cles
Centre for Local Economies

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Child poverty and community wealth building in Preston

About CLES

Founded in 1986, the Centre for Local Economies is an independent economics think tank and charity. We work collaboratively across the UK and Ireland to develop solutions that ensure economies are rooted in the places people call home.

At CLES, we partner as equals with all levels of government, local institutions and communities — challenging outdated methods and tackling local issues with practical, long-term solutions.

About this report

This report examines why Preston appears to have performed more favourably than many comparable places on child poverty after housing costs, and what may explain that relative resilience. It explores the contribution of housing, employment, cost-of-living support and community wealth building and sets out how these lessons could shape the next phase of local policy.

About Preston City Council

This report was funded by Preston City Council. Since working with CLES to adopt community wealth building in 2013, Preston's approach has become internationally recognised as the 'Preston Model' and has helped to shape community wealth building practice across the UK and beyond.

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Foreword

This welcome report highlights ongoing efforts to implement community wealth building in Preston and demonstrates how focused local action can influence levels of child poverty.

Our administration remains committed to using every lever at our disposal to combat the rise of child poverty in Preston, despite facing a restrictive local government framework and years of severe austerity. We have therefore taken a firm stance against a failed neoliberal economic development model that frequently prioritises the interests of large developers and investors over communities' needs for employment opportunities, income stability, housing affordability, and secure jobs.

Local and regional government can combat low wages, increase the availability of social and affordable housing, use land and assets for socially productive means, regenerate our city centres in local public ownership, and actively work to redistribute wealth at a municipal level through their political choices.

The critical debate about who owns our local economies is still neglected, largely because it challenges the conventional approach of securing inward investment while disregarding the damaging effects of extractive ownership models that increase poverty levels.

The report addresses these cultural barriers by referencing the notable benefits of municipally owned regeneration and the promotion of democratic ownership structures which are fundamental to the Preston Model. Its findings support our efforts to grow a more locally focused, inclusive, and democratic economy. We will therefore continue collaborating with our communities, anchor institutions, trade unions, and local businesses to deepen economic democracy. We also welcome its recommendations and will continue to make tackling child poverty a key priority for Preston City Council and for the new unitary authority that follows.

With a new prime minister openly discussing the harmful consequences of decades of neoliberal economics on communities like Preston, this report serves as a timely reminder of how community wealth building remains a powerful tool to address child poverty at a local, regional, and national level.

Councillor Matthew Brown
Leader of Preston City Council

Councillor Valerie Wise
Deputy Leader of Preston City Council
Executive Member for community wealth building

Executive summary and introduction

Why this report was commissioned

Child poverty remains one of the most pressing social and economic challenges facing local areas. While many of the main drivers of poverty are shaped by national policy – including wages, welfare reform and the wider economy – local councils can still influence important factors such as housing costs, access to good work, financial resilience and the circulation of wealth within the local economy.

Against this backdrop, Preston has appeared to perform more favourably than a number of comparable places on measures of child poverty after housing costs. This report was commissioned to better understand whether that relative performance is real, what may explain it, and what lessons can be drawn for the next phase of local policy. It also considers the extent to which Preston's long-standing community wealth building (CWB) approach may have contributed to these outcomes.

What we examined

The report draws on several sources of evidence.

First, it reviews the wider evidence on the drivers of child poverty, including employment, wages, housing costs, household composition and welfare policy.

Second, it compares Preston's child poverty trends with a range of statistically similar local authorities and places facing comparable socio-economic conditions.

Third, it uses regression analysis to identify which factors appear most strongly associated with changes in child poverty across comparator areas over time.

Finally, it draws on interviews and policy review to understand what Preston may have done differently in practice, particularly through housing policy, anchor institution collaboration, cost-of-living support and CWB.

What the data shows about Preston

The analysis suggests that Preston's child poverty rate after housing costs has been lower than many comparable areas in recent years, particularly from around 2018 onwards. While child poverty has increased nationally and in most comparable places since the pandemic, the rise in Preston appears to have been less steep than in many peer authorities.

This does not mean child poverty is low in Preston, nor that local policy can fully offset national trends. However, it does suggest that Preston may have been relatively more resilient than some similar areas during a difficult period.

What may explain Preston's relative performance

The strongest statistical relationships identified in the analysis relate primarily to factors outside direct local control.

These include:

- **Welfare policy**, particularly the two-child limit, which is strongly associated with higher child poverty rates.
- **Housing benefit adequacy**, especially whether Local Housing Allowance better reflects local rent levels.
- **Unemployment benefit** indicators, especially claimant count levels.

Alongside these largely national drivers, the report identifies several areas where Preston appears comparatively stronger, and where local policy may have played a role.

1. Housing affordability and supply

Compared with many similar places, private rents in Preston have risen more slowly in recent years. Preston has also delivered relatively strong levels of affordable housing and has used planning policy, public land, partnership working and direct intervention to increase supply.

Given the central importance of housing costs to child poverty after housing costs, this is likely to be one of the most significant local factors.

2. Employment and pay

Through its CWB approach, Preston has pursued a strong fair work agenda, including real living wage adoption across anchor institutions and efforts to connect residents to employment opportunities through major local employers. While local data limitations make precise measurement difficult, these interventions are consistent with wider evidence on poverty reduction.

3. Household financial resilience

The council has also used more traditional anti-poverty tools, including council tax support, debt and benefit advice, food support networks and targeted cost-of-living assistance. These measures may not always be visible in headline datasets, but they can materially affect disposable income for struggling households.

What role community wealth building appears to have played

Preston's policy approach has not relied on a single programme. Instead, it has combined interventions across several of the structural drivers of poverty. This is where CWB appears most relevant.

CWB seeks to reshape how wealth is generated, retained and distributed locally. In Preston, this has included:

- local procurement and anchor institution collaboration;
- living wage and fair work measures;
- affordable housing and use of land/planning powers;
- regeneration designed to create local jobs and local value;
- support for democratic and community ownership models; and,
- targeted support to strengthen household finances.

The report does not claim that CWB alone caused lower child poverty. The available evidence cannot isolate a single causal effect. However, it does suggest that Preston's CWB model has plausibly contributed to a more favourable trajectory by acting simultaneously on incomes, costs, employment access and local economic resilience.

Limits of the evidence

The report should be read with appropriate caution.

- Child poverty is influenced by many overlapping factors, several of them national.
- Some local datasets are limited or imperfect.
- Statistical relationships do not prove direct causation.
- Some of Preston's more recent interventions are too new to be fully reflected in available data.

For these reasons, the report focuses on contribution rather than attribution.

What this means for the next phase

Overall, the key lesson from Preston's experience is that local areas cannot solve child poverty alone, but they can make meaningful differences where they act consistently across multiple drivers of hardship — particularly incomes, costs, access to good work and the way wealth flows through the local economy.

Taken together, the evidence points to a clear set of priorities for the next phase of policy and practice. These are developed in detail in the final section, but centre on the following:

- sustaining affordable and social housing delivery;
- expanding pathways into secure, better-paid work;
- reducing unavoidable household costs, including transport;
- using regeneration, land and procurement to retain more local value;
- growing democratic and community ownership models; and
- embedding CWB principles through local government reorganisation and new governance arrangements.

In this context, CWB is best understood not as a separate set of interventions, but as a framework for organising these priorities more deliberately around fairness, local benefit and long-term economic resilience.

Reorganisation is also particularly important. It creates risks that successful approaches are diluted or lost, but also a rare opportunity to hardwire CWB and child poverty reduction into the next institutional settlement.

How to read the rest of this report

The remainder of the report is structured as follows:

- **Section 1** sets out the wider evidence on the causes of child poverty and why local factors matter.
- **Section 2** compares Preston's child poverty performance with similar places.
- **Section 3** explains the statistical analysis and key findings.
- **Section 4** examines Preston's policy approach, including the contribution of CWB.
- **Section 5** considers implications for the future, including reorganisation, governance and recommendations.

Overall conclusion

Preston's experience suggests that child poverty can be addressed more effectively when councils combine immediate support for households with a broader strategy to reshape the economy at a local level. While national policy remains decisive, local choices on housing, work, ownership, land, procurement and public leadership still matter. Preston offers one of the clearest current examples of how CWB can provide a practical framework for acting across multiple drivers of child poverty at once.

1. Drivers of child poverty: why local action still matters

Child poverty remains one of the most pressing social and economic challenges facing England. Over the past decade, many families have faced a combination of weak wage growth, insecure work, rising housing costs, welfare reforms and, more recently, sharp increases in everyday living costs.[1] For many households, paid work has not guaranteed financial security, and hardship has become more widespread and more persistent.

While these pressures are national in origin, their impact is not uniform. Child poverty rates vary significantly between places with otherwise similar economic and demographic characteristics. This reflects differences in local labour markets, housing systems, public policy choices and the strength of local support institutions. National policy remains decisive, but local conditions still matter.

This is the context for Preston. Although child poverty remains a serious issue locally, Preston appears to have experienced a slower rise in child poverty after housing costs than a number of comparable places in recent years. This report explores why that may be the case, what factors appear most significant, and whether Preston's long-standing CWB approach has helped to shape a more resilient local trajectory.

How this report measures child poverty

Throughout this report, our headline measure is the proportion of children living in relative child poverty after housing costs (CPAHC), as published annually by the End Child Poverty Coalition and the Centre for Research in Social Policy at Loughborough University.

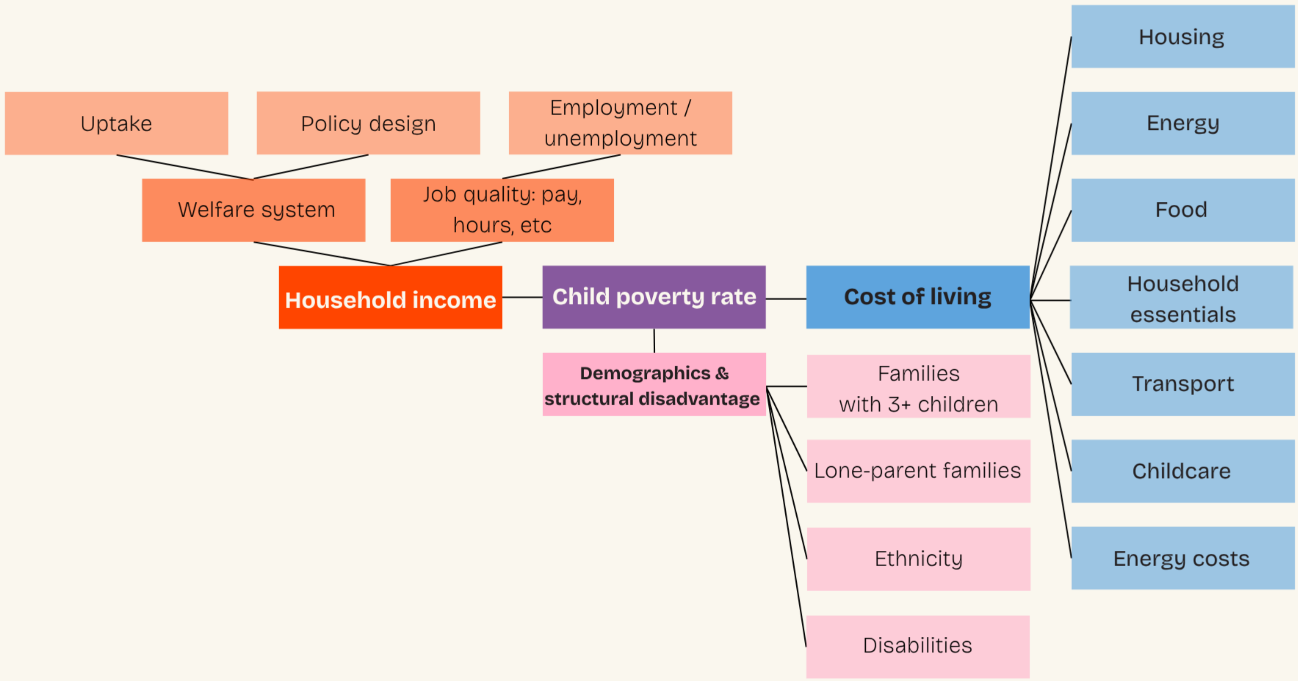
In simple terms, this measure estimates the share of children living in households whose income falls below 60 per cent of the median income, once housing costs are taken into account.[2] It is useful because housing costs are one of the largest and most unequal pressures facing families, particularly renters. (Further detail on the construction, interpretation and limitations of this measure is provided in Appendix A.)

What drives child poverty?

Child poverty is shaped by the interaction of incomes, costs and structural inequalities. It is not the result of one single cause. The evidence points to four broad sets of drivers. A summary of the main drivers identified in the literature review is shown in figure one, below.

[1] HM Government (2025). Child Poverty Strategy: Evidence Pack. Read.
[2] Also known as the Children in Low Income Families (CiLIF) dataset: Department for Work and Pensions. (2026). Background information and methodology: Children in low-income families: local area statistics. Read.

Figure one: Summary of the main factors driving the child poverty rate



Source: CLES 2026, based on literature review.

Household income

Employment income is the main source of income for most families. Where parents are unable to access work, can only secure low-paid work, or face unstable hours, the risk of poverty rises sharply.[3]

Increasingly, child poverty is no longer confined to workless households. Across the UK, the majority of children in poverty now live in working families.[4] This reflects the growth of low pay, insecure work, part-time underemployment and wage growth that has failed to keep pace with costs.

Job quality therefore matters as much as job quantity. Secure work, decent pay, predictable hours and opportunities for progression are central to reducing poverty over time.[5]

Welfare policy and social security

The benefits system remains a major source of income for many lower-income families, particularly where wages are low or work is interrupted by caring responsibilities, disability or unemployment.[6]

[3] J Cribb, T Wernham and X Xu (2024). Child poverty: trends and policy options. Institute for Fiscal Studies. Read.
[4] K Stewart, R Patrick, A Reeves (2025). How to solve child poverty. LSE British Politics. Read.
[5] J Cribb, T Wernham and X Xu (2025). Why has in-work poverty risen? Institute for Fiscal Studies. Read.
[6] Office for National Statistics (2025). Effects of taxes and benefits on UK household income: financial year ending 2024 – figure one. Read.

Changes to the generosity and design of the welfare system over the past decade have had significant impacts on child poverty.[7] Policies such as the two-child limit, the benefit cap, and periods where support failed to keep pace with prices or rents (e.g. housing benefits due to freezes in the local housing allowance) have reduced incomes for many families.

Take-up also matters. Families who do not claim the support they are entitled to can be pushed deeper into hardship. This means advice services, income maximisation work and crisis support can make a meaningful difference locally.

Cost of living pressures

Poverty is shaped not only by income, but by the unavoidable costs households face.

Housing costs are especially important, which is why they are built into our headline measure.[8] Where rents rise faster than incomes, poverty after housing costs tends to increase.[9] The shortage of genuinely affordable and social rented homes has intensified this pressure in many places.

Other essential costs also matter: energy,[10] food,[11] transport,[12] childcare[13] and council tax[14] can absorb a large share of income, particularly for low-income households. In recent years, inflation in these essentials has worsened financial stress for many families. In practical terms, a family can see wages rise and still feel poorer if rents, bills and travel costs rise faster.

Structural disadvantage and unequal risks

Child poverty is not evenly distributed across households.

Some groups face consistently higher risks, including lone-parent families and larger families,[15] disabled households[16] and many minority ethnic communities.[17] These patterns reflect wider structural inequalities in pay, wealth, discrimination, access to employment, caring burdens and additional living costs.

This means that effective anti-poverty policy must combine universal economic improvements with targeted support for those facing the greatest barriers.

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[7] Department for Work and Pensions (2025). Removing the two-child limit on Universal Credit: Impact on low income poverty levels in the United Kingdom. Read.
[8] Office for National Statistics (2025). Family spending workbook 1: detailed expenditure and trends. Read.
[9] J Cribb, T Wernham and X Xu (2023). Housing costs and income inequality in the UK. Institute for Fiscal Studies. Read.
[10] N Cominetti et al. (2024). Paying the price: How the inflation surge has reshaped the British economy. The Resolution Foundation. Read.
[11] Ibid.
[12] B Straňák and E Kiberd (2024). Trapped behind the wheel: how England's new builds lock us into car dependency. New Economics Foundation. Read.
[13] S Coffe (2022). Childcare costs and poverty. Social Market Foundation. Read.
[14] L Try (2025). Money, money, money: The shifting mix of income sources for poorer households over the last 30 years. Resolution Foundation. Read.
[15] A Henry and T Wernham (2024). Child poverty: trends and policy options. Institute for Fiscal Studies. Read.
[16] Ibid.
[17] Joseph Rowntree Foundation (2026). UK Poverty 2026. Read.

Why local government still matters

Although many of the largest drivers of child poverty are national, councils are not powerless. Local government can influence several of the factors that shape family living standards.

Housing affordability and supply

Councils can use planning, land, partnerships and direct delivery to increase the supply of affordable and social housing, improve standards, reduce homelessness and shape the local housing market.

Access to good work

Councils can use employment programmes, procurement, anchor institution partnerships and regeneration activity to connect residents to jobs, raise labour standards and support progression.

Reducing unavoidable costs

Through council tax support, transport policy, leisure access, debt advice, benefit take-up work and targeted crisis assistance, councils can help reduce financial pressure on struggling households.

Building stronger local economies

Councils can also shape how wealth flows through the local economy. Through procurement, fair employment standards, support for cooperatives and community ownership, and stronger local supply chains, they can help retain more value locally and spread opportunity more widely.

This broader economic role is where CWB is particularly relevant. Rather than treating poverty only as a problem to be managed after the event, it seeks to reshape the local economy so that it generates fairer outcomes in the first place.

What this means for Preston

Preston's experience is therefore of wider interest. If a place facing many of the same national pressures as comparable areas has achieved relatively better outcomes, there may be lessons in how local policy, institutional leadership and economic strategy can moderate those pressures.

The next section examines how Preston's child poverty trends compare with similar places. Subsequent sections then explore which factors appear most significant, and the extent to which Preston's CWB approach may have contributed.

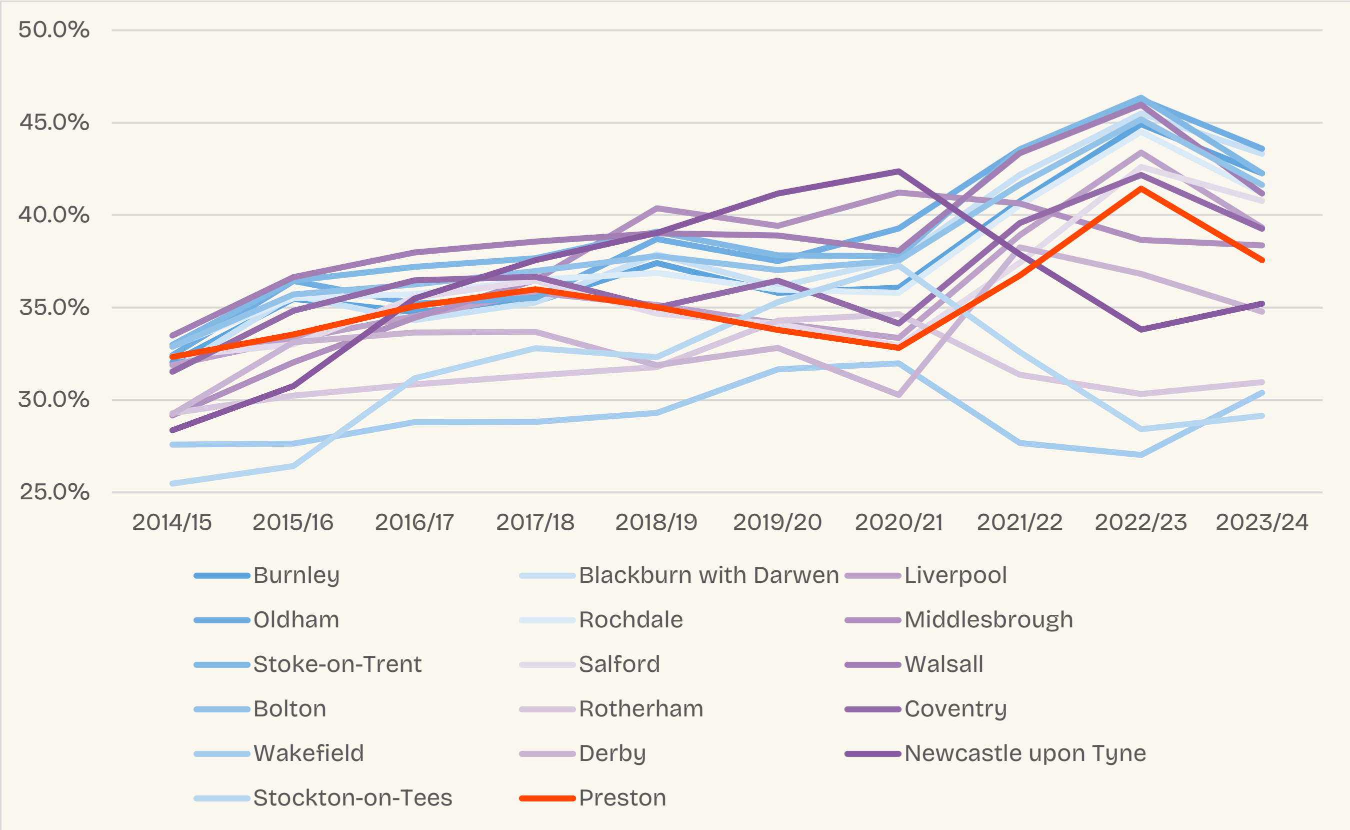
2. Child Poverty in Preston: a comparative analysis

To understand whether Preston's recent child poverty trajectory is distinctive, we compared the city with a group of 16 similar English local authority areas with comparable economic, demographic and health characteristics. Further detail on comparator selection is provided in Appendix B.

Figure two shows that Preston has performed relatively well on child poverty after housing costs (CPAHC) over the period from 2014/15 to 2023/24. While child poverty increased sharply in many places following the pandemic and wider cost-of-living pressures, the increase in Preston appears less steep than in a number of comparator areas.

This does not mean child poverty is low in Preston, nor that local policy can fully offset national pressures. Rather, it suggests that Preston may have been relatively more resilient than some similar places during a difficult national period.

Figure two: Child poverty rate after housing costs (2014/15 - 2023/24)



Source: End Child Poverty (2025). Local Child Poverty Statistics 2025. Read.

2.1 What appears to explain Preston's relative position

The comparative evidence points to four factors that may help explain Preston's relatively stronger performance: labour market conditions, lower exposure to some welfare pressures, comparatively favourable housing affordability, and active local policy intervention.

2.2 Income and labour market factors

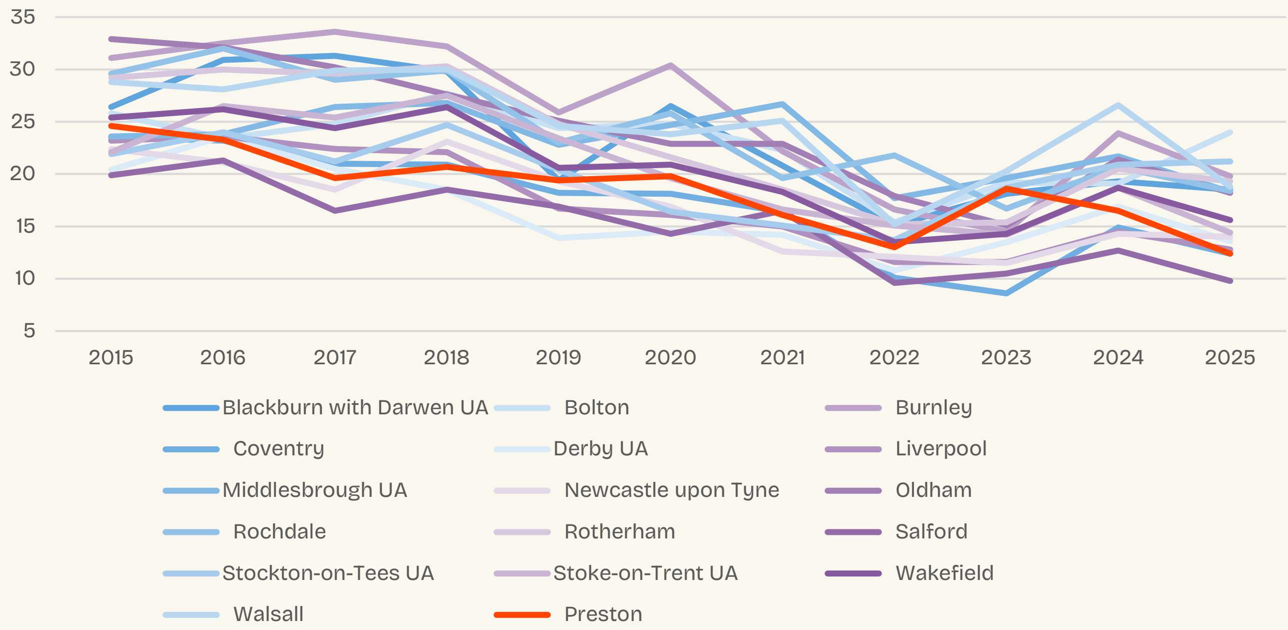
Two indicators suggest Preston may have been comparatively stronger than some peer areas on labour market conditions linked to poverty.

First, the share of jobs paid below the real living wage has fallen across all comparator areas over the past decade, but Preston has generally performed relatively well within the group (see figure three).

Second, although local wage datasets should be interpreted with caution, there is tentative evidence that pay levels in Preston improved relative to peers over time, particularly towards the lower end of the wage distribution.

These trends may partly reflect Preston's long-standing fair work agenda through CWB, including early adoption of the real living wage by the council and wider anchor institutions. The city now has a substantial number of accredited employers and employees covered by the real living wage.

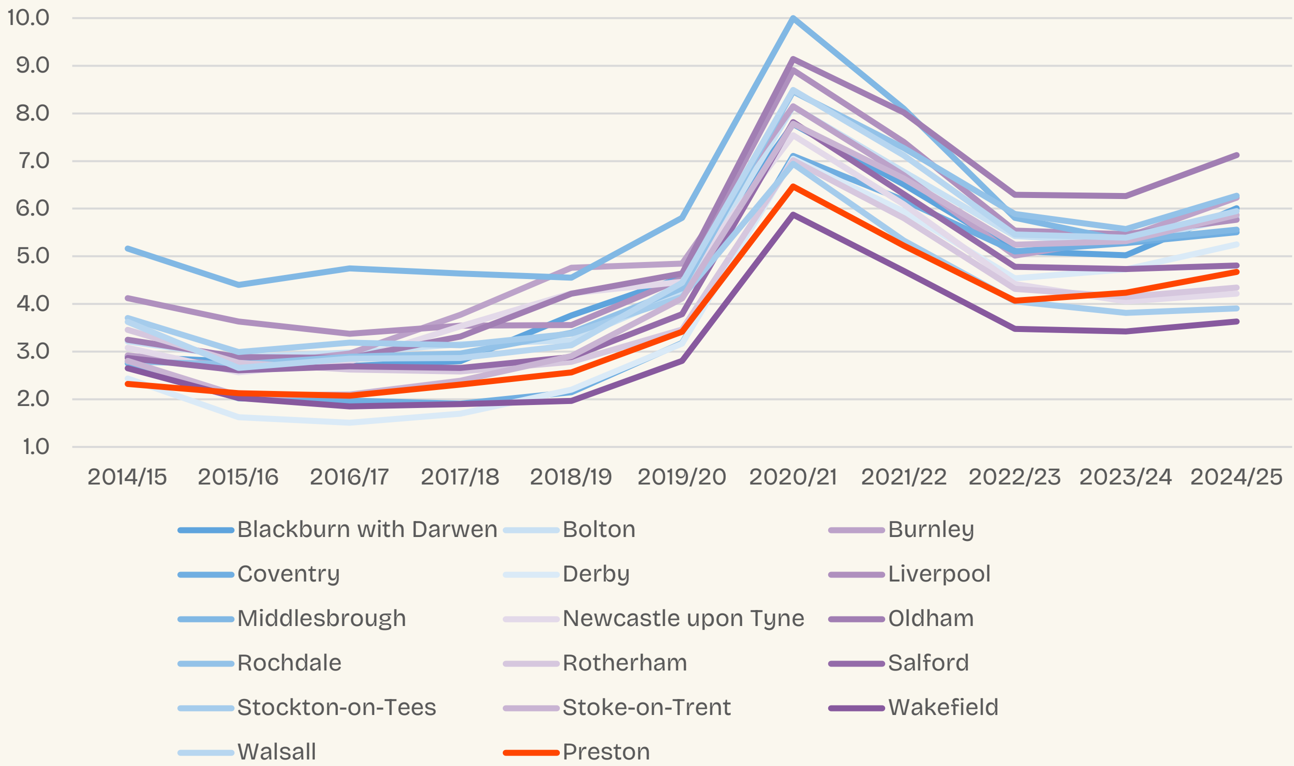
Figure three: Share of jobs paying below the RLW rate by local authority



Source: ONS (2025). Number and proportion of employee jobs with hourly pay below the living wage. Read.

Preston also recorded one of the lower claimant count rates in the comparator group across much of the period analysed (see figure four).[18] This suggests fewer working-age residents were reliant on unemployment-related benefits than in some comparable areas.

Figure four: Share of residents aged 16-64 claiming benefits for being unemployed (%)



Source: ONS (2026). Claimant count by sex and age. Read.

2.3 Welfare policy exposure

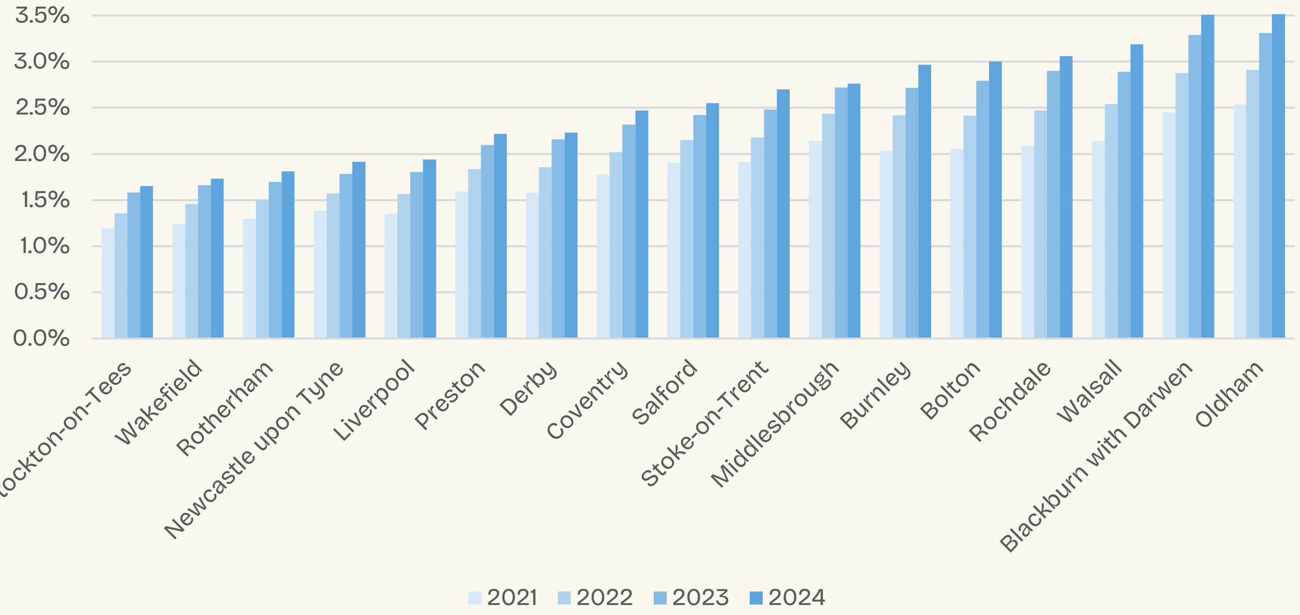
As set out in section one, national welfare reforms have played an important role in rising child poverty. One of the most significant policies was the two-child limit, which progressively affected more families over time until its removal in 2026.

Preston was affected by this policy but was not among the hardest-hit areas in the comparator group. By 2024, the share of households affected in Preston was below several comparator authorities, including some nearby areas (see figure five).

This lower exposure appears to reflect a combination of factors, including a somewhat lower share of households receiving Universal Credit and a lower proportion of claimant households affected by the policy.

[18] This dataset provides a "headline indicator of the number of people claiming benefits principally for the reason of being unemployed", which is consistent during the transition from Job Seekers Allowance to Universal Credit. See: Claimant count by sex and age - Nomis - Official Census and Labour Market Statistics.

Figure five: Share of resident households affected by the two-child limit (%)[19]



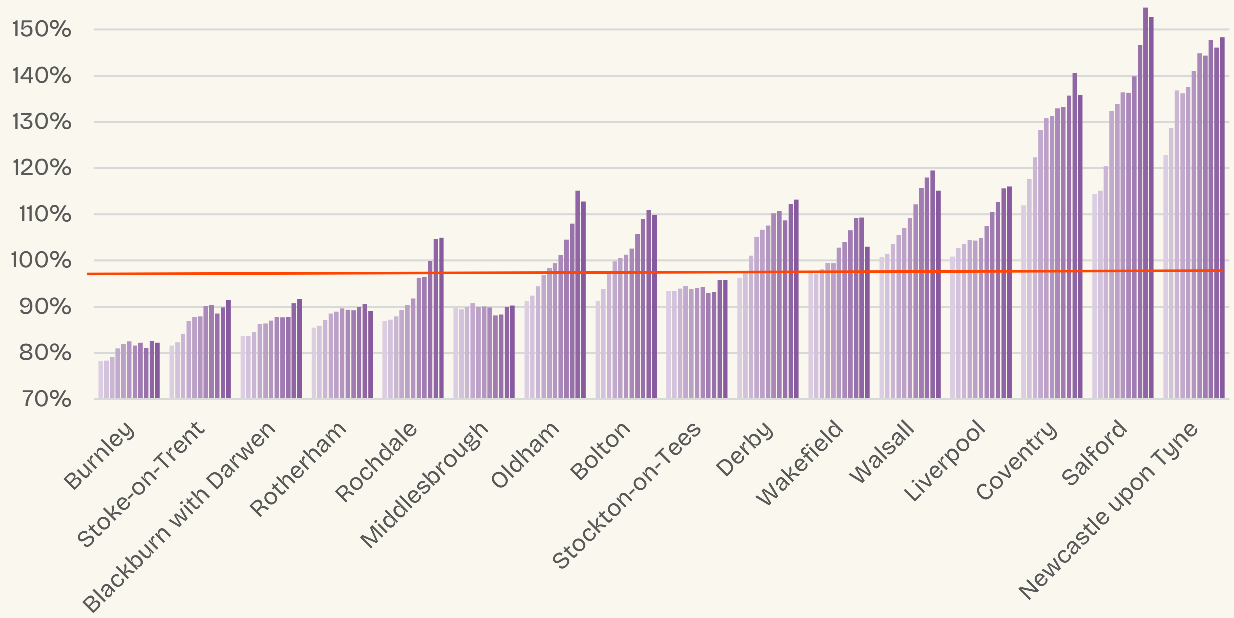
Source: CLES analysis (see footnote 19).

2.4 Housing affordability and supply

Housing appears to be one of the strongest areas of relative advantage for Preston. Although rents rose significantly across England during the period analysed, private rents in Preston appear to have increased more slowly than in many comparator areas, particularly since 2020 (see figure six). Areas that had a similar rent level to Preston in 2015, like Walsall, Derby and Liverpool now have rents that are 10-20 per cent higher. Areas in Greater Manchester (Oldham, Rochdale, Bolton) have performed the worst, going from being 10 per cent more affordable than Preston in 2015 to being 5-10 per cent less affordable now. This is important because housing costs are directly built into the CPAHC measure and are one of the largest pressures on lower-income families.

[19] We calculated this using DWP data on the number of households affected by the two-child limit in April of each year, divided by the total number of households in each local authority based on the Census for 2021 and on the MHCLG's estimates of the total number of households across all tenures for 2022-24. DWP: [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children - GOV.UK](). MHCLG: [Subnational estimates of dwellings by tenure, England - Office for National Statistics]()

Figure six: Average monthly private rents (2015 to 2025) relative to the equivalent private rents in Preston (%)



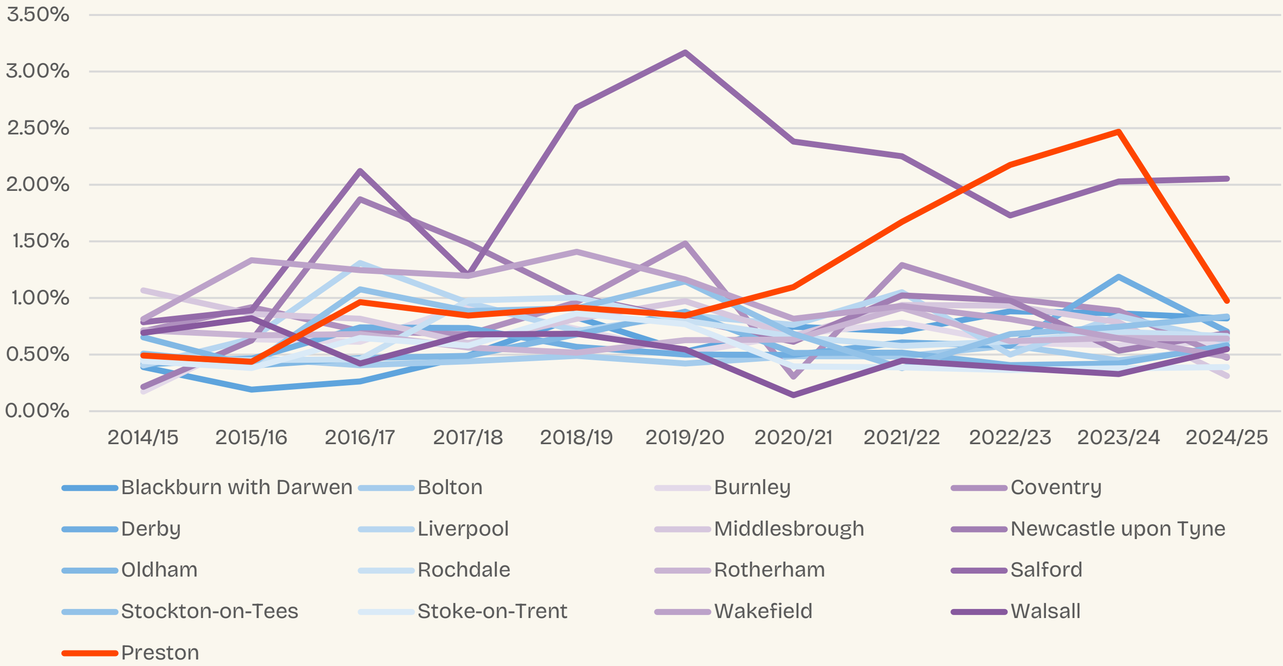
Source: CLES analysis based on ONS (2025). Price Index of Private Rents (PIPR), UK: monthly price statistics. Read.

NB. Darker blue bars indicate later years in the period from 2015 to 2025, while Preston's rent level in each year is shown as a red line, meaning that areas whose rents rise over time relative to the red line are seeing rent increases at a faster pace than in Preston. A full table of social and 'affordable' rent levels relative to market rents was compiled for this research and is shown in Appendix D.

Preston also recorded strong recent rates of housebuilding relative to the size of its existing stock, adding between 1.0 per cent and 2.5 per cent to the housing stock in each of the five years from 2020/21 to 2024/25, second only to Salford among the comparator group (see figure seven). On 'affordable' housing delivery specifically, Preston recorded the strongest performance in the group in the period since 2020/21, adding a number of new affordable homes each year that was equivalent to between 0.3 per cent and 0.8 per cent of the whole pre-existing stock.' (see figure eight).

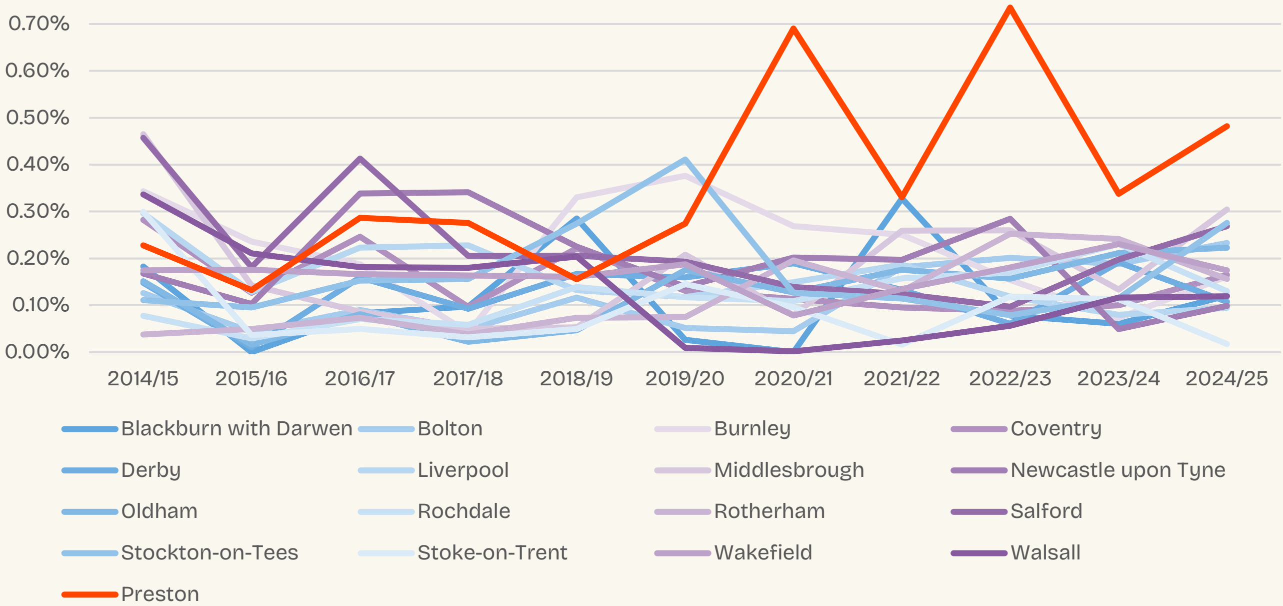
This additional supply is likely to have helped moderate housing cost pressures, even if it could not fully offset wider market inflation.

Figure seven: Net additions of new homes of all tenures (% of pre-existing housing stock)



Source: CLES analysis based on ONS (2025). Dwelling Stock, Table 100: Dwelling stock by tenure and local authority, England, 31 March 2009 to 31 March 2024. Read. and House of Commons Library (2026). Local authority data: Housing supply. Read.

Figure eight: Net additions of new 'affordable' homes (% of pre-existing housing stock of all tenures)



Source: same as figure seven.

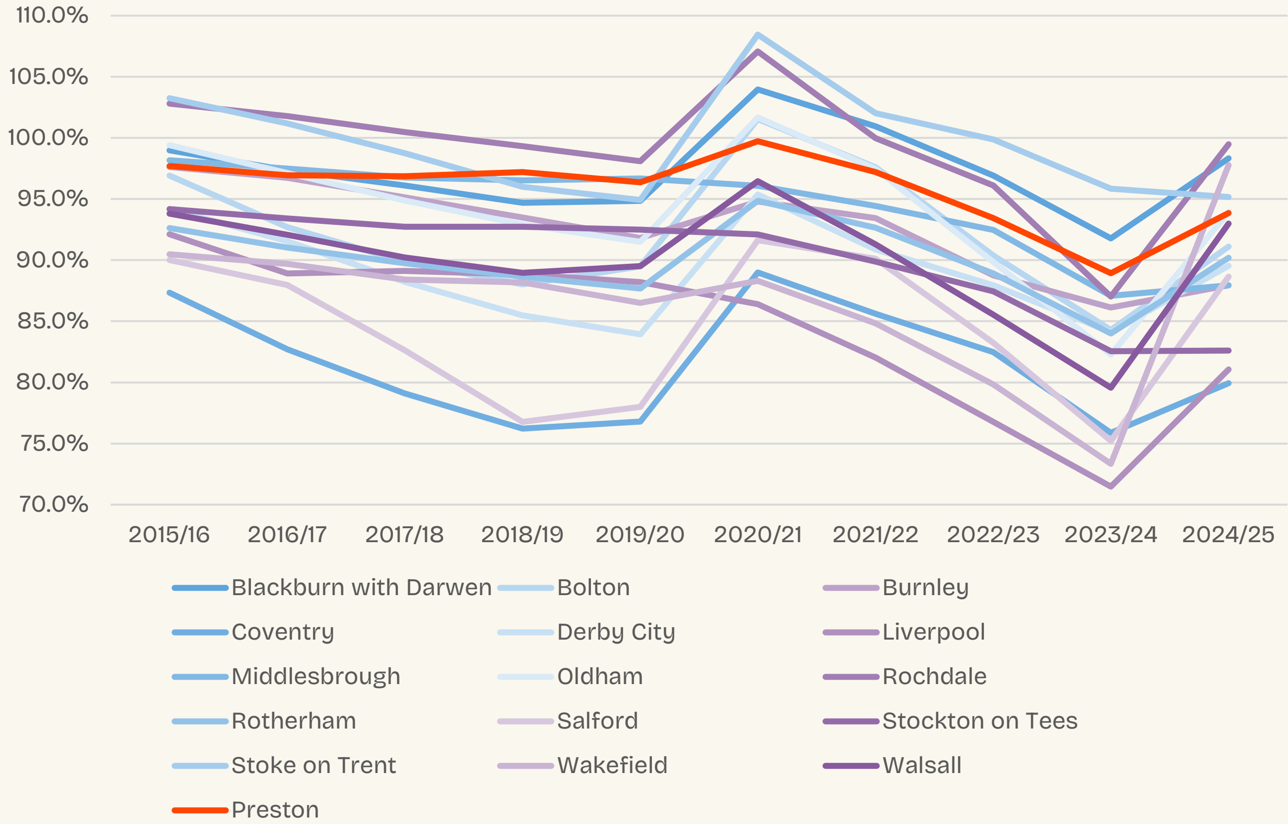
The type of affordable housing delivered also matters. While affordable rent homes (around 80 per cent of market rental rates) can play an important role, social rent (around 60 per cent of market rental rates) remains substantially more affordable for lower-income families. This suggests that maintaining delivery while increasing the share of social rent homes could further strengthen Preston's anti-poverty impact in future.

2.5 Local Housing Allowance adequacy

A further comparative strength appears to be the relationship between Local Housing Allowance (LHA) rates and market rents. The level of housing benefits, capped by LHA rates, can vary relative to local market rents due to the way that LHA is calculated. For Preston the LHA calculation takes into account rents in Central Lancashire, which may have meant housing benefits in Preston were relatively more generous than in some comparator areas.

Across much of the period analysed, LHA in Preston covered a relatively high share (more than 93 per cent in most years) of local three-bedroom rents compared with many peer areas (see figure nine). Combined with slower rent growth, this is likely to have reduced housing cost pressure for some lower-income renters relative to comparator places.

Figure nine: Estimated LHA rate as a percentage of three-bed market rents (%)



Source: CLES analysis based on ONS (2025). Price Index of Private Rents (PIPR), UK: monthly price statistics. Read. and DWP (2025). Universal Credit Local Housing Allowance rates. Read.

2.6 What this suggests

Taken together, the comparative evidence suggests Preston's relatively favourable child poverty trend is unlikely to be explained by any single factor.

Instead, the city appears to have benefited from a combination of comparatively stronger labour market conditions, lower exposure to some welfare pressures, more favourable housing affordability, and active local policy choices on wages, housing and economic development.

The next section tests these relationships more systematically using regression analysis.

3. Statistical Analysis: Which Factors Appear Most Significant?

To build on the comparative analysis in section two, we undertook regression analysis to test the relative importance of the key drivers identified earlier in the report. In particular, this analysis examines whether factors highlighted in the literature and comparative evidence – including labour market conditions, housing affordability, welfare policy and local interventions – are statistically associated with changes in child poverty over time across Preston and comparable areas. This helps to distinguish between factors that are likely to be most influential, and those where the relationship is weaker or less clear in the available data.

Regression analysis cannot by itself prove direct causation. However, it can help indicate which factors appear most closely linked to rising or falling child poverty once other variables are taken into account. More methodological detail is provided in Appendix C.

3.1 Headline findings

Across the models tested, four broad findings emerged:

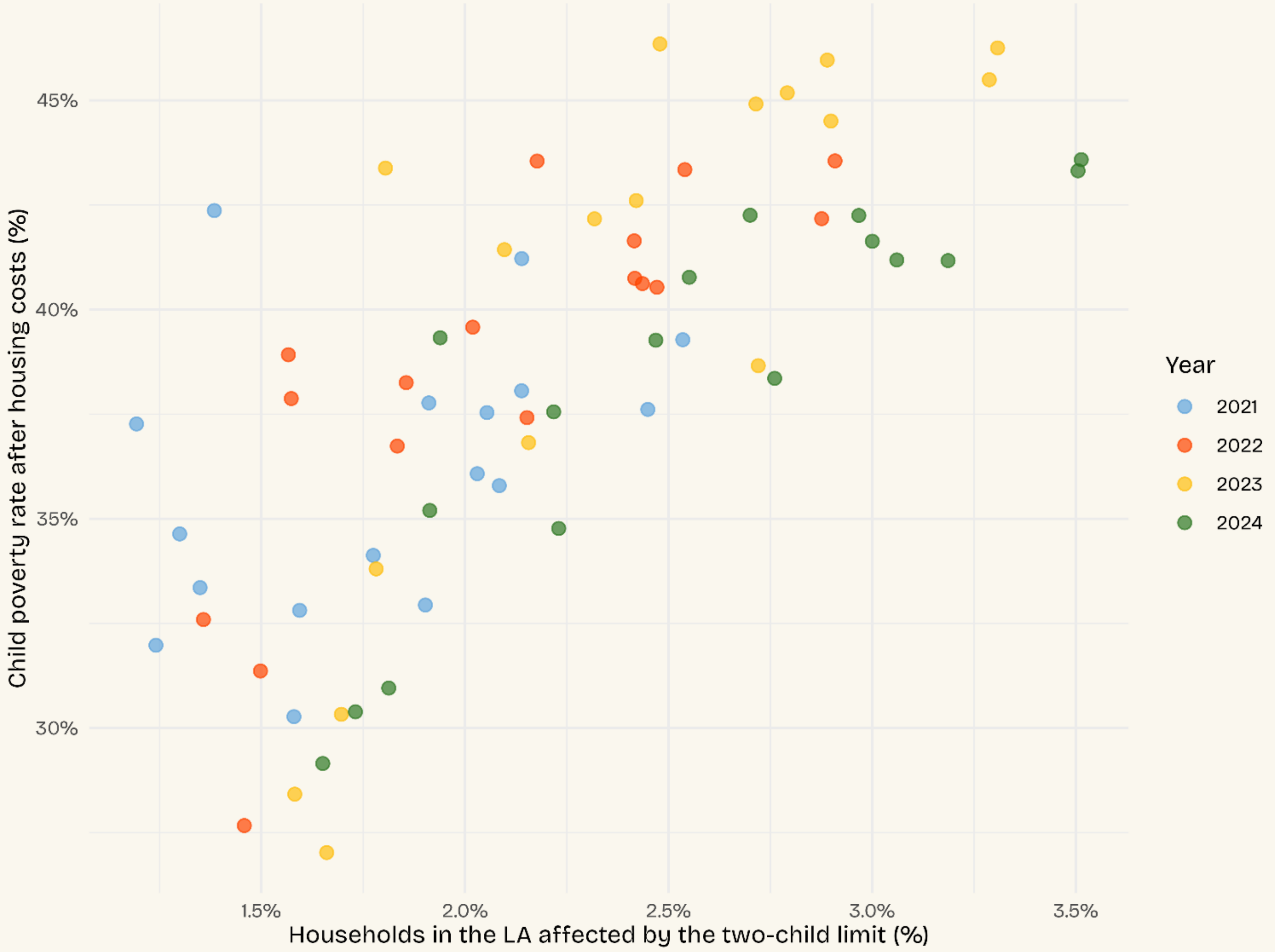
- Greater exposure to the two-child limit was strongly associated with higher child poverty.
- Greater adequacy of Local Housing Allowance (LHA) was associated with lower child poverty.
- Higher claimant count levels were associated with higher child poverty.
- Some locally relevant variables, including real living wage coverage and construction investment, showed weaker or mixed statistical relationships.

3.2 National policy effects: two-child limit and housing support

The clearest statistical relationship identified in the modelling was the two-child limit. Areas with a higher share of households affected by the policy tended to record higher levels of child poverty after housing costs (see figure 10). Our model implies that a one percentage point increase in the share of households affected by the two-child limit corresponds to 12.75 percentage point increase in the poverty rate.

This finding is consistent with the wider national evidence base and reinforces the importance of welfare policy in shaping local poverty outcomes.

Figure 10: Share of households affected by the two-child limit and CPAHC



Source: CLES analysis (see footnote 19) and End Child Poverty (2025). Local Child Poverty Statistics 2025. Read.

A second significant finding related to the adequacy of Local Housing Allowance (LHA). Where LHA covered a greater share of prevailing rents, child poverty tended to be lower.

This reinforces the comparative pattern identified in section two, where Preston appeared relatively well placed on LHA adequacy compared with several peer areas (see figure nine). It is particularly important in a measure based on income after housing costs, since more adequate housing support reduces the gap households must meet from their remaining income. This suggests that the design of housing support can materially affect local poverty outcomes.

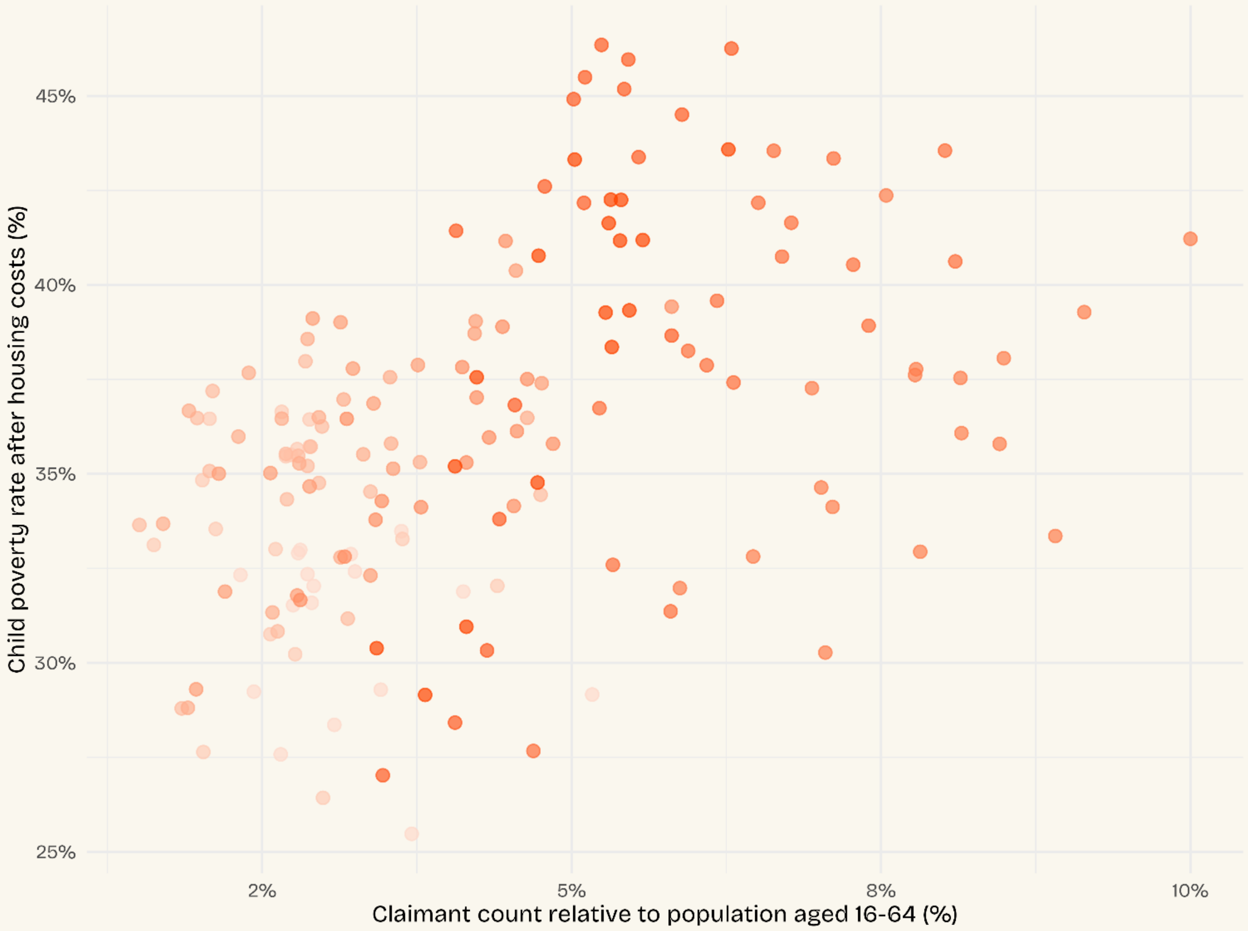
3.3 Labour market conditions and claimant count

The claimant count also emerged in several model specifications as positively associated with child poverty. In broad terms, areas with higher levels of unemployment-related benefit claims tended to record higher child poverty rates (see figure 11).

This relationship should be interpreted with some caution, as labour market dynamics changed significantly during and after the pandemic. However, the claimant count was one of the few variables that remained important across different model specifications and time periods.

Unlike the national policy variables discussed above, the claimant count may also partly reflect local conditions and interventions. For example, council activity to support access to employment, reduce barriers to work through cost-of-living support, and stimulate local job creation through housing, regeneration and procurement could all influence the number of residents reliant on unemployment-related benefits. While these effects cannot be isolated directly within the model, they point to a potential channel through which local policy may interact with wider labour market dynamics.

Figure 11: Claimant count and CPAHC rate

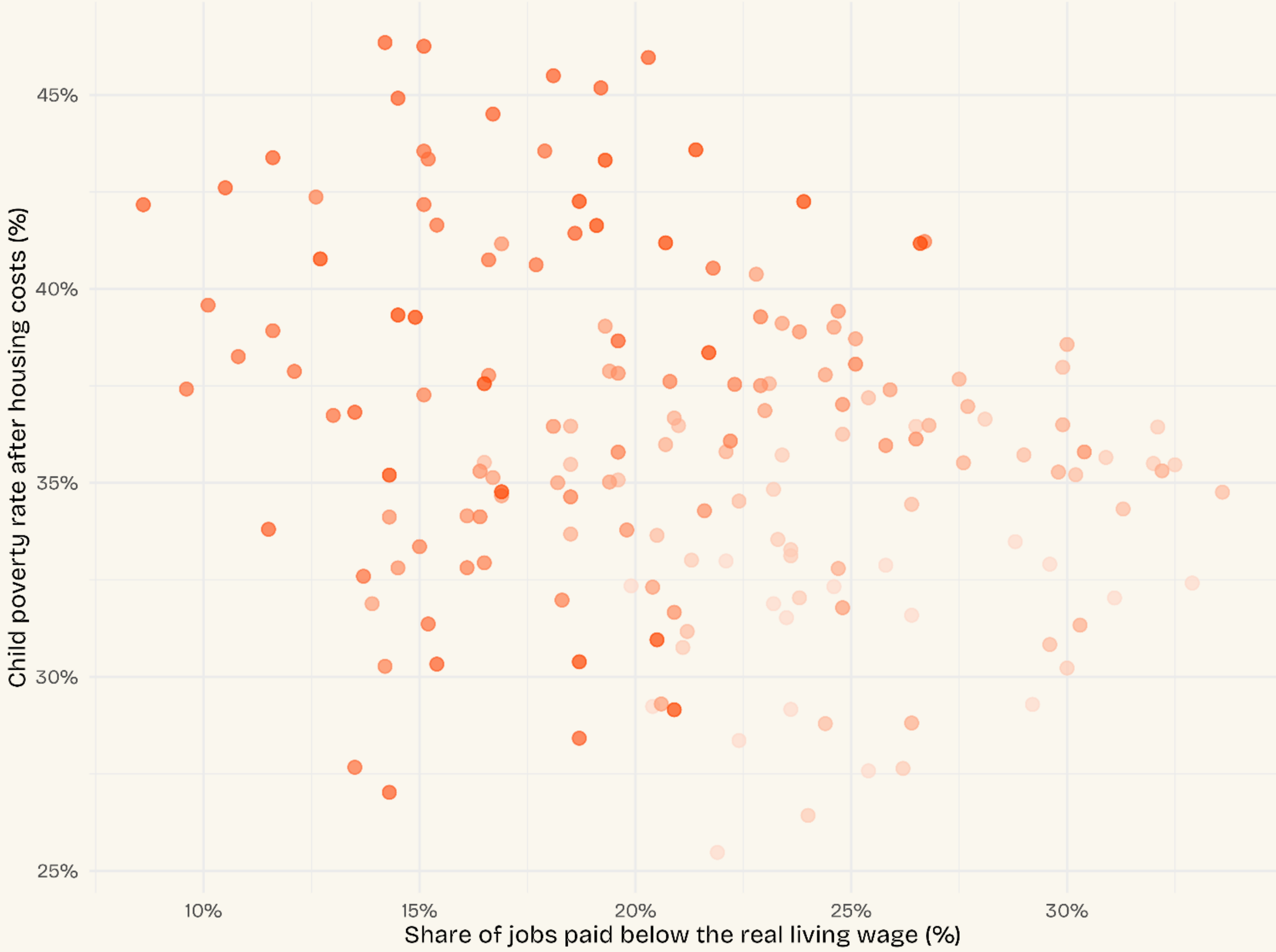


Source: ONS (2026). Claimant count by sex and age. Read. and End Child Poverty (2025). Local Child Poverty Statistics 2025. Read.

3.4 Areas where evidence was weaker or mixed

Not all variables of local interest produced strong or consistent statistical relationships. For example, the share of jobs paid below the real living wage did not emerge as a clear predictor of child poverty across the models tested (see figure 12). This should not be interpreted as evidence that fair pay does not matter. More likely explanations include data limitations, time lags, variation in hours worked, and the interaction between wages, housing costs and household composition.

Figure 12: Share of jobs paid below the real living wage and CPAHC



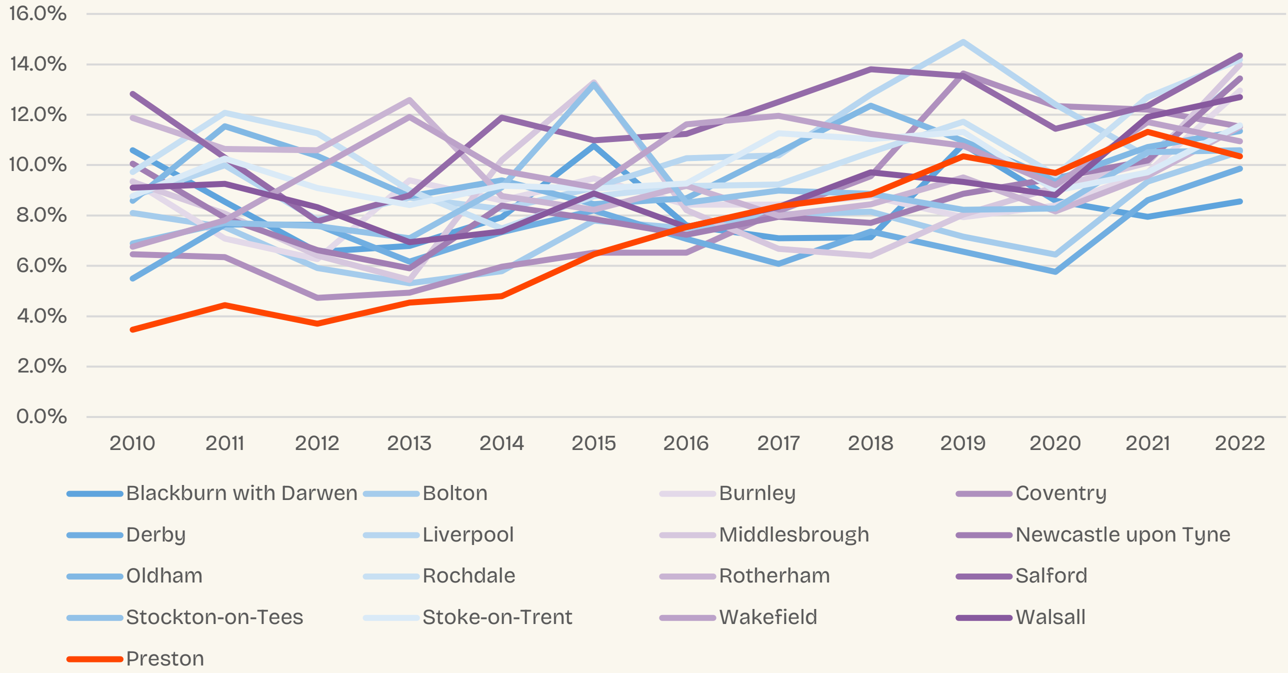
Source: ONS (2025). Number and proportion of employee jobs with hourly pay below the living wage. Read. and End Child Poverty (2025). Local Child Poverty Statistics 2025. Read.

A related finding is that construction and housing investment did not emerge as consistently significant predictors in the models. This likely reflects the indirect and time-lagged way in which investment affects poverty — for example through employment, wages, housing supply and rents over a longer period.

This is illustrated by Figures 13 and 14. Despite comparative and qualitative evidence that Preston has outpaced many comparator areas in terms of housebuilding since 2021 (see section two), this is not strongly reflected in the available construction investment data. In part, this is because the dataset for total construction investment as a share of GDP only runs to 2022 (see Figure 13), and so does not capture more recent activity.

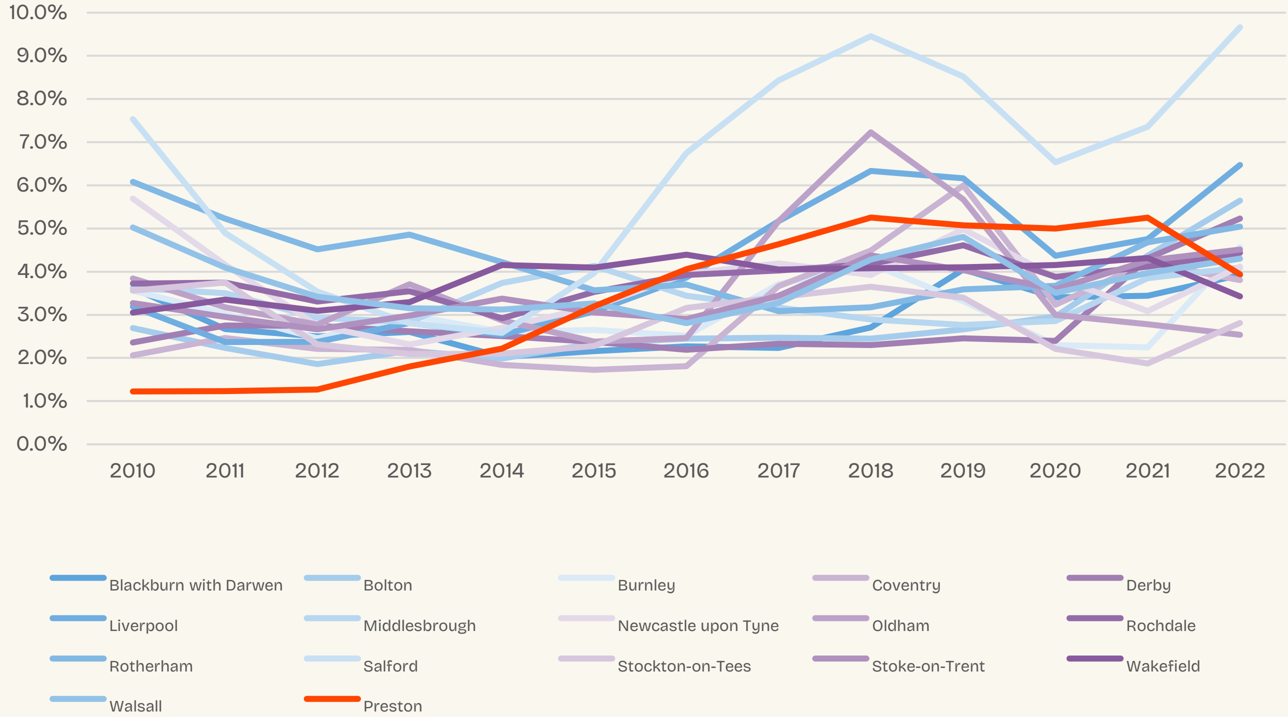
Similarly, while Preston was among the higher-performing areas for capital investment in dwellings between 2018 and 2021 (see Figure 14), this variable was not statistically significant in relation to child poverty across the comparator group. This reinforces the point that investment is likely to influence poverty indirectly and over longer timeframes, rather than appearing as an immediate or standalone driver in the data.

Figure 13: Capital investment in construction (% of GDP, 2010-2022)



Source: ONS (2023). Experimental regional gross fixed capital formation (GFCF) estimates by asset type. Read. and ONS (2025). Regional gross domestic product: local authorities Read.

Figure 14: Capital investment in construction of dwellings (% of GDP, 2010-2022)



Source: same as figure 13.

3.5 What the analysis can and cannot tell us

There are important limits to what this type of modelling can conclude.

First, local data is imperfect, and some interventions are difficult to measure directly. For example, there is no complete dataset capturing the poverty effects of local procurement, debt advice, council tax support or anchor institution activity.

Second, some of Preston's more recent interventions may be too new to be fully reflected in the available time series.

Third, child poverty is shaped by multiple overlapping factors, many of them national, and no single model can capture every pathway through which local policy affects outcomes. In addition, the headline indicator used here – child poverty after housing costs – does not capture major living costs beyond housing, variations within housing costs beyond private rents, or the depth of poverty experienced by households.

For these reasons, the regression analysis should be read as identifying likely contributors rather than proving singular causes. The absence of strong statistical evidence for certain interventions – for example the relationship between real living wage coverage and child poverty – should not be interpreted as evidence that no relationship exists.

3.6 What this suggests for Preston

Taken together, the modelling reinforces two conclusions.

First, national policy settings on welfare and housing support remain highly important drivers of child poverty.

Second, local areas still matter. Preston's comparatively favourable position may reflect the way local policy has interacted with these national conditions – particularly through housing affordability, labour market resilience and wider CWB measures that are harder to capture fully in administrative datasets.

The next section explores those local mechanisms in more detail.

4. What Preston may have done differently: the role of community wealth building

Sections two and three suggest that Preston's comparatively favourable child poverty trajectory is unlikely to be explained by any single variable. To understand the local mechanisms in more depth, we drew on interviews with council officers and the political leadership, alongside review of relevant policies and programmes.

This evidence suggests that Preston's approach has combined more traditional anti-poverty measures with a broader attempt to shape how the local economy generates, distributes and retains wealth. That combination is central to the city's CWB model.

As one interview participant put it, Preston's approach has brought together both redistributive local support and a longer-term commitment to "*democratising the economy*". This distinction matters: Preston has not only tried to mitigate poverty after it appears, but to alter some of the local economic conditions that help produce it.

4.1 Understanding poverty as a multi-dimensional local challenge

Interview participants consistently described child poverty in Preston as driven by multiple interacting pressures rather than one isolated cause.

These included in-work poverty, low financial resilience, housing costs, insecure employment for younger residents, and intergenerational disadvantage linked to early years outcomes. Officers also reported growing demand from households who were previously "*just about managing*" but had become vulnerable during the cost-of-living crisis.

This local picture reinforces the wider evidence set out in section one: child poverty is shaped by the interaction of incomes, costs and structural inequalities.

4.2 Immediate support: reducing hardship and strengthening household finances

Alongside longer-term economic reform, Preston has continued to use local policy levers to reduce immediate hardship.

Interview evidence highlighted the importance of in-house debt, benefits and welfare advice services, which were seen to support more joined-up and preventative responses than fragmented outsourced models. Officers also emphasised the value of strong local data systems to identify need and target support effectively.

The city has also worked closely with community organisations, particularly around food insecurity and crisis support since the pandemic. Interview participants pointed to food hubs, free swimming and advice services as examples of the way different local interventions *"come together"* around the lived reality of household pressure. More recent measures introduced in 2025 included expanded council tax support, targeted payments for households affected by the benefit cap, transport and cost-of-living assistance for specific groups, and free access to leisure facilities for eligible residents.

Although too recent to be reflected in the time period covered by our core dataset, these interventions are likely to improve disposable income and reduce hardship for some families. They also show how the finance pillar of CWB can be understood more broadly than municipal banking or pension fund investment: local fiscal choices can directly protect residents from some of the costs and welfare pressures that drive poverty.

4.3 Housing as an anti-poverty strategy

Housing appears to be one of the clearest areas where local policy may have supported better outcomes.

As shown in section two, Preston performed strongly relative to comparator areas on overall housebuilding, affordable housing delivery and slower recent rent growth. Interview evidence suggests this reflected a proactive local approach combining planning policy, infrastructure investment, partnership working and active pursuit of funding opportunities.

One interview participant explicitly linked this to Preston's wider CWB mission, describing affordable housing, use of land and work with registered social landlords as "*important community wealth building interventions*". They also stressed that the commitment to maximising affordable housing had been pursued through several levers at once: planning policy, land, acquisition, partnership with registered providers and, increasingly, direct council provision.

The council also used complementary approaches to increase genuinely affordable supply, including the Making Homes from Houses programme to bring empty properties back into use, and support for cooperative management of the Leighton Street Traveller site.

These interventions are likely to have helped moderate housing cost pressures. However, interviewees also stressed that affordable rent products are not always affordable for lower-income households, particularly where Local Housing Allowance falls behind market rents. This strengthens the case for increasing the supply of social rent homes in the future.[20]

The political intent here is significant. There is an ambition amongst the political leadership to return to council housing provision and social rent, reflecting a longer-term commitment to public and social stewardship of housing. This is important for the report's central argument: housing policy is not simply a background condition in the Preston

[20] B Straňák and E Kiberd (2024). Solid Foundations: Local investment need for a decade of renewal. New Economics Foundation. Read.

story, but one of the main routes through which CWB can affect child poverty after housing costs.

4.4 Fair work, anchors and connecting residents to opportunity

Preston's CWB approach has also sought to influence incomes through employment and labour market institutions.

This has included early adoption and promotion of the real living wage, collaboration with anchor institutions, and efforts to connect residents to employment opportunities through major local employers. One interview participant noted that Preston now has a substantial share of its workforce employed by living wage accredited organisations, with thousands of workers estimated to have received a real living wage uplift.

Interviewees also highlighted work with the NHS and other anchors to create more accessible pathways into secure employment, including for groups facing labour market disadvantage. One example discussed was targeted work to support women from minoritised communities into jobs in the health sector, replacing low-paid and insecure employment with public sector roles offering higher wages and progression.

While these interventions are harder to capture precisely in local datasets, they are consistent with the comparatively favourable labour market indicators identified in section two. They also point to an important future direction: scaling targeted employment pathways across the wider anchor network, rather than relying on isolated schemes.

4.5 Maximising the local value of development and regeneration

Preston has also sought to ensure that growth generates wider local benefits rather than simply private returns.

Planning tools such as the Building Foundations approach and wider social value frameworks have been used to secure commitments on local employment, skills, supply chain spend, fair work and community benefit from major developments and regeneration schemes.

One interview participant emphasised that Preston's regeneration approach should be understood as going beyond conventional social value. In their view, the city has increasingly sought to deliver regeneration through public ownership, local ownership and stronger local economic conditionality, rather than relying solely on external developers and hoping benefits trickle down.

Recent publicly backed city-centre investments, including the Harris museum, Animate and other civic assets, illustrate an approach in which public leadership is used to stimulate activity while retaining local influence over outcomes.[21]

[21] The Democracy Collaborative (2025). The Preston Model ten years on: Community Wealth Building is an unstoppable movement. Read.

Although many of these initiatives are relatively recent, they may help strengthen local wages, employment access and wealth retention over time. They also broaden the story of CWB in Preston beyond procurement alone, showing how planning, land, regeneration and asset ownership can all be used to shape local economic outcomes.

4.6 Democratic ownership and longer-term structural change

A distinctive feature of the Preston model has been its attempt to broaden ownership within the local economy. Examples include support for community-led housing, cooperative enterprises, digital inclusion initiatives, employee ownership and locally rooted social enterprise.[22]

One participant described ownership as central to the future of CWB, stating that the approach is ultimately "*about ownership of the economy*". This matters for child poverty because ownership affects who receives income, who captures surplus, how jobs are organised and whether wealth is retained locally or extracted elsewhere.

These interventions are unlikely to produce immediate reductions in headline child poverty rates. Their significance lies more in the longer-term potential to spread wealth more fairly, reduce extraction, improve job quality and build local economic resilience.

Interviews also highlighted why this matters under current local government constraints. As one participant argued, councils often lack the fiscal powers, regulatory tools and long-term funding required to act directly at the scale they might wish — for example in setting wages, controlling rents or delivering large-scale public provision. In this context, building democratic institutions — such as cooperatives, community land trusts, worker-owned businesses and community finance — can help to bypass some of those constraints.

Rather than relying solely on direct state intervention, these models create alternative routes through which wealth can be generated, retained and distributed more fairly at the local level. In effect, they allow councils to reshape parts of the local economy indirectly — influencing who owns assets, how work is organised and where value flows — even within a constrained policy environment.

4.7 What this suggests

Taken together, the qualitative evidence suggests Preston has not relied on a single anti-poverty programme. Instead, it has combined interventions across several of the structural drivers of poverty:

- reducing costs through housing and targeted support;
- strengthening incomes through fair work and employment pathways;
- improving resilience through advice and crisis support;
- retaining wealth locally through procurement and regeneration; and,

[22] Preston City Council and CLES (2019). How we built community wealth in Preston: achievements and lessons. Read.

- broadening ownership through cooperative and community models.

This helps explain why CWB may have contributed to Preston's comparatively favourable trajectory, even where individual interventions are difficult to isolate statistically.

The central lesson is not that CWB offers a simple or complete solution to child poverty. It is that Preston's version of CWB has provided a practical local framework for acting across multiple drivers of poverty at once: income, housing costs, employment access, local wealth retention and ownership.

5. Implications for the future: reorganisation, governance and recommendations

The preceding sections suggest two broad conclusions. First, Preston's comparatively favourable child poverty trajectory is unlikely to be accidental or explained by one variable alone. Second, the city's relative resilience appears linked to a combination of national context, comparatively favourable housing conditions, labour market factors, and a sustained local policy approach rooted in CWB.

The evidence therefore points to a deeper conclusion: Preston's comparatively stronger performance is not the result of any single intervention, but of a sustained approach that acts across incomes, costs, access to work and the distribution of wealth. The implication is clear — reducing child poverty requires not only targeted support, but a more fundamental reshaping of how the local economy functions.

This final section considers what follows from that evidence. It focuses on three linked questions:

- how Preston can protect and deepen progress during local government reorganisation;
- how CWB can be more fully organised around child poverty reduction; and,
- what practical priorities should shape the next phase locally, at unitary level and across the Lancashire strategic authority.

Local government reorganisation is especially significant. It creates a risk that effective local practice is diluted during institutional change. But it also creates an opportunity to embed stronger anti-poverty and CWB principles at a larger scale, with greater powers over housing, transport, skills and economic development.

The recommendations below should therefore be read not as a fresh agenda, but as the next phase of an approach already underway.

Furthermore, they should not be read as a narrow programme of "CWB" interventions. Rather, they reflect a broader set of actions across the core drivers of child poverty — incomes, costs, access to good work and the distribution of wealth. In this sense, CWB is not a separate set of policies, but a framework for organising these levers more deliberately around how wealth is generated, distributed and retained locally — shaping outcomes on incomes, costs and economic resilience.

5.1 What the evidence means for Preston

Preston's experience challenges a persistent orthodoxy in economic policy: that poverty can be reduced primarily through growth, redistribution or isolated interventions. Instead, what emerges from this analysis is something more structural and more hopeful. Child poverty outcomes in Preston appear to reflect a deliberate reshaping of the local economy itself – one that seeks to embed fairness into how wealth is generated, distributed and retained.

This matters because the drivers of child poverty are not abstract. They are rooted in whether families have sufficient and secure incomes; whether housing costs are manageable; whether good work is accessible; and whether the wider economy circulates wealth locally or extracts it. Income, in this sense, acts as a "meta-determinant" of health and wellbeing, shaping access to almost every other condition that supports a decent life.[23] Preston's approach – through CWB – has begun to act across these drivers simultaneously.

Anchor-led procurement has supported local jobs and wages; housing interventions have moderated costs; employment pathways have improved access to work; and emerging forms of democratic ownership have started to retain more value within the local economy. Evidence suggests that these shifts are not merely theoretical: they are associated with improvements in wages, life satisfaction and even mental health outcomes relative to comparable areas.[24]

This has not been driven by a single intervention, but by the cumulative effect of changes across work, housing, costs and ownership**.** This is perhaps the central lesson: tackling child poverty requires a systemic approach that rewires the local economy, rather than relying on downstream mitigation.

However, Preston's progress also highlights the limits of what can be achieved through even a strong and sustained local commitment alone. While CWB appears to have shifted outcomes, its full potential is still constrained by scale, consistency and the wider institutional environment. Many of the most impactful interventions are still concentrated in particular programmes, sectors or partnerships, rather than consistently shaping how the whole local economy operates.

The next phase, therefore, is not about whether CWB works — Preston's experience suggests that it does. **The challenge now is one of scale and institutionalisation: how it can be deepened within organisations, broadened across sectors, and embedded as the organising logic of local economic policy**.

Recommendations: scaling community wealth building to tackle child poverty

The next phase of Preston's anti-poverty approach should not start from scratch. It should build from what is already distinctive: a council willing to use procurement, planning, land, employment and financial support in a more interventionist way than many comparable

[23] See for example: JN Morris & C Deeming (2004). Minimum Incomes for Healthy Living (MIHL): next thrust in UK social policy?. Policy & Politics, 32(4). Read; JN Morris et al (2010)., Action towards healthy living—for all, *International Journal of Epidemiology*, 39 (1). Read. M Marmot et al (2010). Fair society, healthy lives: the Marmot Review: strategic review of health inequalities in England post-2010. Read; Public health England (2014). Local action on health inequalities: Health inequalities and the living wage. Read; ML Buzelli et al (2022). A framework for NHS action on social determinants of health. The Health Foundation. Read.
[24] TC Rose et al. (2025). Relationships between local public spending, employment and wages within local authorities in England – a longitudinal ecological analysis. NIHR Open Research. Read.

places. The task now is to scale that approach, deepen it institutionally, and ensure it is not lost through local government reorganisation.

What follows therefore is not a generic menu of interventions, but a set of priorities for scaling what already appears to be working — and embedding it more systematically across institutions and at a larger geographical scale. In several cases, this means distinguishing between what Preston can still do now, what should be hardwired into the successor unitary arrangement, and what should increasingly sit at Lancashire strategic authority level.

1. Use reorganisation to hardwire community wealth building into the new institutional settlement

CWB should be positioned now as a core design principle for whatever comes next, not treated as a legacy of the current council.

That means making the case now that any new unitary authority covering Preston should adopt CWB as a cross-cutting operating model rather than leaving it to sit within a single team or portfolio. Procurement, planning, regeneration, housing, employment support and financial inclusion should all be expected to contribute to child poverty reduction and local wealth retention.

In practice, this means arguing for the successor authority to adopt from day one:

- a formal CWB strategy linked explicitly to child poverty reduction;
- shared anti-poverty and inclusive economy objectives across economic development, housing and public health;
- cabinet - and officer - level accountability for delivery; and,
- a requirement that major investment, regeneration and service decisions are assessed against their likely impact on household incomes, costs and local wealth retention

Reorganisation creates uncertainty, but it also creates a rare opportunity to shape institutional defaults. Preston should use this period not simply to defend past gains, but to embed a stronger model in the DNA of the next authority.

2. Recast child poverty as an issue of income after essentials – and organise policy around it

One of the clearest lessons from the evidence is that child poverty is shaped not only by gross income, but by what families have left after unavoidable costs.

Preston's existing mix of interventions already points in this direction: council tax support, food support, debt and benefit advice, housing affordability measures and employment initiatives all affect disposable income in practice, even where they do not always show up neatly in headline poverty data.

The next step is to bring these strands together into a clearer framework. Preston and its partners should explicitly organise their anti-poverty work around improving income after essentials.

This would mean:

- joining up welfare advice, debt advice, discretionary support, council tax support, food support and financial inclusion work as part of a single anti-poverty offer;
- using resident data and frontline intelligence to identify which households are being hit hardest by the combined effect of rents, debt, transport costs and welfare reforms;
- treating household costs, not just earnings, as a core part of economic strategy; and,
- developing a stronger local outcomes framework that tracks not just child poverty after housing costs, but the wider pressures acting on family budgets.

This is also where some of Preston's more traditional redistributive interventions should be more clearly narrated as part of a wider CWB approach.

Measures such as council tax support, direct payments to residents affected by welfare changes, and in-house debt and benefit advice are not separate from the broader strategy. They are part of how the council uses its financial power to protect household income locally.

3. Deepen the housing strategy from 'more affordable homes' to a full anti-poverty housing model

Housing is one of the clearest areas where Preston appears to have made a material difference, and should now be treated even more explicitly as an anti-poverty lever. Compared with many similar places, rent growth has been slower, affordable housing delivery stronger, and the council has used planning, land, partnership working and direct intervention more actively than many peers. That should now be taken further.

The anti-poverty logic here is direct: lower rents and more secure tenures increase disposable income and reduce financial stress for families. In high-cost systems, housing acts as a mechanism of extraction; in more socialised systems, it acts as a stabiliser of household finances. Preston's approach has begun to shift that balance, and the next phase should deepen it.

The next phase should involve moving from a strong affordable housing approach to a fuller anti-poverty housing model centred on genuinely low-cost, secure homes and long-term public or social stewardship.

This should include:

- maintaining planning requirements for affordable housing, including firm negotiation against attempts to reduce provision;

- shifting the emphasis further from affordable rent towards social rent wherever feasible, reflecting the growing gap between the two;
- continuing to prioritise registered social landlords and other non-extractive partners in housing-led regeneration wherever it is feasible to do so;
- expanding direct council provision, including through the move back into council housing and registered provider status;
- identifying public land and acquisition opportunities that can be used for social and genuinely affordable housing including mixed tenure developments which can increase the provision of social and affordable housing by improving viability;
- continuing interventions to bring long-term empty homes back into use through socially productive partnerships; and,
- exploring whether, under a future unitary settlement, there is scope for a larger-scale public development or housing delivery vehicle with a stronger social rent mission

The wider point is that housing should be treated not just as a planning issue but as a core anti-poverty lever. Preston's record suggests that political choices about tenure, land, delivery partners and stewardship matter.

4. Scale up anchor-led pathways into better work, especially for groups facing the sharpest labour market disadvantage

The employment story in Preston should not be reduced to general job creation. Its more distinctive contribution lies in connecting residents to better jobs through anchor institutions and targeted support.

That work now needs to be made more systematic. Preston's anchor network should develop a city-wide pathway model that links recruitment, pre-employment training and progression routes across major local employers.

This would involve:

- identifying anchor vacancies that can be targeted more deliberately towards groups at highest risk of child poverty, including parents, lone parents and women from minoritised communities;
- expanding pre-employment models where participation in training is linked to a real interview or job offer rather than generic employability support;
- working across the NHS, council, colleges and other anchors to create a larger, pooled pipeline of accessible jobs;
- focusing not only on access to work, but progression into more secure and better-paid roles over time; and,
- using the anchor network to monitor outcomes and identify where specific groups continue to face barriers.

There is also a wider strategic point here. Preston's approach should increasingly connect employment support to the sectors where poor households actually work or could realistically move into, rather than relying only on abstract growth sectors. Good public and anchor employment, with progression, remains one of the clearest local routes to higher and more secure household income.

5. Consolidate Preston's living wage gains and push from wage floors to job quality

Preston has already made significant progress through living wage accreditation and anchor influence. The next challenge is to move beyond wage floors alone towards job quality more broadly.

This means treating the living wage as the foundation rather than the endpoint. Preston and its anchor partners should now focus on:

- continuing to widen living wage accreditation further across appropriate local employers;
- deepening the existing link between procurement and fair employment expectations by including predictable hours and opportunities for progression; and,
- capturing and communicating the scale of wage uplift already achieved and treating this as a key part of the child poverty story.

The underlying argument is straightforward: raising hourly pay matters, but so do security, hours, progression and access to better sectors. A fuller fair work agenda would strengthen the existing CWB model and make its contribution to poverty reduction more visible.

6. Push community wealth building further into regeneration, development and land

One of the most important insights from our interviews is that Preston's economic model cannot be understood through procurement alone. Political choices about public ownership, land, regeneration and who benefits from development are also central.

The next phase of CWB could therefore focus more on regeneration and land. This means ensuring that major development does not simply happen in Preston but works for Preston.

Key actions include:

- continuing to use planning, land disposal and development agreements to secure local jobs, apprenticeships and supplier opportunities;
- prioritising public, social or democratic ownership models in major regeneration where the Council owns land or where it is feasible on other developments;
- prioritising publicly backed regeneration schemes which maximise long-term community benefit and/or which secure community benefits through planning conditions via the Building Foundations project;
- using the local plan and related policy frameworks to embed stronger CWB principles; and,

- building on existing practice where public assets and regeneration schemes are being used as part of a wider local economic strategy rather than treated as isolated capital projects.

This matters for child poverty because regeneration affects who gets jobs, who controls assets, whether wealth is retained locally and whether the gains from development are socially distributed.

7. Make democratic ownership a clearer part of the anti-poverty strategy

The most ambitious part of Preston's story is also the easiest to understate. The council's work on co-operatives, community finance, community-led housing and other democratic forms of ownership should be described not as peripheral innovation but as part of a longer-term anti-poverty strategy.

The anti-poverty logic here is structural rather than immediate: democratic ownership changes who receives income from economic activity. Instead of profits being extracted, more value is retained locally and distributed through wages, community benefit and shared ownership. Over time, this shifts the balance between capital and labour in ways that reduce inequality at source.[25]

In the short term, these models may not move headline poverty statistics as quickly as housing costs or council tax support. But over time they matter because they change who owns economic assets, who receives the surplus, and whether work is organised in an extractive way or more fairly.

A stronger, more intentional democratic ownership pipeline could be considered, including:

- continued support for worker co-operatives and community businesses including in sectors where exploitation and low pay are common;
- continued targeted work with communities, including minoritised communities, where democratic enterprise could provide a route out of insecure and extractive labour markets and access to low-cost transport and assistance with energy costs;
- stronger use of procurement, commissioning and business support to create market opportunities for generative enterprises; and,
- targeted use of local or regional community finance infrastructure (particularly the opportunity being created through North West Mutual) to improve access to fair finance.

8. Treat transport as the next major frontier – but locate it at the right scale

Transport is both a direct household cost and a gatekeeper to employment, education and services. It should therefore be treated as a core anti-poverty issue.

In low-income families, high fares and unreliable services translate quickly into reduced disposable income and fewer opportunities. The case for municipal or publicly controlled

[25] T Piketty (2014). Capital in the Twenty-First Century. Harvard University Press.

buses should therefore be made explicitly as an anti-poverty intervention: the ability to set fares and reinvest surpluses locally can reduce everyday costs and improve access to good work.[26]

Crucially, public or municipal operation changes the financial logic of the system. Instead of fare revenue and subsidy being extracted as profit, surpluses can be recycled into lower fares, better coverage and cross-subsidy for socially necessary routes. This is one of the clearest routes through which transport policy can increase 'income after essentials'—not by raising wages directly, but by reducing unavoidable costs.[27]

In Lancashire, however, the relevant levers increasingly sit above the district. From April 2026, the Lancashire Combined County Authority (LCCA) has assumed statutory responsibilities as the Local Transport Authority, including oversight of the Local Transport Plan, Bus Service Improvement Plan and Enhanced Partnership arrangements. This means the transport strategy should operate at two levels.

First, Preston should continue to articulate and evidence the anti-poverty case for cheaper, more reliable buses—linking fares and connectivity explicitly to child poverty outcomes and access to anchor employment.

Second, it should pursue a clear strategic choice about delivery, recognising three plausible routes:

- proceeding now with a Preston-based municipal operator as a pilot (building capability and demonstrating impact)
- lobbying for a Lancashire-wide publicly owned or controlled network, capable of delivering system-wide fare reform and integration
- embedding a municipal model at the future unitary level once reorganisation is complete

While a Preston-led operator could play a useful proving role, the greatest impact on affordability and access is likely to come from action at the Lancashire scale, where fares, routes and cross-subsidy can be shaped coherently.

Finally, transport should be more tightly aligned with employment and skills policy. Affordable, reliable bus networks are a prerequisite for successful anchor-led employment pathways; without them, access to better work remains uneven and fragile.

9. Broaden and formalise the anchor network's role in poverty reduction

Preston's anchor network remains one of its greatest assets, but its anti-poverty role could be made far more explicit and systematic.

At present, parts of this happen through procurement, fair employment, local labour activity and partnership working. The next phase should be more intentional.

[26] TL Goodwin et al. (2025). Affordable Infrastructure: How strategic authorities can use housing and public transport to tackle health inequalities CLES and The Kings Fund. Read.
[27] Ibid.

This means recasting the anchor network not only as a forum for CWB in general, but as a delivery mechanism for reducing child poverty.

Practical steps could include:

- agreeing a shared anti-poverty mission across anchor institutions;
- setting collective priorities around local procurement, fair work, targeted recruitment and financial inclusion;
- using anchor boards or formal agreements to track delivery and hold partners to account;
- bringing in a broader set of mission-aligned organisations where useful, including democratic and socially oriented businesses; and,
- making stronger use of anchor spend, assets and employment power in a coordinated rather than project-by-project way.

This would help shift the model from a series of positive interventions to a more coherent local economic system.

10. Strengthen evaluation, but do not let imperfect data narrow the story

Preston should continue to strengthen its evidence base but should avoid implying that only what can currently be measured econometrically counts.

Some of the most important elements of Preston's approach – particularly democratic ownership, institutional reform and long-term shifts in labour market opportunity – are slower-burn changes.

The recommendation here is therefore twofold. First, Preston and its partners should continue to invest in evaluation, building on existing academic partnerships and seeking better local measures of wages, job quality, affordability and household pressure. Second, they should tell a fuller story about causation and contribution.

This means being clearer that:

- some interventions are likely already contributing to better outcomes even where local data is imperfect;
- some of the most promising interventions are too recent to show up fully in headline statistics; and,
- the absence of a neat local dataset should not lead to an overly narrow understanding of what matters.

Preston's experience is significant not only because of what can already be measured, but because it shows how local government can still act systemically on poverty – and how much more might be possible if those interventions are scaled, embedded and backed by a more enabling national framework.

Final reflection

Preston has already demonstrated that local economic policy can move the dial on poverty when it focuses on the fundamentals: income, costs, work and ownership. The challenge now is one of ambition and scale.

If CWB is fully embedded — not as an innovation, but as the default — Preston has the opportunity not only to remain an important example, but to redefine what effective local anti-poverty policy looks like in practice.

Appendices

Appendix A

Researchers from the Centre for Research in Social Policy, Loughborough University adjust the DWP estimates from before housing costs to after housing costs (AHC). In doing so, they use Understanding Society household survey data to calculate BHC and AHC child poverty rates in different local authorities, and then generate the ratio of AHC/BHC.[28] They then compare this with the lower quartile market rent level for a three bedroom home in each local authority, based on Valuation Office Agency data. Finally, they adjust the DWP's data on child poverty BHC, using the appropriate AHC/BHC ratio for the given rent level in each local authority, to give the final CPAHC rate for each local authority.

This tells us several important things about our headline CPAHC measure. It measures inequality rather than absolute poverty, because child poverty is based on distance from the local median income rather than falling below a set income amount. This means that if incomes improve among those in poverty, but more slowly than the income growth of wealthier people locally, the CPAHC rate may not fall. Similarly, if income growth is poor for wealthier people in an area, but just average for poorer households, the CPAHC rate may fall even though households who were previously in poverty have not become much better off. Another important point is the absence of any costs other than housing in the calculation. A reduction in energy bills, transport fares or council tax may help to reduce hardship for families in poverty, but this will not strictly translate into a reduction in CPAHC unless their incomes improve or their housing costs fall.

Appendix B

To put Preston's CPAHC trend into context, we use a group of comparator local authority areas with similar characteristics to Preston. We selected these comparators based on the ONS's 2024 analysis, *Clustering similar local authorities in the UK* which categorises local authorities based on economic, demographic and health characteristics.[29] We identified places that matched Preston's characteristics then excluded two areas from outside England due to differences in policy context. We excluded a further four areas that did not have a sufficiently similar town or city geographic character to Preston and the other comparators,[30] leaving a final group of Preston and 16 areas for the subsequent analysis.

The comparators cover parts of the North West, North East, Yorkshire and the Midlands, including two close neighbours in Lancashire. We briefly reviewed the similarity of these areas to Preston based on key variables related to child poverty such as deprivation, claimant count, employment, wages, market rents and demographics, coming to the conclusion that the 16 areas were broadly similar enough to Preston to enable a valid comparison of specific drivers in the subsequent analysis. We also determined that none of the other areas had implemented CWB policies for the length of time and to the extent

[28] D Hirsch and J Stone (2020). Local indicators of child poverty after housing costs 2018/19. Loughborough University. Read.
[29] Office for National Statistics (2024). Clustering similar local authorities in the UK, methodology. Read.
[30] The areas excluded were Halton, Knowsley, Tameside, and Telford and Wrekin.

that Preston has, meaning that we could potentially identify the relative impact of such policies on child poverty.

Appendix C

The methodology we used was as follows:[31]

- Our regression models typically had CPAHC as their **dependent variable,** covering as much as the period from 2014/15 to 2023/24 as data would allow. This means that broadly speaking, the models were aiming to assess how much of the changes in CPAHC were due to changes in certain drivers. As a sensitivity analysis, we re-ran some model versions with relative child poverty before housing costs as the dependent variable.
- The drivers (our **independent variables**) included variables directly affected by the council, to try to understand whether their interventions were driving down CPAHC:
    - Share of jobs paid below the Real Living Wage (RLW);
    - Capital investment in construction (broken down into overall; dwellings only; other buildings only) as a share of GDP;
    - Claimant count.
- We also incorporated a number of other independent variables as **controls**, guided by the findings of our literature review and comparative analysis on what else could be driving CPAHC:
    - Labour market variables: employment rate, unemployment rate, activity rate;
    - Pay: median overall annual pay (reflecting the combined effects of hourly pay and hours worked);
    - Housing: average PRS rents; average three-bed PRS rents;
    - Welfare system: share of households affected by two-child limit (2021 to 2024 only); share of 3-bed PRS rents covered by the LHA rate.
- We used a **Fixed-Effects** regression model, which strips out local authority-specific factors that are not controlled for elsewhere in the model. This means that the effect of local differences such as demography and labour markets on CPAHC can to some extent be set aside, while our findings will focus on the impact of a given driver on **how child poverty changes over time within a given local authority.**
- To improve our confidence in the findings, we also re-ran the models with a Random-Effects specification, ran the Hausman Test to assess which of the two specifications was more appropriate, and ran standard post-estimation testing to check for and correct for common problems with regressions such as heteroskedasticity and autocorrelation.

In general, for many of the data series we used in the regression analysis there is a clear structural break in the time series. The period we are analysing is broken roughly in half by the onset of the COVID-19 pandemic and subsequent lockdowns and other effects. There are likely to have been clear differences in the complex relationships between variables such as employment, inactivity, inflation and housing market dynamics in the pre-pandemic versus the post-pandemic years. To take account of this, we re-ran separate

[31] A more detailed outline of the methodology is available on request. Please email emmetkiberd@cles.org.uk for further information.

versions of our models for the pre-pandemic (up to and including 2019/20) and post-pandemic (2020/21 to 2023/24) years where possible.

Appendix D: Social and 'Affordable' Rent Levels Relative to PRS Market Rent

Figure A1: Average 'affordable' rent (general needs, gross rent) as a percentage of average PRS market rent

Local Authority	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Blackburn with Darwen	82.6%	83.4%	83.1%	83.5%	84.9%	83.8%
Bolton	71.4%	71.8%	70.3%	68.0%	68.5%	69.5%
Burnley	88.3%	88.6%	89.0%	88.2%	91.3%	90.4%
Coventry	64.2%	65.3%	64.6%	65.1%	64.4%	64.4%
Derby	74.0%	76.9%	75.6%	76.6%	79.6%	78.2%
Liverpool	73.1%	73.9%	71.7%	70.2%	69.9%	69.4%
Middlesbrough	79.9%	81.6%	83.9%	87.8%	88.6%	87.6%
Newcastle upon Tyne	55.3%	55.8%	54.9%	54.4%	55.1%	57.2%
Oldham	74.4%	76.1%	74.7%	72.4%	71.6%	70.0%
Preston	76.8%	79.3%	79.3%	81.2%	82.8%	84.8%
Rochdale	80.3%	80.7%	75.6%	76.3%	74.9%	82.1%
Rotherham	82.7%	84.0%	84.5%	82.7%	84.5%	88.0%
Salford	61.3%	61.1%	61.1%	58.8%	57.0%	56.0%
Stockton-on-Tees	78.9%	80.4%	80.1%	81.6%	82.6%	81.7%
Stoke-on-Trent	81.1%	84.7%	82.3%	83.5%	86.5%	85.6%
Wakefield	73.0%	72.1%	71.3%	70.5%	70.7%	74.9%
Walsall	76.4%	76.2%	73.7%	70.1%	70.9%	72.1%

Source: CLES analysis based on Regulator of Social Housing (2025). [Read](). and ONS (2025). Price Index of Private Rents (PIPR), UK: monthly price statistics. [Read]().

Figure A2: Average social rent (general needs, net rent) as a percentage of average PRS market rent

Local Authority	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Blackburn with Darwen	67.8%	68.2%	67.1%	66.8%	67.8%	66.0%
Bolton	57.6%	58.0%	56.4%	54.4%	54.4%	54.2%
Burnley	73.4%	74.4%	74.3%	73.4%	76.4%	75.1%
Coventry	48.8%	49.3%	48.1%	48.2%	47.0%	46.9%
Derby	57.6%	57.8%	55.9%	56.3%	57.8%	56.5%

Local Authority	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Liverpool	59.9%	60.3%	58.1%	56.6%	56.5%	55.7%
Middlesbrough	71.4%	72.2%	72.0%	73.5%	74.2%	73.9%
Newcastle upon Tyne	41.0%	40.3%	39.6%	39.0%	39.4%	40.4%
Oldham	58.8%	59.2%	57.9%	55.4%	54.2%	52.3%
Preston	58.8%	59.8%	59.1%	59.1%	60.3%	60.8%
Rochdale	62.3%	61.9%	59.2%	59.3%	57.6%	56.3%
Rotherham	62.5%	63.2%	63.1%	63.1%	64.1%	64.8%
Salford	43.7%	43.4%	43.4%	41.8%	40.4%	39.3%
Stockton-on-Tees	64.6%	65.5%	65.4%	66.4%	67.4%	66.3%
Stoke-on-Trent	60.9%	61.7%	59.0%	60.1%	61.9%	61.3%
Wakefield	61.6%	60.9%	59.4%	58.2%	57.2%	59.6%
Walsall	59.3%	58.9%	56.5%	55.1%	54.9%	55.3%

Source: CLES analysis based on Regulator of Social Housing (2025). Read. and ONS (2025). Price Index of Private Rents (PIPR), UK: monthly price statistics. Read.

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