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Levelling up must be supported by jobs in the North and homes in the South, finds Legal & General's new Rebuilding Britain Index

The L&G Rebuilding Britain Index, launched today, finds that jobs and homes are the two factors most likely to boost people's quality of life, with investment in these areas falling significantly short in recent years. The relative importance of jobs and homes depends very much on where you live.

Index scores demonstrate that availability of quality affordable housing is the most pressing concern in London (51/100), the South East of England (53/100) and South West of England (53/100). In the North East however, affordable housing was scored 69/100, 18 points ahead of London.

Conversely, index scores show that London (69/100) scores 16 points ahead of Wales (51/100) for jobs and economic prosperity. The North East of England (53/100) and Northern Ireland (54/100) similarly show a need for more investment in jobs and economic prosperity.

The analysis however found pockets of intra-regional affluence and deprivation in all parts of the UK. Wherever they are based, lower income communities are most 'at risk' of being left behind post-pandemic, as the UK looks set for a "K-shaped" recovery.

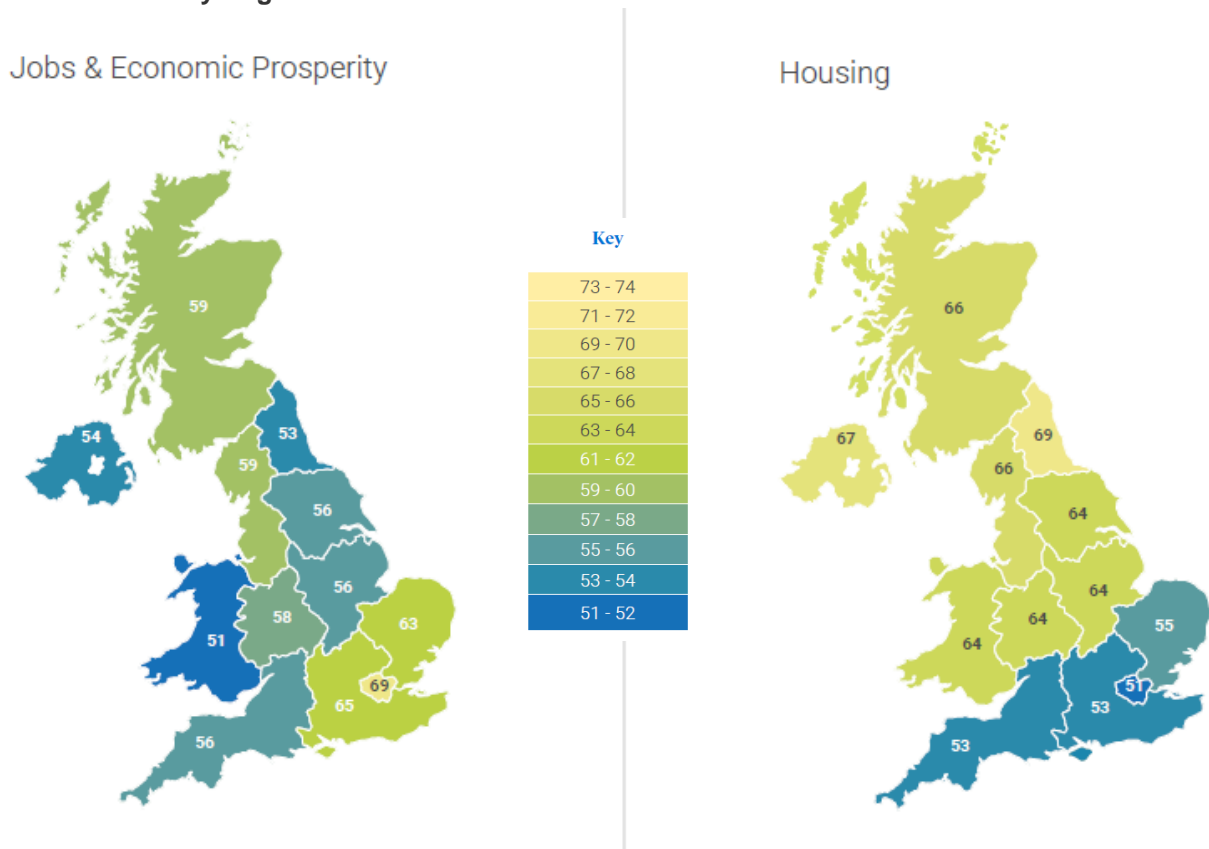
The Legal & General Rebuilding Britain Index (RBI), launched today, reveals that provision of jobs and good quality affordable housing will define the UK's progress in building back better. The findings have shown that measures to support the UK's recovery cannot be uniform or linear, with different nations, regions and communities needing to level-up in different ways.

The RBI has been established to measure the UK's progress in levelling up on a quarterly basis. It tracks social and economic progress quarterly across the country, using a combination of statistical data and community opinion across 51 measures, including Health and Social Care, Education, Housing, Jobs & Economic Prosperity, Environment, Energy, Transport and Digital. Legal & General will survey 20,000 people over the course of 2021 to identify the extent to which these areas are driving a recovery across regions and local areas.

According to the new research, households in the North of England, Wales and Northern Ireland require investment in jobs to level up their economic prospects. Wales (51/100), the North East of England (53/100) and Northern Ireland (54/100) achieved the lowest Jobs & Economic Prosperity Index scores across the whole of the UK. For London and the South of England, housing – particularly affordable housing – is the critical type of infrastructure requiring investment, with London achieving the lowest Housing score (51/100).

These baseline findings reflect historic progress in these areas. The Mayor's official assessment of housing need in London found that the city now requires around **66,000** new homes a year to provide enough homes for current and future Londoners - two-thirds of which need to be affordable homes. Elsewhere, annual earnings between London authorities (£42,667) and the South East (£34,078) are far higher than seen in, for example, Wales (£26,789) and the North East of England (£27,020). The importance of the Index is the extent to which the most urgent priorities in each region are addressed so as to level up rather than average down.

Fig 1. RBI Scores by Region



The research has also shown that across and within regions, lower income communities are most ‘at risk’ of being left behind in the wake of the pandemic, offering more credence to the idea of a “K-shaped” UK recovery. Low-income households perform less well on all measures included within the study irrespective of where they live in the UK.

The analysis has found pockets of affluence and deprivation in all parts of the UK, challenging the notion of a North-South divide. Some areas of the South achieve below average RBI scores – with Cornwall (56/100) and Barnet (63/100) scoring the lowest– while some areas of the North and Scotland perform well above average – most notably Edinburgh (73/100), Leeds (70/100) and Cheshire East (70/100) who are the highest scoring. Levelling-up, therefore, needs to be focused at a local level, not regionally or nationally, addressing each communities’ challenges and priorities.

Nigel Wilson, CEO at Legal & General: “Levelling up and building back better are, rightly, key government priorities. Our new Rebuilding Britain Index shows that investment priorities differ by area – but that job creation and affordable housing are the centrepiece to improving quality of life.

“Through our Inclusive Capitalism strategy, we have invested over £29bn in partnership with the public and private sector to deliver tangible regeneration which delivers more affordable housing, creates jobs and supports regional economic growth. As the idea of a K-shaped recovery becomes a reality, and inequality widens across the UK, developing local investment strategies to meet local priorities has never been more important. Towns and cities should be in the driving seat of their own recovery and it’s up to businesses like ours to provide the investment needed to realise these ambitions. ”

Further information

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Notes to editors

Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders.

LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society's capital for society's benefit. LGC's investments have been vertically integrated and include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital.

As LGC's capability to create alternative assets continues to grow, it will not only continue to grow its balance sheet alternative assets but also create alternative assets for third party investors. Many of these investors have the same aims, namely to create assets to back pensions with an improved yield or to create assets with strong growth prospects but with low correlation to equities.

L&G has invested over £29bn in levelling-up regional economies, including through major regeneration schemes in Cardiff, Newcastle and Salford. Legal & General recently made a commitment to enable all new homes across its portfolio to operate at net zero carbon emissions by 2030, including Legal & General Modular Homes, CALA Group, Legal & General Affordable Homes, Build to Rent and Later Living.

Legal & General Group

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