



UK 2021 VITALITY INDEX

A DEFINITIVE HEALTH CHECK
ON THE UK'S TOWNS AND CITIES

Lambert
Smith
Hampton

**22 DATASETS 100
LOCATIONS LIFE
SATISFACTION
RETAIL SPEND
EMPLOYMENT GROWTH
RECYCLING RATES
SOCIODEMOGRAPHICS
PROPERTY
INVESTMENT CRIME
RATE EDUCATIONAL
ATTAINMENT HOUSING
DELIVERY WAGES CJRS**

Welcome to the 2021 UK Vitality Index, our eighth annual assessment of the health of the UK's largest towns and cities outside London.

Divided into three distinct pillars, the main index utilises 18 datasets to identify which locations are the best to live and do business in, and have the strongest growth prospects. Marking a key change from previous years, the 2021 edition takes a broader, more holistic approach in assessing the vitality of UK towns and cities and includes a new, separate index for opportunity.

The last 12 months have been unprecedented and extremely challenging in many ways, with the impact of COVID-19 unevenly distributed across the UK. For many, the changes to 'normal' life wrought by the pandemic, such as the mass adoption of remote-working, have already triggered a reappraisal of personal and familial priorities.

For this reason, alongside analysis of key economic indicators, our revamped assessment includes important aspects around health, mental wellbeing and the environment. This report shines a light on each location's resilience and looks forward to post-pandemic recovery highlighting locations' prospective strengths.

HEADLINES

2021 TOP TEN

- 1 WOKING
- 2 WINDSOR & MAIDENHEAD
- 3 BATH
- 4 CHELTENHAM
- 5 EXETER
- 6 YORK
- 7 WATFORD
- 8 BRIGHTON & HOVE
- 9 EDINBURGH
- 10 CAMBRIDGE



WOKING IS THE TOP RANKED LOCATION FOR VITALITY

NINE OF THE TOP 10 LOCATIONS ARE IN ENGLAND

SOUTHERN ENGLAND DOMINATES THE TOP 10

YORK IS THE NORTHERNMOST ENGLISH LOCATION IN THE TOP 10

EDINBURGH IS THE ONLY MAJOR CITY

KEY FINDINGS

WONDROUS WOKING

Our new and expanded analysis sees Woking crowned as the top-ranked location for vitality in 2021. The Surrey town was in the Top 10 on the Economy and Business pillar, with a top score for wage growth and commercial property investment. It was also particularly strong on the Health and Environment pillar (ranked 2nd) with low levels of cardiovascular mortality and high scores for life satisfaction and recycling.

Also in the South East, Windsor and Maidenhead is the second placed location in 2021. While sharing similar positive traits with top-ranked Woking, the Royal Borough drew much of its strength from the Living pillar, scoring highly for educational attainment, affluent households and a low retail vacancy rate.

THE MIGHTY MIDDLE

The Vitality Index findings show that big is not always better. Despite lower population sizes than the UK's major urban centres, medium-sized centres feature prominently at the top end of our new, more holistic assessment. Six of the Top 10 ranked locations have populations that are outside the UK's 50 most populous locations.

These findings are especially pertinent now in light of the changes wrought by the pandemic, most notably greater home working and the desire for green space. Our findings show that the less populated towns and cities appear to offer more to their residents in certain key respects, including education, health outcomes and life satisfaction.

SOUTH ON TOP

Locations in and around southern England dominated in 2021, making up eight of the Top 10 locations. These

clear regional differences in vitality reflect long-standing north-south divisions in health, affluence and growth, which notably were highlighted as a growing problem in the Marmot Review, published by the Health Foundation in 2020.

In the South West, Bath, Cheltenham and Exeter were placed third to fifth respectively. Both Bath and Cheltenham ranked in the top three on the Living and the Health and Environment pillars, with house price growth and lower energy consumption driving their performance. In contrast, Exeter performed better than its South West counterparts on the Economy and Business pillar, with the second highest overall level of professional jobs growth, strong economic growth and a lower level of furloughed employees at the end of 2020.

WHAT'S UP NORTH

York was the northernmost English city in the Top 10, drawing its strength from being ranked in second place on the Living pillar. Specifically, high levels of house price growth, educational attainment and comparison goods retail spend (measured prior to the 2020 lockdowns) fuelled York's high ranking on this pillar.

The largest and only location outside of England to feature in the main index Top 10 was the Scottish capital of Edinburgh. A third place ranking on the Economy and Business pillar cemented Edinburgh's Top 10 spot, with top scoring for wage growth, professional jobs growth, new enterprises, GVA per capita and investment in commercial property.

MISSING OUT?

Several regions were not represented in this year's Top 10, specifically the East Midlands, North West, North East, Wales and Northern Ireland. That said, there were

some strong performers across some regions. The Welsh capital of Cardiff ranked 19th overall and there was a cluster of North West locations in the Top 25, with Warrington, Sale and Stockport ranked from 21st to 23rd respectively.

The East Midlands and North East were some way behind. The East Midlands was strongest on the Economy and Business pillar, performing well on wage growth, GVA per capita and investment in commercial property. The region's top ranking location was Northampton at 54th. The North East was consistent across the pillars, but had above average scoring on a number of the variables including furlough rates, commercial property investment and comparison goods retail spend. The region's top ranking location was Newcastle at 76th.

OPPORTUNITY

In addition to the Vitality Index, this year's report also includes a forward looking analysis on opportunity. This standalone measure assesses each location's potential to overcome existing challenges, grow and improve. In contrast with the main index, the Opportunity Top 10 is much less focused on the south and dominated by towns and cities in Yorkshire and the Humber and the Midlands regions.

Nuneaton topped the Opportunity ranking for 2021. This was largely thanks to the fact it benefits from various government funded support schemes, strong projected population growth amongst 20-44 year olds and a high retail to office floorspace ratio, the latter indicative of opportunities to repurpose and regenerate.

THE THREE PILLARS



ECONOMY & BUSINESS

| RANK | TOWN / CITY | REGION |
|------|---------------|-----------------|
| 1 | PETERBOROUGH | East of England |
| 2 | BEDFORD | East of England |
| 3 | EDINBURGH | Scotland |
| 4 | MILTON KEYNES | South East |
| 5 | WATFORD | East of England |
| 6 | CAMBRIDGE | East of England |
| 7 | BASINGSTOKE | South East |
| 8 | WARRINGTON | North West |
| 9 | LUTON | East of England |
| 10 | WOKING | South East |

Economic and business vitality was measured by wage growth, workforce jobs growth in specific sectors, new enterprises and business density, GVA per capita, GVA growth and forecast, COVID Job Retention Scheme (CJRS) take-up in December 2020 and change from May to December 2020, and commercial property investment volume per capita.



LIVING

| RANK | TOWN / CITY | REGION |
|------|----------------------|------------------------|
| 1 | CHELTENHAM | South West |
| 2 | YORK | Yorkshire & the Humber |
| 3 | BATH | South West |
| 4 | WINDSOR & MAIDENHEAD | South East |
| 5 | BRIGHTON & HOVE | South East |
| 6 | SOLIHULL | West Midlands |
| 7 | SALE | North West |
| 8 | CARDIFF | Wales |
| 9 | CAMBRIDGE | East of England |
| 10 | WATFORD | East of England |

The Living pillar encompasses an analysis of education, lifestyle and consumption and incorporates house price growth, GCSE results, NVQ4 and above attainment, households in specific MOSAIC categories, comparison goods retail spend (measured prior to the 2020 lockdowns) and retail vacancy rate.



HEALTH & ENVIRONMENT

| RANK | TOWN / CITY | REGION |
|------|-------------|------------------------|
| 1 | BATH | South West |
| 2 | WOKING | South East |
| 3 | CHELTENHAM | South West |
| 4 | STOCKPORT | North West |
| 5 | BOURNEMOUTH | South West |
| 6 | WORTHING | South East |
| 7 | EXETER | South West |
| 8 | WYCOMBE | South East |
| 9 | YORK | Yorkshire & the Humber |
| 10 | MAIDSTONE | South East |

The Health and Environment pillar was comprised of cardiovascular mortality rate, life satisfaction, recycling rates, energy consumption per capita, CO₂ emissions per capita and recorded crimes per capita.

DIGGING DEEPER

ECONOMY & BUSINESS

The Top 10 in this pillar included more of the UK's larger centres than the other two pillars – with six of the Top 10 among the 50 most populous UK locations. Unsurprisingly, there was significant representation from the East and South East of England, with areas that have closer proximity to London performing strongly on Economy and Business.

The cathedral city of Peterborough is the top-ranked location for Economy and Business performing consistently across this pillar and achieving a top score for economic growth and investment in commercial property. In close proximity to Peterborough was the second place location of Bedford, with a top score for professional workforce and economic growth.

In third spot, Edinburgh represented Scotland and the larger UK cities. Edinburgh performed consistently on this pillar with the highest scores for four of the six variables, but was held back by negative economic growth and a slower rate of change on the CJRS.

The East of England accounted for half of the Top 10 locations. These locations demonstrated particular strength in professional workforce jobs growth, economic growth and investment in commercial property.

Looking into the Top 25, some of the larger UK cities are represented including Liverpool (11th), Bristol (16th), Leeds (19th) and Manchester (23rd).

LIVING

The top-ranked locations on the Living pillar are the most regionally varied of the three pillars. The spa town of Cheltenham is the UK's top-ranked location, followed by York and Bath. Cheltenham attained the highest score on three of the six variables, namely house price growth, NVQ4+ qualifications and retail comparison goods spend (measured prior to the 2020 lockdowns).

Windsor and Maidenhead ranked fourth on the Living pillar with high levels of educational attainment and the UK's second highest overall proportion of affluent households. Also in the South East and with a Top 10 placement on the Vitality Index, the south coast city of Brighton and Hove has top scoring for NVQ4+ qualifications and affluent households. In the only Midlands representation across the pillars, Solihull ranked sixth with a consistent high ranking across all of the living variables.

Ranked eighth, Cardiff is the only Welsh entry across the pillars, demonstrating strength in educational attainment, affluent households and comparison goods retail spend. In the only Midlands representation across the pillars, Solihull ranked sixth, with a consistent high ranking across the living indicators.

Looking immediately outside the Top 10, the renowned university city of Oxford was ranked 11th on this pillar, with its top ranking for educational attainment offset by relatively slow house price growth since 2018.

HEALTH & ENVIRONMENT

Tellingly, eight of the Top 10 locations on the Health and Environment pillar were in the south of England. Broadly speaking, the south eastern locations score highly for life satisfaction and for lower levels of cardiovascular mortality, whereas the south western locations broadly had lower levels of energy consumption and CO₂ emissions.

Taking the top spot is the spa city of Bath, boosted by its green credentials with a top score for household recycling and a high score for lower energy consumption and CO₂ emissions. Woking, the top-ranking location on the Vitality Index, was second, drawing strength from the health and wellbeing indicators.

Stockport in the North West takes fourth place, followed in fifth by the most densely populated Top 10 location, Bournemouth. Both locations scored strongly for life satisfaction, with Stockport also receiving a top score for household recycling.

Exeter, which also featured on the main index, ranks seventh on this pillar. Here, a poor score for household recycling was offset by a top score for life satisfaction and strong scores for low energy consumption and CO₂ emissions.

In ninth place is York, which also ranks in the Living pillar Top 10. Whilst York's green credentials were average, it drew strength from its health and wellbeing scores and a lower crime rate.

OPPORTUNITY

In addition to the main index, 2021 sees the introduction of the Opportunity Index, and puts a spotlight on those locations with the greatest potential to overcome current challenges and grow.

| RANK | TOWN / CITY | REGION |
|------|-----------------|--------|
| 1 | NUNEATON | WM |
| 2 | WAKEFIELD | Y&H |
| 3 | WOLVERHAMPTON | WM |
| 4 | DARTFORD | SE |
| 5 | GRIMSBY | Y&H |
| 6 | CARDIFF | W |
| 7 | NOTTINGHAM | EM |
| 8 | SHEFFIELD | Y&H |
| 9 | BARNSELY | Y&H |
| 10 | NORWICH | EE |



WHAT'S IN IT?

The Opportunity Index encompasses an analysis of government funded support (FHSF, Town Funds, City Region Deals and Enterprise Zones), forecasted population growth amongst 20-45 year olds by 2031, housing delivery based on need and pipeline, and the ratio of retail to office stock.

NUNEATON IS TOP OF THE OPPTS

Topping the Opportunity Index is the Warwickshire town of Nuneaton, in the West Midlands. Nuneaton scored highly across the opportunity variables but was boosted by a top score for growth in the 20-44 year old population, strong support from government funded schemes, progress against its housing delivery targets and a high retail to office space ratio, a measure indicative of scope for repurposing and mixed-use regeneration. Nuneaton is currently undergoing regeneration through the Transforming Nuneaton programme which aims to improve the town's prosperity.

ROLE REVERSAL

Drawing on a very distinct set of indicators to the main index, the opportunity ranking results are starkly different to the Vitality Index. While the top locations for vitality were dominated by southern England towns and cities, the Top 10 for Opportunity is characterised by locations in Yorkshire and the Humber and the Midlands. Four of the Top 10 towns are located in Yorkshire and the Humber.

Notably, there was no crossover between the Top 10 in the main index with the Opportunity Index. Cardiff (ranked 6th on the Opportunity Index) is the only Top 10 location which appears in the Top 10 of the pillars, ranking eighth on the Living pillar.

FLYING SOLO

Ranked fourth, Dartford is the sole southern location within the Top 10. With only one government support scheme in place, Dartford drew its strength from a top scoring of forecast population growth of 20-44 year olds and a high retail to office stock ratio providing opportunity for redevelopment. A £75m primarily residential mixed-use redevelopment of the Westgate area of the town centre was approved in October 2020.

NEIGHBOURLY DIFFERENCES

Neighbouring locations, Wakefield (2nd) and Barnsley (9th) ranked in the Opportunity Index Top 10 for different reasons. Wakefield drew strength from multiple government support schemes, while Barnsley, only receives government support through the Future High Street Fund (FHSF) but scores high for population growth amongst 20-44 year olds and housing delivery progress.

FUTURE HIGH STREETS

Of the Top 10, eight were receiving government support via the FHSF, with the exceptions of Cardiff and Norwich. The £1 billion FHSF aims to renew and reshape town centres and high streets to drive economic growth, improve living standards and contribute to future sustainability. FHSF locations have been designated based on funding need, the nature of their regeneration challenge and future town centre vision.

HOW WE DID IT

This report utilises 22 datasets relating to the many different aspects of a town or city's vitality or future potential. 100 UK towns and cities are ranked according to each of the datasets, providing an expanded view compared with previous reports.

The Vitality Index is informed by 18 of these datasets. This combination of demographics, educational attainment, business activity levels, economic output, affluence, sustainability and commercial property data provides a rounded view of the locations vitality.

To focus on particular aspects of these localities, we segmented the datasets into three thematic sub-indices, or 'pillars'. These sub-indices illustrate which locations are performing best in economy and business, are the best places for living and which are the healthiest and greenest. The economic measures includes up to date indices, including GVA growth forecasts and the CJRS.

To create a score for each dataset, it is ranked and each location given a decile ranked score from 1-10; the top 10% receiving a score of 10 and the bottom 10% a score of one. The decile rankings are summed across each pillar's datasets to create a pillar score for each location.

The overall Vitality Index score is a summation of each locations total score on the three pillars. This score was ranked 1-100.

The Opportunity Index is a separate and distinct measure informed by four datasets and scored as above.

| PILLAR/INDEX | DATASET | SOURCE |
|---------------------------------|--------------------------------------------|-----------------------------------------------------------|
| ECONOMY & BUSINESS | Wage growth | ONS, NISRA |
| | Workforce jobs growth | Experian |
| | New enterprises & business density | ONS |
| | GVA per capita & growth/forecast | Experian |
| | COVID Job Retention Scheme | HMRC |
| | Commercial property investment | Lambert Smith Hampton |
| LIVING | House price growth | Land Registry, Registers of Scotland |
| | GCSE results | Department for Education, StatsWales, Scottish Government |
| | NVQ4+ qualification | ONS, NISRA |
| | Household classification | Experian |
| | Comparison goods retail spend | Experian |
| | Retail vacancy rates | Experian, Springboard |
| HEALTH & ENVIRONMENT | Cardiovascular mortality | British Heart Foundation |
| | Life satisfaction | ONS |
| | Household waste recycled | DEFRA, StatsWales, SEPA, DAERA |
| | Energy consumption | DBEIS |
| | Carbon dioxide emissions | DBEIS |
| | Crime rate | ONS, Scottish Government, PSNI |
| OPPORTUNITY | Government funded support | UK Government |
| | Forecast population change 20-44 year olds | ONS |
| | Housing delivery | Planning Pipe |
| | Retail:office ratio | VOA |



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