WPI STRATEGY

Cutting the shops tax

Why reducing business rates for retail will boost the levelling up agenda

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About WPI Strategy

WPI Strategy is a specialist public affairs consultancy, focused on combining economic research with political advocacy. We provide a range of private and charitable clients with research and advice to deliver better outcomes through improved public policy design and delivery.

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About this report

This WPI Strategy report has been commissioned by a group of retailers: Co-op, Kingfisher, Morrisons, Sainsbury's, Tesco, and Waterstones. The aim of the report is to discover if there are links between business rates and the Government's levelling up agenda. The work is all WPI Strategy's own and the views in this document do not necessarily reflect those of the retail group.

Executive Summary

The recent reshuffle, and the creation of the new Department for Levelling Up, Housing and Communities under new Secretary of State for Levelling Up Michael Gove, demonstrates the central importance of the 'levelling up' agenda to the future success or failure of the current Government. But with the Covid-19 pandemic having – unavoidably – dominated everyone's attention for much of the last two years, the Government needs to act fast if it is to deliver tangible change within this Parliament. Finding ways of encouraging investment quickly in the areas most in need of 'levelling up' is more important now than ever before.

And yet that investment is being inhibited, not encouraged, by Government policy. Business rates on retail – or what could be referred to as a shops tax – are a burden across the country, and a disincentive to investment everywhere. But they do have, as this report shows, a disproportionate impact on stores in those areas which are most in need of 'levelling up'. That makes it harder for retailers to provide local jobs, contributes to the problem of empty shops which blights many communities, and makes them less attractive places to live. Failing to reform business rates, or put more simply failing to cut the shops tax, will make 'levelling up', the Government's self-described 'central purpose', much harder to achieve.

The Covid-19 pandemic has decimated high streets across the country, so it is right that Government has put a plan in place - the High Streets Strategy - to save them. But this strategy won't deliver for the other areas of bricks-and-mortar retail, including out of town, which desperately need support. It also won't even deliver on its own vision unless business rates are reformed; the decline of bricks-and-mortar retail will accelerate further if the Treasury fail to cut the shops tax. And communities across the North and Midlands will be hit hardest.

This report identifies the areas, and the parliamentary constituencies, that are most in need of 'levelling up'. Where in the country are they most concentrated and what do they have in common? And what is the role of retail as a foundational sector in driving employment and investment in these places?

We have analysed every parliamentary constituency in England and Wales to show which ones are most in need of 'levelling up'. Our analysis focuses on six socio-economic indicators – **spending power**, **financial dependency**, **crime**, **health**, **deprivation** and **empty commercial properties** – and scores each constituency against the England and Wales average to find out which places are doing best, and which need the most support. Constituencies that score 10% below the national average across the six indicators are, for our analysis, the 'levelling up' constituencies: 32% of all England and Wales constituencies are in this category. Of those which fell into the levelling up constituency bracket this year, 80% were from the North, Midlands, and Wales.

These levelling up constituencies are not evenly distributed around the country:

- **More than three quarters of them – 78% – are in the North of England, the Midlands or Wales.**
- **More than half of all Northern constituencies – 56% – are in our 'levelling up' group, compared to just 14% in the South of England, most of which are in London.**
- **Just two constituencies in the whole of England south of Birmingham – Clacton and Tottenham – are among the 50 constituencies we identify as most in need of 'levelling up'.**

Our analysis also finds that while the retail sector is a major employer across the country, it is especially important in these 'levelling up' constituencies, making up a higher proportion of total employment there. For example, in Blackpool South, the constituency most in need of 'levelling up', 15% of jobs are in the retail sector, compared to a national average of 10% and a London average of 7.5%.

Retail across the country has been hit hard by the Covid-19 pandemic:

- **More than 8,700 chain stores closed in UK high streets, shopping centres and retail parks in the first six months of 2021.**

- **Retail lost 190,000 jobs between March 2020 and April 2021.**
- **Shopper footfall in August 2021 was 19.8% lower than in August 2019.**
- **A survey by the British Retail Consortium in September 2021 found that 83% of retailers say it is 'likely', 'very likely' or 'certain' that they will close shops if the business rates burden is not reduced.[1]**

This has been felt everywhere, but it has been worse in some parts of the country than in others. 'Levelling up' seats tend to have a much higher proportion of empty commercial properties than the rest of the country.

The constituencies with the highest vacancy rates are overwhelmingly likely to be in the 'levelling up' category in our index. In 2020, 20% of units were vacant in the North East and 17% in Yorkshire & Humber and the North West, compared to just 10% in London and 12% in the South East.

Why are there more vacant commercial properties in the North of England, Midlands and Wales than in the South? There is no single explanation, but one key reason is the level of business rates paid by the retail sector. This is the biggest barrier to growth and investment for retailers, and the biggest cause of store closures. Transitional relief, a mechanism which means that shops that should have seen their tax bill fall (because the value of their property has fallen) are not given their full tax reduction, is also deepening these geographic inequalities.

For this report, we analysed data on the business rates burden (the amount of rates paid as a proportion of profits) for every constituency in England and Wales. This analysis reveals:

- **Almost three quarters – 72% – of constituencies with the highest business rates burden are in our 'levelling up' category.**
- **The North and Midlands are affected far worse than the South. Of the top ten constituencies by business rates burden, 77% are in the North and Midlands compared to just 18% in the South.**
- **In areas with the biggest business rates burden, business rates can cost up to half of a retail store's net income.**
- **A typical supermarket in Leigh faces a rates burden seven times higher than one in Tunbridge Wells.**

Put simply, the shops tax causes store closures right across England and Wales. It stops investment in new shops. Without business rates reform, more shops will close. Fewer retail jobs will be created, and more retail jobs will be lost. This effect will be felt especially in the North of England, the Midlands and Wales – in exactly the parts of the country the Government wants to 'level up'.

The Government must act now or lose jobs. We are therefore advocating **a significant, urgent cut in business rates for retail at the next Budget**. Of course, a reduction in business rates would need to be balanced out by raising taxes in another area. There would be various potential solutions to this, but one could be the introduction of a new Online Sales Levy, which would create a more level playing field between online retailers and bricks and mortar, help support local communities, and boost the levelling up agenda.

The Government must also urgently set out at this Budget how the transitional relief system can be reformed, namely by ending the slower downwards transition gradiant. The Government should also introduce immediate and full adjustments to rates based on regular revaluations. This would reduce the burden on businesses of all sizes and enable more investment into stores and jobs across the UK. More regular revaluations - at least every three years as a minimum - may address the need for a transitional relief system entirely. These could be conducted for each property every three years on a rolling basis.

Our proposals are straightforward and, with the support of industry, perfectly achievable. Cutting the shops tax and making the adjustments to the business rates system just described would have a major effect everywhere, but a disproportionate positive impact on 'levelling up' seats, unlocking investment, creating jobs and growing local economies.

Introduction

In July 2021, the Prime Minister began to set out the steps the Government will take to deliver on what he has described as 'the central purpose of his premiership':[2] 'levelling up'. The challenge is to spur growth in the regions of Britain, creating a productive and genuinely national economy by rebalancing investment.

The Government is now preparing to release its Levelling Up White Paper in the Autumn of 2021, which will set out in more detail what 'levelling up' involves. While the term has never been given an official definition so far, it was always clear that rectifying serious regional inequalities was a central aim.

The impact of Covid-19 makes the 'levelling up' agenda even more important. While every part of the country has suffered economic damage as a result of the pandemic, the latest data from the Office for National Statistics suggests that the worst affected areas are former industrial towns, predominantly found in the Midlands, Wales and the North of England[3] – the same areas that had already been identified as key areas of focus for 'levelling up'.

Measuring Levelling Up

Recognising this, WPI Strategy released the first Levelling Up Index in October 2020, which ranked every parliamentary constituency in England and Wales on six socio-economic indicators, using data from 2019. That Index showed huge inequalities across the country, with the constituencies most in need of 'levelling up' concentrated in the North, Midlands, and Wales. For most, the results were not surprising, but what was important – and remains so – is providing a set of metrics through which needs can be identified and constituencies can be ranked. Without metrics, the work of 'levelling up' the country will be impossible. Providing such metrics was a key recommendation of the independent Covid Recovery Commission, to which WPI Strategy provided the secretariat, in its final report in April 2021.[4]

Since that time the Government has released its own Levelling Up Fund Index, in which local authorities across Britain have been ranked on various indicators. Perhaps unsurprisingly, that Index shows significant overlap with our own.

This report again ranks all constituencies in England and Wales on six socio-economic indicators: spending power, financial dependency, crime, health, deprivation, and empty commercial properties, using data from 2020. Due to the dates that this data was collected it reflects some but not all of the impact of the pandemic. However, these six provide us with a broad cross-sectional look at the problems faced in each area and create an overall 'levelling up score' for each constituency. Our results show major continuities with our last Index.

The Value of Retail

Our original work in October 2020 identified retail as one of the sectors best placed to support the levelling up agenda, based on its socio-economic and community impact. The past year has only confirmed this — retail has been an anchor for many communities, providing not only essential supplies but also employment during a time of economic slowdown. And of course shops play an important social role too, one that cannot be replaced by online retail, as places that add to the attraction of an area, helping people go to get out and about and meet each other, as well as supporting local charities and community groups.

In fact retail – which employs 3.2 million people across the UK – supports more jobs, on a proportional basis, in those constituencies most in need of 'levelling up'. On average, retail makes up around 10% of all jobs but in some struggling areas – places like Blackpool South or Newport West – that figure is as high as 15%. That means that were retail to decline in all areas of the country, those places most in need on a socio-economic basis would be hardest hit by job losses.

This is why we call retail a 'foundational sector': it provides a supportive layer to many local economies, acting as a first stepping stone from unemployment, as a lifelong career in itself, or as a base from which to gain skills and move into other sectors. Ensuring that local economies have a strong retail sector, in other words, is one of the best ways to support those areas of the country most in need. The Government should not simply be limiting retail's decline, but actively promoting a thriving sector which will support jobs, skills, and local economic growth.

The task of providing support to the foundational economies of local areas is now urgent. It was reported in April 2021 that the retail sector had lost 190,000 jobs since the first lockdown in March 2020,[5] and shopper footfall in August 2021 was still 18.9% below the levels of August 2019. Footfall will continue to increase but, in the meantime, retailers should be supported to further grow and invest.

In this report, the second iteration of the Levelling Up Index, we put forward one central policy: cutting the shops tax, or reducing business rates for retail. Many think tanks and other organisations have called for this change, including Centre for Cities, the CBI, and the British Retail Consortium, as well as numerous 'Red Wall' Conservative MPs.[6] As the economy returns to a new equilibrium after Covid-19 and restrictions are no longer in place, a strong retail sector will be essential to local economies up and down the country. Communities and town centres are changing, but retail will continue to play a central role; managing the transition towards a more balanced ecosystem of shops, services, and housing means recognising disparate geographic impacts in how businesses are taxed. 'Levelling up' will not be straightforward, but cutting the shops tax is a simple measure which would support one of the UK's foundational sectors at the same time as ensuring regional inequalities are reduced.

CHAPTER 1

The Levelling Up Index

» **In order to identify those areas of the country most in need of levelling up, we have created our second annual Levelling Up Index.**

» **The Index ranks every parliamentary constituency in England and Wales on six key socio-economic indicators (four for Welsh constituencies where health and deprivation data is not available in comparable form).**

» **The Index shows a stark geographic disparity: 78% of constituencies in need of levelling up are in the North, Midlands, or Wales. The same figure for last year's Index was 77%.**

» **There is a particularly clear correlation on our Empty Commercial Properties indicator — those constituencies with high rates of empty shops are also most in need of 'levelling up'.**

The aim of the 2021 Index is to update the scores from last year and identify continuities and changes in order to provide a robust tool to help policymakers in both central and local government target their 'levelling up' interventions more effectively.

When our first Levelling Up Index appeared in October 2020, the Government had not yet published its own methodology for identifying the areas most in need of 'levelling up'. In June 2021, however, the Government released its own Index which compares and ranks local authorities. The indicators chosen were remarkably similar, and included measures of productivity, unemployment, skills, transport connectivity, and commercial vacancy rates. Our Index, however, analyses parliamentary constituencies rather than local authorities.

Our six indicators are:

- **Spending power** – comprised of employment and wage data to show consumer and economic strength.
- **Financial dependency** – focussed on Job Seekers' Allowance and Universal Credit claims and educational attainment rates to show an area's current and likely dependence on state support.
- **Crime** – the crime rate for each area.
- **Health (England only)** – based on both number of GPs per 1,000 patients and life expectancy for each area.
- **Deprivation (England only)** – deprivation score based on the English Index of Multiple Deprivation (IMD).
- **Empty commercial properties** – based on commercial vacancy rates.

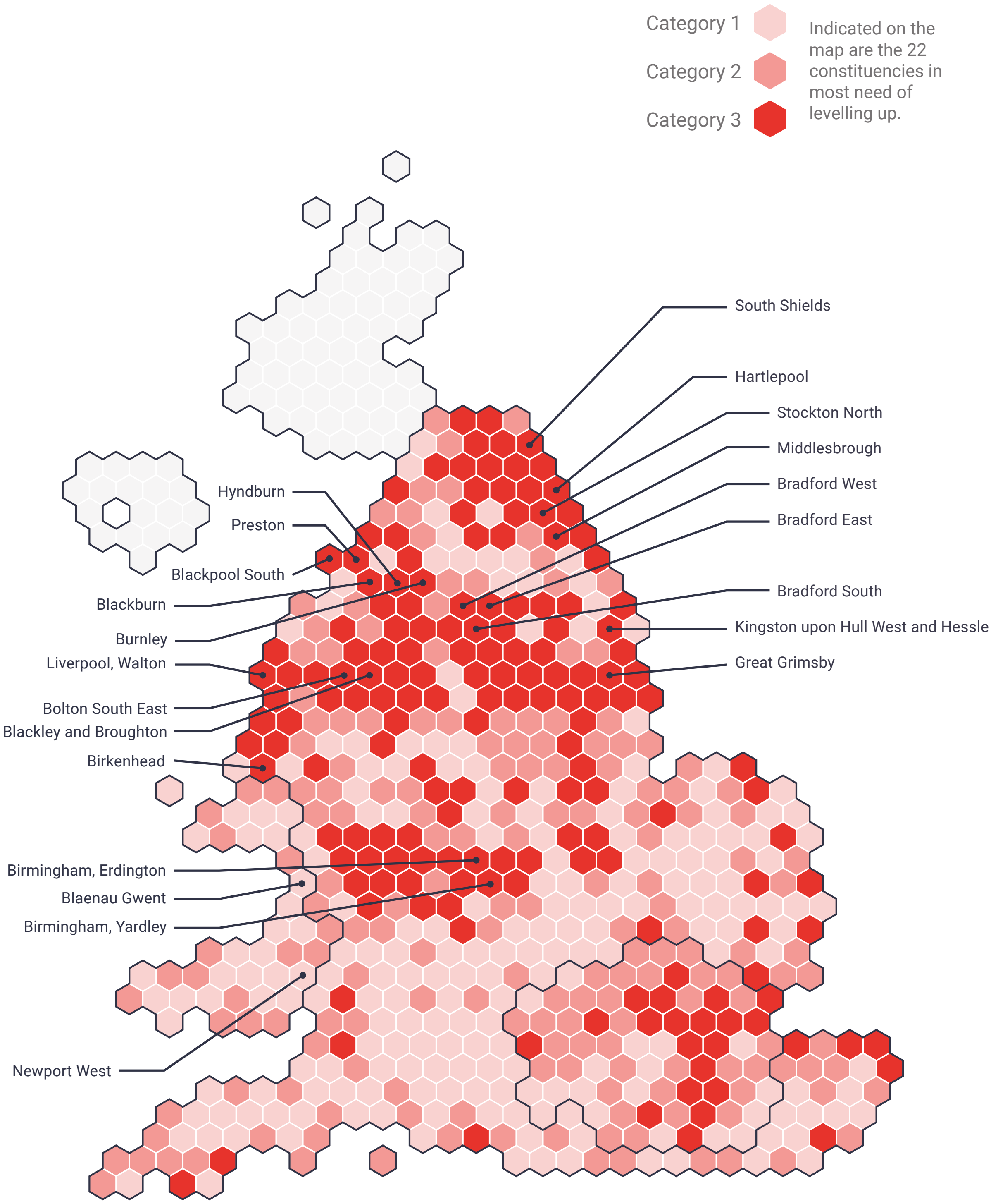
Every constituency has been given a score for each indicator, compared to an England and Wales average of 100. If the score on the crime indicator is 110, for example, this will mean the crime rate is 10% above the England and Wales average. The results are also averaged, providing an overall 'levelling up score'.

Once ranked according to this score, the results reveal three broad categories of place:

- **Category 1** — These places perform at least 10% better than the England and Wales average, and are more likely to be in the south of England or upwardly mobile suburbs of major urban centres.
- **Category 2** — These places hover around the England and Wales average on many of these indicators and are usually in a strong position to capitalise on certain sectoral advantages to boost their recovery. They are spread fairly evenly across our research but are overrepresented in the North.

- **Category 3** — These places perform at least 10% below the England and Wales average and have historically suffered structural weaknesses through industrial decline as well as being disadvantaged through Government spending. These seats, disproportionately in the North of England and Midlands and in Wales, should be the priorities of the 'levelling up' agenda.

Map of every constituency in England and Wales with their status as Category 1, 2, or 3 indicated



Constituency trends

- Constituencies in Category 3 – those most in need of 'levelling up' – make up 32% of all the constituencies in England and Wales.
- The Index shows a stark geographic disparity: 78% of Category 3 constituencies are in the North, Midlands, or Wales. The same figure for last year's Index was 77%. Blackpool South is the constituency most in need for the second year running, followed by Liverpool Walton, Middlesbrough, Bradford West, Great Grimsby and Bradford East.
- 17% of constituencies in Category 3 are in the South. However, excluding London (which, due to a variety of factors faces different needs to most levelling up constituencies) only 5% are in the South. These include Hastings & Rye; Plymouth, Sutton & Devonport; and Torbay.
- The rest, 5%, are in the East of England, and many of these constituencies – such as Basildon & Billericay, Thurrock, Clacton, and Rochford & Southend East – are in Essex.
- Of the 50 constituencies most in need of 'levelling up', only two are English seats south of Birmingham – Clacton and Tottenham.
- Inner-city areas feature prominently in Category 3 though often next to areas with much higher scores. Greater Manchester, for example, has pockets of severe need, with many constituencies in the area falling by multiple places over the course of the last year — but many constituencies towards the south of the city region perform well. Birmingham has multiple areas of need, as does Merseyside.
- Many coastal constituencies are in Category 3, particularly in the North but also along the South and East coasts. These places include Birkenhead, Redcar, Swansea, Torbay, and Great Yarmouth.
- 56% of all constituencies in the North are in Category 3. This compares to 47% of those in Wales, 36% of those in the Midlands, and 14% of those in the South and East (including London).
- Of those constituencies which have moved into a lower category on this year's Index, 72% (18) were from the North, Midlands, or Wales.
- This year we have been able to identify a select group of 22 constituencies we class as needing urgent attention. These seats' score set them far below even most other constituencies we identify as in need of 'levelling up'. Blackpool South, for example, has a score over twice as low as Wolverhampton South East, the 23rd most in need. Other constituencies in this group include Hartlepool, Burnley, Preston, Hyndburn, Kingston upon Hull West and Hessle, and Birmingham Yardley.

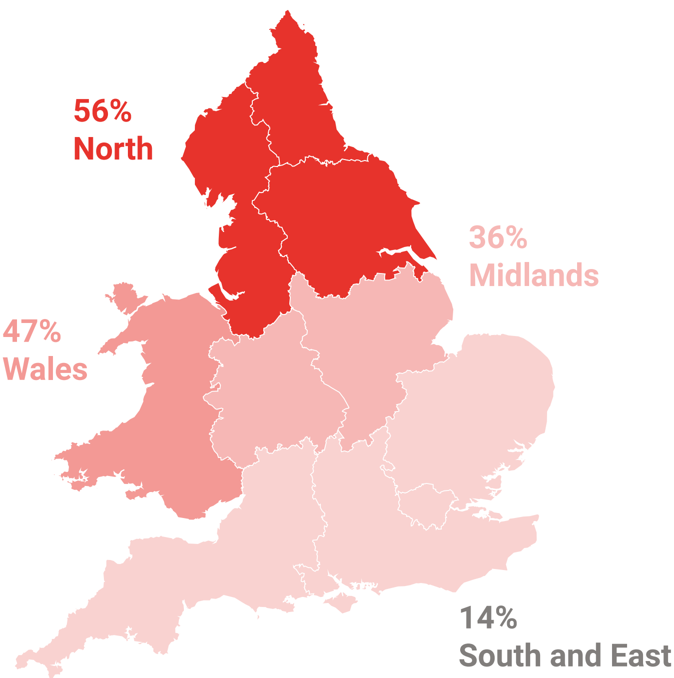
Top 20 constituencies most in need of levelling up

Constituencies	
Blackpool South	South Shields
Liverpool, Walton	Blackburn
Middlesbrough	Blaenau Gwent
Bradford West	Bolton South East
Great Grimsby	Birkenhead
Bradford East	Hyndburn
Blackley and Broughton	Kingston upon Hull West and Hessle
Hartlepool	Birmingham, Yardley
Burnley	Newport West
Preston	Bradford South

Top 20 constituencies least in need of levelling up

Constituencies	
South Cambridgeshire	York Outer
Cities of London and Westminster	Buckingham
Kenilworth and Southam	South Leicestershire
Henley	Maidenhead
South East Cambridgeshire	North East Hampshire
South Northamptonshire	Mid Sussex
Wokingham	Windsor
Rushcliffe	Sheffield, Hallam
Filton and Bradley Stoke	Mid Bedfordshire
Oxford West and Abingdon	South West Hertfordshire

Percentage of seats in need of levelling up in each region



Indicator Insights

Analysis of the constituency rankings for each indicator provides a useful insight into the challenges facing different areas of the country. Many rural areas have very low crime, for example, but struggle on the spending power and financial dependency indicators. Other inner-city areas may have high spending power but high levels of deprivation.

- **Spending Power:** Some areas of Wales and the South West perform poorly on this measure. The lowest ranked constituency is Cynon Valley with a score of 60 (40% below the England and Wales average of 100). There are in fact only five constituencies in Wales which score above average, two of which are Cardiff constituencies. St Ives and Torridge & West Devon also score poorly, along with a majority of seats in Devon and Cornwall. Those areas performing well on this measure are in mainly in the South East, with Cities of London & Westminster at the top and Woking the highest non-London constituency.
- **Financial Dependency:** The West Midlands scores particularly poorly on measures of financial dependency, where large proportions of the population are in receipt of welfare benefits. Wolverhampton South East is the lowest ranked constituency, with a score 121% worse than the England and Wales average. Liverpool Walton also has a very poor score. Many towns in the North such as Wigan, Blackburn, and Preston do not perform well. Prosperous rural and student areas have the best scores, with North East Hampshire, Sheffield Hallam, and Tatton at the top.
- **Crime:** Many areas with high levels of crime are also among the most deprived, though not in every case. The worst-performing constituencies tend to be northern towns and inner-London constituencies. Blackpool South (the lowest ranked constituency in the whole Index) also comes worst on this measure, with a crime rate 142% above the England and Wales average. Tottenham and Middlesbrough follow close behind. London constituencies performing badly include Islington North, Lewisham Deptford, and Hornsey & Wood Green, all in the bottom 20. Many areas of Devon perform well on this measure, as do many rural areas in the South and East of England.
- **Deprivation:** Constituencies in the North and Midlands make up nearly all of the areas with the highest levels of deprivation. Liverpool Walton has the highest levels of deprivation in England and Wales, followed by Birmingham Hodge Hill and Blackpool South. Other seats with high levels include Bootle in Merseyside and all three Hull constituencies. Deprivation is lowest in Wokingham, for the second year running, and many other South Eastern constituencies have low levels of deprivation.
- **Health:** Kingston upon Hull East performs worst on the health indicator, ten percentage points below even sixth lowest-placed Great Grimsby. Coastal areas have some of the poorest health infrastructure and the highest number of people living with chronic conditions in England and Wales, a fact reflected in the presence of Clacton; Thurrock; Hastings; and Portsmouth South in the bottom 20. The best-scoring areas are mainly in the South, particularly Devon and Somerset.
- **Empty Commercial Properties:** Due to the use of a more comprehensive dataset in this year's Index the divide between areas with high and low numbers of empty shops is even wider. Many areas of the North of England and Wales, including worst-scoring Bradford West, Newport West, Hartlepool, and Hyndburn all have rates of empty commercial properties which are twice the England and Wales average. In fact, of all those constituencies in the bottom 50, only two – Croydon Central and Bristol West – are in the South. Those constituencies performing well are actually fairly diverse, though the vast majority are in Categories 1 or 2 on our Index, and so not in need of 'levelling up'. There is a particularly clear correlation on this indicator — those constituencies with high rates of empty commercial properties are also most in need of 'levelling up'.

CHAPTER 2 Retail — A Complex Sector

- **Our analysis shows that retail is one of the sectors best placed to support the levelling up agenda, based on its socio-economic and community impact.**
- **The sector employs 3.2 million people across the UK, a third of whom are under 25.**
- **Retail is disproportionately important in terms of employment in the North and Midlands, where the sector can make up over 15% of all roles in constituencies like Blackpool South and Newport West, meaning its success is vital to the employment prospects of these areas.**

What is retail?

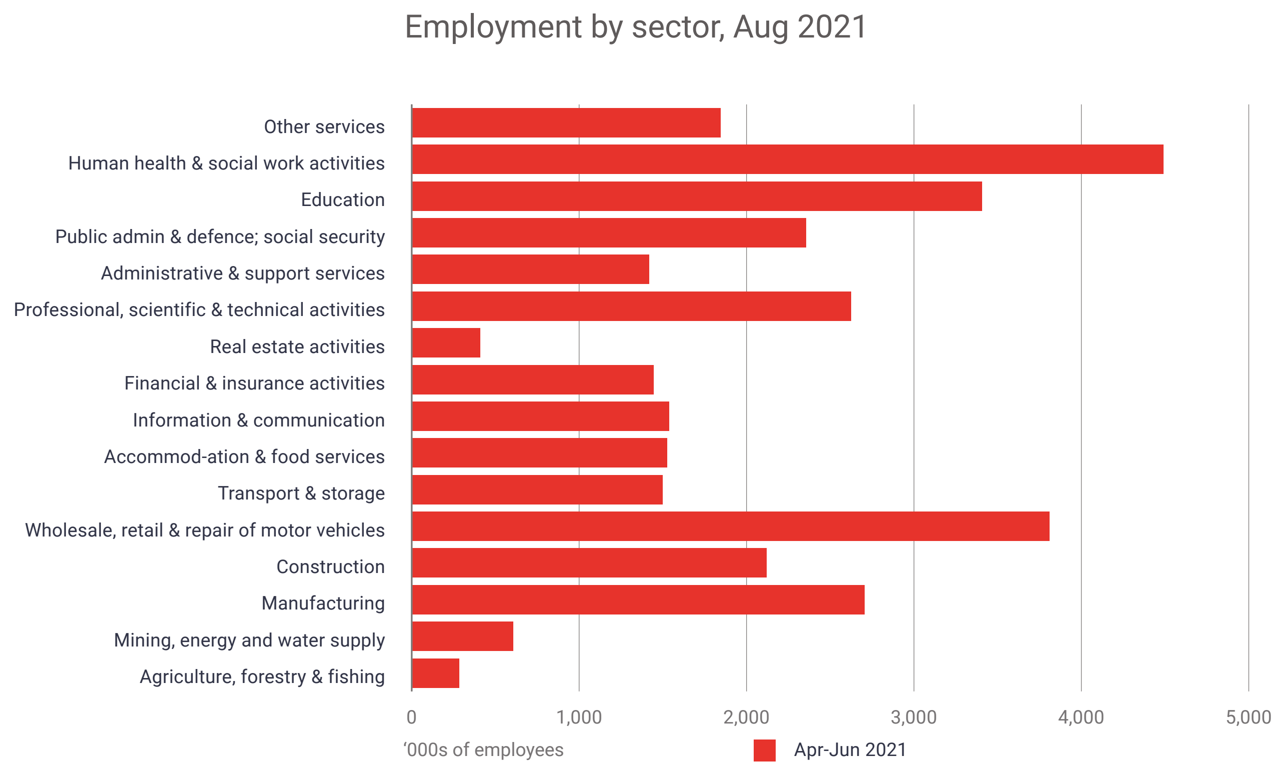
In recent years, economists and policy specialists have identified the 'foundational economy', the sectors and associated infrastructure which deliver basic goods and services while also providing employment to a large proportion of people.[7]

Retail is one such sector. Employing 3.2 million people across the UK and with a third of its employees under 25, the sector occupies a unique position within local economies. This is particularly the case with bricks and mortar retail – including food – which has, during Covid-19, provided an important base for local employment. Retail, in this section of the report, will refer to this bricks-and-mortar trade.

As the economy returns to a new equilibrium after Covid-19 and with restrictions no longer in place and workers re-entering the labour market, a strong retail sector will be essential. This is especially true in those local economies most in need of 'levelling up', where retail provides a disproportionate number of jobs. In Blackpool South, for example, the constituency most in need of 'levelling up', retail provides 15% of local jobs, well above the national average of 10% and twice the rate of London's 7.5%.[8]

A Complex Sector

Bricks and mortar retail is a complex sector and there is no single story to tell about all its component parts: some types of shops are doing well while others are struggling. Some, for example, have found it difficult to compete against online retailers, while others have maintained or even increased their market share. The view that retail is a 'declining' sector is, in fact, misleading, an idea possibly caused by a high level of market churn: seeing well-known shops come and go has given a false impression of a whole sector under siege. In reality, many retailers are prepared to invest and grow, given a more nuanced policy environment and a fair taxation landscape.



Source: ONS (2021) Employment by industry

The statistics tell a more complicated story than the idea of retail as a declining sector would suggest. During the financial crisis of 2007-08 the sector only saw an annual reduction in output of two per cent and consistently outperformed the whole economy between 2014 and 2018.[9] The retail employment rate has also remained relatively stable over the past 20 years. Indeed, between 2003 and 2018, the number of retail jobs fell by only 28,000, a fall of just 0.9 per cent.[10] This contrasts with other large employment sectors such as manufacturing, where the number employed fell by 708,000 during the same period, a 26 per cent decline.[11] Real hourly pay in the sector has actually increased by over five per cent since 2009, compared to a fall across the rest of the economy of four per cent.[12] Some areas of retail, in other words, were keeping afloat before the pandemic, despite what is widely seen as a disadvantageous tax environment. Unleashing those retailers' ability to invest could see more of the sector continue to grow and provide stable employment in all regions of the country.

But the pressure on retail, accelerated by Covid-19, is real. Research from the TUC published in November 2020 showed that retail is the sector with the highest number of job losses since the start of the pandemic,[13] with closures due to the Covid-19 lockdown putting pressure on retailers, despite the generous business rates freeze and furlough scheme. Similarly, figures from the Local Data Company and PwC in September 2021 showed that 'more than 8,700 chain stores closed in British high streets, shopping centres and retail parks in the first six months of this year'.[14] Also in September 2021, a survey by the British Retail Consortium found that 83% of retailers say it is 'likely', 'very likely' or 'certain' that they will close shops if the business rates burden is not reduced. The survey said that property costs (rates and rent) are the single biggest factor in deciding whether to close a store.[15]

Due to the overlap between those areas of the country in need of levelling up and those with a high proportion of retail jobs (see map on page 15), these figures are concerning. Even in the unlikely scenario that retail declined at an equal rate across the country, those areas most in need of 'levelling up' would be hardest hit by store closures and job losses.

There is no doubt that some areas of bricks and mortar retail are declining due to natural market competition. Some general merchandise retailers, including household goods, clothing, and toys, for example, have seen falling sales in recent years. Many customers are choosing to purchase these goods online. However, for many companies, the current tax system incentivises the shift from bricks and mortar to online operations as it reduces the amount that a company pays in property and employment costs, including business rates.

Partly as a result, non-store sales have risen to 27.9% as of July of 2021, compared to 19.8% prior to the Covid-19 pandemic, far higher than the 5% they made up in 2008.[16] In fact, Britain leads Europe in the popularity of online sales — 90% of British consumers have purchased online in the past year compared to 70% for France, which has a similar economic profile.[17]

Empty Shops

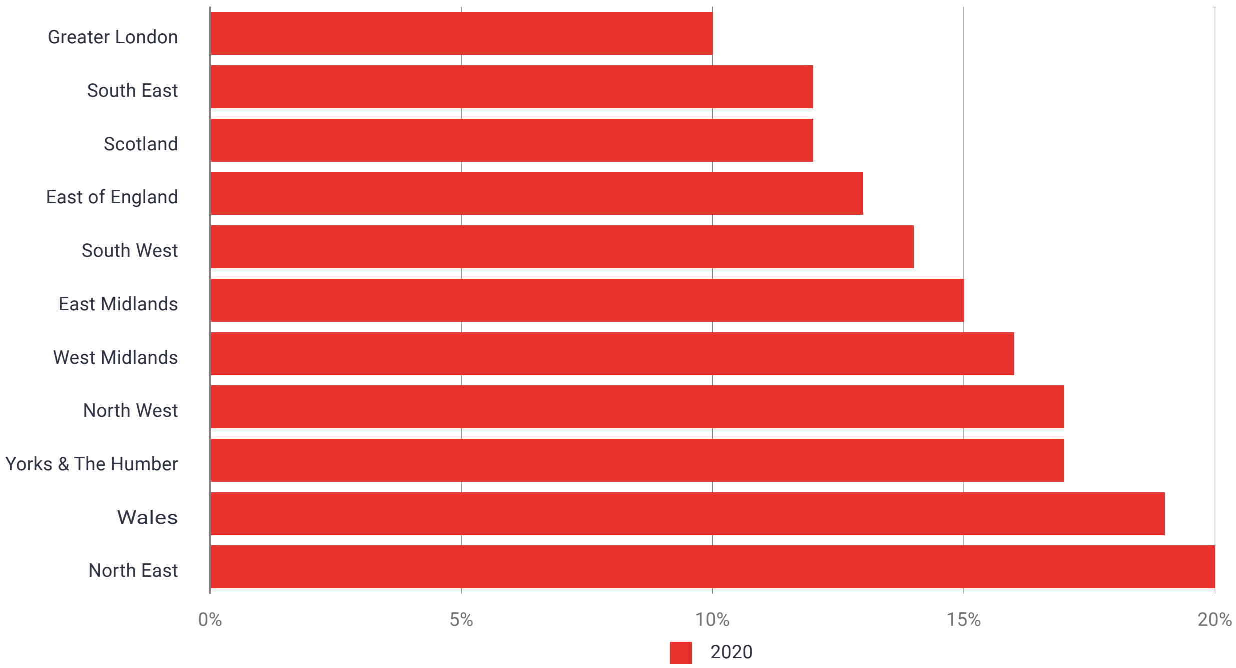
This has knock-on effects for empty shops, one of our six socio-economic indicators used in the Levelling Up Index. The Local Data Company has reported that vacant units have increased from 12% in 2018 to 15% today, rising every year. There are huge regional inequalities hidden in this national figure, however: in 2020, 20% of units were vacant in the North East and 17% in Yorkshire and the North West, compared to just 10% in London and 12% in the wider South East.[18]

The 2021 Levelling Up Index includes a larger and more comprehensive dataset on empty commercial properties than the 2020 Index. It reveals that the constituencies with the highest proportion of empty shops are overwhelmingly likely to be in our 'levelling up' category. In fact, of the 25 constituencies with the highest vacancy rate for commercial properties, all but one are 'levelling up' seats, and ten are in the group of 22 constituencies we have classed as requiring extra attention because their score places them well below even most of the others in the 'levelling up' category.

Bradford West, Newport West and Great Grimsby all have vacancy rates over 20%, meaning that more than one in five of their commercial properties are unoccupied. Cities of London & Westminster has the highest number of empty shops, but it also has the highest number of commercial premises overall – it contains many of the busiest shopping streets in central London – and so its vacancy rate of 8.2% is comfortably below the England and Wales average, and it is the second highest-placed constituency in the whole Levelling Up Index.

The high proportion of vacant commercial properties in many of the most disadvantaged constituencies is not a coincidence: the UK has a policy environment uniquely disadvantageous to bricks and mortar retail. Property taxes here are the highest in Europe, 50% higher than the next nearest country.[19] Many retailers stand ready to invest in their communities if provided with a sympathetic policy environment. This would, given the distribution of retail jobs, disproportionately benefit the local economies of those areas in need of levelling up.

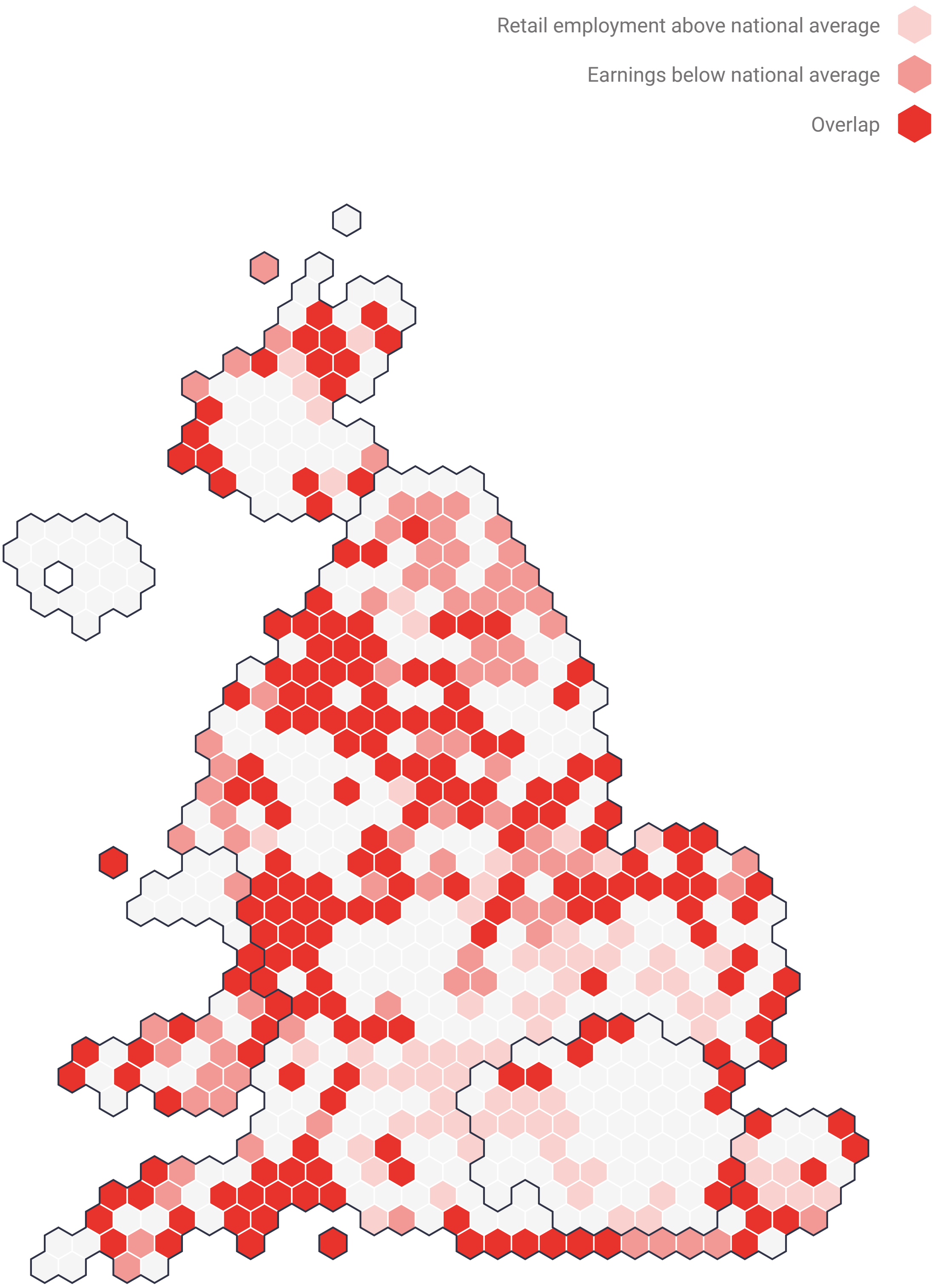
Retail and leisure vacancy rates by region



Note: includes vacancies across all locations: high streets, shopping centres and retail parks.

Source: Local Data Company, Retail and Leisure Analysis: Full year 2020 report, March 2021.

Proportion of retail jobs by parliamentary constituency



Source: Frontier Economics analysis of ONS (2019) *Earnings and hours worked, place of work by local authority*; ONS (2017) *Location quotient data and industrial specialisation for local authorities*

CHAPTER 3 Reducing Business Rates

- **Business rates receipts have increased from £8.8bn in 1990, when they were introduced, to £27.3bn in 2017-18, an increase of 210% compared with a 75% increase in inflation in this period.**
- **The business rates burden, here defined as the amount of business rates paid as a proportion of a business's profits, falls hardest on the North and Midlands. In fact, a large proportion of the most heavily burdened constituencies are also in need of 'levelling up'.**
- **In order to better understand the impact of business rates on those communities in need of levelling up, we have used nationally representative data which reveals the business rates burden in every constituency in England and Wales.**
- **The cost affects the North and Midlands more than the South – 77% of constituencies with the top 10% of rates burden are in the North and Midlands, compared to just 18% in London and the South.**
- **72% of the constituencies with the highest rates burden are also in need of levelling up, a figure which has remained consistently high over the past year.**
- **A national business rates reduction would disproportionately benefit those areas most in need of 'levelling up', where rates are directly reducing margins.**

The impact of Covid-19 on the retail sector has been severe. Once the changes in both retailer behaviour and consumer preference have returned to a stable level, however, there will still be long-term structural disadvantages for bricks and mortar retailers built into the system. If the Government aims to truly level up many communities, particularly in the North and Midlands, these disadvantages will need to be resolved in favour of a fairer system for retailers and the communities they serve.

The Treasury Select Committee said in 2019 that the current business rates system is 'broken'[20] and it is hard to disagree. The business rates multiplier, the tax rate paid as a proportion of market rent, has increased steadily over time. Business rates receipts have increased from £8.8bn in 1990, when they were introduced, to £27.3bn in 2017-18, an increase of 210% compared with a 75% increase in inflation in this period.[21] That means that the multiplier has increased from 35% to more than 50% over the past 20 years. In the past ten years alone, business rates have increased by 80% for some retailers[22] – these levels are not sustainable and, even worse, are disincentivising investment in the UK's most disadvantaged areas.

That is because the business rates burden, here defined as the amount of business rates paid as a proportion of a business's profits, falls hardest on the North and Midlands. In fact, a large proportion of the most heavily burdened constituencies are also in need of 'levelling up'. As the Treasury Select Committee noted in 2019, 'because business rates are a property tax, rather than a tax based on profits, they take no account of whether a business is doing well or suffering from poor trading conditions'.[23] Most taxes in the UK are progressive: they rise as earnings or profits increase. However, this is not true of business rates. They do not at all reflect economic performance.

In order to better understand the impact of business rates on those communities in need of levelling up, we have used nationally representative data which reveals the business rates burden in every constituency in England and Wales. We define the business rates 'burden' as the cost of business rates paid as a proportion of profits (a proxy for economic performance). This data, from 2019-20, was also used in our previous report

Open for Business where it was compared with our first Levelling Up Index in October 2020. Given there has not been a revaluation of retail property and based on input from the retail sector, we believe this data still largely reflects the current picture. We have used the same dataset to better compare constituency shifts over time.

Using this data we can see that the burden tends to be far higher in those areas most in need of levelling up. The results show:

- **There is a significant range in rates burden as a proportion of profits – the highest-burdened constituencies pay more than twice the national average, whilst the lowest pay just one-fifth.**
- **For the areas with the highest burden, this is a significant cost – in some cases business rates cost up to half a store's net income.**
- **The cost affects the North and Midlands more than the South – 77% of constituencies with the top 10% of rates burden are in the North and Midlands, compared to just 18% in London and the South.**
- **72% of the constituencies with the highest rates burden are also in need of levelling up, a figure which has remained consistently high over the past year.**
- **Those constituencies include Leigh, Hartlepool, Rossendale & Darwen, Hyndburn, and Redcar. Leigh, for example, has a business rates burden twice as high as the England and Wales average. Many others, including Sedgefield, South Thanet, and Bury North are in the top 100.**
- **Of the 50 constituencies with the highest rates burden only two – South Staffordshire and Fareham – are in Category 1, the group of constituencies least in need of 'levelling up'.**
- **The impact is hardest on stores in places in need of 'levelling up' – the 50 constituencies facing the highest burden of rates pay £54m more than the 50 constituencies facing the lowest burden.**
- **At a constituency level, the difference is even starker – a typical supermarket in Leigh faces a rates burden seven times higher than one in Tunbridge Wells.**

Reducing the Business Rates Burden

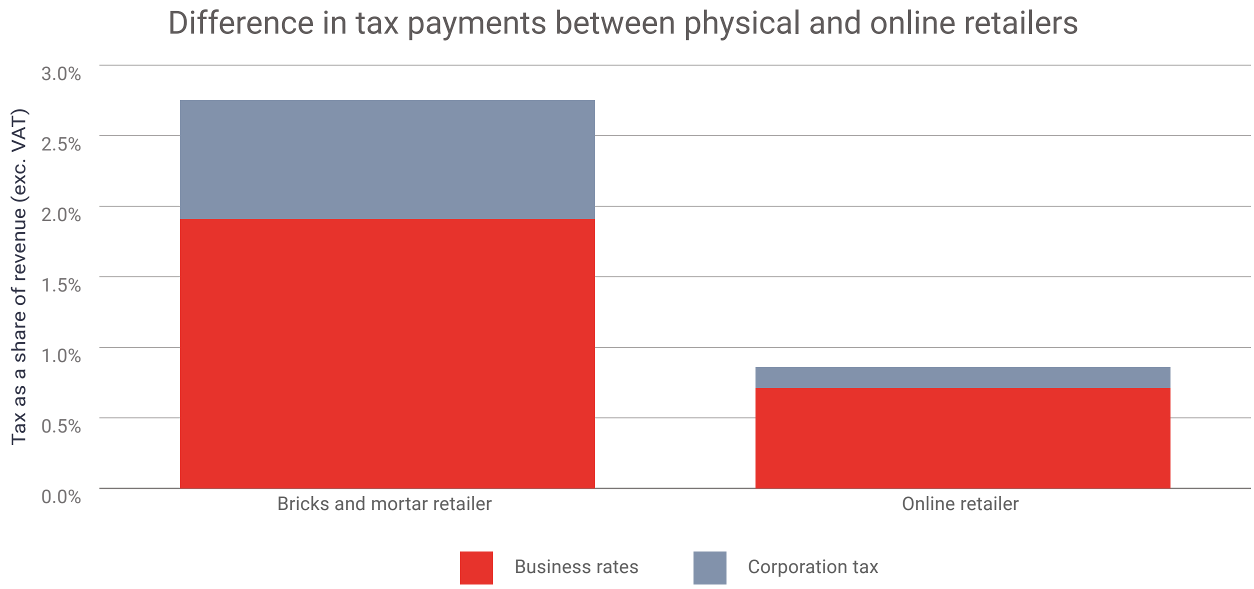
Our data now shows that, over the past year, a consistently large number of constituencies with high business rates burdens have remained in the 'levelling up' category. In these areas, where consumers have less to spend, the tax continues to apply at a high rate, meaning there is a fundamental imbalance in the system. Over time, this distortion depresses investment in 'levelling up' areas, where margins are tightest.

The impact on 'levelling up' areas is worsened by the fact that retail also pays more than double in business rates, as a proportion of profits, than any comparable sector.[24] As retail makes up a larger proportion of jobs in 'levelling up' constituencies, the ability of these businesses to invest is dampened, reducing investment, with knock-on effects for local economies.

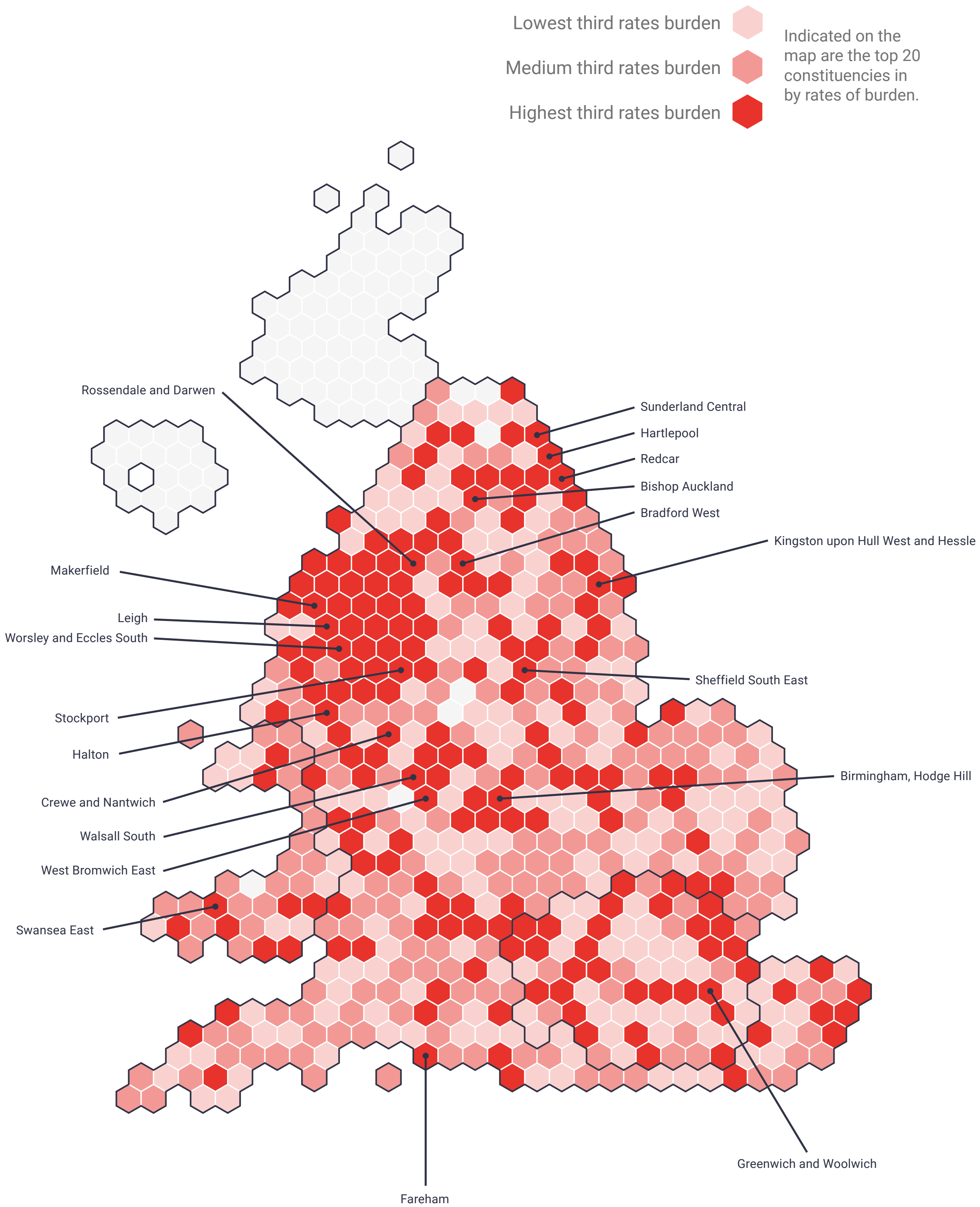
The solutions, however, are unlikely to be regional. The top 20 most heavily burdened constituencies are from all over England and Wales, including the South East, North East, North West, and London. Many affected constituencies also lie along the South coast of England. Like the 'levelling up' agenda itself, addressing the unfair burden of business rates will need a properly national solution.

That answer is straightforward: reduce business rates for retail nationally. This would support all areas of the sector. Crucially, it would disproportionately benefit those areas most in need of 'levelling up', where rates are directly reducing margins. Reducing business rates nationally, in other words, would be a huge boost to the 'levelling up' agenda. In 2020, we calculated that a cut from 50% to 40% would create 10,000 new jobs across 50 representative constituencies across the North and Midlands – an average of 200 new jobs per constituency, an increase which would be even more impactful after the pandemic.

Of course, a reduction in business rates would need to be balanced out by raising taxes in another area. There would be various potential solution to this, but one would be the introduction of a new Online Sales Levy. This would have the added benefit of correcting a further distortion in the tax system which currently sees online retailers pay just under 1% tax as a share of revenue compared to just under 3% for bricks and mortar retailers. In a sector where typical profit margins are only 2-4%, this is a significant advantage.



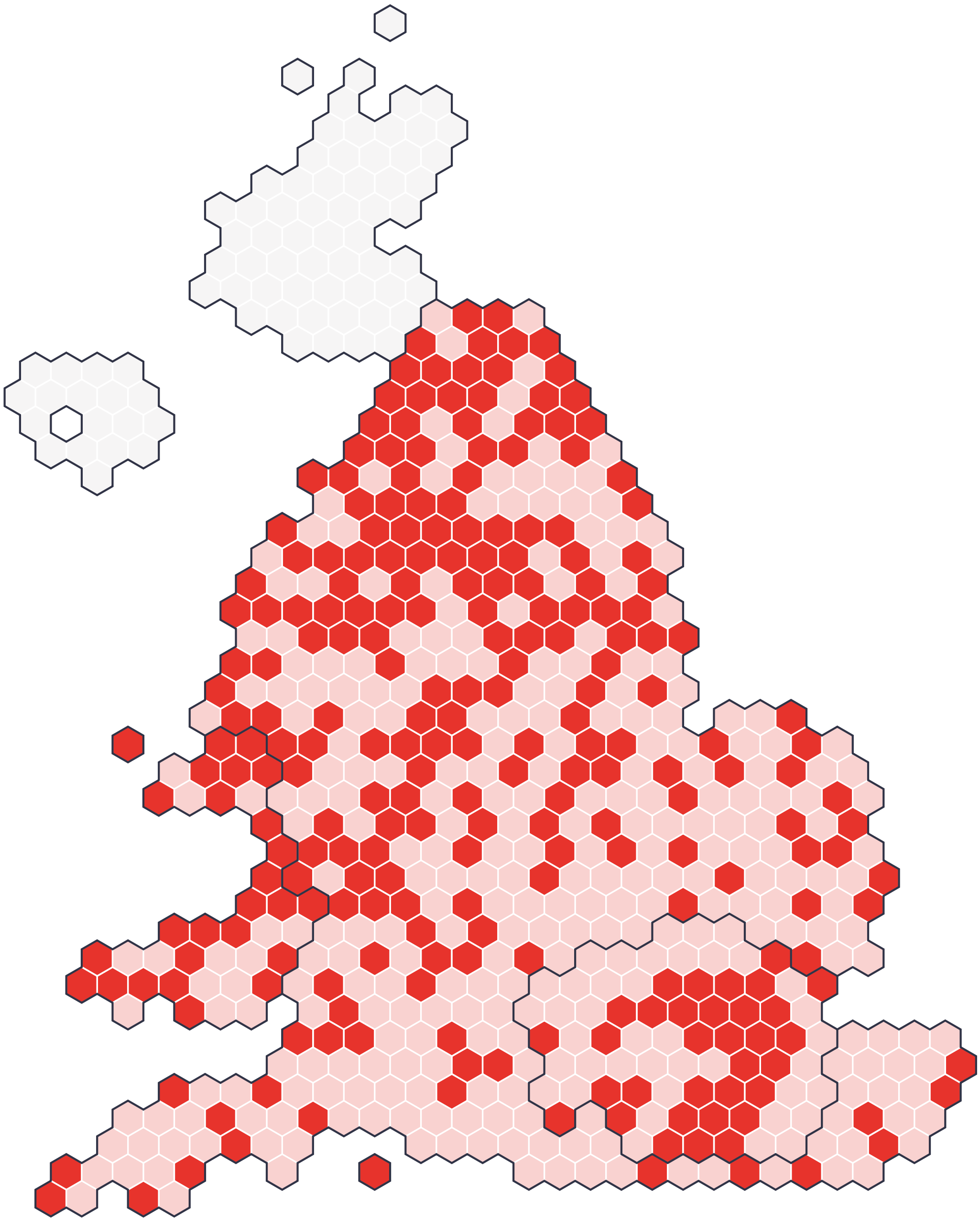
Constituency map of business rates burden



Constituency map of vacancy rates

Vacancy rates below England and Wales average

Vacancy rates above England and Wales average



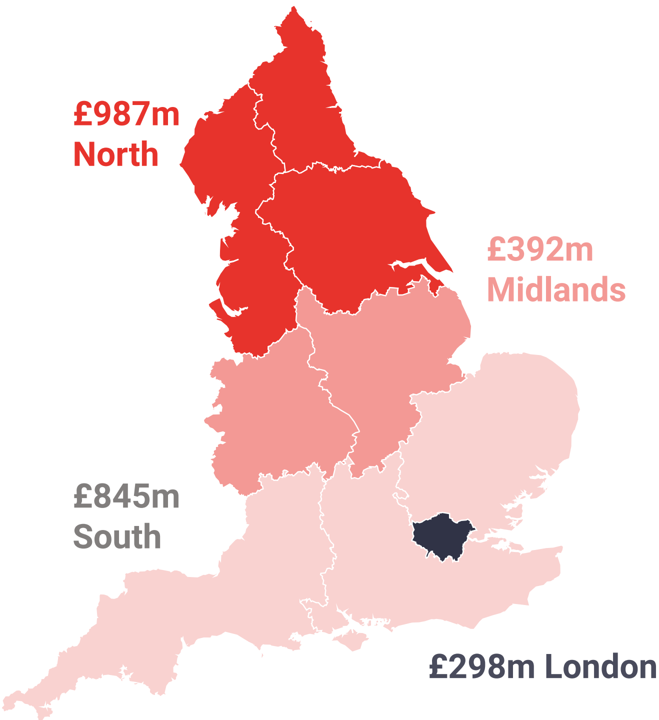
Transitional Relief

As well as the standard business rates multiplier there is also a policy mechanism called 'transitional relief', which looks to subsidise certain businesses by limiting the amount that other businesses can see their business rates bill fall (a process called downwards transition). This means that shops that should have seen their tax bill fall (because the value of their property has fallen) are not given their full tax reduction. This is having two perverse impacts. Firstly, it penalises retail, a sector critical to levelling up, which paid a net £600m into the system between 2017 and 2021.[25] Secondly, it specifically burdens stores in levelling up areas, where property values have fallen fastest.

When Transitional Relief is taken into account some stores in the North West are paying a business rates effective tax rate of over 70 per cent (in terms of the tax compared to the market rental value of the property).[26] Across the UK the North and Midlands paid almost £1.4bn into this system — £400m more than London and the South and retail as a sector paid more than any other.[27]

Government must urgently set out at this Budget how the transitional relief system will be reformed to prevent this unfair distortion, namely by immediately ending the downwards transition gradient. The Government should also look to introduce regular revaluations, with a minimum frequency of every three years.

Regional business rates burden caused by capping of downwards transitional relief



Source: Frontier Economics analysis of MHCLG data (NNDR3) on non-domestic rates by local authority

Note: Gross transitional relief includes the total amount paid by businesses in a constituency due to downward caps for the whole revaluation period for England. Data on extra yield collected due to transitional relief was projected forward to 2021/22 using the estimated cost profile of transitional relief over time in the 2017 consultation. Transitional relief is calculated at the local authority level and allocated to constituencies proportionately based on the number of local units from the Business Structure Database.

Conclusion

- **We recommend a reduction in business rates for retail to take effect as soon as possible, to be announced in the Budget and implemented from April 2022.**
- **Government must also urgently set out at this Budget how the transitional relief system can be reformed to prevent unfair distortion, a change which would reduce the burden on businesses of all sizes and enable more investment into stores and jobs across the UK.**
- **We would also recommend that of the potential solutions which would make a cut in business rates for retail revenue neutral, an Online Sales Levy would be most appropriate.**

'Levelling up' will mean thinking creatively in all aspects of policy. Regional disparities have many causes, often interlinked and seldom simple to fix. Creating the right policy landscape and tax environment, however, could immediately free up investment, create jobs, and grow local economies across our 'levelling up' constituencies.

There are plenty of policies, in a wide range of areas, that could make a contribution to furthering the 'levelling up' agenda and transforming the prospects of disadvantaged communities across the country. This report focuses on just one issue. As our data shows, business rates are currently penalising shops in 'levelling up' constituencies in the North, the Midlands and Wales – some shops there are facing double the burden of stores in the South. Therefore, ahead of the expected publication of the Final Report of the Business Rates Review in the autumn, we recommend a reduction in business rates for retail to take effect as soon as possible, to be announced in the Budget and implemented from April 2022.

The Government must also urgently set out at this Budget how the transitional relief system can be reformed, namely by ending the slower downwards transition gradiant. The Government should also look to introduce immediate and full adjustments to rates based on regular revaluations. This would reduce the burden on businesses of all sizes and enable more investment into stores and jobs across the UK. More regular revaluations - at least every three years as a minimum - may address the need for a transitional relief system entirely. These could be conducted for each property every three years on a rolling basis.

We would also recommend that of the potential solutions which would make a cut in business rates for retail revenue neutral, an Online Sales Levy would be most appropriate. This would create a more level playing field between online retailers and bricks-and-mortar, help support local communities, and boost the levelling up agenda.

These changes would go a long way towards making the investment environment for retail fairer across the country. The proposals are straightforward, achievable, but also necessary. Not to make these adjustments would have detrimental effects on local economies across the country.

Cutting the shops tax would have the opposite effect, boosting the economy while delivering on a major Government priority. It would have a major positive impact, one felt disproportionately in the 'levelling up' constituencies: unlocking investment, creating jobs and growing local economies.

Annex: The Levelling Up Index

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Aberavon	88	144	94			125
Aberconwy	82	118	92			86
Aldershot	141	69	88	69	97	130
Aldridge-Brownhills	91	93	75	87	102	119
Altrincham and Sale West	117	63		48	112	100
Alyn and Deeside	113	95	81			110
Amber Valley	106	77	105	97	114	91
Arfon	83	114	94			151
Arundel and South Downs	98	53	65	52	103	74
Ashfield	96	91	107	125	95	116
Ashford	110	113	101	87	97	99
Ashton-under-Lyne	86	132		159	86	170
Aylesbury	120	78	64	56	99	78
Banbury	123	78	75	70	100	96
Barking	95	132	133	155	87	98
Barnsley Central	78	112	119	142	83	108
Barnsley East	85	119	127	150	90	82
Barrow and Furness	108	76	91	126	99	170
Basildon and Billericay	103	121	113	101	93	125
Basingstoke	139	80	84	68	89	119
Bassetlaw	86	132	107	105	91	151
Bath	117	61	68	56	108	89
Batley and Spen	66	137	116	124	87	122
Battersea	146	81	144	76	114	89
Beaconsfield	142	70	68	40	110	71
Beckenham	108	50	93	46	108	55
Bedford	117	117	119	107	93	103
Bermondsey and Old Southwark	169	97	109	120	95	96
Berwick-upon-Tweed	63	102	90	92	111	98
Bethnal Green and Bow	158	121	159	139	98	122
Beverley and Holderness	90	72	59	73	97	80
Bexhill and Battle	75	86	73	79	108	67
Bexleyheath and Crayford	102	108	106	79	110	58
Birkenhead	68	151	144	202	108	162
Birmingham, Edgbaston	96	98	105	146	115	77
Birmingham, Erdington	84	154	140	216	89	111
Birmingham, Hall Green	81	124	104	181	102	92
Birmingham, Hodge Hill	74	169	110	228	91	56
Birmingham, Ladywood	97	186	89	210	96	116
Birmingham, Northfield	69	163	142	181	122	84
Birmingham, Perry Barr	87	192	123	173	98	86
Birmingham, Selly Oak	90	102	114	142	96	115
Birmingham, Yardley	82	221	123	187	86	100
Bishop Auckland	82	107	132	134	95	166
Blackburn	84	168	142	182	84	165
Blackley and Broughton	92	204		217	78	119

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Blackpool North and Cleveleys	88	139	161	162	78	114
Blackpool South	77	197	242	224	85	188
Blaenau Gwent	78	144	125			200
Blaydon	86	108	107	97	100	116
Blyth Valley	84	119	139	126	106	110
Bognor Regis and Littlehampton	76	99	110	99	98	75
Bolsover	83	121	98	114	103	54
Bolton North East	75	144		158	102	165
Bolton South East	74	166		170	91	168
Bolton West	90	104		100	102	93
Bootle	97	145	129	197	94	141
Boston and Skegness	78	152	116	134	89	121
Bosworth	104	95	70	65	100	101
Bournemouth East	123	103	122	100	102	104
Bournemouth West	104	76	146	103	96	100
Bracknell	152	66	62	50	90	90
Bradford East	79	197	158	204	97	143
Bradford South	84	151	161	177	87	131
Bradford West	78	180	132	197	75	226
Braintree	108	81	101	69	97	109
Brecon and Radnorshire	84	86	75			102
Brent Central	111	148	151	142	95	114
Brent North	90	97	119	95	98	73
Brentford and Isleworth	169	107	124	90	105	96
Brentwood and Ongar	95	68	103	53	102	71
Bridgend	89	99	82			120
Bridgwater and West Somerset	89	126	84	109	106	94
Brigg and Goole	91	118	72	81	94	104
Brighton, Kemptown	101	101	114	125	101	92
Brighton, Pavilion	95	69	128	80	98	104
Bristol East	101	85	121	121	103	105
Bristol North West	92	89	101	113	106	94
Bristol South	94	99	144	151	102	114
Bristol West	130	58	98	105	108	150
Broadland	86	91	55	64	103	75
Bromley and Chislehurst	103	56	111	77	98	89
Bromsgrove	101	76	71	54	113	67
Broxbourne	114	114	99	81	98	62
Broxtowe	93	82	80	58	110	87
Buckingham	100	51	45	41	111	48
Burnley	84	162	178	175	78	159
Burton	98	106	70	93	92	133
Bury North	89	107		110	90	130
Bury South	83	88		109	93	103
Bury St Edmunds	110	70	66	62	115	69
Caerphilly	82	132	103			103
Calder Valley	97	87	99	95	90	106
Camberwell and Peckham	105	100	161	132	98	142
Camborne and Redruth	91	85	72	123	102	138

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Cambridge	141	73	101	71	106	93
Cannock Chase	97	92	83	94	95	92
Canterbury	98	72	104	72	100	65
Cardiff Central	85	106	128			139
Cardiff North	102	64	68			76
Cardiff South and Penarth	115	116	108			76
Cardiff West	87	119	134			85
Carlisle	93	92	111	106	87	126
Carmarthen East and Dinefwr	77	97	69			76
Carmarthen West and South Pembrokeshire	91	104	83			135
Carshalton and Wallington	97	103	109	79	101	112
Castle Point	85	87	99	78	90	73
Central Devon	86	70	41	75	121	74
Central Suffolk and North Ipswich	80	70	55	68	104	54
Ceredigion	76	78	72			114
Charnwood	112	81	63	49	117	37
Chatham and Aylesford	101	91	129	115	83	55
Cheadle	107	52		53	117	83
Chelmsford	117	67	112	58	104	75
Chelsea and Fulham	135	57	118	80	87	96
Cheltenham	104	77	109	67	109	98
Chesham and Amersham	107	49	58	32	110	69
Chesterfield	87	83	113	113	111	94
Chichester	91	107	69	64	109	80
Chingford and Woodford Green	89	107	121	86	110	84
Chippenham	108	69	68	58	117	81
Chipping Barnet	101	89	104	65	109	100
Chorley	80	85	118	82	91	93
Christchurch	99	109	60	54	118	62
Cities of London and Westminster	258	81	45	78	108	86
City of Chester	114	84	91	83	109	126
City of Durham	108	79	80	84	98	96
Clacton	64	161	137	166	70	88
Cleethorpes	101	115	83	103	88	92
Clwyd South	82	104	106			0
Clwyd West	78	130	107			117
Colchester	97	87	131	91	91	122
Colne Valley	79	86	90	90	110	80
Congleton	83	62	84	58	102	95
Copeland	133	70	75	108	90	131
Corby	102	97	103	93	91	71
Coventry North East	88	124	102	147	78	71
Coventry North West	92	101	98	104	89	46
Coventry South	110	102	68	103	102	111
Crawley	138	140	101	88	104	74
Crewe and Nantwich	100	99	106	91	90	125
Croydon Central	127	133	132	112	98	188
Croydon North	95	147	163	127	93	139
Croydon South	108	63	97	68	103	110

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Cynon Valley	60	128	120			135
Dagenham and Rainham	94	141	116	124	82	110
Darlington	97	123	141	129	90	179
Dartford	130	106	112	84	91	75
Daventry	95	82	89	58	100	85
Delyn	85	110	97			111
Denton and Reddish	90	134		130	100	93
Derby North	118	71	139	106	95	44
Derby South	131	158	153	160	83	128
Derbyshire Dales	105	49	68	55	121	101
Devizes	102	55	55	58	117	96
Dewsbury	101	131	111	116	94	194
Don Valley	79	140	123	123	85	96
Doncaster Central	92	130	133	142	90	156
Doncaster North	77	125	145	155	84	126
Dover	104	108	120	107	103	104
Dudley North	86	175	99	138	94	125
Dudley South	79	148	83	117	100	122
Dulwich and West Norwood	120	80	145	110	99	117
Dwyfor Meirionnydd	63	105	64			84
Ealing Central and Acton	129	109	131	92	106	95
Ealing North	94	143	135	108	97	78
Ealing, Southall	102	108	142	117	90	118
Easington	91	131	156	167	93	151
East Devon	108	75	47	54	130	69
East Ham	89	126	131	132	93	108
East Hampshire	99	48	60	51	116	105
East Surrey	103	56	84	56	106	77
East Worthing and Shoreham	105	92	86	76	110	70
East Yorkshire	81	89	69	95	91	109
Eastbourne	97	128	106	98	104	93
Eastleigh	107	68	79	53	93	53
Eddisbury	104	67	73	81	98	56
Edmonton	73	152	156	152	92	69
Ellesmere Port and Neston	108	106	100	99	99	117
Elmet and Rothwell	96	69	79	64	109	48
Eltham	90	84	118	104	87	86
Enfield North	111	114	121	124	102	84
Enfield, Southgate	88	108	122	75	101	82
Epping Forest	105	65	121	69	101	83
Epsom and Ewell	91	66	81	38	113	63
Erewash	111	115	115	95	105	119
Erith and Thamesmead	93	124	131	112	88	71
Esher and Walton	114	53	82	38	103	97
Exeter	95	61	78	79	119	93
Fareham	125	50	61	44	103	71
Faversham and Mid Kent	105	62	103	88	103	58
Feltham and Heston	137	123	121	109	87	72
Filton and Bradley Stoke	129	49	54	52	105	53

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Finchley and Golders Green	104	83	111	69	103	87
Folkestone and Hythe	108	127	110	110	89	99
Forest of Dean	85	81	74	82	112	15
Fylde	132	53	81	73	84	91
Gainsborough	79	118	85	95	94	153
Garston and Halewood	105	123	92	164	108	82
Gateshead	91	165	141	164	104	155
Gedling	80	99	88	73	98	56
Gillingham and Rainham	87	96	141	105	92	60
Gloucester	102	97	137	107	102	140
Gosport	81	74	95	85	85	71
Gower	77	82	79			55
Grantham and Stamford	92	69	82	67	94	116
Gravesham	106	106	158	99	83	97
Great Grimsby	78	185	134	175	76	217
Great Yarmouth	81	129	118	153	90	116
Greenwich and Woolwich	115	89	141	115	87	112
Guildford	135	70	71	41	106	99
Hackney North and Stoke Newington	69	134	181	142	119	124
Hackney South and Shoreditch	129	138	155	159	110	135
Halesowen and Rowley Regis	92	153	89	110	102	110
Halifax	92	150	131	149	79	166
Haltemprice and Howden	95	57	52	40	110	55
Halton	89	124	133	147	91	100
Hammersmith	158	99	124	116	108	133
Hampstead and Kilburn	114	84	125	82	114	102
Harborough	96	61	59	50	107	81
Harlow	109	116	145	94	87	132
Harrogate and Knaresborough	117	85	81	49	115	93
Harrow East	93	122	100	73	96	70
Harrow West	98	75	118	73	102	89
Hartlepool	78	139	173	162	84	203
Harwich and North Essex	94	92	82	79	97	128
Hastings and Rye	79	149	122	149	78	103
Havant	93	139	98	111	92	92
Hayes and Harlington	132	143	110	113	86	46
Hazel Grove	85	76		87	103	77
Hemel Hempstead	94	109	93	73	100	86
Hemsworth	69	123	126	134	87	91
Hendon	104	87	114	89	104	92
Henley	123	40	48	39	130	69
Hereford and South Herefordshire	91	73	80	89	105	137
Hertford and Stortford	110	47	71	37	103	64
Hertsmere	128	111	93	64	106	67
Hexham	78	66	59	58	123	115
Heywood and Middleton	76	132		141	102	133
High Peak	82	99	101	72	113	95
Hitchin and Harpenden	98	43	66	38	106	63
Holborn and St Pancras	143	78	85	109	121	94

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Hornchurch and Upminster	95	100	96	76	96	81
Hornsey and Wood Green	101	82	161	96	104	80
Horsham	106	61	70	43	102	93
Houghton and Sunderland South	81	119	139	141	90	97
Hove	105	73	107	83	99	76
Huddersfield	88	148	119	138	81	155
Huntingdon	115	48	70	58	104	77
Hyndburn	91	132	156	154	85	208
Ilford North	96	142	111	75	95	69
Ilford South	88	123	134	94	88	123
Ipswich	103	129	113	121	88	147
Isle of Wight	81	106	81	108	92	110
Islington North	112	93	169	131	93	129
Islington South and Finsbury	189	87	90	123	106	113
Islwyn	102	124	102			81
Jarrow	85	135	117	130	94	95
Keighley	86	114	109	119	109	105
Kenilworth and Southam	143	40	60	45	122	45
Kensington	122	91	138	106	115	87
Kettering	105	80	115	89	97	109
Kingston and Surbiton	117	70	101	58	107	112
Kingston upon Hull East	82	149	124	176	67	112
Kingston upon Hull North	87	150	147	181	80	96
Kingston upon Hull West and Hessle	107	176	121	186	76	172
Kingswood	104	65	77	60	129	50
Knowsley	98	175	114	214	89	110
Lancaster and Fleetwood	101	70	116	111	88	134
Leeds Central	109	154	109	193	84	143
Leeds East	136	151	174	197	106	81
Leeds North East	91	68	118	94	100	60
Leeds North West	102	44	88	74	111	95
Leeds West	102	117	163	175	94	104
Leicester East	77	180	91	126	96	81
Leicester South	82	118	100	135	89	146
Leicester West	93	163	149	170	83	77
Leigh	84	108		119	95	144
Lewes	94	71	69	69	106	104
Lewisham East	100	83	143	123	100	88
Lewisham West and Penge	96	94	148	111	95	132
Lewisham, Deptford	127	84	164	123	96	117
Leyton and Wanstead	100	98	145	103	103	108
Lichfield	97	79	64	56	102	71
Lincoln	78	111	139	113	89	105
Liverpool, Riverside	103	114	111	171	96	116
Liverpool, Walton	78	218	180	258	97	148
Liverpool, Wavertree	88	150	126	176	102	100
Liverpool, West Derby	94	183	143	209	95	61
Llanelli	84	117	115			152
Loughborough	108	89	83	67	97	121

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Louth and Horncastle	87	123	78	122	98	96
Ludlow	73	83	54	82	114	58
Luton North	92	145	91	109	84	57
Luton South	119	149	111	127	88	117
Macclesfield	103	56	85	61	116	106
Maidenhead	155	53	59	35	108	95
Maidstone and The Weald	103	97	107	71	96	98
Makerfield	87	98		101	107	87
Maldon	94	66	82	61	94	112
Manchester Central	117	109		196	85	115
Manchester, Gorton	89	127		181	94	99
Manchester, Withington	85	80		123	104	85
Mansfield	73	117	133	132	103	123
Meon Valley	117	45	65	51	112	83
Meriden	126	109	88	102	101	81
Merthyr Tydfil and Rhymney	78	160	125			119
Mid Bedfordshire	119	61	65	43	102	35
Mid Derbyshire	95	52	79	48	105	74
Mid Dorset and North Poole	116	79	64	49	127	60
Mid Norfolk	86	60	66	77	98	63
Mid Sussex	121	54	63	36	117	67
Mid Worcestershire	96	75	72	76	115	115
Middlesbrough	77	198	200	210	84	161
Middlesbrough South and East Cleveland	79	120	147	126	104	91
Milton Keynes North	131	90	82	76	85	97
Milton Keynes South	130	101	88	91	83	49
Mitcham and Morden	103	128	131	93	101	88
Mole Valley	148	75	71	45	118	89
Monmouth	96	75	67			124
Montgomeryshire	83	65	64			111
Morecambe and Lunesdale	89	106	139	130	96	167
Morley and Outwood	114	69	98	85	95	58
Neath	78	115	96			114
New Forest East	104	49	71	63	115	52
New Forest West	89	52	67	57	124	52
Newark	90	100	93	74	102	95
Newbury	149	56	55	49	104	113
Newcastle upon Tyne Central	93	159	131	166	83	123
Newcastle upon Tyne East	99	116	133	131	100	101
Newcastle upon Tyne North	97	126	121	113	111	45
Newcastle-under-Lyme	80	119	80	90	95	123
Newport East	97	131	125			59
Newport West	101	126	124			221
Newton Abbot	85	90	62	78	124	77
Normanton, Pontefract and Castleford	100	127	127	140	101	111
North Cornwall	73	115	52	109	106	67
North Devon	89	70	59	95	119	115
North Dorset	96	71	56	64	104	53
North Durham	89	125	141	121	98	138

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
North East Bedfordshire	108	78	70	51	93	78
North East Cambridgeshire	80	80	88	110	88	105
North East Derbyshire	85	76	93	82	107	115
North East Hampshire	127	35	56	29	103	90
North East Hertfordshire	117	59	68	56	99	95
North East Somerset	96	55	60	53	124	110
North Herefordshire	87	71	52	85	110	132
North Norfolk	77	106	55	97	109	72
North Shropshire	108	98	61	84	110	117
North Somerset	111	59	50	40	123	86
North Swindon	110	86	77	81	98	70
North Thanet	77	137	134	124	83	86
North Tyneside	106	116	147	123	107	125
North Warwickshire	112	104	90	92	95	88
North West Cambridgeshire	103	77	85	82	96	54
North West Durham	75	135	101	109	97	118
North West Hampshire	120	46	66	55	102	89
North West Leicestershire	95	84	66	67	104	89
North West Norfolk	96	116	87	114	104	130
North Wiltshire	105	60	45	55	112	76
Northampton North	113	93	130	113	90	70
Northampton South	94	122	152	125	77	131
Norwich North	116	104	100	99	95	67
Norwich South	93	94	111	113	106	129
Nottingham East	89	122	149	168	103	145
Nottingham North	86	141	161	205	101	74
Nottingham South	92	90	104	117	88	135
Nuneaton	85	120	126	111	100	112
Ogmore	93	116	94			87
Old Bexley and Sidcup	116	71	84	55	91	45
Oldham East and Saddleworth	71	149		146	95	147
Oldham West and Royton	90	147		164	96	73
Orpington	117	61	89	59	105	59
Oxford East	108	78	87	86	108	89
Oxford West and Abingdon	131	46	56	41	109	70
Pendle	90	126	130	142	93	104
Penistone and Stocksbridge	90	92	82	78	117	68
Penrith and The Border	103	70	55	78	124	120
Peterborough	91	135	121	145	74	91
Plymouth, Moor View	102	120	89	139	89	69
Plymouth, Sutton and Devonport	85	121	127	143	104	143
Pontypridd	94	81	85			82
Poole	106	73	93	73	110	99
Poplar and Limehouse	240	137	81	120	105	111
Portsmouth North	116	103	102	115	87	58
Portsmouth South	91	99	133	133	79	95
Preseli Pembrokeshire	88	98	93			180
Preston	82	161	181	176	80	153
Pudsey	112	63	90	70	90	72

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Putney	140	65	122	75	106	130
Rayleigh and Wickford	94	50	76	46	98	39
Reading East	153	73	77	67	87	122
Reading West	130	89	94	88	95	59
Redcar	78	143	159	150	89	146
Redditch	99	116	91	101	116	101
Reigate	134	54	74	53	105	63
Rhondda	71	151	119			152
Ribble Valley	108	79	69	57	96	60
Richmond (Yorks)	90	67	62	56	108	104
Richmond Park	128	45	101	42	116	94
Rochdale	84	150		177	88	125
Rochester and Strood	104	85	132	98	83	91
Rochford and Southend East	94	133	160	128	93	150
Romford	108	97	107	75	89	119
Romsey and Southampton North	102	63	67	62	106	59
Rossendale and Darwen	93	92	140	116	93	110
Rother Valley	102	83	96	105	104	90
Rotherham	110	102	122	178	88	209
Rugby	122	86	90	67	102	109
Ruislip, Northwood and Pinner	119	50	93	49	123	77
Runnymede and Weybridge	152	67	83	50	96	78
Rushcliffe	107	50	62	33	116	47
Rutland and Melton	86	61	54	49	101	92
Saffron Walden	108	80	75	47	108	58
Salford and Eccles	118	107		157	79	116
Salisbury	91	66	69	63	115	93
Scarborough and Whitby	73	116	138	123	113	106
Scunthorpe	83	133	106	123	89	143
Sedgefield	85	115	126	123	98	115
Sefton Central	74	78	76	66	112	72
Selby and Ainsty	98	98	77	57	108	87
Sevenoaks	104	80	87	56	101	64
Sheffield Central	91	83	83	116	91	136
Sheffield South East	91	113	95	129	118	90
Sheffield, Brightside and Hillsborough	81	169	145	203	111	104
Sheffield, Hallam	89	38	58	35	114	53
Sheffield, Heeley	72	107	130	147	126	94
Sherwood	90	92	94	94	100	70
Shipley	103	81	114	87	116	90
Shrewsbury and Atcham	93	71	74	75	114	77
Sittingbourne and Sheppey	98	115	129	132	82	75
Skipton and Ripon	101	45	60	57	129	80
Sleaford and North Hykeham	91	76	60	55	96	87
Slough	127	126	111	106	102	93
Solihull	126	68	66	57	103	76
Somerton and Frome	98	68	57	74	111	79
South Basildon and East Thurrock	98	114	132	112	90	61
South Cambridgeshire	122	39	49	37	114	28

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
South Derbyshire	98	70	84	67	94	37
South Dorset	78	103	107	103	106	68
South East Cambridgeshire	132	47	59	47	112	46
South East Cornwall	72	116	60	100	112	82
South Holland and The Deepings	88	109	80	78	88	85
South Leicestershire	108	59	50	46	111	41
South Norfolk	95	66	55	64	101	67
South Northamptonshire	135	40	64	39	107	63
South Ribble	97	69	94	65	93	75
South Shields	71	162	153	155	91	186
South Staffordshire	84	87	68	61	102	49
South Suffolk	89	95	65	66	100	51
South Swindon	119	107	96	91	94	135
South Thanet	94	126	137	133	86	107
South West Bedfordshire	106	80	97	73	85	97
South West Devon	91	62	46	52	111	57
South West Hertfordshire	126	52	64	38	106	61
South West Norfolk	88	78	73	102	103	68
South West Surrey	109	67	67	35	117	68
South West Wiltshire	84	77	71	76	101	99
Southampton, Itchen	114	92	136	126	98	83
Southampton, Test	110	102	134	129	87	74
Southend West	86	81	107	74	107	83
Southport	69	94	87	102	101	137
Spelthorne	124	68	115	69	101	96
St Albans	132	65	80	44	109	87
St Austell and Newquay	79	104	68	111	99	76
St Helens North	95	127	114	141	97	64
St Helens South and Whiston	109	111	125	156	96	144
St Ives	68	109	61	112	124	113
Stafford	100	98	67	66	99	151
Staffordshire Moorlands	102	76	64	71	105	109
Stalybridge and Hyde	74	123		139	89	116
Stevenage	145	70	109	85	96	101
Stockport	99	112		141	92	165
Stockton North	96	137	164	152	94	185
Stockton South	100	79	116	90	92	80
Stoke-on-Trent Central	98	154	113	167	93	160
Stoke-on-Trent North	76	162	133	156	84	141
Stoke-on-Trent South	102	130	124	143	87	95
Stone	86	58	61	58	106	84
Stourbridge	86	118	84	95	102	123
Stratford-on-Avon	99	66	75	55	115	81
Streatham	101	76	161	105	95	111
Stretford and Urmston	108	100		107	95	96
Stroud	102	69	79	52	116	103
Suffolk Coastal	116	76	57	74	109	83
Sunderland Central	98	123	150	142	87	199
Surrey Heath	143	62	73	41	115	94

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Sutton and Cheam	110	78	94	50	109	117
Sutton Coldfield	107	63	70	62	107	93
Swansea East	89	108	95			74
Swansea West	83	101	109			185
Tamworth	98	115	82	90	98	118
Tatton	135	39	63	52	110	78
Taunton Deane	87	74	78	82	118	96
Telford	98	126	102	138	79	94
Tewkesbury	120	83	61	54	118	89
The Cotswolds	107	63	61	49	115	74
The Wrekin	92	106	73	84	98	97
Thirsk and Malton	92	71	55	71	108	73
Thornbury and Yate	106	53	53	50	117	75
Thurrock	95	130	132	105	77	105
Tiverton and Honiton	85	96	49	72	130	105
Tonbridge and Malling	108	48	79	59	105	69
Tooting	120	61	134	79	105	93
Torbay	73	134	114	136	104	129
Torfaen	88	116	109			101
Torridge and West Devon	69	90	48	98	118	90
Totnes	76	93	56	90	115	70
Tottenham	106	120	202	160	90	122
Truro and Falmouth	84	88	59	85	119	96
Tunbridge Wells	114	54	81	51	112	102
Twickenham	127	52	95	43	108	88
Tynemouth	96	77	111	82	105	97
Uxbridge and South Ruislip	134	65	105	72	93	72
Vale of Clwyd	82	126	120			137
Vale of Glamorgan	88	83	100			82
Vauxhall	179	92	147	124	122	103
Wakefield	105	131	119	121	99	137
Wallasey	75	114	111	162	112	131
Walsall North	82	174	115	183	92	127
Walsall South	90	151	105	156	103	197
Walthamstow	96	101	158	126	86	115
Wansbeck	80	115	138	128	103	119
Wantage	151	48	49	41	105	111
Warley	82	193	100	160	96	100
Warrington North	115	105	92	109	95	61
Warrington South	107	74	89	69	102	93
Warwick and Leamington	126	51	87	62	107	70
Washington and Sunderland West	86	152	112	142	79	117
Watford	112	88	95	67	98	87
Waveney	82	105	94	124	90	133
Wealden	99	50	58	57	112	59
Weaver Vale	117	95	90	99	108	139
Wellingborough	108	73	124	94	95	112
Wells	74	72	72	79	128	87
Welwyn Hatfield	147	92	82	67	97	70

Constituency	Spending power	Benefit dependency	Crime	Deprivation	Health	Empty commercial properties
Wentworth and Dearne	79	129	109	144	96	106
West Bromwich East	88	181	106	161	94	113
West Bromwich West	92	220	103	169	87	109
West Dorset	90	96	56	73	115	75
West Ham	131	114	158	141	95	118
West Lancashire	92	119	84	92	86	108
West Suffolk	96	85	75	80	102	77
West Worcestershire	82	75	62	72	115	82
Westminster North	108	112	144	107	100	95
Westmorland and Lonsdale	90	55	62	56	114	87
Weston-Super-Mare	94	107	102	104	98	132
Wigan	93	157		129	97	139
Wimbledon	113	65	89	40	107	101
Winchester	104	51	52	37	111	71
Windsor	138	59	58	39	110	73
Wirral South	92	58	62	79	123	103
Wirral West	91	52	71	81	108	58
Witham	90	84	84	62	81	72
Witney	101	90	51	40	116	78
Woking	165	56	89	50	107	109
Wokingham	133	44	53	28	99	73
Wolverhampton North East	99	206	99	156	97	55
Wolverhampton South East	85	221	119	170	87	97
Wolverhampton South West	89	120	112	116	90	168
Worcester	92	105	104	94	99	117
Workington	88	101	87	114	93	140
Worsley and Eccles South	92	132		148	95	149
Worthing West	94	76	88	78	97	108
Wrexham	87	135	113			160
Wycombe	135	107	77	60	101	138
Wyre and Preston North	99	52	70	53	101	70
Wyre Forest	84	81	95	104	100	111
Wythenshawe and Sale East	94	164		161	115	72
Yeovil	95	119	74	85	99	137
Ynys Môn	85	104	79			142
York Central	97	80	110	73	95	71
York Outer	102	56	59	32	118	46

Endnotes

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