development, would sit alongside a new body focused on social development.

DEPARTING FROM THE EXISTING SYSTEM

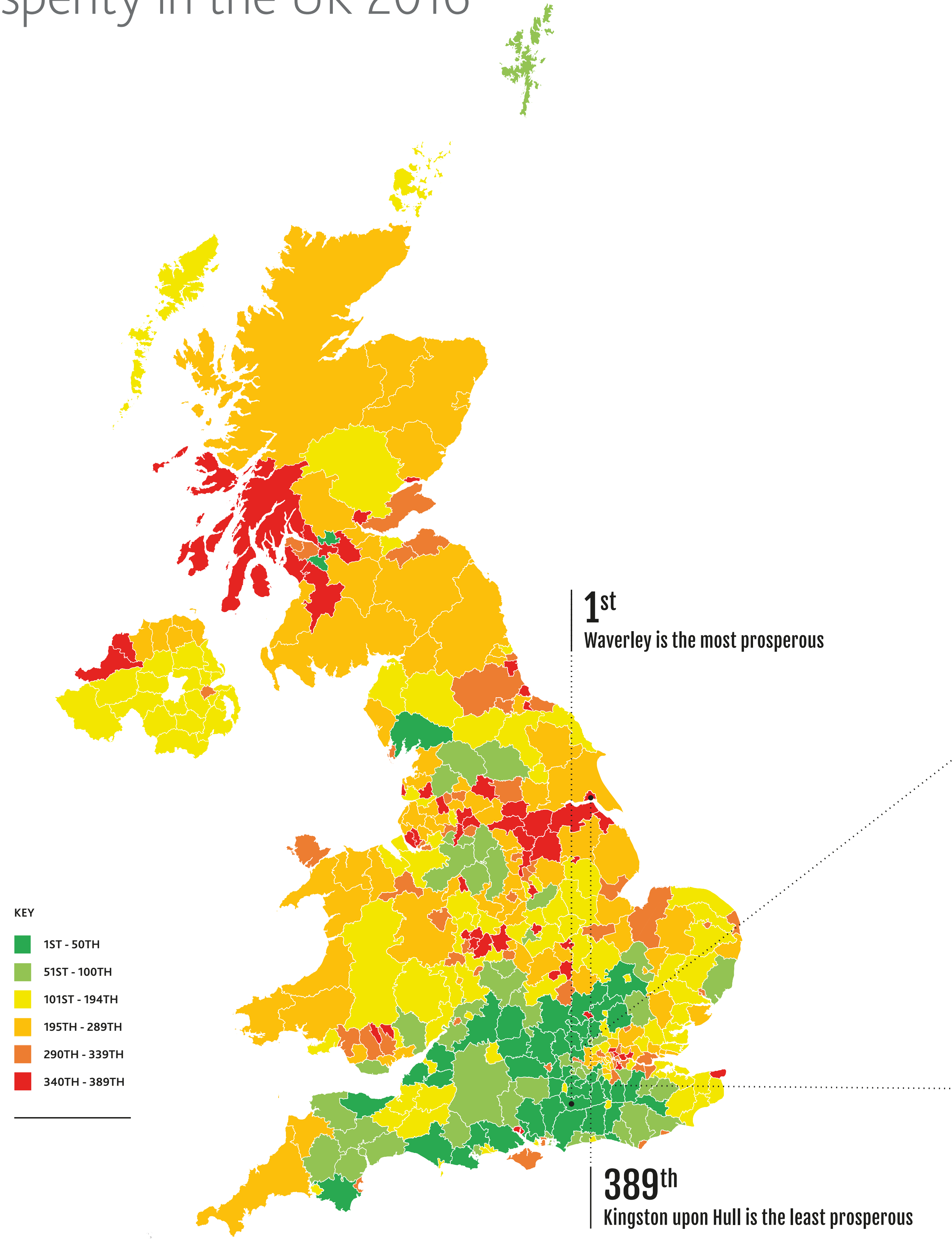
Local communities are better placed to secure prosperity than central government. The Index reveals the deeply local nature of the barriers to prosperity. Local authorities and, even more so, the communities they serve are better placed to identify such barriers and to develop ways to remove them.

We recommend:

PUTTING PROSPERITY IN THE HANDS OF THE PEOPLE

We propose further study on how the Hebridean model of community assets run by a community-led not-for-profit company could extend into deprived urban areas. This would truly put the delivery of prosperity in the hands of local communities.

Prosperity in the UK 2016



MEDIAN ANNUAL EARNINGS

KENSINGTON & CHELSEA
IS THE RICHEST

£40,405

BLACKPOOL
IS THE POOREST

£16,384

EUDAIMONIC WELLBEING

Average assessment of how worthwhile people feel their lives are (0–10 scale)

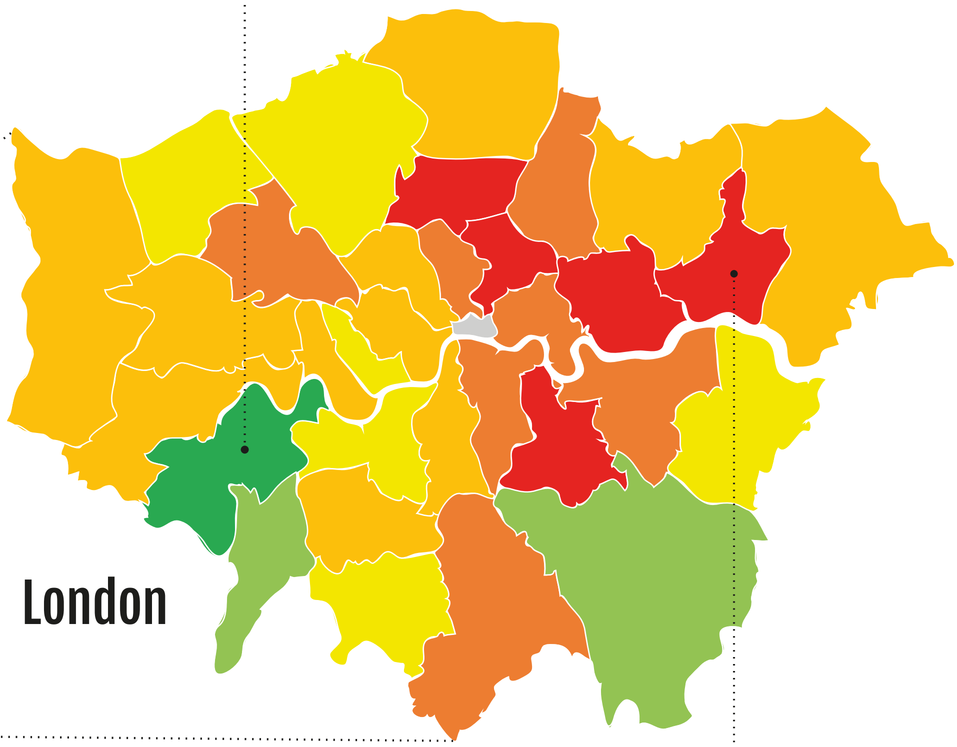
WEST SOMERSET
IS THE MOST OPTIMISTIC

8.58

BOLSOVER
IS THE LEAST OPTIMISTIC

7.14

28th
Richmond upon Thames is the most prosperous



382nd
Barking and Dagenham is the least prosperous

THE UK PROSPERITY INDEX **2016 RANKINGS**

		SUB-INDICES						
RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
1	WAVERLEY	9	66	31	8	114	222	11
2	MOLE VALLEY	24	22	33	11	164	26	45
3	WINCHESTER	1	109	105	1	198	59	13
4	ST ALBANS	2	3	16	23	92	108	239
5	CHILTERN	71	108	10	24	47	119	64
6	SOUTH OXFORDSHIRE	7	157	75	29	98	18	62
7	MID SUSSEX	29	144	56	15	133	28	38
8	EAST HAMPSHIRE	13	151	110	36	119	205	5
9	EAST DUNBARTONSHIRE	64	44	2	147	13	6	346
10	GUILDFORD	33	65	73	25	208	72	28
11	NEW FOREST	41	117	153	19	165	243	2
12	WOKINGHAM	34	71	8	21	39	102	301
13	WOKING	11	56	28	43	279	19	115
14	HART	12	133	72	2	123	212	59
15	BATH AND NORTH EAST SOMERSET	109	116	25	41	17	75	101
16	EAST RENFREWSHIRE	156	9	1	235	18	12	323
17	TUNBRIDGE WELLS	27	183	280	35	81	8	15
18	WEST BERKSHIRE	36	221	40	59	102	14	75
19	THREE RIVERS	49	21	38	94	60	156	140
20	WEST SOMERSET	90	353	170	6	42	4	17
21	SURREY HEATH	21	88	43	71	179	181	57
22	VALE OF WHITE HORSE	8	213	107	78	72	37	82
23	REIGATE AND BANSTEAD	111	31	29.5	72	211	84	72
24	EASTLEIGH	77	104	114	18	195	38	69
25	EAST HERTFORDSHIRE	22	39	22	37	138	185	262
26	BRACKNELL FOREST	20	82	65	87	40	77	225
27	WEST DORSET	84	295	82	7	54	80	41
28	RICHMOND UPON THAMES	6	12	26	20	173	330	286
29	CHICHESTER	72	112	128	56	139	149	29
30	NORTH SOMERSET	68	118	64	96	29	15	213
31	NORTH HERTFORDSHIRE	40	33	37	132	103	60	219
32	ELMBRIDGE	102	18	41	28	233	142	160
33	SOUTH GLOUCESTERSHIRE	55	67	243	106	9	42	147
34	WYCOMBE	101	203	14	62	191	69	70
35	DACORUM	153	24	48	73	132	215	80
36	TANDRIDGE	120	23	120	93	227	71	65
37	PURBECK	60	275	78	40	51.5	144	56
38	SOUTH HAMS	46	331	109	46	28	154	37
39	WEST OXFORDSHIRE	18	210	219	84	77	23	99
40	SOUTH CAMBRIDGESHIRE	16	156	94	9	115	49	318
41	EAST DORSET	57	320	106	12	57	43	90
42	SOUTH BUCKS	37	179	11	44	166	86	297
43	HORSHAM	48	129	54	34	116	138	187
44	FAREHAM	23	145	51	146	184	161	61
45	COTSWOLD	112	208	119	38	24	194	88
46	BRIGHTON AND HOVE	229	16	137	216	315	110	1
47	SEVENOAKS	25	180	245	14	94	286	48
48	AYLESBURY VALE	75	171	24	57	145	50	197
49	SOUTH LAKELAND	3	358	139	76	97	105	20
50	EPSOM AND EWELL	166	30	29.5	13	255	281	137
51	ADUR	117	134	77	142	175	147	25
52	STRATFORD-ON-AVON	4	173	58	45	310	33	205
53	EAST DEVON	82	343	147	88	25	189	9
54	RUSHCLIFFE	19	107	144	3	152	174	298
55	HARROGATE	31	288	47	53	241	62	73
56	TEST VALLEY	73	131	55	66	231	177	87
57	WARWICK	10	182	69	26	289	184	157
58	CRAVEN	59	327	53	42	257	128	19
59	BROMLEY	83	54	15	51	180	275	285
60	STROUD	123	223	81	114	26	192	78
61	WINDSOR AND MAIDENHEAD	42	96	19	91	131	45	385
62	MONMOUTHSHIRE	199	323	7	119	55	88	86
63	RUNNYMEDE	85	64	62	128	247	152	103
64	TEIGNBRIDGE	126	341	129	52	16	136	60
65	WEST DEVON	147	316	185	185	15	141	8

SUB INDEX KEY

ECONOMIC QUALITY

This measures key economic indicators, the quality of economic growth, and people's satisfaction with their economic situation.

UNEMPLOYMENT

Unemployment as a % of the working age population

Stratford-on-Avon 1.9%
Derry and Strabane 14.7%

LONG TERM UNEMPLOYMENT

% working age population who have been unemployed for more than a year

South Hams 0.05%
Derry and Strabane 3.13%

CHILD POVERTY

% children living in income poverty

Shetland Islands 10.1%
Tower Hamlets 49.2%

FEELINGS ABOUT HOUSEHOLD INCOME*

% people who say they are living comfortably on their current income

Isle of Wight (Best)
Middlesbrough (Worst)

JOB SATISFACTION

% who are satisfied with their job*

East Northamptonshire (Best)
Rochford (Worst)

MEDIAN ANNUAL EARNINGS

Median annual individual earnings

Kensington and Chelsea £40,405
Blackpool £16,384

GVA GROWTH

5 year average annual GVA growth rate

Ealing 6.1%
Liverpool -0.8%

		SUB-INDICES						
RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
66	SUFFOLK COASTAL	30	274	175	48	45	246	104
67	HIGH PEAK	15	296	235	163	162	91	16
68	HAVANT	116	140	190	137	283	67	18
69	TRAFFORD	159	76	5	156	113	82	367
70	CENTRAL BEDFORDSHIRE	86	91	136	61	128	74	272
71	DERBYSHIRE DALES	26	318	167.5	63	151	180	42
72	POOLE	170	122	71	50	89	131	240
73	BASINGSTOKE AND DEANE	54	119	195	153	271	170	36
74	TONBRIDGE AND MALLING	45	227	127	49	135	217	141
75	MID DEVON	157	337	95	30	21	158	114
76	KINGSTON UPON THAMES	128	37	4	89	236	361	238
77	WILTSHIRE	131	278	93	99	64	103	93
78	ARUN	183	196	159	54	216	87	63
79	HERTSMERE	165	13	49	130	163	187	277
80	WEALDEN	169	258	276	65	127	159	10
81	LEWES	264	293	224	55	201	143	4
82	CHERWELL	69	194	142	104	190	10	244
83	WATFORD	80	15	20	219	345	73	232
84	SHETLAND ISLANDS	70	369	3	329	1	101	339
85	TEWKESBURY	99	251	42	124	20	81	334
86	STOCKPORT	209	38	125	134	106	165	185
87	MAIDSTONE	172	193	218	133	171	24	71
88	RIBBLE VALLEY	96	226	118	101	160	314	39
89	NORTH DEVON	235	345	113	168	33	233	7
90	ROTHER	210	261	263	100	207	245	3
91	STAFFORDSHIRE MOORLANDS	62	247	236	117	83	290	33
92	BLABY	58	202	116	79	117	107	278
93	CHESHIRE EAST	53	158	92	112	192	40	319
94	EAST CAMBRIDGESHIRE	88	154	256	10	86	208	261
95	NORTH DORSET	155	321	138	17	51.5	196	133
96	UTTLESFORD	87	197	204.5	16	126	124	283
97	EXETER	129	328	50	120	100	89	95
98	VALE OF GLAMORGAN	244	121	18	221	46	53	309
99	OXFORD	115	209	104	60	323	52	106
100	SPELTHORNE	52	80	60	239	309	228	92
101	CAMBRIDGE	5	149	133	95	357	61	258
102	CHRISTCHURCH	186	303	111	77	51.5	39	175
103	CANTERBURY	185	284	155	109	205	66	43
104	SOUTH SOMERSET	105	333	102	82	36	100	194
105	FERMANAGH AND OMAGH	250	244	91	158	78	11	151
106	MENDIP	184	336	80	27	42	179	177
107	BOURNEMOUTH	231	87	100	148	235	48	181
108	SOLIHULL	132	75	117	110	176	231	260
109	LISBURN AND CASTLEREAGH	240	61	61	278	59	13	324
110	HUNTINGDONSHIRE	97	163	156	70	136	114	312
111	NEWRY, MOURNE AND DOWN	299	150	181	184	112	96	47
112	WELWYN HATFIELD	205	35	35	162	199	274	263
113	EDEN	94	367	123	125	73	209	31
114	HARBOROUGH	43	185	154	68	68	317	295
115	CITY OF EDINBURGH	136	5	298	271	76	35	302
116	STAFFORD	133	241	145	102	140	219	119
117	BARNET	223	41	12	4	308	376	281
118	RUTLAND	98	366	9	123	125	68	270
119	ASHFORD	233	231	294	92	144	123	40
120	BABERGH	95	271	283.5	32	157.5	203	117
121	OADBY AND WIGSTON	118	265	86	90	147	279	145
122	ANTRIM AND NEWTOWNABBEY	188	79	340	157	66	5	296
123	RUSHMOOR	236	125	162	113	305	198	66
124	WYCHAVON	14	175	199	39	226	343	284
125	WANDSWORTH	39	26	88	173	314	374	126
126	YORK	93	161	39	127	187	116	373
127	WEYMOUTH AND PORTLAND	215	330	103	118	51.5	146	121
128	SOUTH STAFFORDSHIRE	146	232	184	80	91	278	155
129	BRISTOL, CITY OF	237	1	260	268	262	93	253
130	BRENTWOOD	17	192	176.5	103	209	145	361

BUSINESS ENVIRONMENT

Measures entrepreneurial and business activity, alongside the key infrastructure required for business.

BROADBAND SPEED

Average broadband speed (Mbps)

Belfast 25.4
Eilean Siar (Western Isles) 5.1

SUPERFAST BROADBAND

% properties with access to superfast broadband (above 24Mbps)

Stockport 98.6%
Eilean Siar (Western Isles) 0%

BUSINESS SURVIVAL

% of new businesses still trading after 5 years

Shetland Islands 55.6%
North East Lincolnshire 20.2%

ENTREPRENEURSHIP RATE

New business starts per 1000 people

Westminster 48.8
Antrim and Newtonabbey 2.82

LOGISTICS INDEX

Measure of access to rail, road, airport, and port links (no unit)

Newcastle upon Tyne 1
Eilean Siar (Western Isles) 0

EDUCATION

Measures human capital, educational attainment, and attendance.

ATTAINMENT

% attaining 5 A*-C in GCSE or equivalent

Neath Port Talbot 92%
Knowsley 45.8%

CORE SUBJECT ATTAINMENT

% attaining 5 A*-C in GCSE or equivalent including core subjects

East Renfrewshire 81.6%
Knowsley 37.4%

TRUANCY

Truancy rate

Flintshire 0.3%
West Dunbartonshire 4.9%

QUALIFICATIONS

% population with no qualifications

Exeter 1.6%
Sandwell 22.2%

		SUB-INDICES						
RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
131	CHELMSFORD	79	184	171	33	193	140	376
132	EAST NORTHAMPTONSHIRE	28	139	242	180	155	277	228
133	MELTON	91	141	90	139	120	323	275
134	LICHFIELD	38	206	258	197	87	269	167
135	BROADLAND	154	314	187	64	56	56	292
136	RICHMONDSHIRE	35	312	66	186	250	369	26
137	WORTHING	160	153	59	262	260	151	135
138	HAMBLETON	127	290	45	67	250	226	211
139	HARROW	213	29	44	22	278	371	332
140	MID SUFFOLK	103	238	295	58	118	153	203
141	FOREST OF DEAN	178	264	126	245	11	125	246
142	MID AND EAST ANTRIM	257	168	253	167	108	17	207
143	BEXLEY	175	59	233	138	99	325	204
144	SUTTON	220	34	6	105	197	365	386
145	NORTH DOWN AND ARDS	248	77	281	257	19	31	310
146	TAUNTON DEANE	192	349	57	198	42	167	130
147	SHEPWAY	280	299	238	178	221	30	27
148	CHELTENHAM	124	277	68	164	143	92	291
149	CHARNWOOD	104	195	79	179	188	287	223
150	BROXBOURNE	296	50	32	144	246	315	265
151	MID ULSTER	284	200	304	140	111	2	236
152	COLCHESTER	137	176	196	107	272	213	182
153	GOSPORT	78	165	211	299	311	238	34
154	FYLDE	149	229	98	155	219	221	209
155	HINCKLEY AND BOSWORTH	167	181	197	170	107	137	303
156	ROCHFORD	173	148	206	212	141	239	170
157	HEREFORDSHIRE, COUNTY OF	89	72	225	166	264	207	325
158	FLINTSHIRE	121	315	27	225	95	118	330
159	SOUTH NORTHAMPTONSHIRE	50	130	240	85	301	172	370
160	KENSINGTON AND CHELSEA	44	6	34	5	384	388	250
161	PERTH AND KINROSS	110	305	292	205	48	22	248
162	WIRRAL	230	187	122	210	223	236	125
163	BROXTOWE	92	207	293	169	183	115	224
164	NORTH KESTEVEN	67	289	143	122	85	355	218
165	ORKNEY ISLANDS	66	377	323	183	2	111	315
166	SOUTH KESTEVEN	107	286	158	131	170	288	166
167	NORTH TYNESIDE	265	92	87	304	88	296	158
168	TORFAEN	224	319	124	336	65	21	107
169	SOUTH NORFOLK	61	342	291	83	58	191	276
170	EILEAN SIAR	262	389	84	300	3	1	189
171	DOVER	318	257	210	227	186	132	32
172	POWYS	81	382	17	151	277	106	161
173	BURY	196	147	223	282	101	190	168
174	ARMAGH, BANBRIDGE AND CRAIGAVON	271	155	317	207	142	36	144
175	SWINDON	225	124	266	232	122	135	217
176	MALVERN HILLS	122	222	85	236	222	260	200
177	CRAWLEY	190	113	67	152	328	329	165
178	ALLERDALE	258	355	157	213	169	254	14
179	SOUTH RIBBLE	174	242	213	98	185	214	266
180	STEVENAGE	295	86	63	199	248	263	255
181	SWALE	182	255	290	220	244	176	54
182	MALDON	241	152	188	115	124	328	247
183	CHESHIRE WEST AND CHESTER	217	234	140	195	239	46	288
184	ST EDMUNDSBURY	140	270	259	74	157.5	266	245
185	GEDLING	181	120	267	206	156	195	274
186	SEDGEMOOR	222	340	152	209	37	301	105
187	MEDWAY	289	89	264	276	153	97	159
188	WARRINGTON	119	132	141	310	174	344	153
189	BROMSGROVE	47	212	112	240	240	225	356
190	SCARBOROUGH	164	344	74	256	265	197	68
191	CANNOCK CHASE	204	250	222	332	177	201	35
192	SWANSEA	326	216	89	330	137	57	124
193	PLYMOUTH	145	69	262	264	109	183	364
194	NORTH NORFOLK	176	300	319	129	80	104	198
195	GWYNEDD	282	370	13	266	229	34	118

HEALTH

Measures mental and physical health, wellbeing, risk factors, and health satisfaction.

LIFE EXPECTANCY AT BIRTH

Average life expectancy at birth (years)

Kensington and Chelsea 84.9
Glasgow 75.6

LIFE EXPECTANCY AT AGE 65

Average life expectancy at age 65 (years)

Kensington and Chelsea 22.7
Glasgow 16.7

ANXIETY

Have you felt anxious? (0-10 scale)

Nuneaton and Bedworth 1.84
Pendle 3.58

EUDAIMONIC WELLBEING

Is your life worthwhile? (0-10 scale)

West Somerset 8.58
Bolsover 7.14

CANCER MORTALITY

Age standardised cancer mortality per 100,000

Harrow 213.1
Bridgend 432.9

PREMATURE CVD MORTALITY

Premature deaths per 100,000 from cardiovascular disease

Hart 33.8
Glasgow 135

OBESITY

% population who are obese*

Richmond upon Thames (Best)
Eilean Siar (Western Isles) (Worst)

INFANT MORTALITY

Infant deaths per 1000 live births

Highland 1.3
Richmondshire 9.8

HEALTH SATISFACTION*

% population who say they are satisfied with their current health

Rushcliffe (Best)
North Warwickshire (Worst)

SMOKING*

% population who smoke regularly

Hartlepool (Best)
Rushmoor (Worst)

		SUB-INDICES						
RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
196	STIRLING	144	298	288	312	79	9	210
197	DARTFORD	141	254	198	149	298	237	172
198	SHROPSHIRE	162	359	150	81	217	272	139
199	LANCASTER	142	269	192	176	333	249	84
200	MERTON	180	55	99	135	296	342	369
201	COPELAND	195	360	274	272	146	309	6
202	NEWCASTLE-UNDER-LYME	151	248	241	287	204	155	108
203	HIGHLAND	114	378	345	189	4	27	321
204	TAMWORTH	125	211	327	196	230	257	116
205	SOUTH DERBYSHIRE	63	297	132	145	232	308	300
206	SOUTH HOLLAND	143	313	189	233	182	304	91
207	BRAINTREE	198	225	186	202	134	129	360
208	ABERDEENSHIRE	32	371	182	218	34	122	350
209	READING	274	32	201	258	286	160	299
210	CARMARTHENSHIRE	245	381	97	267	74	85	76
211	CHORLEY	221	220	101	171	259	291	264
212	CORNWALL	242	259	161	194	44	273	305
213	RUGBY	139	159	76	97	338	364	241
214	WIGAN	302	74	232	290	96	295	169
215	HAVERING	161	105	261	141	213	316	328
216	NUNEATON AND BEDWORTH	51	215	265	175	356	186	199
217	NORTH EAST DERBYSHIRE	65	329	167.5	252	104	193	314
218	RYEDALE	158	322	172	182	252	280	127
219	SEFTON	320	93	244	255	148	305	120
220	EPPING FOREST	130	199	176.5	116	284	230	372
221	TORRIDGE	338	356	227	111	38	336	53
222	DENBIGHSHIRE	227	373	146	318	282	20	30
223	CALDERDALE	281	262	115	305	331	120	51
224	ISLE OF WIGHT	74	335	352	154	238	51	152
225	CEREDIGION	285	388	21	214	129	162	83
226	CARLISLE	134	372	173	226	274	235	44
227	NORTH WEST LEICESTERSHIRE	163	233	208	208	93	289	337
228	ROSSENDALE	207	280	121	291	287	282	97
229	EASTBOURNE	314	324	257	234	304	148	21
230	DAVENTRY	108	198	334	75	281	175	368
231	PEMBROKESHIRE	218	383	207	187	63	98	132
232	STOCKTON-ON-TEES	311	52	251	294	253	313	123
233	EAST LINDSEY	228	325	226	248	243	202	94
234	BRIDGEND	261	304	166	351	62	47	188
235	KETTERING	214	172	286	136	261	178	363
236	ANGUS	138	346	335	285	12	55	280
237	CAUSEWAY COAST AND GLENS	372	191	297	190	154	32	216
238	DUMFRIES AND GALLOWAY	252	375	315	270	8	130	79
239	SOUTHEND-ON-SEA	328	62	165	249	322	250	243
240	BASILDON	150	201	191	191	302	169	380
241	SLOUGH	272	78	36	301	349	334	192
242	REDBRIDGE	243	83	130	69	343	368	331
243	SELBY	177	273	83	193	250	253	378
244	BOLTON	312	103	268	298	280	223	148
245	HAMMERSMITH AND FULHAM	201	19	52	222	385	375	150
246	AMBER VALLEY	100	334	215	223	220	284	230
247	CASTLE POINT	232	188	204.5	269	161	319	268
248	WEST LINDSEY	171	281	209	211	196	354	186
249	SCOTTISH BORDERS	212	352	296	215	61	58	326
250	GRAVESHAM	352	240	214	237	295	297	50
251	EALING	211	27	148	126	354	379	308
252	MILTON KEYNES	189	186	303	247	276	79	336
253	WESTMINSTER	253	2	23	47	388	389	256
254	EAST RIDING OF YORKSHIRE	286	363	193	143	159	64	313
255	EAST STAFFORDSHIRE	238	276	332	261	167	166	142
256	HASTINGS	301	267	271	229	347	216	49
257	NORTHUMBERLAND	266	326	231	254	214	332	55
258	HOUNSLOW	197	28	46	203	361	380	344
259	KIRKLEES	308	204	272	275	291	264	98
260	BRECKLAND	106	339	313	174	130	331	215

SAFETY & SECURITY

Measures crime rates, road deaths, and feelings of safety.

SAFE WALKING

% who feel safe walking alone at night

Highland 89%
Renfrewshire 65%

FEEL UNSAFE*

% who have felt unsafe recently in their own neighbourhood

Bridgend (Best)
Tower Hamlets (Worst)

ROAD DEATHS

People killed or seriously injured on the roads per 100,000 people

Bexley 10
Powys 104

VIOLENT CRIME

Number of violent crimes per 10,000 people

East Renfrewshire 3.6
Blackpool 170

THEFT

Number of theft incidences per 10,000 people

Eilean Siar (Western Isles) 52.8
Kensington and Chelsea 775.5

SUB-INDICES

RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
261	SOUTH LANARKSHIRE	247	245	217	350	31	121	359
262	HILLINGDON	249	60	220	159	350	348	311
263	FENLAND	202	253	254	309	224	44	347
264	SHEFFIELD	347	230	331	292	263	268	23
265	TENDRING	307	166	249	217	269	320	191
266	WYRE	300	246	135	321	237	321	111
267	FALKIRK	309	136	361	326	10	113	307
268	EREWASH	152	302	279	192	254	251	304
269	GATESHEAD	344	47	228	367	189	311	122
270	CARDIFF	354	43	252	242	290	95	375
271	MORAY	191	376	344	231	7	41	293
272	PENDLE	193	291	287	333	297	112	113
273	WAVENEY	288	287	283.5	286	150	150	180
274	ENFIELD	335	84	250	86	329	366	242
275	WEST LANCASHIRE	297	237	221	260	218	248	257
276	PORTSMOUTH	325	48	354	246	365	206	67
277	NEWPORT	342	94	301	334	210	117	231
278	CAMDEN	179	7	174	31	387	386	290
279	LAMBETH	315	4	203	204	382	378	109
280	CONWY	319	384	149	250	149	173	74
281	ST. HELENS	246	68	330	315	228	218	322
282	BEDFORD	316	137	247	188	300	164	379
283	FOREST HEATH	251	310	358	177	258	133	134
284	ABERDEEN CITY	56	266	326	344	70	242	345
285	NEWARK AND SHERWOOD	200	169	300	201	294	340	294
286	NEWCASTLE UPON TYNE	345	8	322	307	327	267	206
287	WORCESTER	203	256	178	314	215	346	233
288	SOUTH AYRSHIRE	270	380	350	327	69	94	22
289	WEST LOTHIAN	256	268	341	319	22	224	279
290	SOUTH TYNESIDE	365	40	212	352	194	351	146
291	GLOUCESTER	194	249	131	293	316	271	316
292	CROYDON	321	49	179	160	335	359	362
293	WYRE FOREST	187	235	277	224	273	333	282
294	INVERCLYDE	361	70	374	387	71	16	58
295	NEATH PORT TALBOT	324	309	160	363	75	204	208
296	WREXHAM	76	347	282	317	234	83	352
297	BOSTON	219	332	134	325	319	220	164
298	DARLINGTON	283	123	308	289	268	310	234
299	HARLOW	305	224	163	302	313	210	273
300	REDCAR AND CLEVELAND	371	100	321	303	288	341	52
301	TAMESIDE	317	162	318	361	203	259	112
302	ASHFIELD	304	189	194	335	266	258	287
303	FIFE	234	282	349	357	14	70	354
304	SOUTHWARK	293	36	70	230	383	373	267
305	CHESTERFIELD	168	348	180	228	293	322	269
306	HALTON	287	115	289	337	212	353	196
307	REDDITCH	290	260	202	172	267	370	249
308	KINGS LYNN AND WEST NORFOLK	268	351	337	108	181	303	212
309	ISLINGTON	278	10	169	251	386	367	201
310	THURROCK	329	85	325	306	317	199	251
311	EAST LOTHIAN	135	362	360	295	27	54	371
312	TORBAY	254	283	229	297	105	232	383
313	BELFAST	355	17	314	360	381	7	222
314	SOUTHAMPTON	263	142	338	265	369	157	195
315	SALFORD	208	90	353	342	242	339	190
316	WALTHAM FOREST	323	73	285	150	355	377	221
317	THANET	358	317	246	320	303	134	96
318	TELFORD AND WREKIN	226	111	278	324	306	252	381
319	NORWICH	351	338	248	165	324	168	229
320	RHONDDA CYNON TAF	313	306	200	370	90	78	343
321	COVENTRY	279	178	355	241	321	293	174
322	BURNLEY	337	263	269	328	379	29	100
323	RENFREWSHIRE	269	127	370	368	121	200	171
324	ISLE OF ANGLESEY	333	387	108	243	110	76	357
325	CAERPHILLY	341	301	310	356	30	65	365

SOCIAL CAPITAL

Measures social network strength, social norms, community participation, and trust.

RECYCLING RATE

% waste that is recycled

Inverclyde 56.8%
Lewisham 17.1%

VOLUNTEERING

% population who volunteered within the last month

Eilean Siar (Western Isles) 50%
West Dunbartonshire 15%

VOTER TURNOUT

Turnout in most recent local authority election (excluding General Election years)

Fermanagh and Omagh 61.2%
Barrow-in-Furness 23.8%

TRUST

% who think that people in general can be trusted

Northern Ireland 73.1%
London 55.8%

HOUSING COSTS*

% who have struggled to pay their mortgage or rent in the past year

Edinburgh (Best)
Warrington (Worst)

HOUSING AFFORDABILITY

Average house price to earnings ratio

Burnley 3.6
Kensington and Chelsea 32.2

FRIENDSHIP SUPPORT*

% who can rely on friends in times of need

West Somerset (Best)
Castle Point (Worst)

FAMILY SUPPORT*

% who can rely on family in times of need

Burnley (Best)
Brent (Worst)

		SUB-INDICES						
RANK	LOCAL AUTHORITY	ECONOMIC QUALITY	BUSINESS ENVIRONMENT	EDUCATION	HEALTH	SAFETY & SECURITY	SOCIAL CAPITAL	NATURAL ENVIRONMENT
326	MIDLOTHIAN	113	361	357	296	67	126	366
327	GREENWICH	294	63	299	311	344	356	254
328	DUDLEY	362	102	362	253	202	352	154
329	LEEDS	327	138	324	281	342	171	338
330	PETERBOROUGH	275	110	342	263	334	139	384
331	IPSWICH	291	307	311	181	332	306	235
332	COUNTY DURHAM	330	308	328	331	168	350	81
333	HYNDBURN	259	294	234	308	376	262	136
334	BARROW-IN-FURNESS	353	368	164	340	270	360	24
335	MANSFIELD	239	219	183	366	336	256	320
336	GREAT YARMOUTH	322	354	270	323	292	265	129
337	DERBY	216	81	356	277	358	294	340
338	TOWER HAMLETS	383	53	96	313	389	382	12
339	BRENT	348	57	151	121	374	387	333
340	CORBY	277	174	309	353	341	90	335
341	NORTH LINCOLNSHIRE	339	292	230	259	299	63	388
342	LEWISHAM	292	46	306	283	359	383	183
343	ARGYLL AND BUTE	273	385	312	244	49	188	342
344	HARTLEPOOL	364	98	336	288	318	362	143
345	BARNSLEY	306	236	363	339	200	241	179
346	SUNDERLAND	356	114	347	362	206	326	156
347	HACKNEY	350	11	216	279	377	385	252
348	NORTHAMPTON	260	205	339	238	362	270	329
349	BASSETLAW	303	190	329	274	325	347	271
350	WEST DUNBARTONSHIRE	346	25	388	383	6	182	259
351	WAKEFIELD	255	239	237	322	275	244	389
352	PRESTON	349	285	302	273	351	292	178
353	WELLINGBOROUGH	298	214	343	280	307	300	355
354	DUNDEE CITY	343	51	381	385	32	163	317
355	NORTH WARWICKSHIRE	148	228	307	372	320	338	289
356	BOLSOVER	206	311	239	375	256	302	351
357	HARINGEY	376	58	305	161	380	381	202
358	LINCOLN	276	350	275	354	360	229	149
359	NORTH LANARKSHIRE	267	177	378	386	23	240	327
360	ROTHERHAM	331	279	333	347	285	247	348
361	EAST AYRSHIRE	375	365	379	379	35	109	46
362	NORTH EAST LINCOLNSHIRE	378	218	351	284	370	255	173
363	NORTH AYRSHIRE	374	364	371	373	82	25	138
364	ROCHDALE	357	160	369	355	339	324	89
365	OLDHAM	359	135	366	377	330	345	77
366	LUTON	379	20	348	316	346	335	374
367	DERRY AND STRABANE	389	164	367	365	225	99	85
368	NEWHAM	370	101	255	200	378	384	358
369	WALSALL	336	143	372	358	337	283	237
370	LEICESTER	373	106	364	341	366	285	227
371	CLACKMANNANSHIRE	334	357	384	364	5	211	349
372	MERTHYR TYDFIL	332	386	273	388	245	3	377
373	WOLVERHAMPTON	381	95	373	346	340	337	214
374	BRADFORD	382	126	383	348	363	234	102
375	BLACKBURN WITH DARWEN	366	252	316	369	353	227	341
376	KNOWSLEY	340	45	389	343	172	307	306
377	BIRMINGHAM	385	146	346	345	371	363	128
378	DONCASTER	360	272	359	338	312	276	387
379	MANCHESTER	368	170	365	380	367	327	163
380	STOKE-ON-TRENT	310	167	386	378	348	349	176
381	LIVERPOOL	387	14	368	381	352	357	220
382	BARKING AND DAGENHAM	367	128	320	359	368	372	382
383	BLAENAU GWENT	380	379	376	384	84	127	184
384	SANDWELL	377	217	387	349	326	312	193
385	GLASGOW CITY	363	97	385	389	178	298	353
386	NOTTINGHAM	386	99	380	371	372	299	162
387	MIDDLESBROUGH	388	42	377	382	375	358	110
388	BLACKPOOL	369	243	382	376	373	261	226
389	KINGSTON UPON HULL, CITY OF	384	374	375	374	364	318	131

NATURAL ENVIRONMENT

Measures impact of the natural environment, quality of the environment, and efforts to protect it.

WASTE GENERATED

Annual tonnes of waste generated per head

Tower Hamlets 261.5
Argyll and Bute 597

LANDFILL

% of waste sent to landfill or non-energy recovery incinerated

Wandsworth 0%
Shetland Islands 89.7%

AIR POLLUTION

Average annual exposure to PM2.5

Eilean Siar (Western Isles) 3
Westminster 14

PROTECTED LAND

% land area that is protected

Brighton and Hove 100%
Newham 0%

* Data has been redacted to preserve the anonymity of those surveyed

Delivering Prosperity

Life Chances and the Failure of UK Cities

As the suburbs give way to countryside, it is not just fields and hedgerows that begin to take hold. Prosperity does too. Britain's rural areas are on average more prosperous than their urban neighbours despite being poorer.

This reflects the failure of the UK's cities to translate their wealth into prosperity as a result of the poor distribution of life chances. In contrast, rural areas are far better at securing life chances for their citizens, leading to high levels of prosperity, even where wealth is sometimes lacking.

Indeed, the top ten most prosperous parts of the UK represent a staggering cross-section of the nation's wealth, from an economic output per head of around £14,000 (putting it within the ten poorest) to £33,000 (just outside the 20 richest). The same pattern is seen in earnings. The distribution of prosperity in the UK is less about wealth alone, and more about what is done with that wealth. This is key in creating a country that works for everyone.

THE FAILURE OF UK CITIES

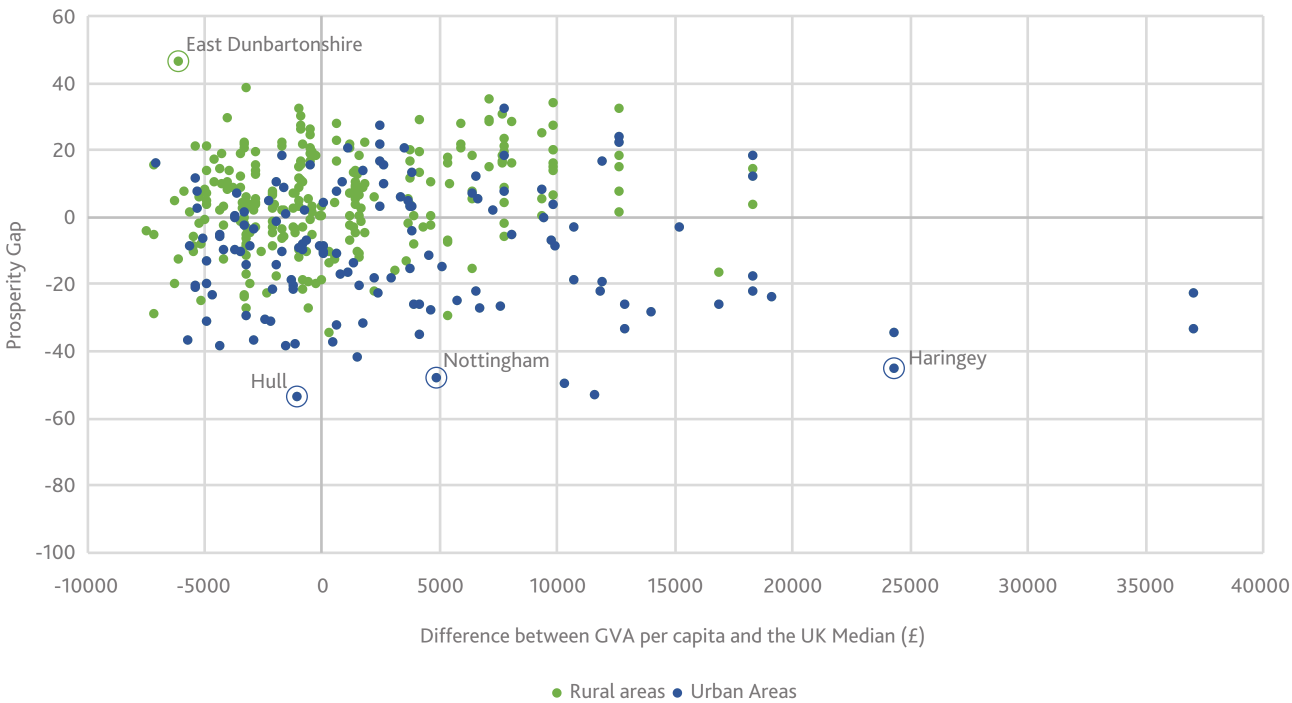
An area's "expected" prosperity can be modelled on the basis of its wealth. This can be compared to its real prosperity to see whether it is delivering a lot with little (surplus), or not very much with quite a lot (deficit). This pattern of prosperity surplus and deficit reveals the stark failure of UK cities in delivering prosperity.

The majority of the UK's urban areas are carrying a serious prosperity deficit. Just 34 of the 138 urban areas deliver a notable surplus, and many of these are either small cathedral cities like York or the semi-urban sprawl of the South East. Hull and Glasgow are 210 ranks lower than their wealth would suggest, Haringey 175, and Manchester 195. The failure to transform local wealth creation into local prosperity is striking.

What's worse is that this deficit cannot be attributed to one or two measures. Instead, it points to a much more fundamental, multifaceted absence of prosperity. As the study of Hull shows (page 18), poverty of aspiration is wrapped in layers of income deprivation, low educational attainment, and poor health. This complexity and interdependence is reflected in poor performance across the Index pillars.

In Glasgow's toughest estates, where life expectancy for males is in the mid-50s, research conducted by local mental health charity COPE again highlights this complex nature of poverty. While material deprivation (42 percent) comes top when people

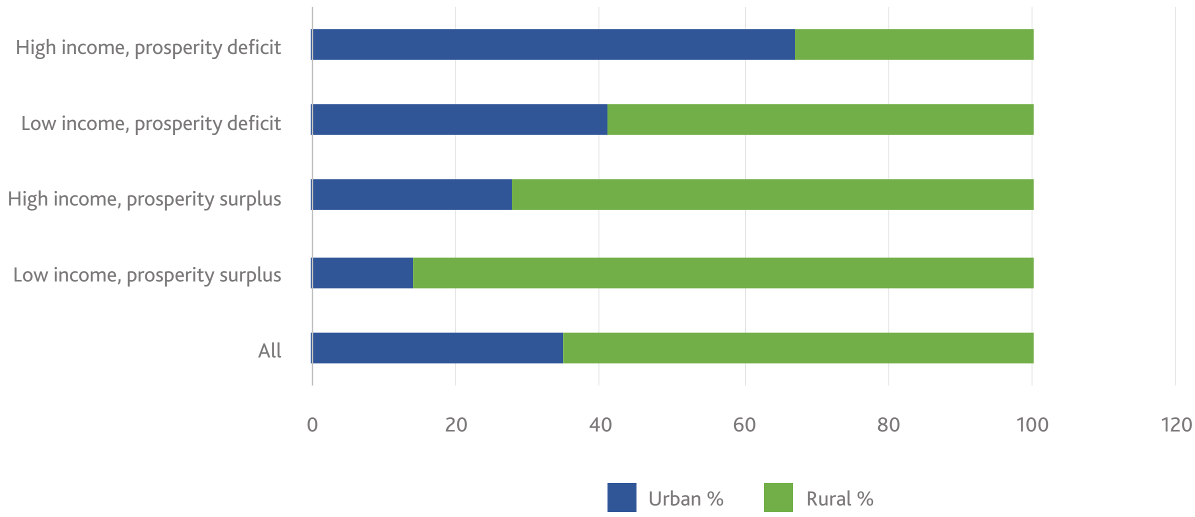
TURNING WEALTH INTO PROSPERITY: RURAL V URBAN



SUNRISE OVER LAKE WINDERMERE, LAKE DISTRICT

DUSK IN MANCHESTER CITY CENTRE

RURAL AREAS ARE MORE LIKELY TO BE DELIVERING MORE WITH LESS



are asked to describe their poverty, 30 percent said they had no one to talk to or rely on and had no chance to learn—more than cited food or fuel poverty. Twenty-seven percent said that they did not have good health/healthcare, or things that made them happy.

Even in one of London's richest boroughs the pattern is the same. Westminster can boast the capital's most exclusive postcodes, yet a few streets away are estates where one in two children live in poverty. Brunel's famous station is simultaneously dwarfed by the aging concrete of Paddington's grey tower blocks and reflected in the glass and steel of luxury flats. Here, too, health, education, social capital, and economic quality are all in deficit.

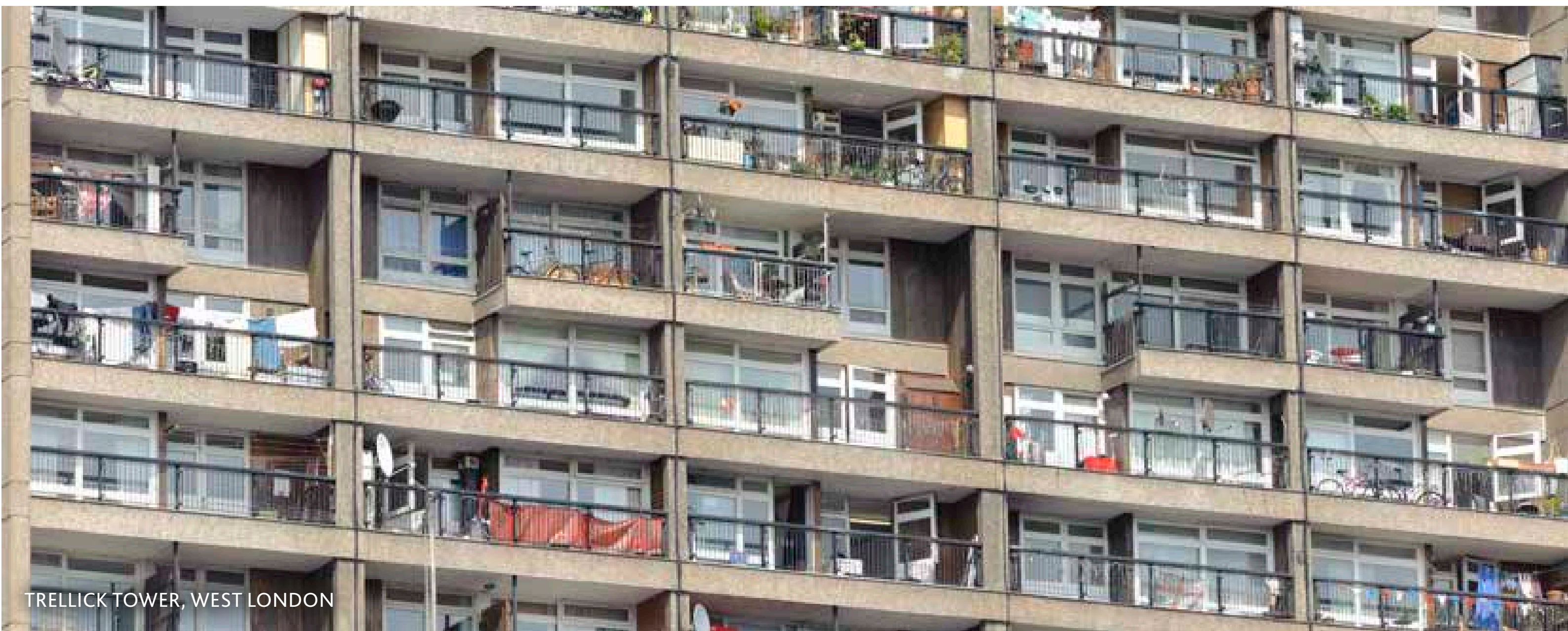
The UK's cities are not failing to deliver prosperity for their people as a result of one or two specific factors—because education is not good, for instance, or because health outcomes are not positive. They are failing to deliver prosperity because they are failing across the board on life chances.

LIFE CHANCES MATTER FOR PROSPERITY DELIVERY

Behind prosperity delivery, or its absence, are the basic components of life chances—health, social capital, education, wellbeing, and a sense of opportunity. These are the statistically strongest predictors of prosperity delivery. Local areas that take their wealth and use it to secure positive life chances are those that deliver a sizeable prosperity surplus.

Half of the ten poorest local areas have managed to deliver a prosperity surplus. East Dunbartonshire's surplus is so large that it pushes it to ninth in the Index. Purbeck in Dorset has the second lowest average earnings in the country, yet its delivery of prosperity is so good that it ranks 37th overall. The absence of wealth need not in itself be a barrier to prosperity.

Instead the obstacles are far more personal: how do people feel about their lives and the opportunities they have? Can they pursue their aspirations? Can they fulfil their potential?


TRELLICK TOWER, WEST LONDON

DERELICT HOUSES, PRESTON ROAD, HULL

The strongest predictors of prosperity delivery are in themselves barriers to or enablers of self-fulfilment. Life expectancy, child poverty, and small-business survival have by far the biggest effect. Shortened lives limit the opportunity for individuals to achieve their best; poverty affects a child's life foundation; small-business survival speaks to the chance to create wealth and opportunity for others.

Social bonds and community strength also prove important in prosperity delivery, as does education level. People with close family and wider civic support are better able to pursue their potential. Those with good qualifications have more opportunities open to them.

Unsurprisingly, people's perceptions of their life chances also matter. Feelings of safety; satisfaction with their health or job; feelings about family budgets; the perception that life itself is or is not worthwhile—are all important in predicting the prosperity gap. Areas with a greater sense of agency, of opportunity, of optimism, are the areas with a prosperity surplus.

To be poor but prosperous is perfectly achievable in the UK. It all comes down to the basic components of life chances. The places where people are best able to achieve their potential are the areas with the greatest prosperity surplus.

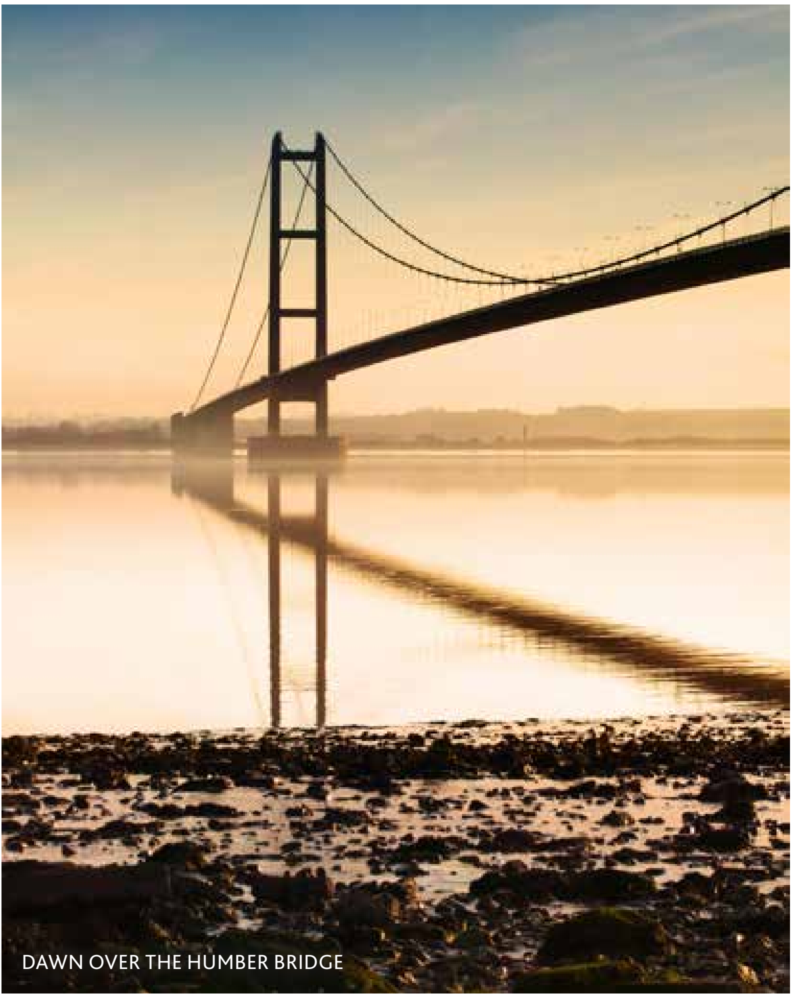
ADDRESSING THE POVERTY OF PROSPERITY: SOCIAL CAPITAL AND COMMUNITY

In improving prosperity across the UK, the focus has to be on closing the large prosperity deficits apparent in urban areas. In this task, the Index demonstrates that making the poorest richer is not enough. Economic growth matters, but it is not a silver bullet. The complex, multilayered conditions that together explain the failure to create prosperity must be addressed. Life chances must be improved if the country is to work for everyone.

In the next section we look first at the deeply complex nature of the poverty of prosperity, and then at the potential of social capital to drive change. The Index shows the limits of what government alone can achieve and what, in the right circumstances, a community can secure for itself. Translating a town's wealth into prosperity for that town is very much a local project. The question for government is how to shape a localism agenda that can marry economic and social development to deliver this prosperity.

Prosperity to Poverty—and Back?

A Portrait of Hull, the UK's Least Prosperous City


DAWN OVER THE HUMBER BRIDGE

"When your train comes to rest in Paragon Station against a row of docile buffers," runs the Larkin quote, "you alight with an end-of-the-line sense of freedom."

Hull, ranked as the least prosperous area of the UK, is certainly at the end of the line, a "cul-de-sac" as one local described it on the bank of the Humber, last stop before the cold waters of the North Sea.

It was from these waters that Hull once prospered. The warehouses and customs buildings in the old part of the city have long since been converted to flats and bars. Yet it was on these wharfs that sugar and rum were unloaded from trading ships and a young Wilberforce first learned of the product of slavery.

Not far from the Wilberforce family home, the Arctic Corsair, Hull's last sidewinder trawler, lies moored in the mud. Now a museum, it once broke records for the landing of cod and haddock. Looking out to sea, scarred by the salt air, it is a monument to a city broken by the collapse of its fishing industry, killed off by the Cod Wars and the EU's Common Fisheries Policy. The sense of freedom has long gone.

Hull has never really recovered from the loss of its fishing industry, the loss of prosperity from the sea. This industry once guaranteed jobs and income for entire generations. Education did not matter in the fishing neighbourhoods; life came from the trawlers. Prosperity has long since left these communities, which were relocated en masse to sweeping council estates where poverty and deprivation took hold. Decades later and little has

WILBERFORCE DRIVE, HULL

DERELICT HOUSING IN HULL

changed. Hull underdelivers significantly on prosperity in six of the seven pillars of the Index, marking a deep-woven pattern of deprivation that extends beyond economic circumstance.

All that is left of fishing is attitudes. In Bransholme, one of Hull's large estates, gardens and homes are protected by razor wire and spikes. School is not out yet, but two young teenage boys squat by the kerb idly throwing stones back and forth. That education does not matter is perpetuated for a third or fourth generation, and it shows. Hull ranks 375th for education. Just 49 percent of Hull teenagers get a GCSE at A* to C in English and Maths, and 12.5 percent of the adult population have no qualifications. Ambition, never required in the fishing days, remains stubbornly absent. "The one thing you need to know about Hull", says a friend who grew up there, "is it's a poverty of aspiration. For the lucky few, they grow up with the aspiration to leave."

Almost all of Hull is deprived. The more prosperous suburbs like Cottingham, with their different perspective, lie outside the city boundaries. Schools draw only from their immediate area. Children grow up knowing nothing but their estate. There are pensioners who have lived in Hull all their lives and have never travelled the five miles into the city centre. Their response when asked why is, "Well, why would we want to?" Life and ambition do not extend beyond the limits of the estate.

Communities are on the move again as housing regeneration kicks in. Large estates are being bulldozed as families move out, leaving others living in a shuttered wasteland. "The problem is," one City Councillor tells me, "we are fighting against a community destroyed by the collapse of the fishing industry. We will always come bottom of rankings like this until we can get kids to have a different outlook."

Local efforts are being made to turn Hull's trajectory around. Food banks are handing out food with cookery lessons, tackling the poor health and lifestyle that poor education has perpetuated. The City Council has used a large part of the public health budget to subsidise school meals and extend breakfast clubs, making them among the cheapest in the country. Schools, too, are doing much to tackle the poverty of aspiration, trying to inspire kids through careers education, after-school classes on exam skills, and extra tuition, and encouraging those who want to learn a trade to consider self-employment.

Is it working? One headteacher told me that it was an uphill struggle against weak parenting and national exam changes. Parents are not very good at supporting the school's interventions until you tell them exactly what to do. Even then, they are often quick to give in. Changes to exams mean that kids are forced to do a broader range of subjects. In Hull's estates, this just means that children see repeated failure earlier and earlier in their lives. This sense of failure is difficult to overcome.

Nevertheless, despite the challenge, there is cause for optimism. The same head remarked that, after nearly ten years in post,

ALONGSIDE THE RIVER HULL, OLD TOWN, HULL "finally, our students are seeing that they can be different from their parents." In the words of a Councillor who represents one of Hull's estates, "If children grow up believing they can be better, they will be."

One thing that is uniting the town in a sense of optimism is Hull's status as the UK City of Culture 2017. Every school, every child is getting involved, and there is a great sense of city-wide introspection as people do not just mourn the loss of what Hull was, but are given licence to think about what Hull is, and what it can and should be. Aspiration is creeping in.

"Hull has always had one eye for rebellion," explained a local journalist, "even down to our white phone boxes." We are standing by the remains of Hull's medieval Beverley Gate, where Charles I was refused entry to the city in 1642, an act of defiance that helped spark the English Civil War. Around us the whole town centre is being dug up and redrawn in preparation for 2017. There are still smears of blue paint everywhere after Spencer

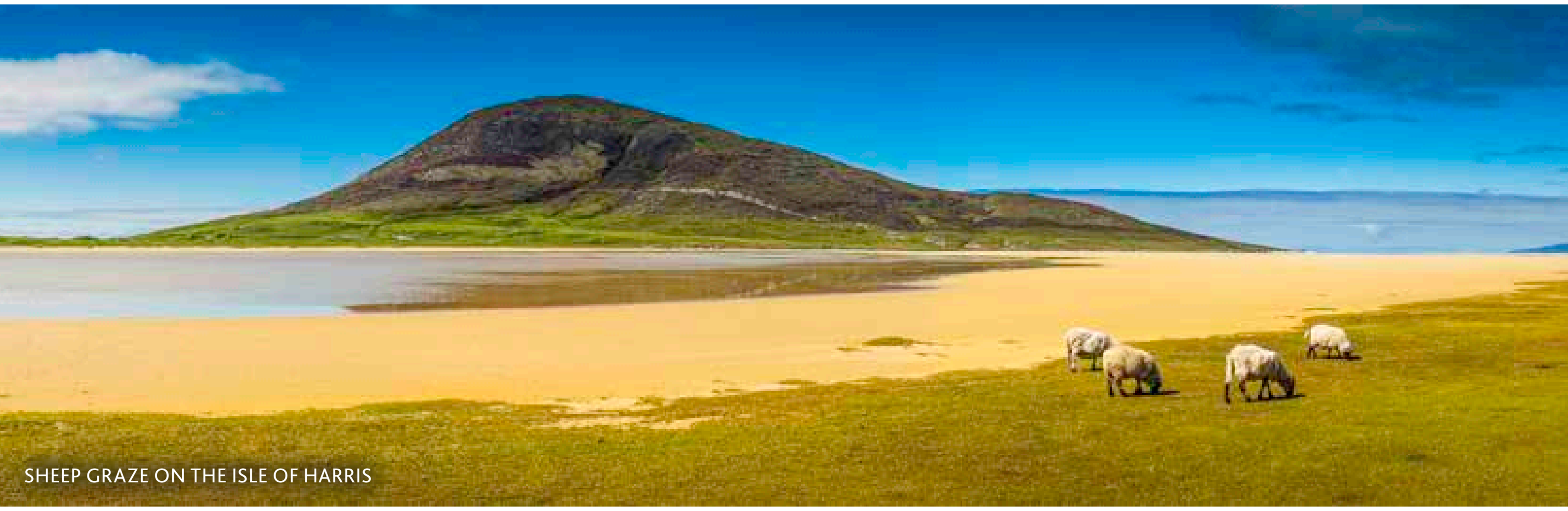
RE-DEVELOPMENT OF THE FRUIT MARKET AREA, HULL

Tunick's Sea of Hull, the UK's largest nude installation. Not far away stands the monument to Wilberforce, who achieved one of the greatest rebellions against prevailing thought in history.

Hull's resurrection would be a fitting 21st-century rebellion. Wilberforce once said that "it is the true duty of every man to promote the happiness of his fellow creatures to the utmost of his power". There is a great sense that Hull is coming to realise that after decades of unstoppable decline, a more hopeful future is in its gift once again.

From the Remote to the Divided

A Portrait of Social Capital in the UK



SHEEP GRAZE ON THE ISLE OF HARRIS

THE REMOTE

On these rocky outcrops, the oldest rocks in Europe meet the cold clear waters of the North Atlantic and waves break on the first land since Northern Canada. It is in the communities of the Outer Hebrides (Eilean Siar) that Britain finds its strongest levels of social capital—the personal and civic bonds that tie people together.

Social capital matters. It has been linked to higher levels of wellbeing and stronger economic growth—in short, to greater prosperity. However, this Index also points to another benefit of strong social capital: its potential to supercharge localism.

SOCIAL CAPITAL TOP 10

1ST	EILEAN SIAR
2ND	MID ULSTER
3RD	MERTHYR TYDFIL
4TH	WEST SOMERSET
5TH	ANTRIM AND NEWTONABBEY
6TH	EAST DUNBARTONSHIRE
7TH	BELFAST
8TH	TUNBRIDGE WELLS
9TH	STIRLING
10TH	CHERWELL

The islands of the Outer Hebrides have a very strong sense of identity. Signs are in both English and Gaelic, a language that over half the population still speak. The history and culture of the Outer Hebrides is integral to the life of the islands, and it is celebrated. Drop into An Lanntair, the arts centre in the centre of Stornoway, and creativity abounds: art, music, literature, all rooted in local culture and traditions.

The internationally famed Harris Tweed is woven in the homes and outbuildings of the islanders, with wool from locally raised sheep, blended, dyed, and spun in local mills. As the Harris Tweed Authority describes it, it is a craft that is "in the hands of our people".

There is a very real sense that the community sees a lot more than just their tweed as being in the hands of their people. It is the civic aspect of social capital that is so strong here. Half the population volunteer, the highest in the whole of the UK. Their investment is not simply in their immediate community, but in the islands themselves.

The local volunteer centre's WISE project aims to get young people involved in the natural environment, volunteering to survey and maintain footpaths. In Uist, "I Remember" volunteers, young and old, meet monthly to develop a local history website. Volunteering here is not simply about the present—it is a social investment in the future.

The strongly civic nature of the Outer Hebrides' social capital—social ties that cut right across society—breeds a localism like no other. The investment approach is most apparent on South Uist where, ten years ago, the community pulled off the biggest land buyout in Scotland. Faced with a seemingly insurmountable problem—decades of population decline, the flight of the young, and the lack of economic opportunity—the community decided to act.

The result has been a stark contrast to traditional government-led approaches. The management company, still held to account by the community at the annual AGM and through the election of directors, has taken a very entrepreneurial and localised approach that makes the most of the local assets the community has. Their first investment was in Fanny, Wendy, and Blowy, three wind turbines that have proved a lucrative source of income and financed further investment, from the expansion and renovation of the harbour at Lochboisdale, to the restoration of the Askernish golf course. More is planned: a commercial port, more turbines, and the purchase of looms to rent to local weavers.

In many ways this is the investment of social capital in driving an economic return, made possible by the very civic nature of that capital. This community-led localism is securing a viable economic future for South Uist, one in which all have a direct democratic stake. In doing so, it is using and strengthening the identity, culture, and bonds of the islands, reinvesting in the social capital that has proved so important. Here, the future truly is in the hands of the people.

THE DIVIDED

Strong local identity is present elsewhere in the social capital top ten, perhaps nowhere so divisively as in Northern Ireland. While social capital is strong in Belfast, it has a very different structure from that of the Outer Hebrides—a difference that restricts its ability to drive large-scale change.

Northern Ireland has the highest level of trust in the UK, yet the pattern of social bonds here is very different. Broad civic participation like volunteering is much lower; instead, reliance is on the immediate community, be it loyalist or nationalist. Moving into the house next door to your parents is not unheard of. And just as social bonds are much closer, so too are culture and identity. Loyalist or nationalist, Protestant or Catholic; social divisions here are deep and determined.

This solidarity within, and division between, is very physical and visible in Belfast. Union flags fly from loyalist houses, the peace walls divide religious communities, vast murals adorn the ends of houses. One loyalist politician describes the nationalist area of East Belfast as "like a village, somewhere where everyone knows each other. It's notable that everyone seems to acknowledge each other. However, it's not somewhere I would consider it

POST OFFICE AND COMMUNITY SHOP, NESS, ISLE OF LEWIS safe for me to knock on doors."

Former East Belfast MP Naomi Long told Reuters it was like an "earthquake zone". "You have these divided communities and they rub along against each other, and suddenly something erupts." And so it does: just a few months ago a prominent loyalist was shot dead in North Belfast. Sporadic violence still mars peace in the province. Social capital is strong, but it only reinforces the sense of solidarity within and division between.

The result could not be more different to the Hebrides. Northern Ireland remains one of the most centralised parts of the UK, with much being determined and run by Stormont and very little decided at a more local level. The state still accounts for a large percentage of GDP. Economic regeneration has come to Belfast, but it has been almost entirely government-led, with vast investment from both the UK and the EU in a bid to entrench peace through economic opportunity.

The chance is there. Outside Belfast's working-class areas, the identity-based social capital weakens. Marriage across sectarian lines here is common. No doubt Northern Ireland's future—like South Uist's—is in the hands of the people. Unlike the Hebrides, however, social capital is not of a form that can be easily harnessed. Identity, culture, and close bonds rule the agenda, but they remain an obstacle to, not an enabler of, greater prosperity.


LOYALIST PARADE, STORMONT

NATIONALIST MURALS IN BELFAST

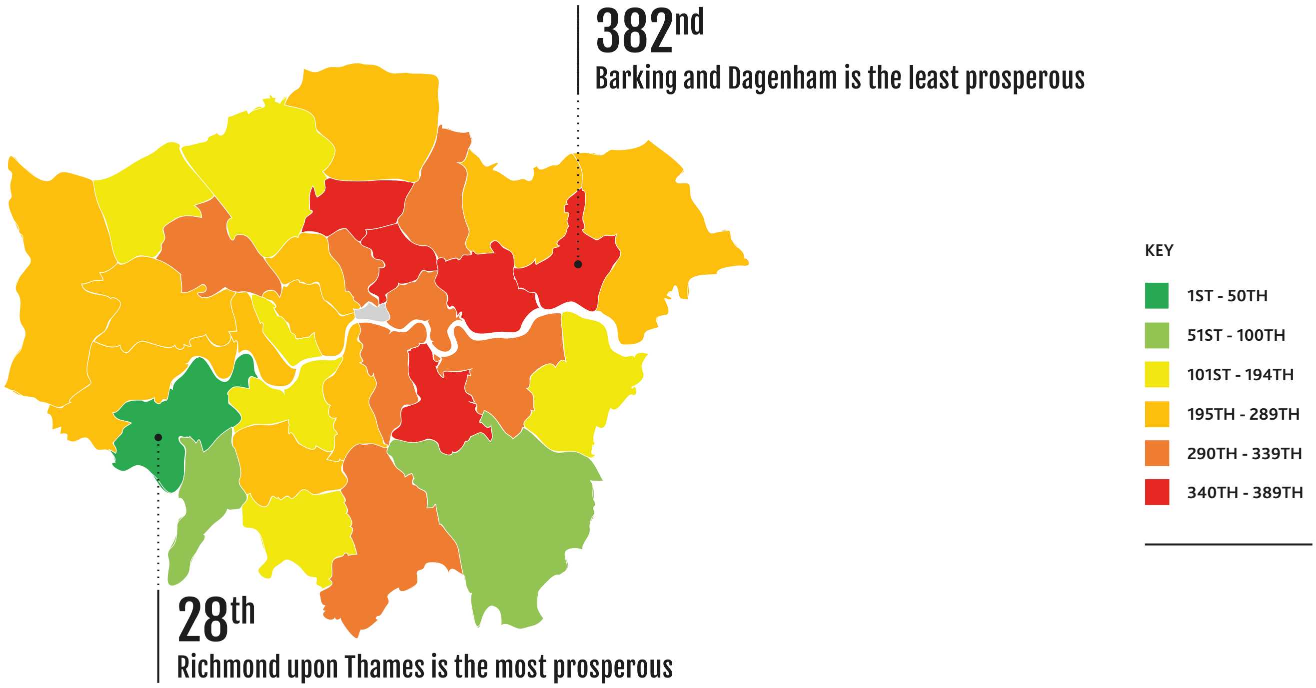
REGIONAL ANALYSIS

REGIONAL RANKINGS

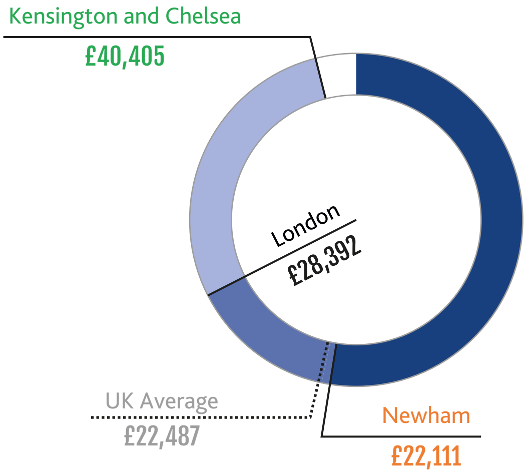
1ST	SOUTH EAST
2ND	SOUTH WEST
3RD	EAST
4TH	NORTHERN IRELAND
5TH	EAST MIDLANDS
6TH	WEST MIDLANDS
7TH	LONDON
8TH	WALES
9TH	NORTH WEST
10TH	SCOTLAND
11TH	YORKSHIRE AND THE HUMBER
12TH	NORTH EAST

STEPS ABOVE WHITBY, NORTH YORKSHIRE

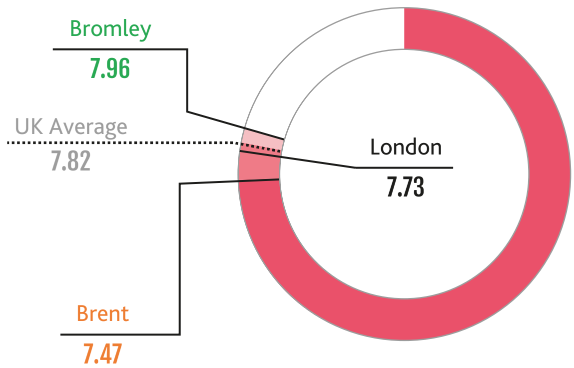
London



MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



ONE IN THREE CHILDREN LIVE IN POVERTY

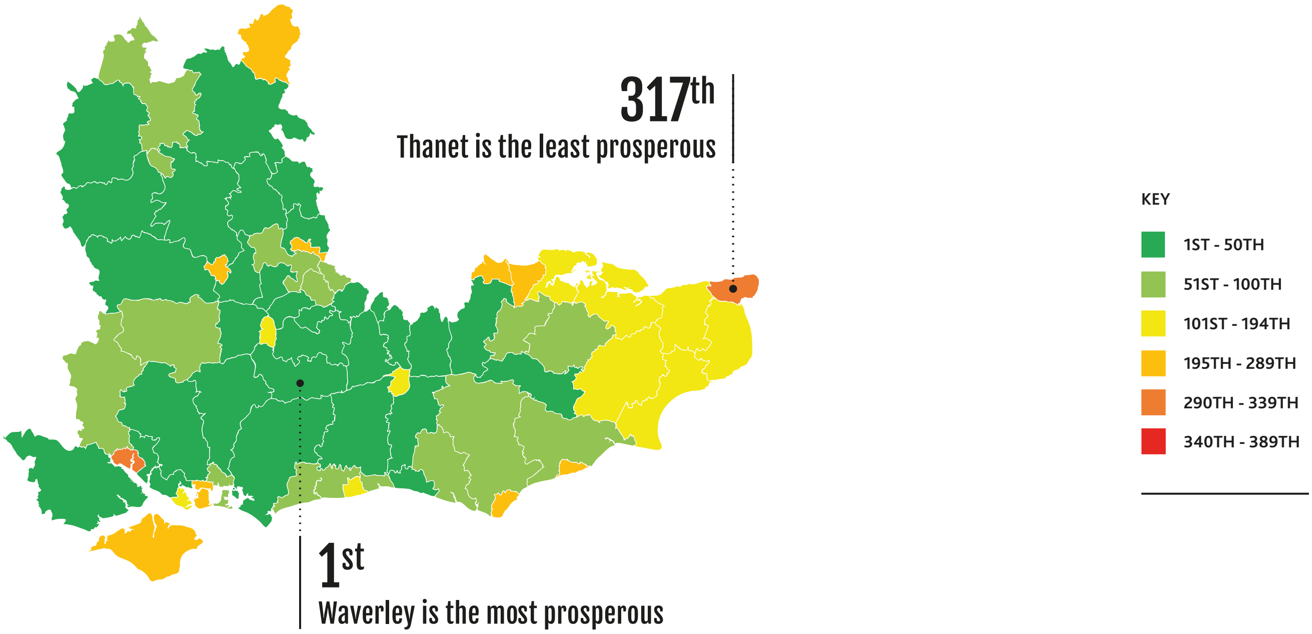
AVERAGE HOME IS

THE AVERAGE SALARY

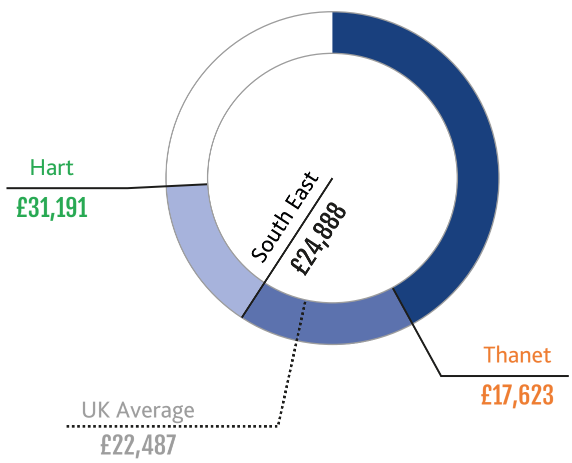
56%

THINK PEOPLE CAN BE TRUSTED

South East



MEDIAN ANNUAL EARNINGS



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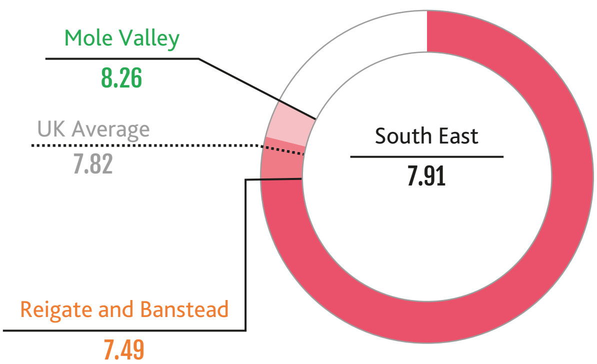


ONE IN FIVE CHILDREN LIVE IN POVERTY

OF PEOPLE VOLUNTEER

9.3 BUSINESSES CREATED PER 1000 PEOPLE

THE SOUTH EAST TOPS THE UK PROSPERITY RANKINGS

The South East (excluding London) is the most prosperous region of the UK, containing eight of the top ten local authorities: Waverley (1st), Mole Valley (2nd), Winchester (3rd), Chiltern (5th), South Oxfordshire (6th), Mid Sussex (7th), East Hampshire (8th), and Guilford (10th).

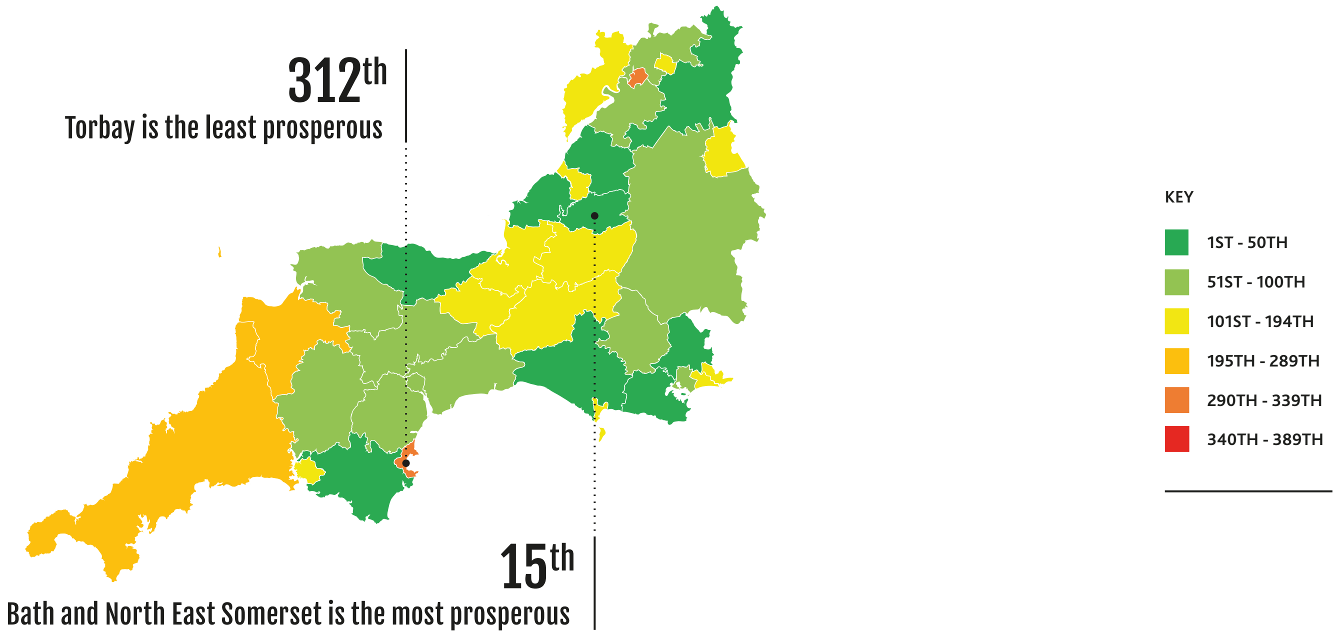
This prosperity is predominantly driven by top regional performance in Health and the Natural Environment, and third place in Education (behind the South West and London). Winchester claims the top spot in both the Economic Quality and Health sub-indices.

At the top of the prosperity rankings sits Waverley, with its historic market towns of Godalming and Farnham. The borough can boast its position in the national top ten in both Health and Economic Quality. Long-term unemployment is just 0.1 percent and child poverty is among the lowest in the country at 13.3 percent. On health, life expectancy at age 65 is one of the ten highest in the country, at 21.9 years. Local Council leader Julia Potts describes Waverley:

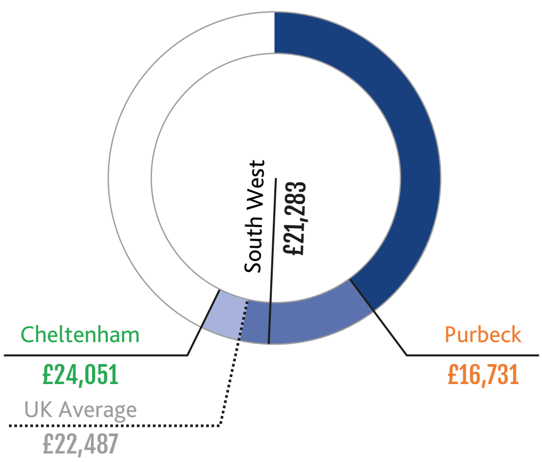
"It's a fantastic place to live and work with a beautiful rural landscape, characterful towns, high-quality housing and schools, indoor and outdoor leisure opportunities, and access to employment. As a Council we work hard to sustain the local economy and the social wellbeing of our local communities. People live well and for longer in Waverley and we aim to help keep it that way."

However, prosperity in the South East is not universal. The region sits below the UK average on Safety & Security, dragged down by the underperformance of urban areas such as Portsmouth (ranked 365th in Safety & Security) and Southampton (369th). Here, violent crime is among the five highest rates in the UK.

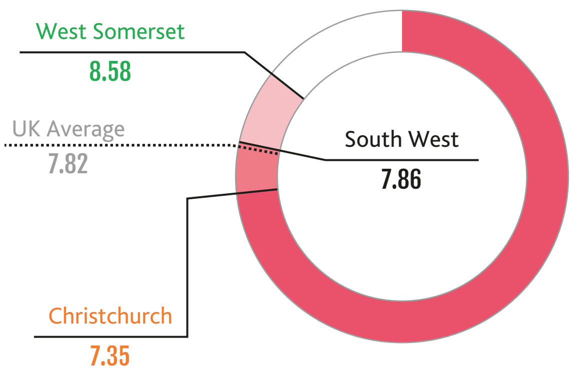
South West



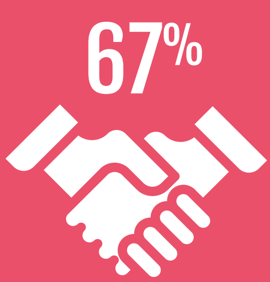
MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



FOR EDUCATION AMONG REGIONS



THINK PEOPLE CAN BE TRUSTED

FEEL SAFE WALKING ALONE AT NIGHT

BRISTOL IS RANKED 1ST IN THE UK FOR BUSINESS ENVIRONMENT

Bristol has long been a hub of wealth creation. Its docks brought prosperity through trade from at least the 11th century, and Brunel's Great Western Railway ignited the success of the glass, shipbuilding, paper, and chemical industries during the Industrial Revolution.

Prosperity in Bristol is still driven by its capacity for business generation and wealth creation. Ranked first in the UK in the Business Environment sub-index, this is by far Bristol's highest rank across the Index.

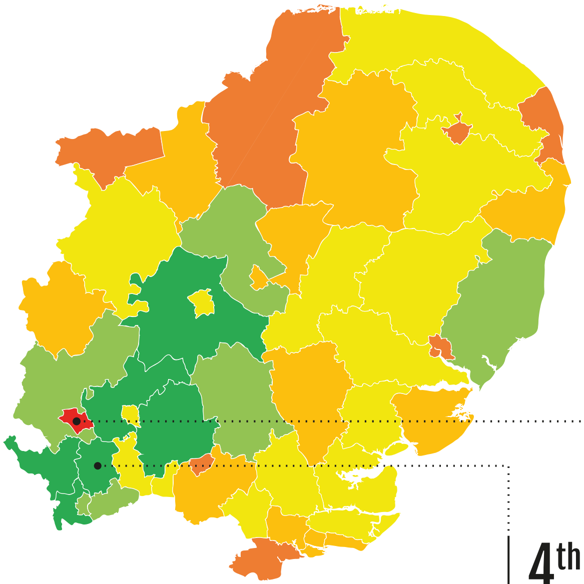
Historic patterns of economic success are still visible. Infrastructure remains Bristol's biggest asset, making it the second best connected area in the country, with the fourth highest average broadband speeds. However, evidence of modern wealth creation is mixed. Bristol ranks just 99th on its entrepreneurship rate (business starts adjusted for the working-age population), and faces a problem of start-up survival. Five-year survival rate stands at around 43 percent, while the average across the South West is 47 percent. Britain's best business city is failing to match its potential for wealth creation.

However, the city is responding to secure the next driver of prosperity. At the heart of the city's Enterprise Zone is Engine Shed. This local collaboration seeks to stimulate long-term economic growth by overcoming barriers to activity. CEO Nick Sturge describes it as "an incubator trying to make Bristol itself an incubator". It has already directly helped 101 businesses. As Sturge explains:

"Engine Shed represents what is special about Bristol, and a snapshot in time of the ambition. As a city we have been trading, innovating, and exploring for many hundreds of years and grown significantly as a result. It values and embraces and leverages the diversity, the willingness to collaborate, experiment, and accept that not everything works."

That it is housed within Brunel's original station is a fitting salute to the architects of Bristol's historic prosperity as the city once again seeks new sources of growth.

East



366th

Luton is the least prosperous

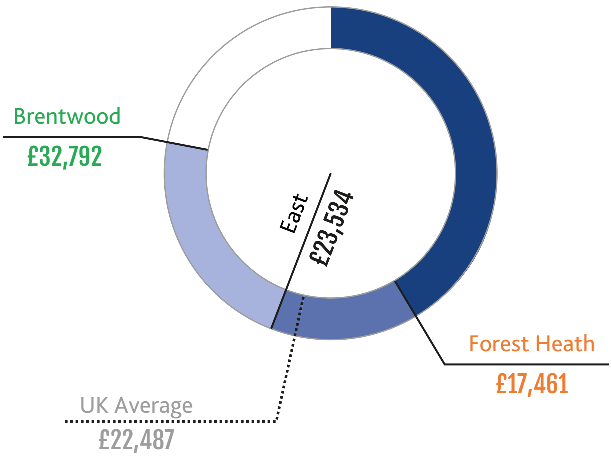
4th

St Albans is the most prosperous

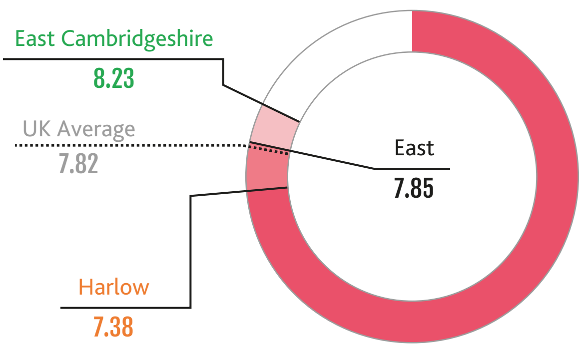
KEY

- 1ST - 50TH
- 51ST - 100TH
- 101ST - 194TH
- 195TH - 289TH
- 290TH - 339TH
- 340TH - 389TH

MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



AVERAGE HOME IS

10.6 X

THE AVERAGE SALARY

47%

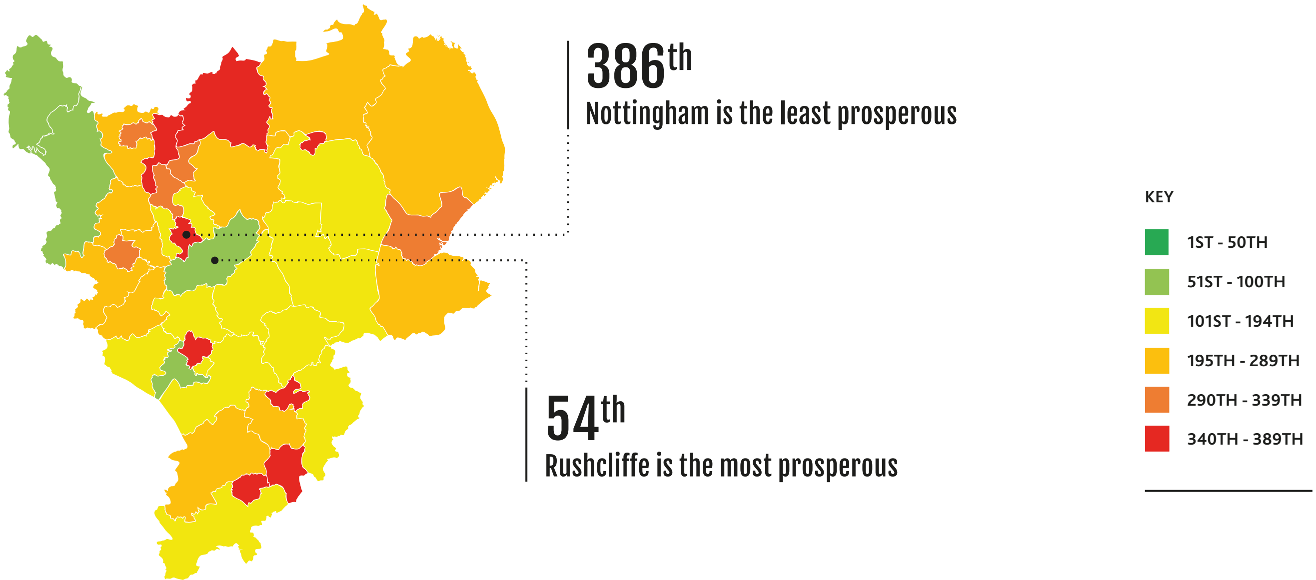
OF PEOPLE VOLUNTEER

8.7

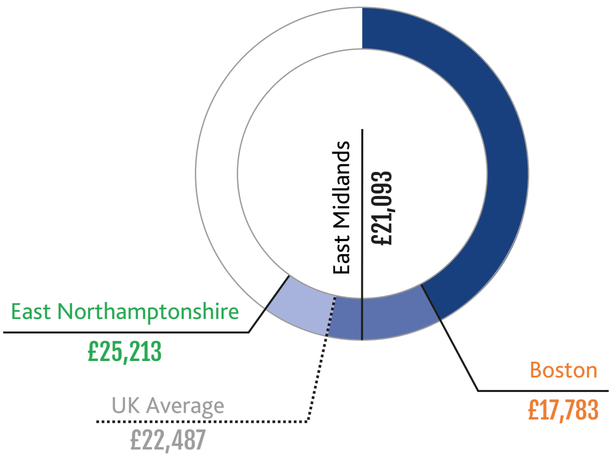
BUSINESSES CREATED PER

1000 PEOPLE

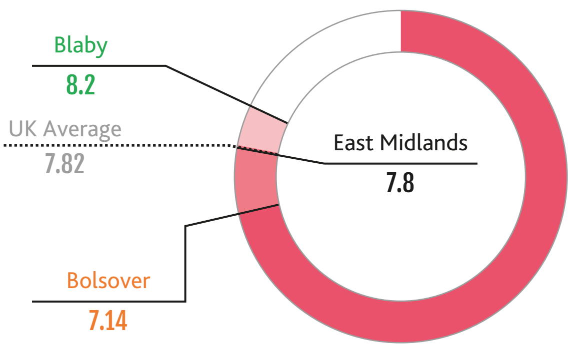
East Midlands



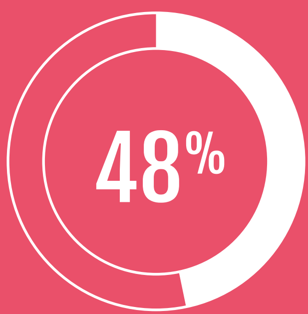
MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



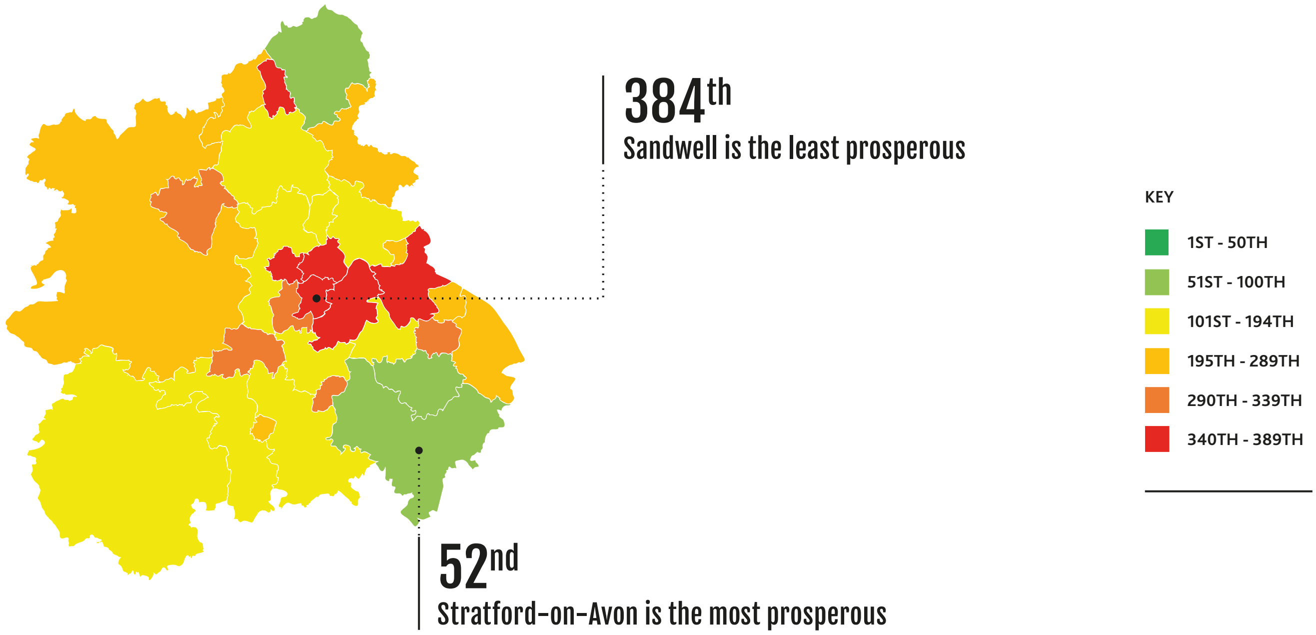
ONE IN FIVE CHILDREN LIVE IN POVERTY



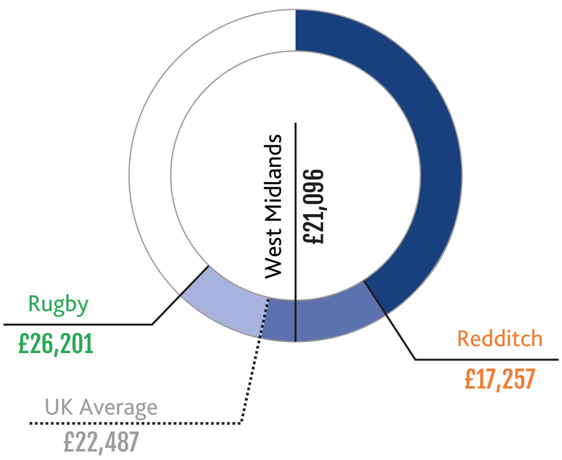
OF PEOPLE VOLUNTEER

7.5 BUSINESSES CREATED PER 1000 PEOPLE

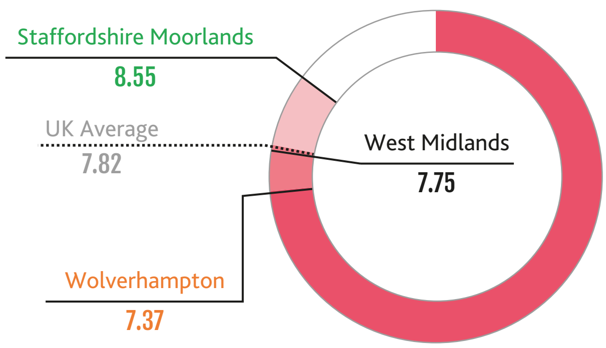
West Midlands



MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?

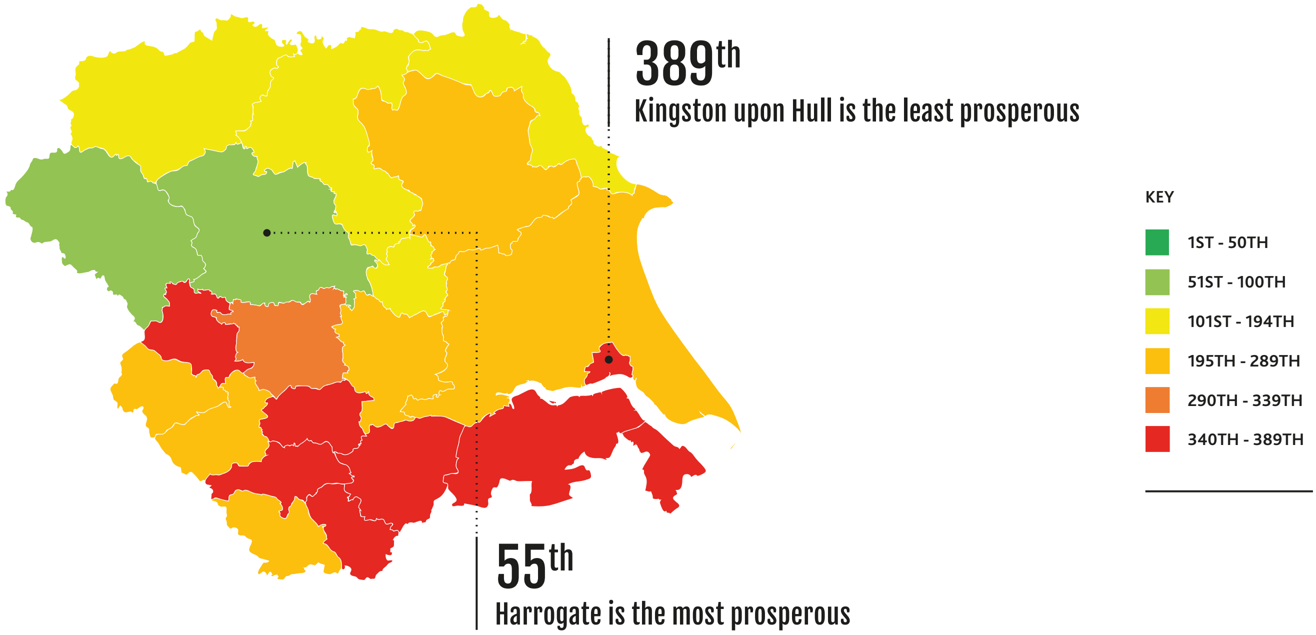


62%
THINK PEOPLE CAN BE TRUSTED

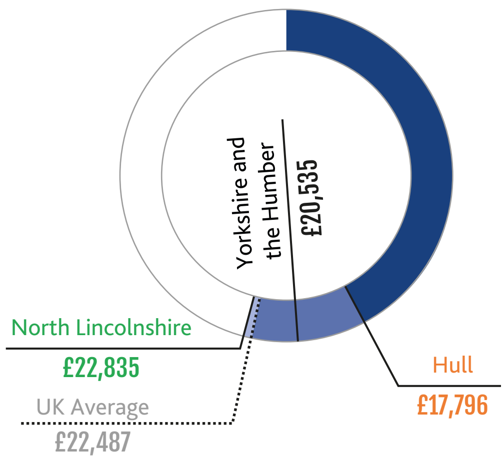
41%
OF PEOPLE VOLUNTEER

7.2
BUSINESSES CREATED PER 1000 PEOPLE

Yorkshire and the Humber



MEDIAN ANNUAL EARNINGS



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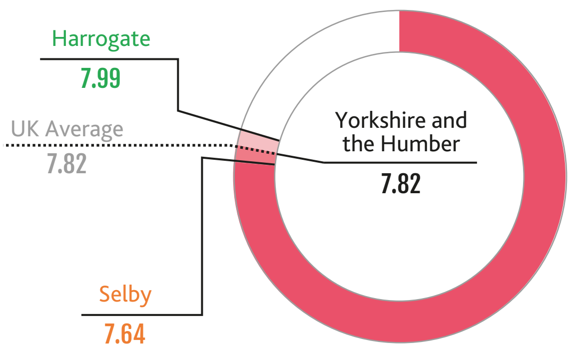
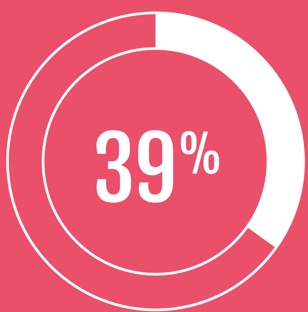


65%

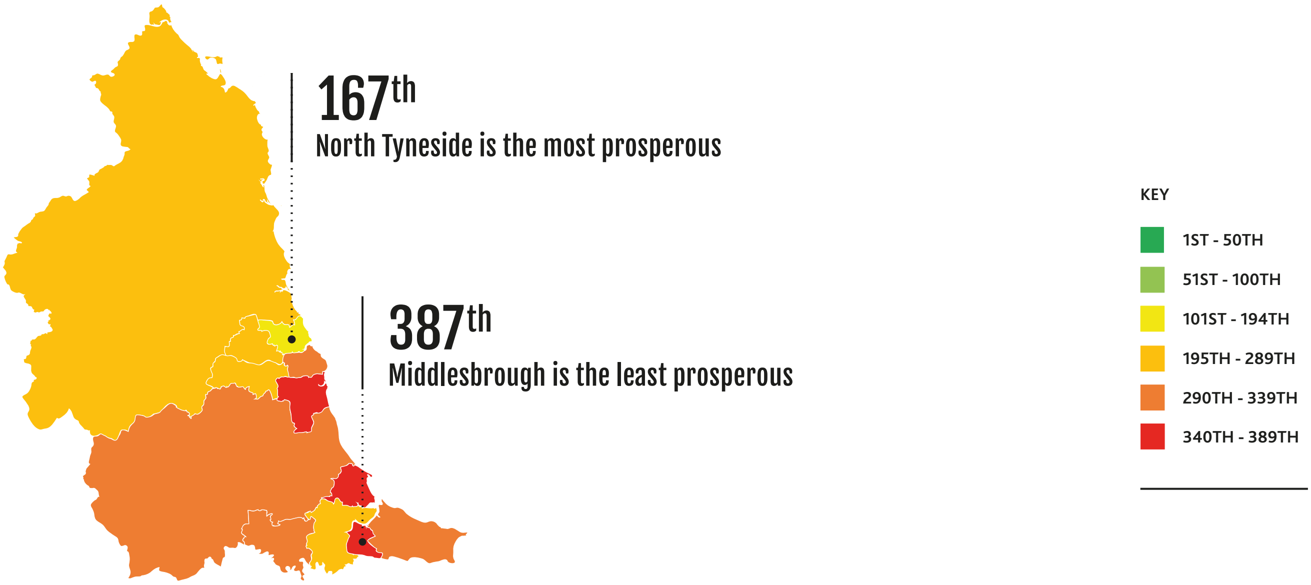
THINK PEOPLE CAN BE TRUSTED



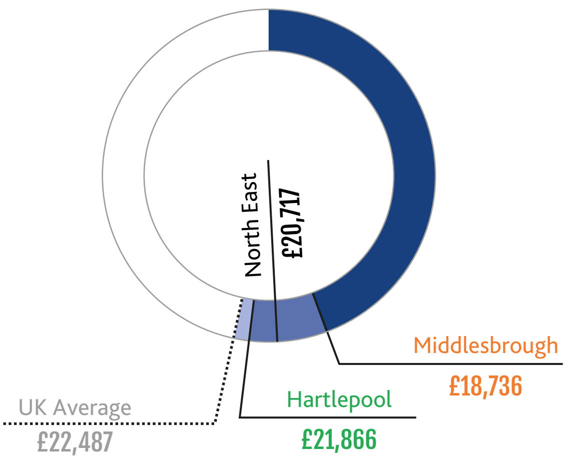
OF PEOPLE VOLUNTEER

7 BUSINESSES CREATED PER 1000 PEOPLE

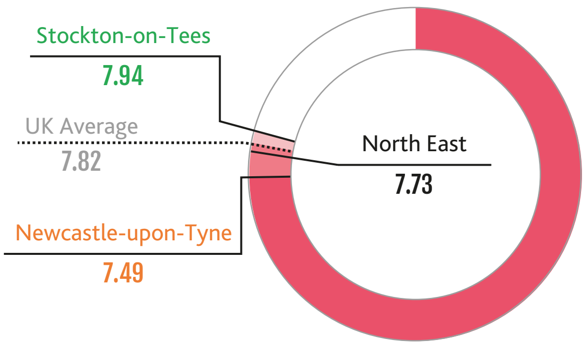
North East



MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



ONE IN FOUR CHILDREN LIVE IN POVERTY

AVERAGE HOME IS

THE AVERAGE SALARY

TWO IN FIVE

NEW BUSINESSES STILL TRADING AFTER FIVE YEARS

THE NORTH EAST IS THE BEST PLACE FOR BUSINESS OUTSIDE LONDON

The North East may be the least prosperous region in the UK, but the potential for transformation is significant given that the region is ranked as the best place for business outside London.

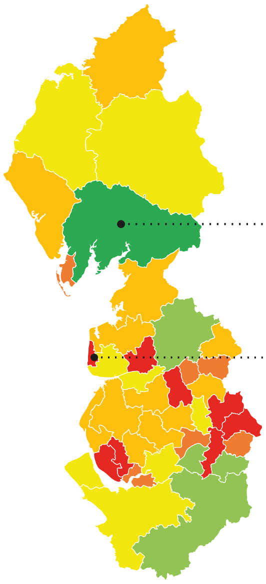
The region ranks second in the Business Environment pillar behind the capital, with a performance well above the UK national average. A third of local authority areas in the North East are in the top 50 environments for business in the UK: Newcastle (8th), South Tyneside (40th), Middlesbrough (42nd), and Gateshead (47th).

This top performance is predominantly driven by strong performance on logistics. The region is well connected by major trunk routes, rail, air, and sea. On the logistics measure, Newcastle is the best connected area in the whole country.

Newcastle is already beginning to capitalise on its strong business environment through projects such as Science Central. Partnering with Newcastle University, the city has established a 24-acre central development site for science and technology companies. This scheme takes full advantage of Newcastle's strong transport links, both within the UK and with the rest of the world.

The challenge for the North East is how to turn the opportunities its business environment offers into prosperity. The region remains the least prosperous part of the UK, and is also bottom in the Economic Quality and Health pillars. The growth that schemes like Science Central will deliver needs to be used to address these fundamental weaknesses in the region's prosperity.

North West



49th
South Lakeland is the most prosperous

388th
Blackpool is the least prosperous

KEY
- 1ST - 50TH
- 51ST - 100TH
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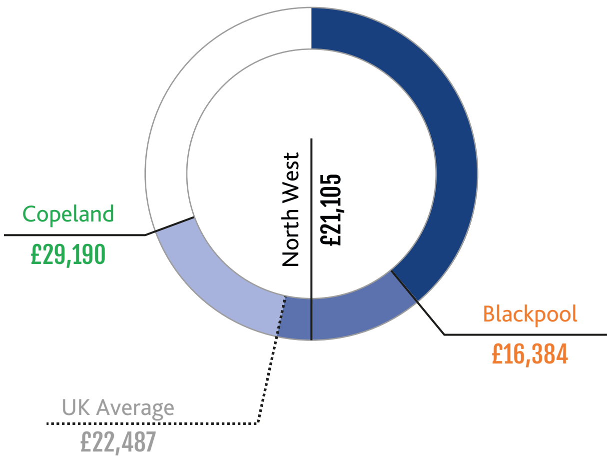
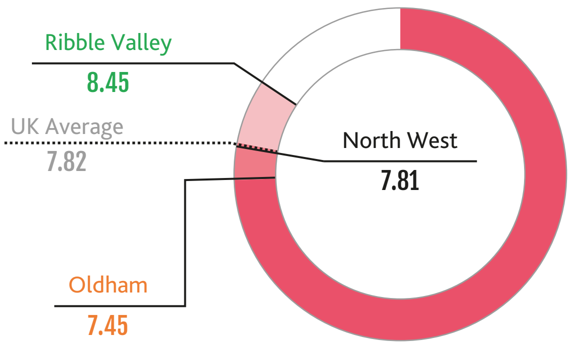
MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



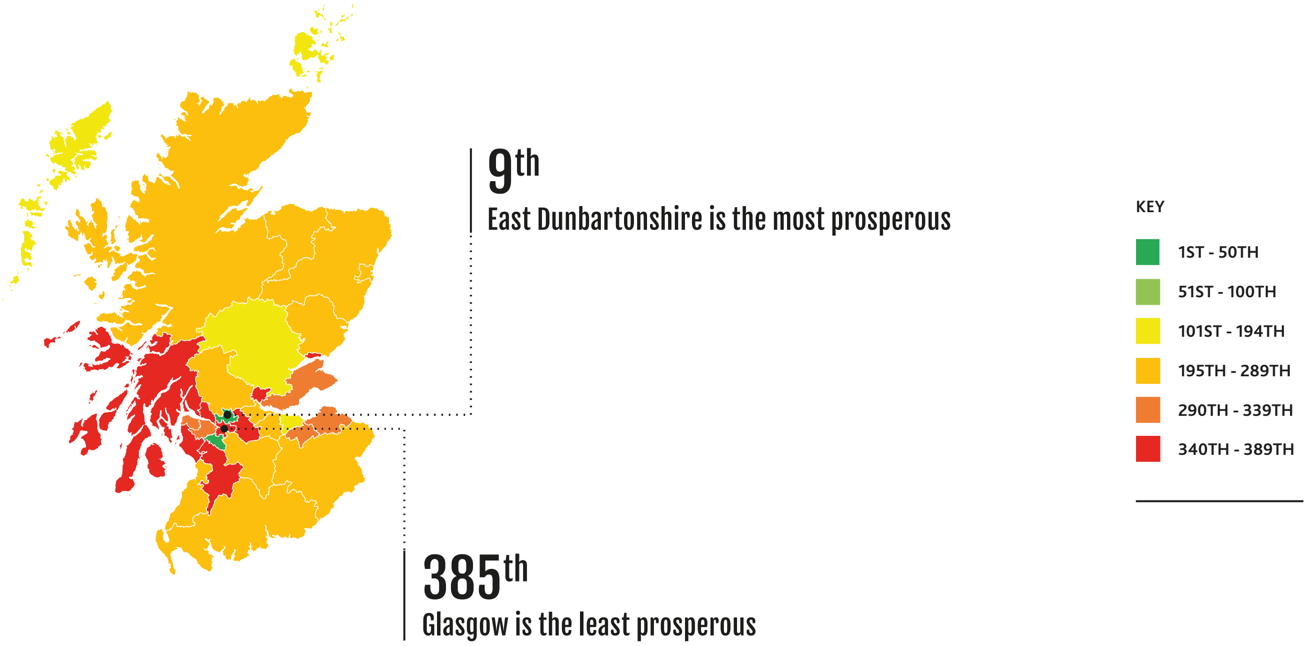
ONE IN FIVE CHILDREN LIVE IN POVERTY

AVERAGE HOME IS

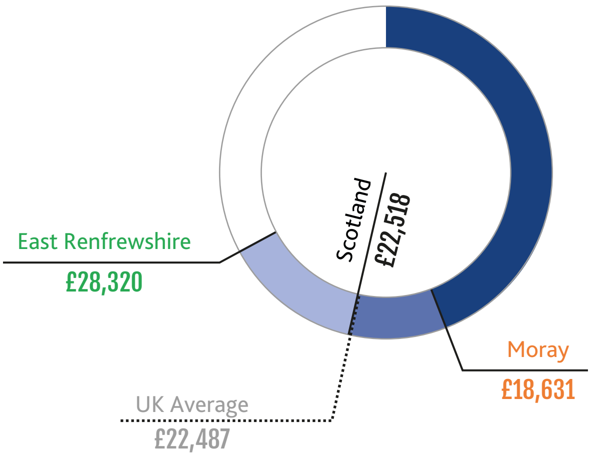
THE AVERAGE SALARY

FEEL SAFE WALKING ALONE AT NIGHT

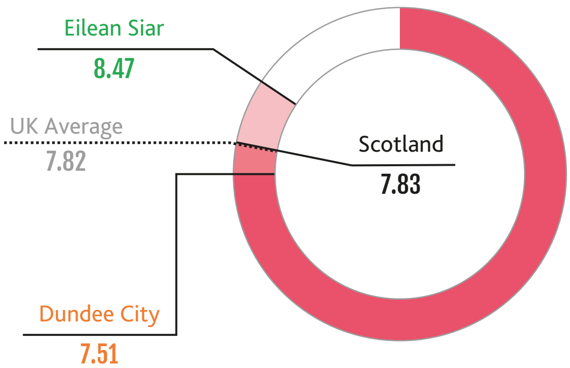
Scotland



MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



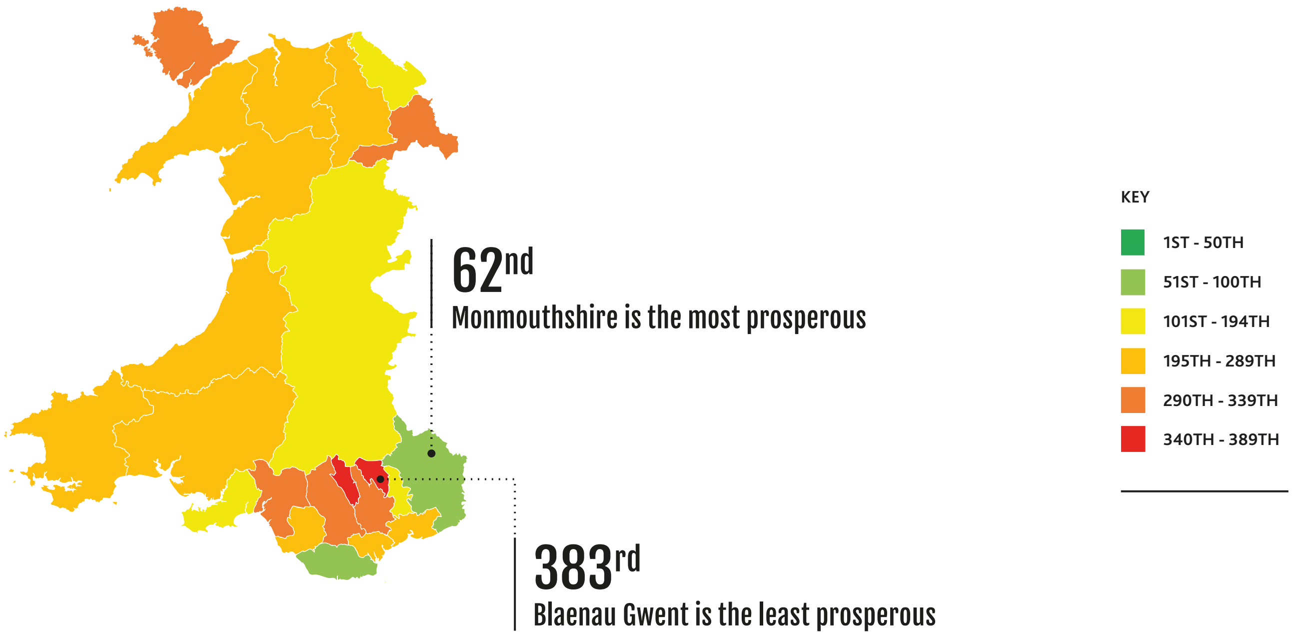
ONE IN FIVE CHILDREN LIVE IN POVERTY

FOR SAFETY & SECURITY

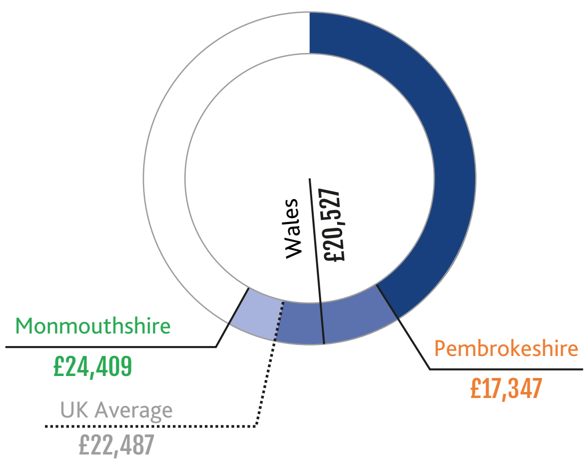
AVERAGE HOME IS

THE AVERAGE SALARY

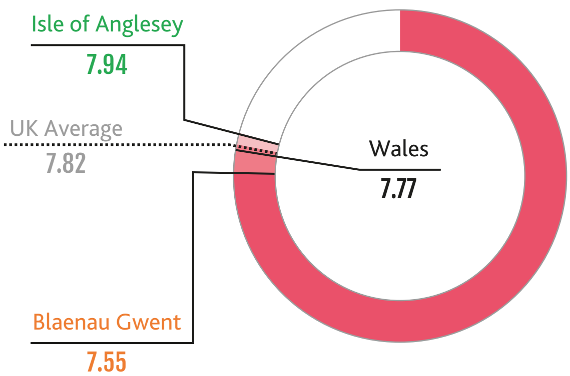
Wales



MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?

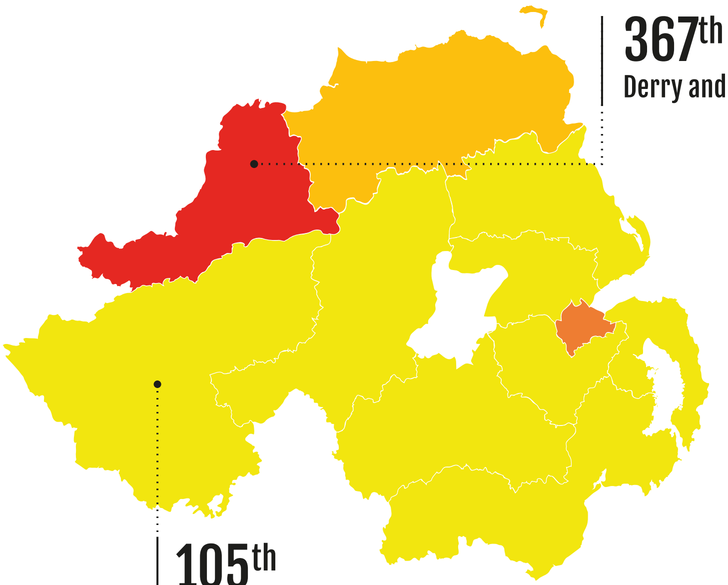


5.9 BUSINESSES CREATED PER 1000 PEOPLE

AVERAGE HOME IS 15.4 X THE AVERAGE SALARY

77% FEEL SAFE WALKING ALONE AT NIGHT

Northern Ireland



367th
Derry and Strabane is the least prosperous

105th
Fermanagh and Omagh is the most prosperous

KEY
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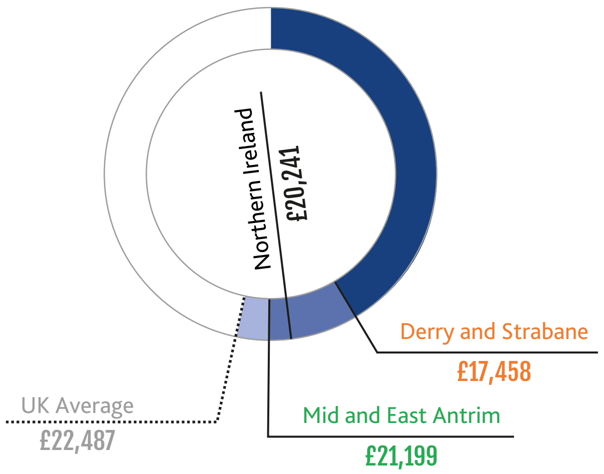
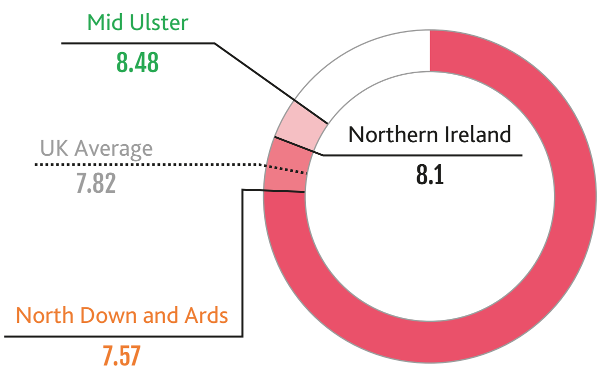
MEDIAN ANNUAL EARNINGS



IS LIFE WORTHWHILE?



FOR PROSPERITY AMONG THE DEVOLVED NATIONS

FOR WELLBEING AND SOCIAL CAPITAL

73%

THINK PEOPLE CAN BE TRUSTED

POLICIES FOR PROSPERITY

HARRIET MALTBY WITH COUNCILLOR RUSSELL HOLLAND

PEOPLE FLY KITES ON THE BEACH, SEATON, DEVON

Transforming Localism

An Agenda for Prosperity

TIME FOR SOCIAL DEVOLUTION

CLLR RUSSELL HOLLAND
DEPUTY LEADER, SWINDON BOROUGH COUNCIL

"The gentlemen in Whitehall really do know what's best." To Margaret Thatcher this phrase epitomised everything that was wrong with the heavily centralised state that she inherited. Government took a top-down approach which did not give individuals, families, and communities the power to make their own choices about what was best for them.

There have been ideas like the Big Society and some degree of acceptance that in the same way that too much economic activity could crowd out private initiatives, too much government could crowd out individual social action. Still, the reality is that the position of central government has not moved significantly. The gentlemen in Whitehall may not know what's best, but they remain convinced that they know better than the gentlemen in town halls.

As a result, the localism agenda has been one of contradictions. The combination of unprecedented reductions in grants and limits on revenue-raising capacity coupled with increased responsibilities has raised significant debate about the sustainability of local government. Yet this Index demonstrates the ongoing importance of local government as an agent of positive social change. Central government cannot know an area; it cannot know the challenges faced by those in need and who on the ground can help them. Local government is much better placed to do this.

In Swindon we took the unprecedented decision to use part of the money collected through council housing rent to pay the under-occupancy charge for a handful of families. We did this because together with the community we knew that it would keep those families away from the food bank and off the street. Yet to do this we required the permission of central government. Yes, there has been modest devolution in Council Tax Support and local welfare payments, but too often the devolution of responsibility has not come with the funding for meaningful change.

Much has been made of empowering local authorities and businesses through bodies like Local Enterprise Partnerships (LEPs) to drive economic growth and job creation. This is important work, but as this Index shows, prosperity is more about what you do with that growth. We have seen many more people move into work, but they remain socially excluded. A rising economic tide in theory lifts everyone, but in Swindon, and indeed across the country, areas of deprivation remain, and stubbornly so. Prosperity has not reached all.

Recognising this, we have recently appointed the former food bank manager to look at social inclusion across Swindon. His remit is specifically to examine what both the Borough and the voluntary sector are doing to see where better links can be made. The causes of poverty and exclusion are not uniform and no layer of government can fully engage with them. What we can do, however, is ensure that people in need are linked to those local organisations and individuals who can help. We can ensure, for example, that those who the Council flag as struggling to pay their Council Tax are linked immediately with the Citizens' Advice Bureau.

It has been widely accepted through the creation of LEPs that local areas know best when it comes to their local economic need. The same is true of our local social need. Given the link between economic growth and social inclusion, and—as this report shows—the link between social capital and economic regeneration, it is clear that the economic and the social are not readily separable. Local government and communities must be given the opportunity to deliver both.

Such an approach would be the logical extension of the clear policy objective of devolution of funding through the LEPs, but it would also take the devolution of benefits and poverty relief a step further. When anyone gets a job, it saves both central and local government money, though the saving is predominantly Whitehall's. There are few incentives for local government to prioritise the use of very limited funds on anything but demand-driven statutory services. Indeed, many councils simply cannot afford to do so.

When it comes to localism, a policy approach is needed that recognises the link between economic and social inclusion and passes down the freedom and power to address both. If the social payoff of economic growth, and indeed the economic payoff of social progress, were readily in the hands of local government, it would promote a different approach to local policy-making—one that truly took account of the way in which prosperity is linked to economic growth.

Instead of just building a road to unlock some land for development, what about going a step further and asking who is going to build that road? Will local unemployed people have the benefit of those jobs? Will those houses be available for key workers? How can the levy from that development best offer opportunity in the town?

While local authorities have some powers, such as in the Social Value Act, an approach that involved looking at the total budget for economic growth and services to help those in need might allow those resources to be better deployed overall.

The UK Prosperity Index

A Call For Radical Localism

This landmark Index shows that the path from poverty to prosperity in the UK is not just one of wealth creation alone. How wealth is translated into prosperity also matters. In this regard, it is the absence of aspiration and life chances that keeps prosperity at bay in too many parts of the UK, particularly in urban areas.

What the Index also shows is the power of the local. The windswept Hebrides demonstrate the commanding potential for transformation when responsibility rests with a community. Here is a case where we see the economic return from investment in social capital so widely demonstrated in academic literature.

Hull, Britain's least prosperous area, shows the wealth of knowledge at a local level. It shows what can be achieved against all odds when local practitioners do what they know is best, not necessarily what government tells them to.

Localism has been about what central government would rather not do, instead of what communities and councils can do better. The translation of local economic activity into prosperity for Hull is going to be very different from the Hebrides. A central approach has not delivered and cannot deliver.

Instead, power, responsibility, and the freedom to innovate in delivering both economic and social development must be entrusted to individuals, communities, local organisations, and councils. As this happens, it must be clear that local government should not merely replace the paternalistic hand of central government. Instead, it is uniquely placed to push responsibility and powers further into the hands of those who can actually affect change for the better.

OLD RAILWAY WORKER COTTAGES, SWINDON

Policies for Prosperity

WORKING WITHIN THE EXISTING SYSTEM: LOCAL PROSPERITY PARTNERSHIPS

We propose that the power to address both the economic and social need in an area should rest at a local level. The Local Enterprise Partnership (LEP) model is a good one, and should be extended to cover social progress. We propose the creation of a Local Prosperity Partnership under which the existing LEP, looking at economic development, would sit alongside a new body focused on social development. Similar structures could be created to support the economic focus of the City Deal, to shift attention from growth to broader prosperity in intervention areas. Prime candidates in this regard are the new directly elected mayoralties established in the Cities and Local Government Devolution Act 2016.

We envisage that this social body sitting under the Local Prosperity Partnership would include:

- the local authority or authorities
- third-sector organisations
- community leaders
- local Clinical Commissioning Groups
- key local schools

The remit of the Local Prosperity Partnership would be to identify the need for economic and social investment in an area and then to deliver on that investment—to secure not only economic growth but also prosperity with that growth. We propose an initial five trial areas, with the creation of a small Prosperity Fund—to mirror the infrastructure fund available to LEPs—to finance investment in social infrastructure.

DEPARTING FROM THE EXISTING SYSTEM: PUTTING PROSPERITY IN THE HANDS OF THE PEOPLE

The South Uist model of community land/asset ownership through a not-for-profit company undoubtedly works for a small, close-knit island community. However, such close-knit communities are also found in urban settings, often in areas of high deprivation.

We wish to explore further how the Hebridean model could be applied to such communities. A radical departure from our more paternalistic localism would be to put the future of these communities in their own hands. Such a move might comprise the following steps:

- creation of a not-for-profit company covering an estate or distinct community area;
- transfer of all public property assets to that company (including council housing and land);
- directors to be elected by the community and held accountable annually at an AGM;
- the local authority to retain a directorship;
- recruitment of CEO and other officers to run the company;
- revenue generated from the assets to be used in the best interests of the community, as determined by that community.

Currently, the revenue from public social housing is strictly controlled in what it can be spent on and councils are constrained by government policy. Under our new arrangement, communities would be free to make decisions about their own futures. Rent could be means-tested and bursaries created to help struggling families. Revenues could be spent on support services that local authorities cannot currently afford. Crucially, capital could be raised against the assets, subject to debt controls, to fund more social housing, and grants from third parties could also be applied for to help fund community services. In the estates of cities like Hull, currently devoid of aspiration, revenue could be used to expand the horizons of the young. Elsewhere it might be provision of free exercise classes, anti-gang interventions, retraining, or funding for a local advice point. The key is that the decisions—and prosperity—would be in the hands of the community itself.

A Guide to the UK Prosperity Index

BUILDING THE UK PROSPERITY INDEX

In measuring prosperity globally at a national level, the Legatum Prosperity Index looks at the many dimensions of human flourishing through a lens of wealth and wellbeing. Yet we recognise that many of the enablers of, or obstacles to, flourishing occur at a far more local and personal level. These are what determine how national prosperity is distributed within a country, and these are what the UK Prosperity Index seeks to measure.

We take the same definition of prosperity and unpack it at a local authority level. The Index covers 389 Local Authority areas (district authority level), and excludes only the Isles of Scilly and the City of London where limited data was available. Prosperity is measured using 43 variables across seven pillars–Economic Quality, Business Environment, Education, Health, Safety & Security, Social Capital, and Natural Environment–reflecting the global Index less those pillars that comprise of legal structures that do not vary by local area, namely Personal Freedom and Governance.

VARIABLES

Variables were selected using the global Prosperity Index as a guide. This Index covers distinct themes within each pillar which were applied to the UK local context. For example, in Health we look globally at life expectancy, mortality, and risk factors. We chose variables relevant to the UK context that reflected these core themes, plus others that are not available globally, like mental health.

Some variables transfer directly, like poverty rates. Others, we selected more UK-appropriate variables to reflect the theme. For example, in Social Capital, housing affordability is highly relevant and important in the UK context, and in itself through its impact on owner-occupancy rates, has a strong effect on social capital. Housing affordability is not something we measure globally.

Some imputation was required for missing data, particularly in Education where attainment is measured slightly differently in each nation.

CONSTRUCTION

Variables are standardised and given equal weight in calculating a score for each of the seven pillars. Overall prosperity is a simple average of the scores of each of the seven pillars.

Full methodology is available at www.uk.prosperity.com

Full global methodology and Index results are available at www.prosperity.com

DISUSED INDUSTRIAL CRANE, BRISTOL HARBOUR

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We encourage you to share the contents of this report. In doing so, we request that all data, findings, and analysis be attributed to the 2016 *UK Prosperity Index*.

#UKProsperity | #ProsperityIndex | @ProsperityIndex | @LegatumInst

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Learn more about the Legatum Foundation at www.legatum.org

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