

INCLUSIVE GROWTH

The Heart of the South West recognises that inclusivity means enabling as many people as possible to both *contribute* and *benefit* from economic growth. It seeks to address the social and spatial challenges that affect the region with regard to inclusion.

As with most other areas, HotSW still has significant inequalities in life outcomes across its population. Until differences in key outcomes, such as educational attainment, can be narrowed,

these will continue to act as barriers to the aspiration of more inclusive growth. There also appears a geographical element which persists despite investment and intervention.

KEY ISSUES

Deep-rooted inequalities remain. Some issues are within scope for LEP response, whilst others need different interventions - particularly early-age issues.

1 QUALIFICATIONS

The HotSW workforce continues to become more qualified. Lower educational outcomes for disadvantaged pupils remains a barrier

2 WORKLESSNESS AND POVERTY

The number of workless households has fallen, but the incidence of poverty remains relatively high in urban and more peripheral rural areas.

3 HOUSING COSTS

House prices and rents have risen significantly recently, with a disproportionate impact on the young. As well as the social impact, this will affect labour availability and mobility.

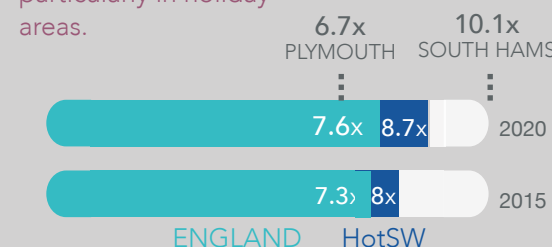
4 EARNINGS

Tentative signs of a narrowing of gender pay gap recently. Average wages across HotSW remain lower than national average.

5 HEALTH

Significant difference in health outcomes between urban and rural areas, and between the most and least deprived parts of HotSW.

Affordability of homes remains problematic - particularly in holiday areas.



HOUSE PRICE TO EARNINGS RATIO (average)

CHILD POVERTY

In 2020, the number of children living in low income families was 38,600 - down from 46,100 in 2015.



Difference in life expectancy between most and least deprived wards

6.7 years

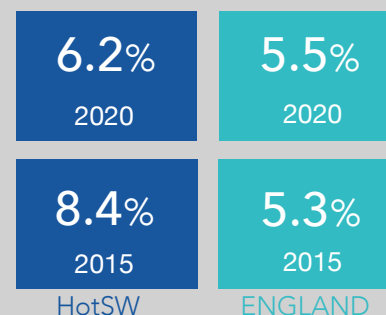
UNDER 16s IN ABSOLUTE POVERTY

There are 69,000 workless households across the HotSW area - around the same as in 2015.

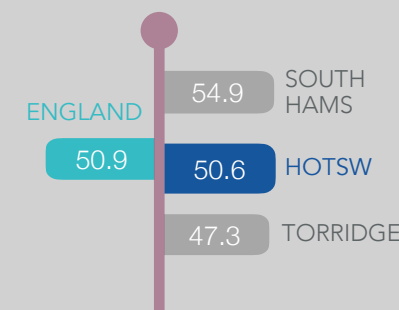


WORKLESS HOUSEHOLDS 2015 - 2020

NO QUALIFICATIONS (WORKING AGE)



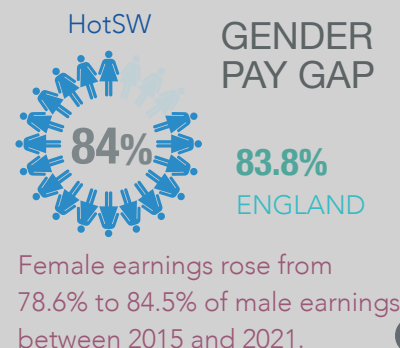
There is a significant gap in attainment as result of disadvantage. The gap varies with HotSW between 10 and 19 percentage points



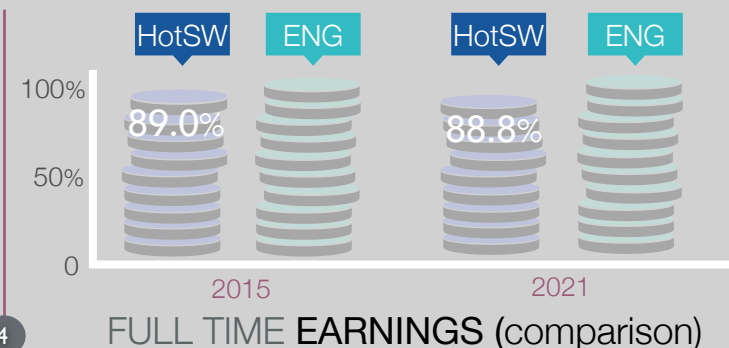
Attainment 8 measures a student's average grade across 8 subjects.

ATTAINMENT 8 AVERAGE SCORES 20/21

GENDER PAY GAP

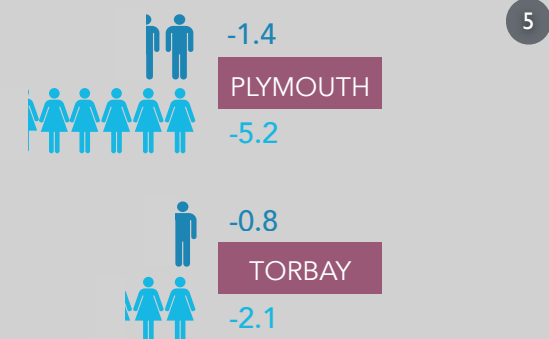


Female earnings rose from 78.6% to 84.5% of male earnings between 2015 and 2021.

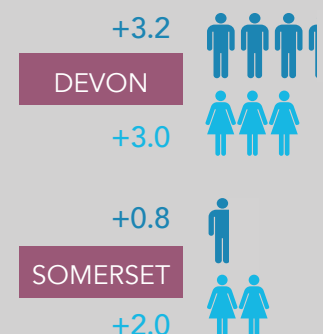


FULL TIME EARNINGS (comparison)

GAP IN HEALTHY LIFE EXPECTANCY (compared to England average, in years)

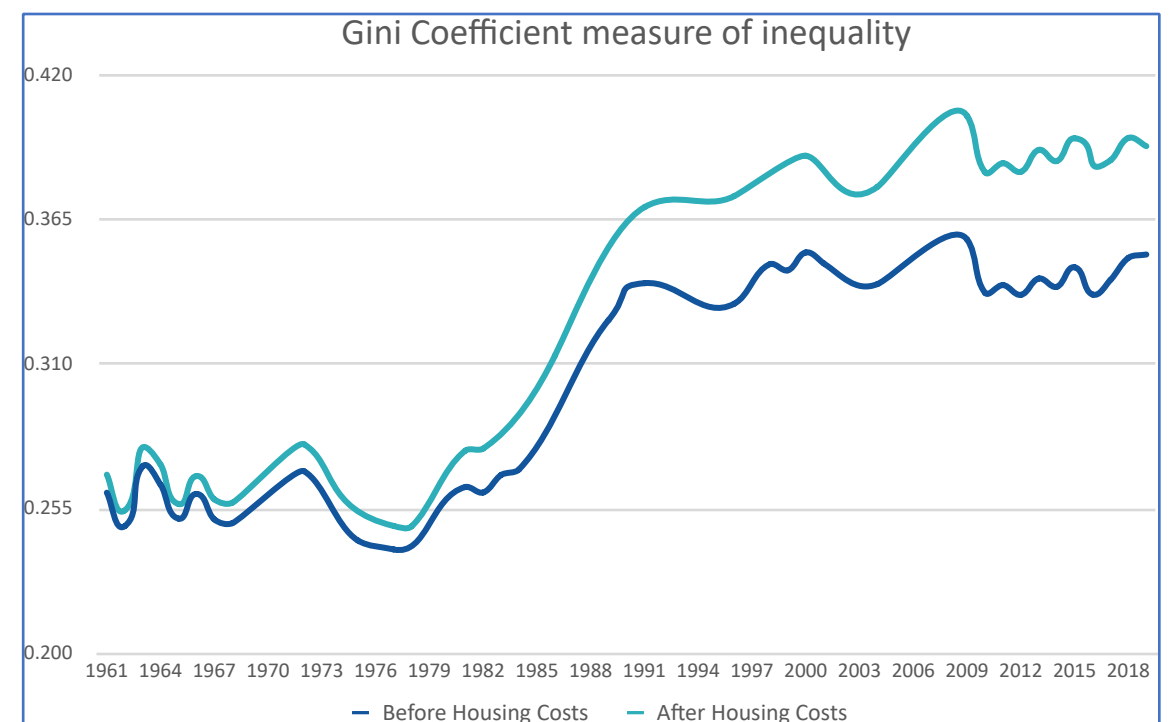
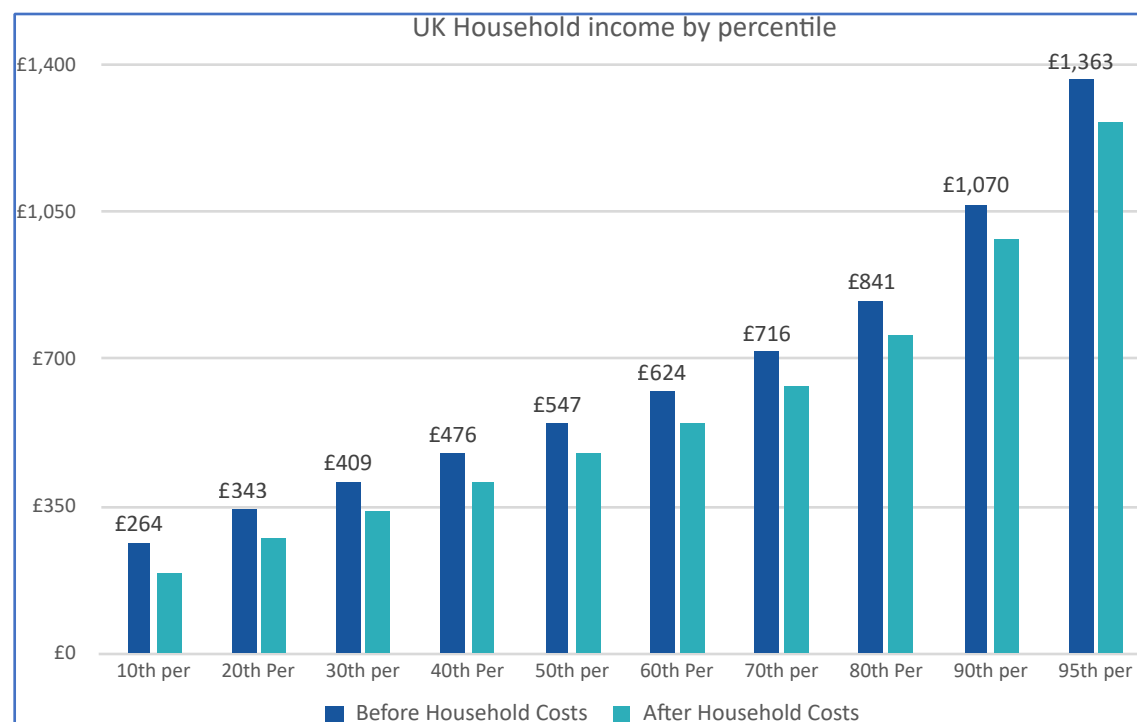


Health outcomes are generally worse in the larger urban areas - where poverty, air pollution and poor housing have an impact.



INCLUSIVE GROWTH – inequality

All the evidence shows that inequality across the UK has remained high and broadly static over the past few decades – despite repeated and concerted policy focus and public investment. The indications and available forecasts are that inequality will not lessen over the coming years, with some policy think tanks expecting it to potentially worsen through a reduction in some key withdrawals and the potential for any income growth (earned and/or benefits) to be eroded by the effect of inflation. The left hand chart below shows household income (before and after housing costs) across the different percentiles of distribution – highlighting that available household income in the 95th percentile of households is approximately 6x that of the lowest percentile. The Gini coefficient is an internationally recognised measure of inequality in a given country and the right hand chart shows that this has certainly not improved over the past 40 years.



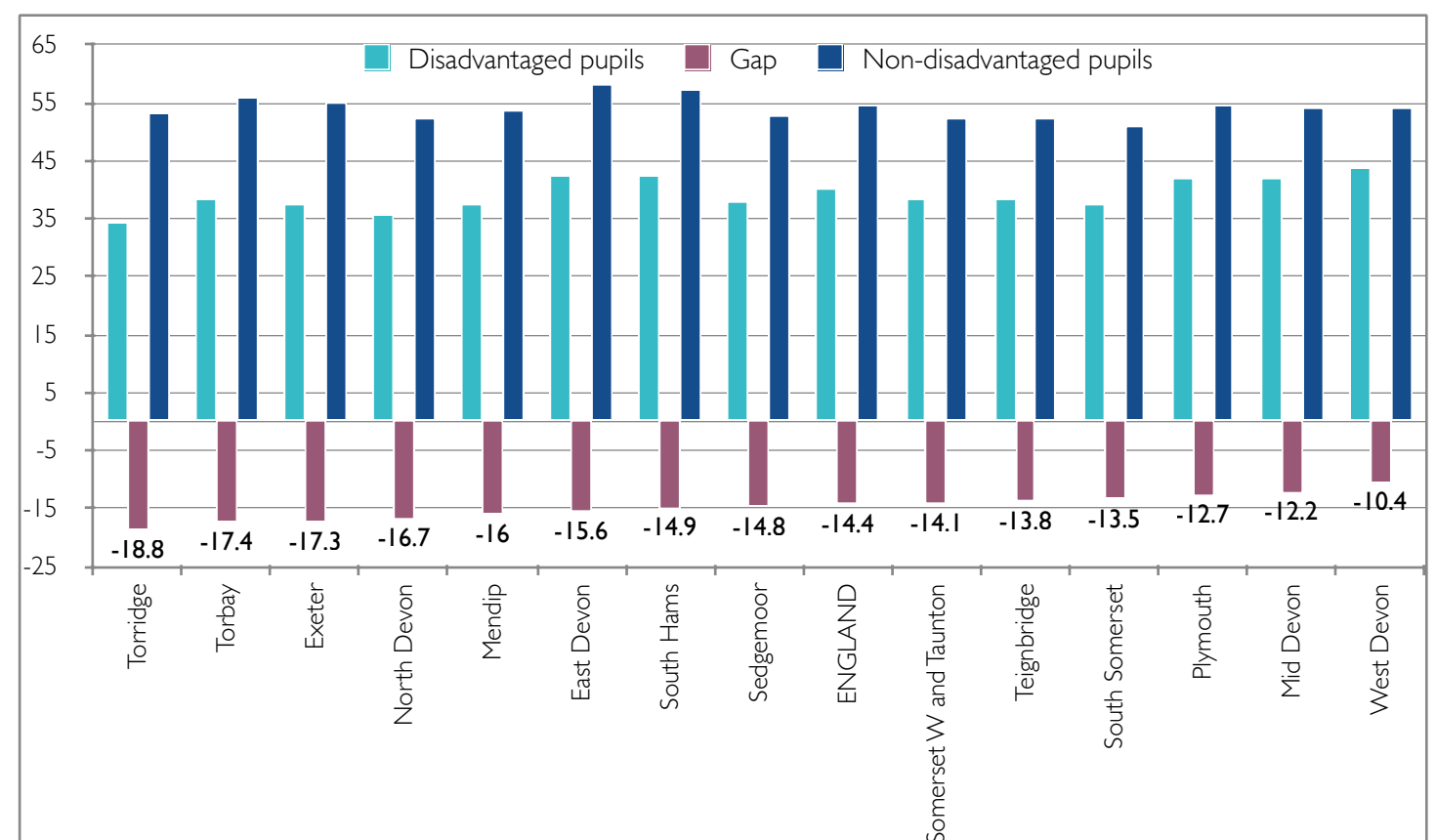
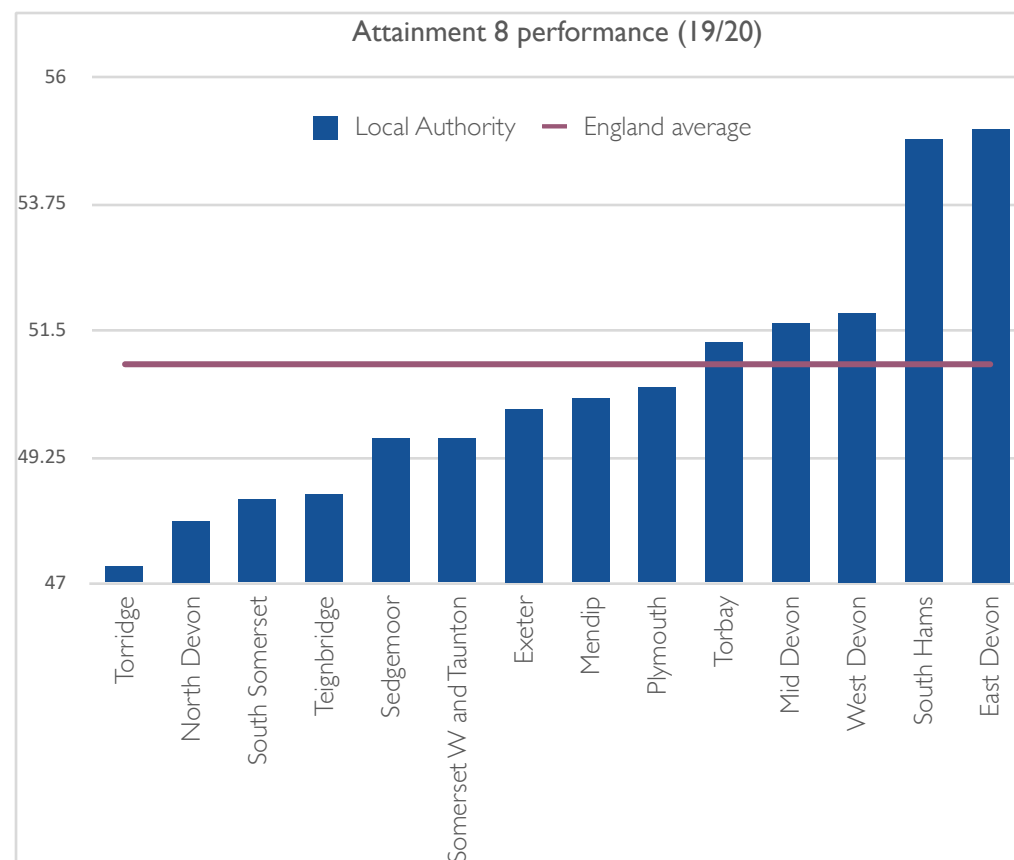
Private rental levels

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INCLUSIVE GROWTH – educational attainment

The average attainment 8 score across school pupils (20/21) across the HotSW was 50.6 (non-weighted across the Local Authority areas), slightly lower than the national average (50.9). Attainment 8 measures a student's average grade across eight subjects. Therefore it is a way of standardising attainment across subject areas as GCSE level. However, there is a significant difference in performance across local authorities, with South Hams significantly outperforming both the national average and other areas such as Torridge and North Devon. The most significant characteristic in terms of inclusive growth is the significant difference in attainment between disadvantaged pupils and all other pupils – although this is seen across England. Nationally, there is a 14.4ppt difference in attainment, and this gap has widened in recent years after some narrowing. In the HotSW the largest gap is within Torridge (although this is partly explained by the presence of a grammar school system) and the narrowest gap within West Devon.



Attainment 8 scores

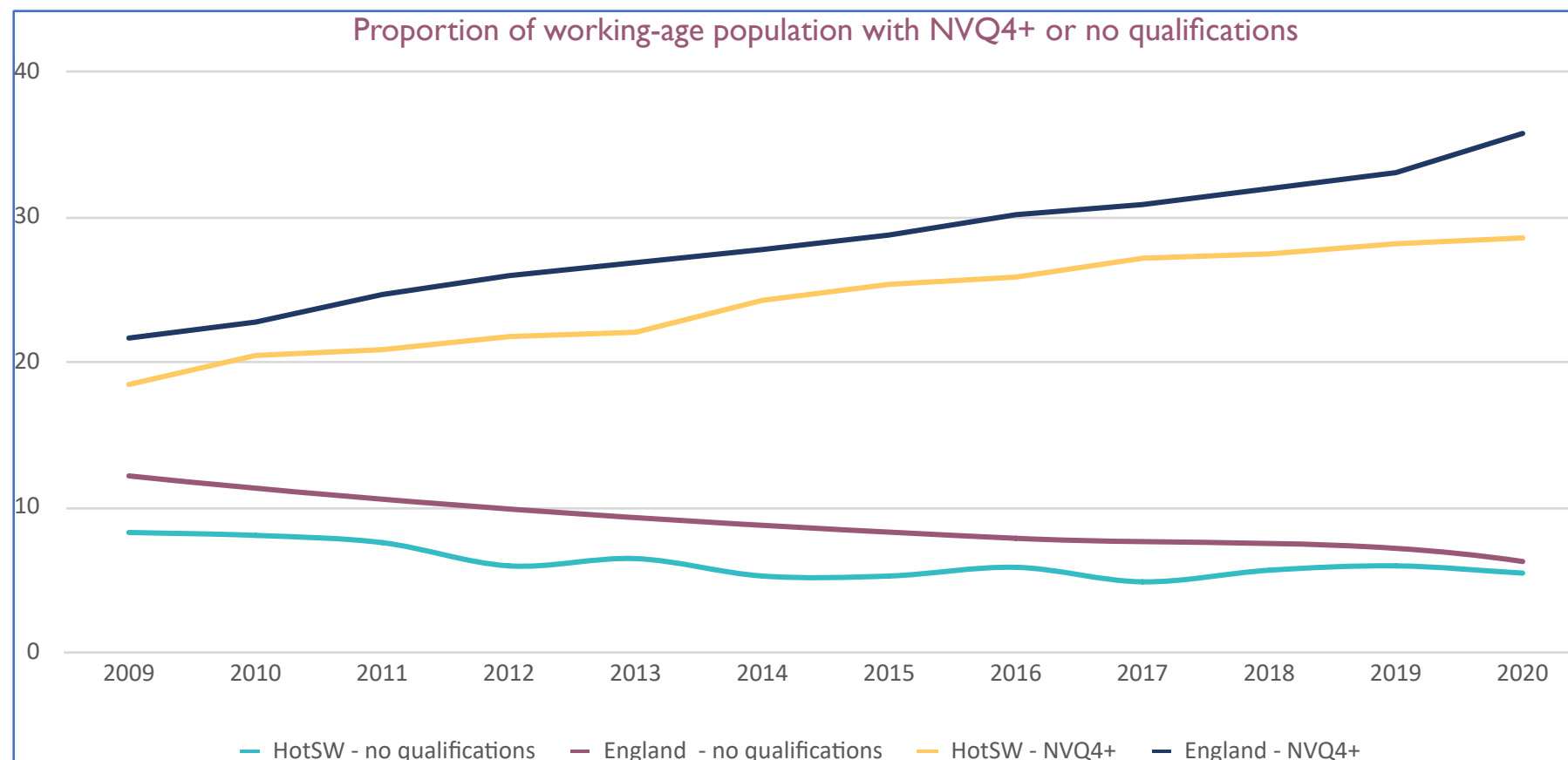
Attainment gap

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INCLUSIVE GROWTH – qualifications levels

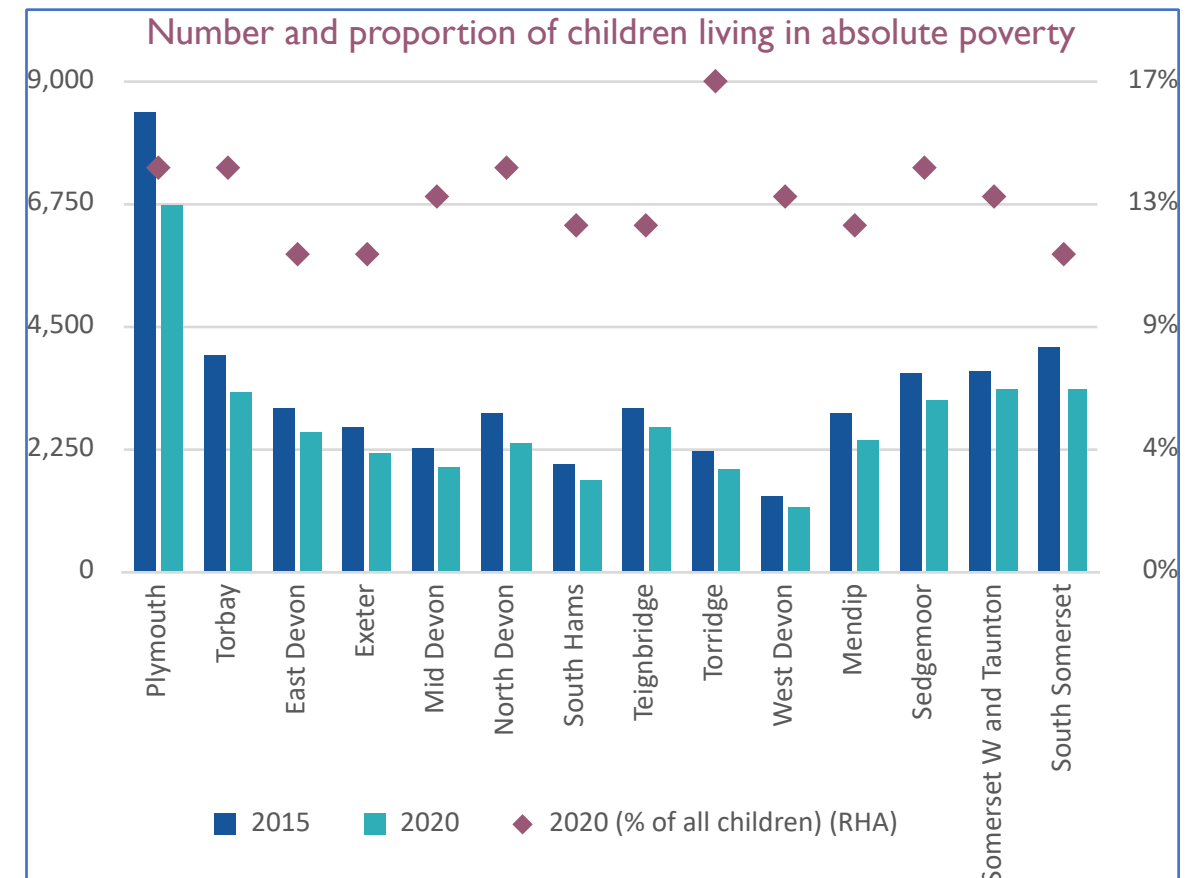
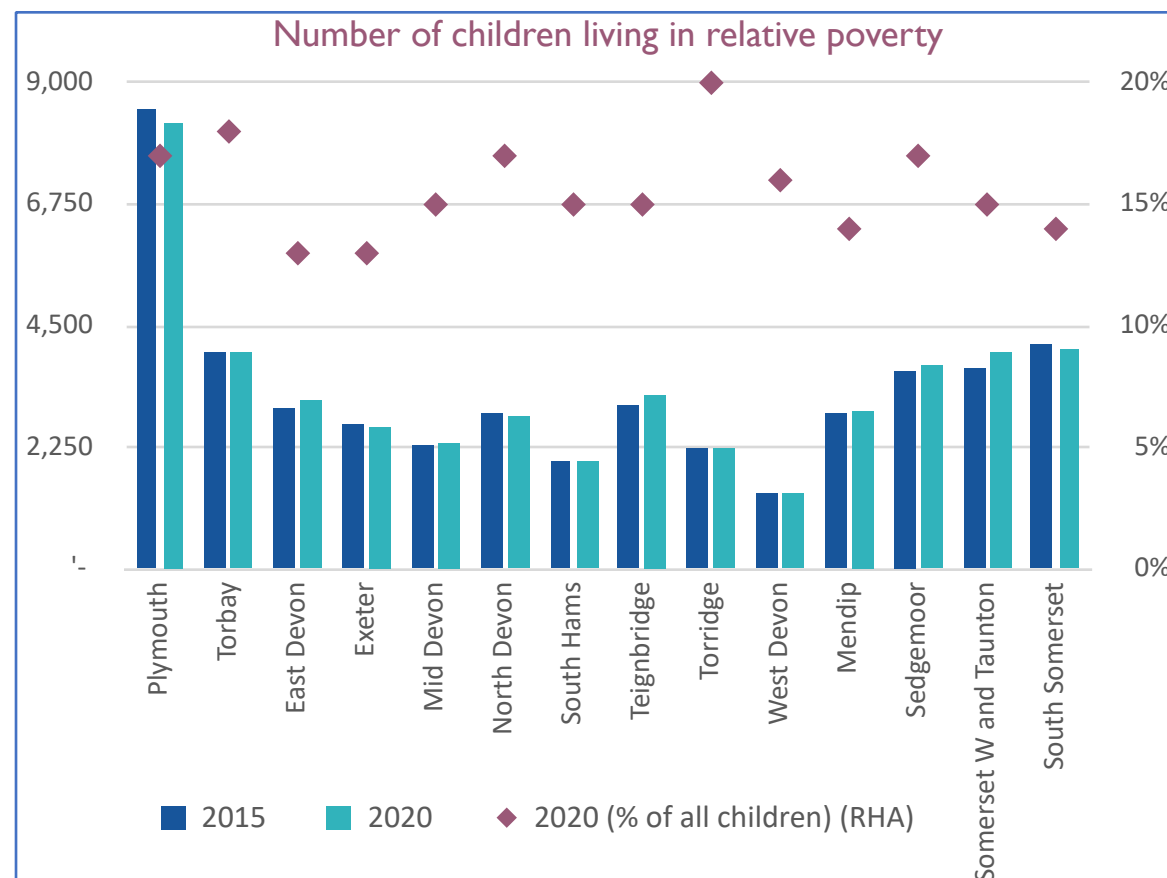
As reflected in national trends, the proportion of the working age population with no qualifications has fallen over the past decade – although the data suggests that the speed of that decline has been marginally slower than seen nationally – largely explained by it starting from a quite significantly lower base. Approximately 6% of the working age population in the HotSW have no qualifications. There are signs that this decline is levelling out in most recent years. The chart below shows that there has been a converse trend in terms of the proportion of working-age population with NVQ4+(degree equivalent) qualifications over the past decade. The proportion in the HotSW remains lower than the national average.



Qualification levels

INCLUSIVE GROWTH – child poverty

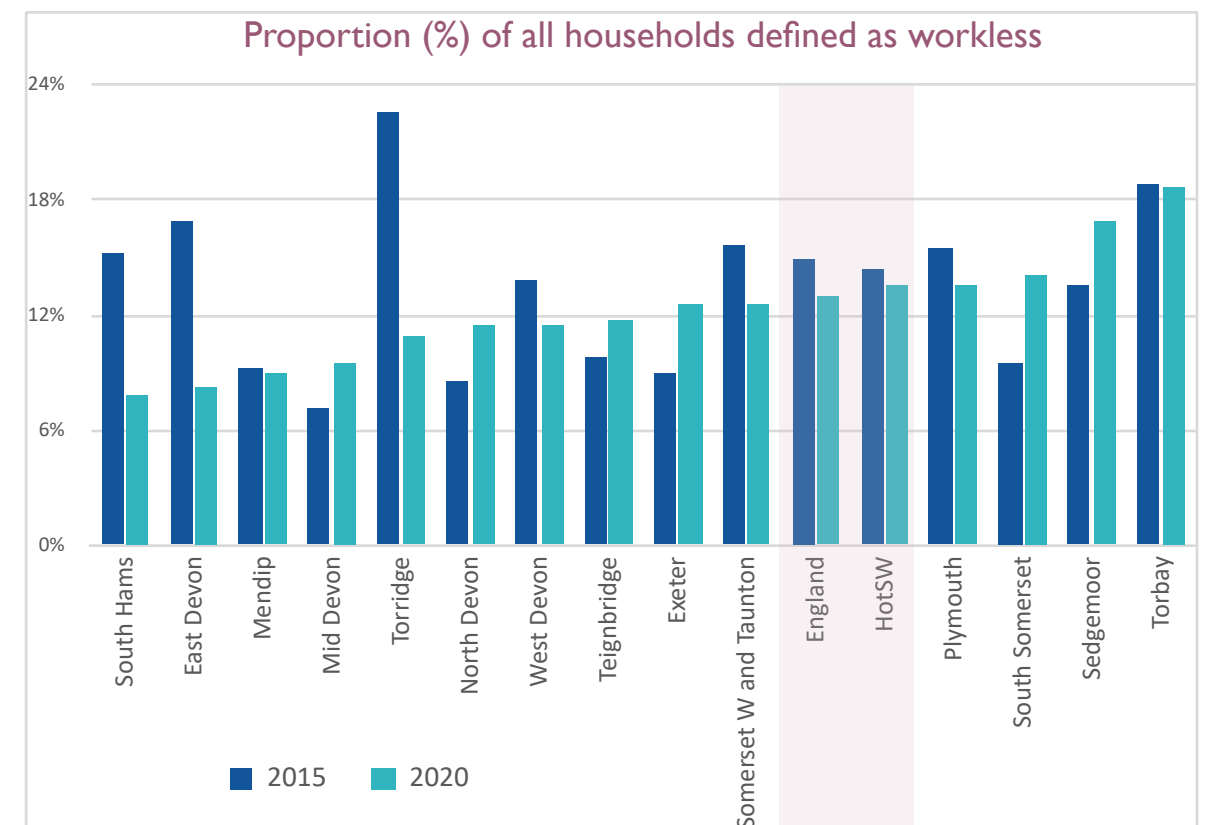
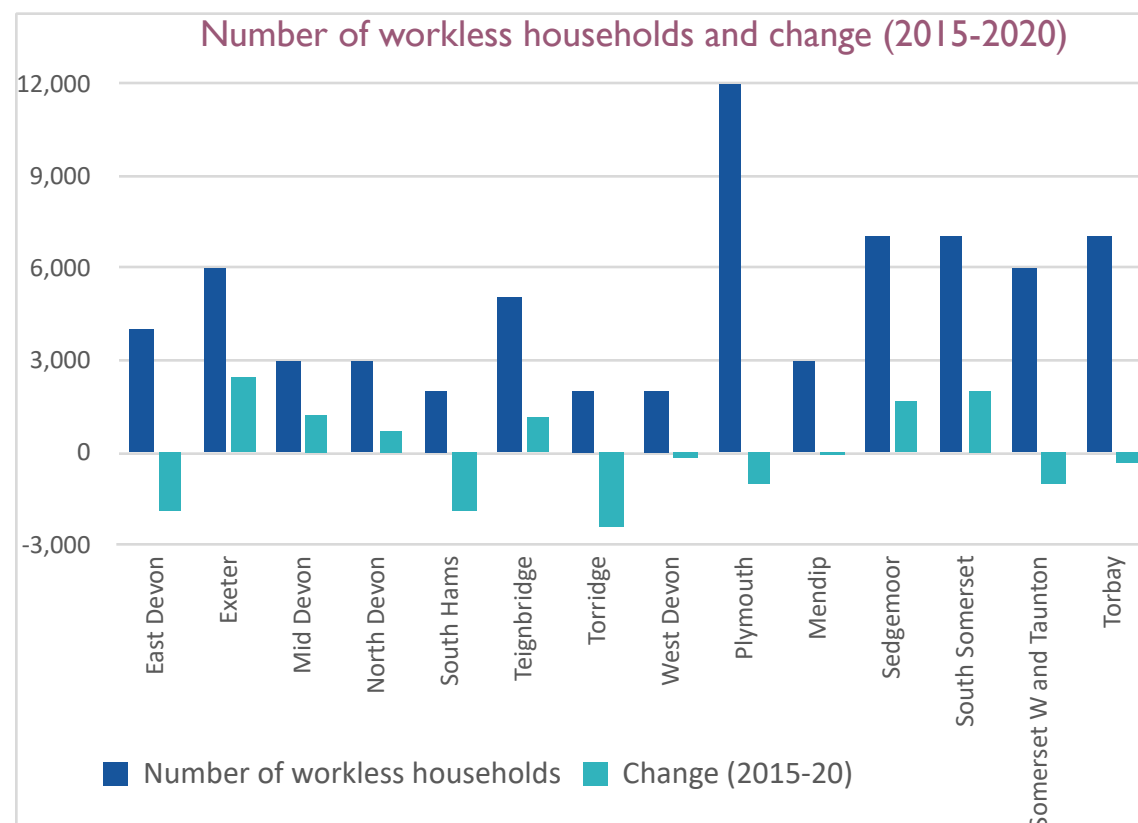
Over the past 5 years the relative levels of child poverty have not seen any significant improvement – with levels in most areas staying the same or slightly increasing. In some areas of HotSW almost 20% of all children live in relative poverty (defined as 60% of average household income) – with proportional levels highest in areas such as Plymouth, Torbay and Torridge. The left hand chart here shows the levels and proportions of children living in relative poverty, whilst the right hand chart shows the same measurement but for absolute poverty. The rates of absolute poverty have reduced slightly.



Child poverty

INCLUSIVE GROWTH – worklessness

Over the past 5 years the general trend has been a decline in the number of workless households (defined as not having any member of the household in employment) across some parts of the HotSW – although not all. The highest number of workless households can be found in Plymouth (as shown by the left hand chart). However, in proportional terms (as a % of all households) the highest concentration of workless households can be found in more peripheral and rural parts e.g. Torridge (although again the data is associated with wide confidence intervals), with proportionally levels also high in Torbay. The right hand chart shows that in most areas (with Torridge possibly representing a lack of statistical robustness) levels of workless households have remained broadly static.

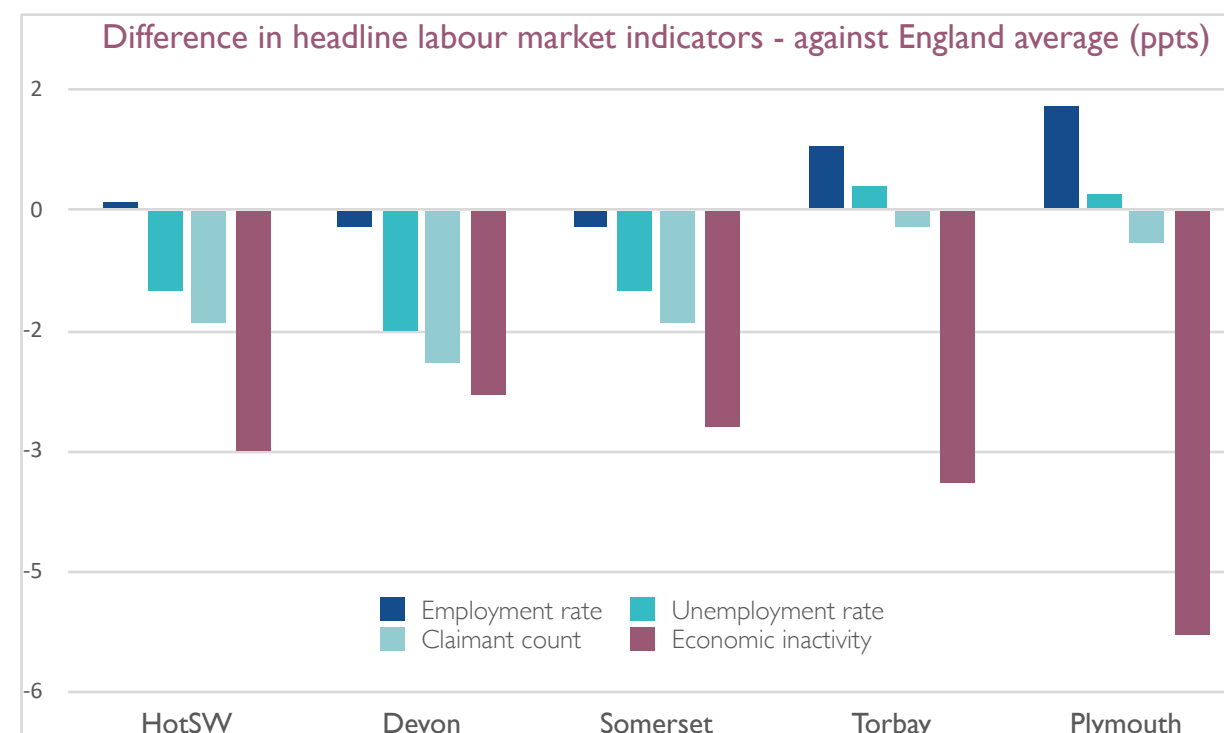


Workless households

INCLUSIVE GROWTH – labour market

As with many other areas, the impact of Covid-19 on the labour market has not been as marked as originally envisaged. As is well documented in the media, the shielding effect of the furlough schemes protected the UK from the worst temporary negative impacts during 2020-21. The labour market has actually emerged from the worst effects of the pandemic with significant skills and staff shortages and the positive labour market picture has been extended into the Autumn/Winter period of 21/22. At a headline basis, the headline labour market indicators across the HotSW are comparable – if not slightly more positive – when set against the national average.

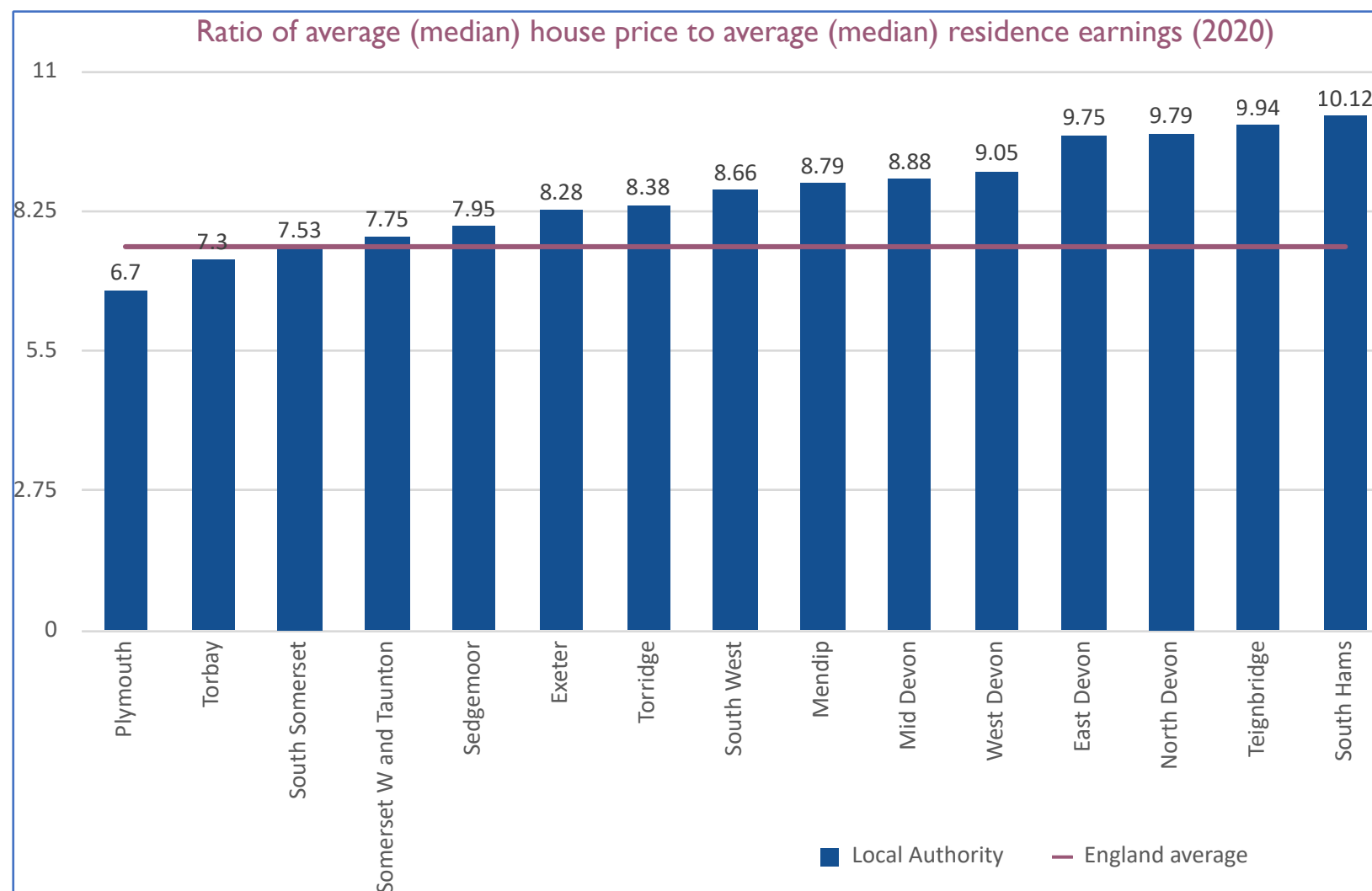
Labour Market indicators - year to September 21				
	Employment rate	Unemployment rate	Claimant count	Economic inactivity
England	75.9%	4.0%	4.5%	24.5%
HotSW	76.0%	3.0%	3.1%	21.5%
Devon	75.7%	2.5%	2.6%	22.2%
Somerset	75.7%	3.0%	3.1%	21.8%
Torbay	76.7%	4.3%	4.3%	21.1%
Plymouth	77.2%	4.2%	4.1%	19.2%



Local labour market statistics

INCLUSIVE GROWTH – housing affordability

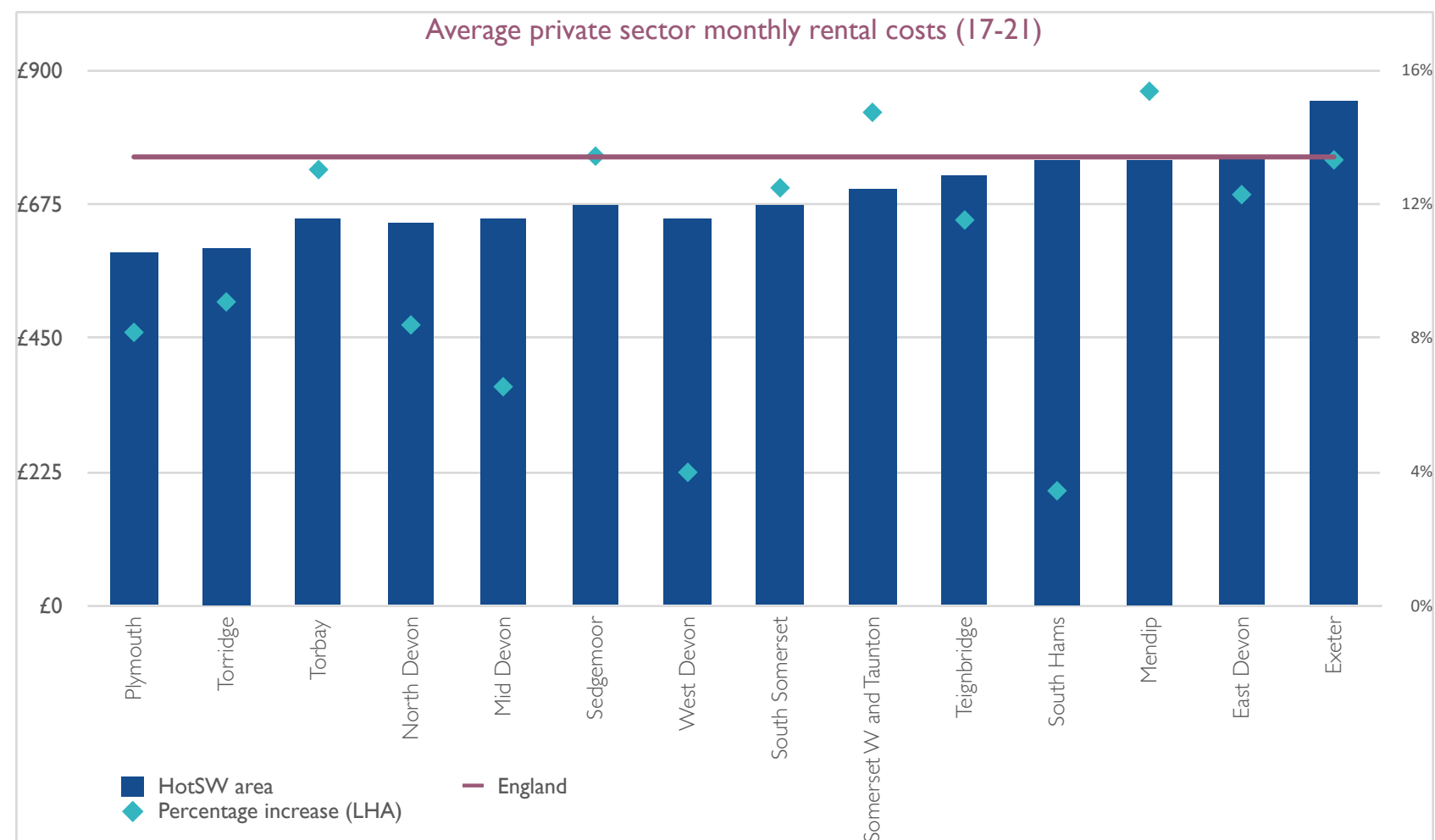
Housing affordability continues to worsen – although when measured on a house/earnings ratio perhaps surprisingly the decline in affordability (rather than price increases per se) has not been as marked as expected. The latest available data pre-dates the impact of Covid-19 on the housing market, with demand for rural housing in the area far outstripping supply – resulting in significant house prices rises in many areas. The below data does not reflect those recent changes.



Housing affordability

INCLUSIVE GROWTH – rental levels

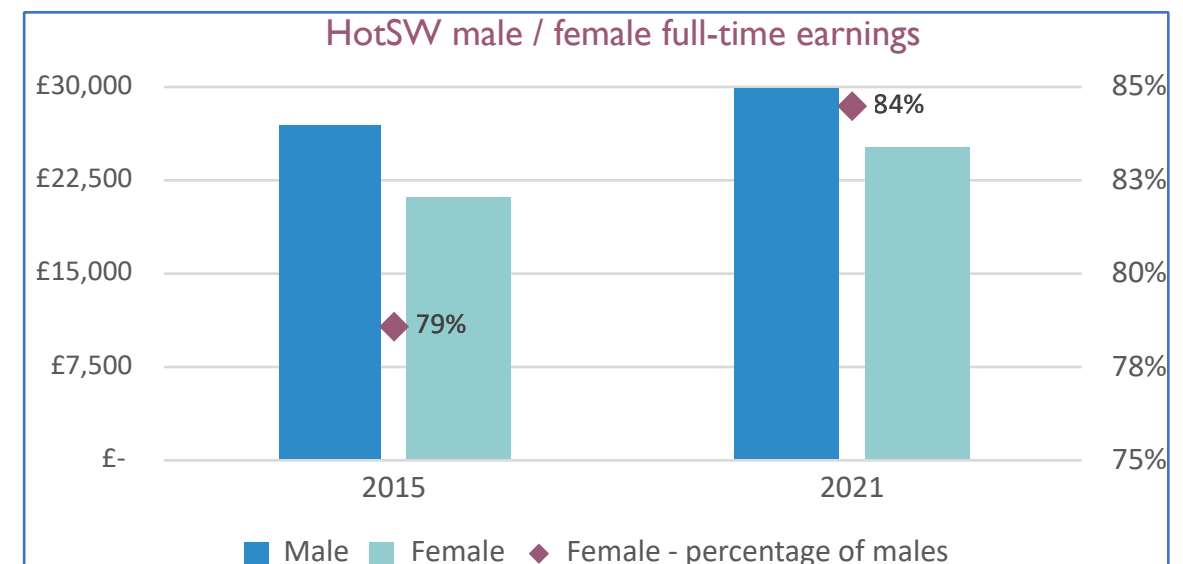
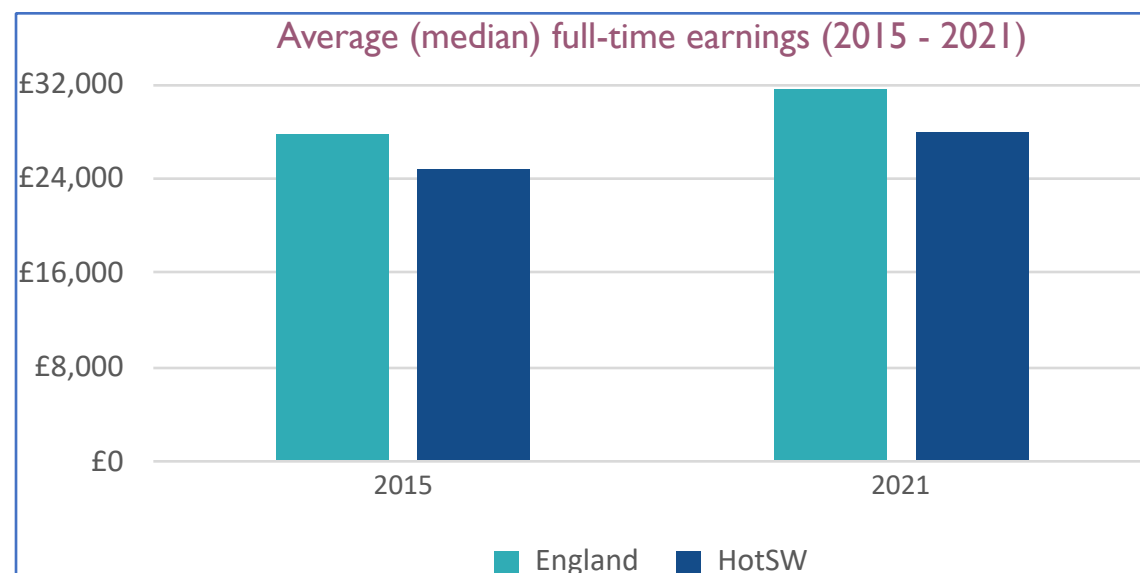
Average monthly private sector rental costs differ across HotSW – with levels in Exeter significantly above other parts and having risen more significantly over the past few years. The below chart shows proportional change between 2017 and September 2021 – showing that rental costs in Exeter have risen by a quarter. In comparison, average rental costs in more rural areas have been below 5% over this period.



Private rental levels

INCLUSIVE GROWTH – earnings

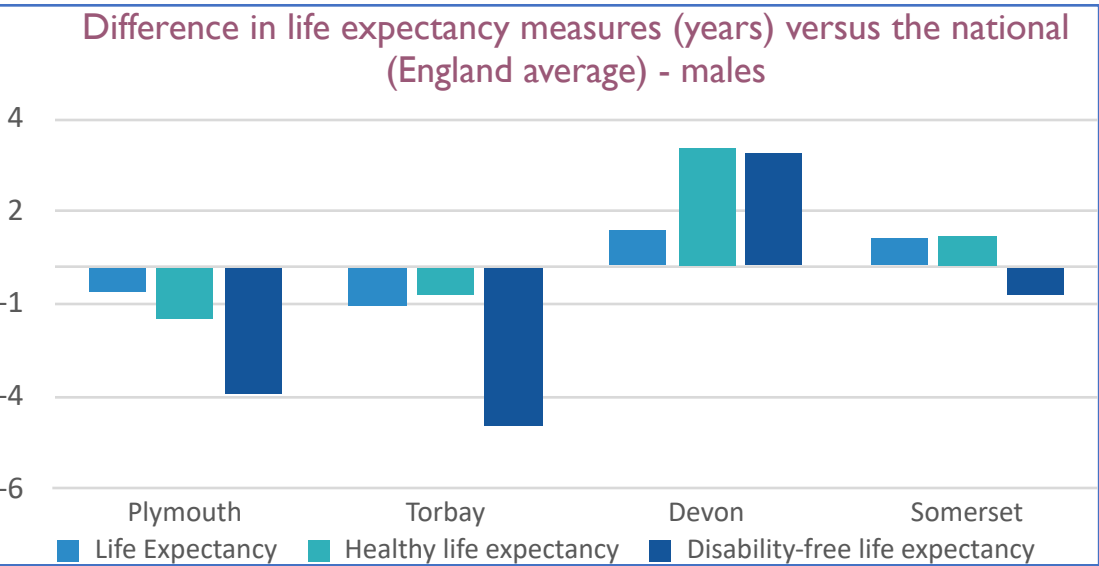
Typical earnings across the HotSW remain lower than the national average, and that 'negative differential' persists – with no real sign of narrowing in relative terms (broadly 89% of national average). Average (median) full-time earnings across the HotSW have grown by c13% over the past six years, broadly matching the national profile. There are some tentative signs that the gender wage gap has narrowed across the HotSW (although again noting the wide confidence intervals and inter-year variability in the data). Whilst female full-time earnings were c78.6% of male full-time earnings in 2015, this was estimated to be c84.5% in 2021.



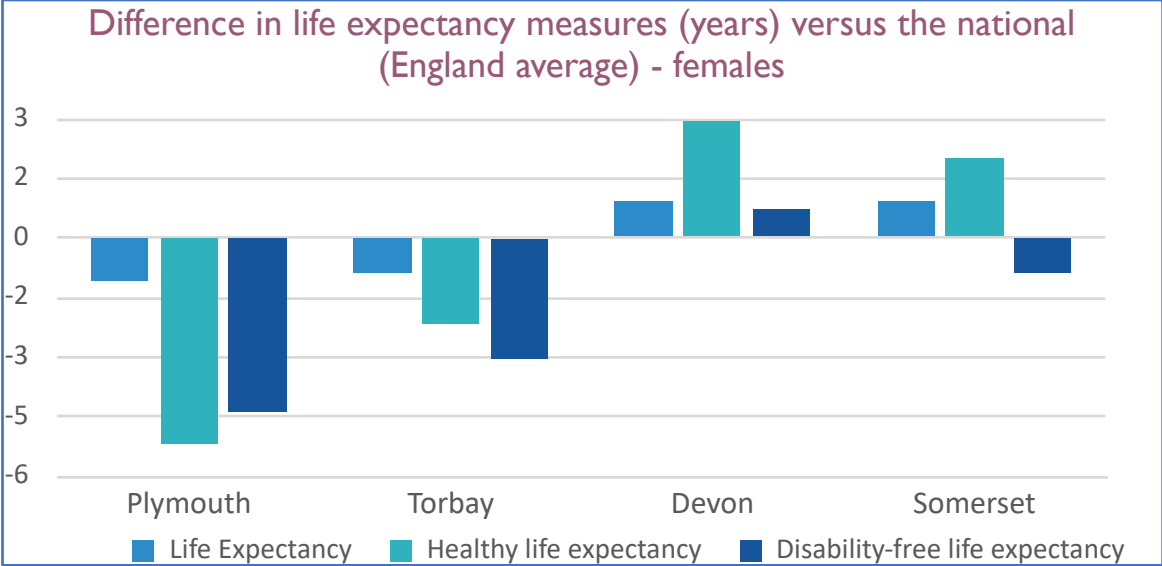
Average earnings

INCLUSIVE GROWTH – health inequality

There are marked differences between the average life expectancy across the HotSW. In broad terms, the average life expectancy in Devon and Somerset is higher than found in Plymouth and Torbay. In both of those areas, the typical ‘healthy life expectancy’ and ‘disability-free life expectancy’ is lower still. For example, typically the average ‘healthy life expectancy’ of a female in Plymouth is 5 years less than the national average. There are even more marked differences between the average life expectancy in the least and most deprived wards. For example, males living in Torbay’s most deprived wards live 10+ years less than those living in its least deprived wards. The differences in health outcomes the most deprived and other areas in the HotSW is very marked.



Difference in life expectancy between most and least deprived wards - males	
Devon	-6
Plymouth	-8.6
Torbay	-10.5
Somerset	-5.5
England	-9.3



Difference in life expectancy between most and least deprived wards - females	
Devon	-4.2
Plymouth	-5.6
Torbay	-8.1
Somerset	-4.9
England	-7.5

Health outcome inequality

INCLUSIVE GROWTH – data notes

Slide 2

Data provided via Department of Education at Local Authority (LA) level

Slide 3

Data provided via ONS at LA and LEP level - LEP level shown

Slide 4

Data provided via ONS (Nomis) at LA and LEP level

Slide 5

Data provided via ONS (ASHE) at LA and LEP level – LEP level shown

Slides 6, 7, 8 and 10

Data provided via ONS at LA level

Slide 9

data provided via Department of Work and Pensions at LA level

Each slide gives a direct link to where the latest data we have sourced is found, however over time these links may show later data than has been used in this report. For the slide including the reference to Nomis (for labour market indicators) the link is to a holding query page that would require some familiarity with how Nomis works, as geographic area, date, type of employment and individual sector will all need to be selected before accessing the data.

These links act as confirmation of the data source.

All data used is publicly available under the terms of the Open Government Licence and UK Government Licensing Framework.

Unless otherwise stated data has been sourced, collated, analysed and visualised by Ash Futures Ltd.