heart of the south west
local enterprise partnership

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. Many issues are within scope for local authorities and other partners to respond, whilst others need interventions and resources from national government..

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

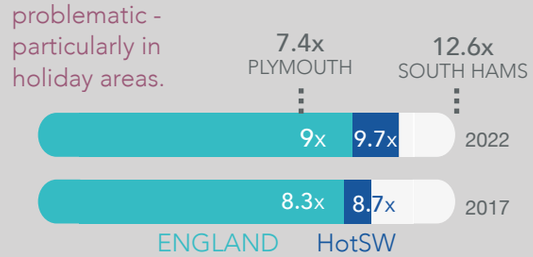
Tentative signs of a narrowing of gender pay gap recently - but gap remains. Average wages across HotSW remain lower than national average.

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.

U 3

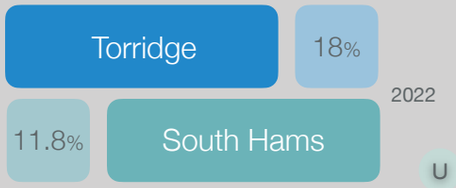


HOUSE PRICE TO EARNINGS RATIO (average)

POVERTY

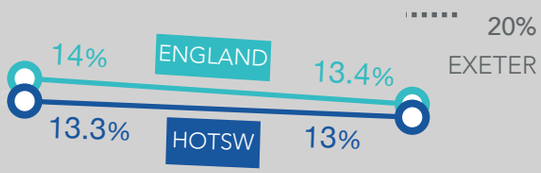
UNDER 16s IN ABSOLUTE POVERTY

In 2022 the number of children living in low income families was 37,605, 3,808 higher than in 2017



U 2

There are about 74,000 workless households across the HotSW area (2022) - an increase from 2017 when there were 69,000.



U WORKLESS HOUSEHOLDS 2017 - 2022

NO QUALIFICATIONS (WORKING AGE)

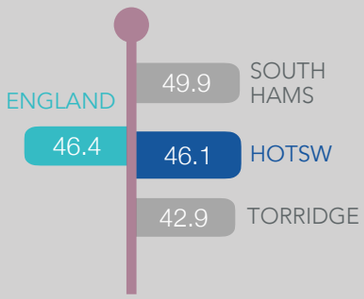
HotSW	ENGLAND
5.7% 2021	6.4% 2021
5.9% 2016	7.8% 2016

DISADVANTAGE

There is a significant gap in attainment as result of disadvantage. The gap varies within HotSW between 12 and 20 percentage points

U I

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

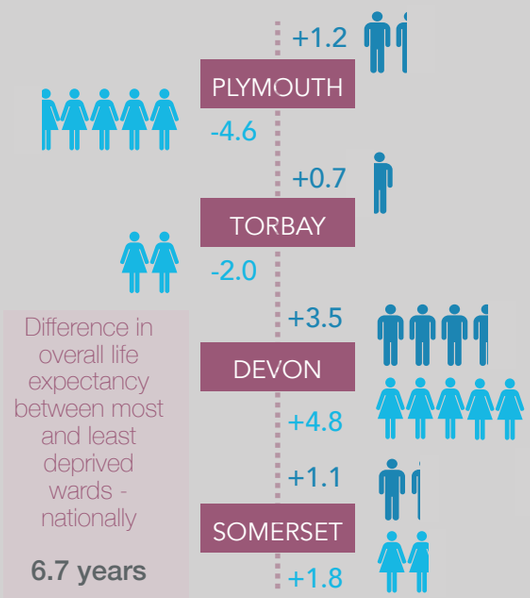


ATTAINMENT 8 AVERAGE SCORES 22/23

HEALTHY LIFE EXPECTANCY

5

(gap to England average, in years 2018-20)



Difference in overall life expectancy between most and least deprived wards - nationally

6.7 years

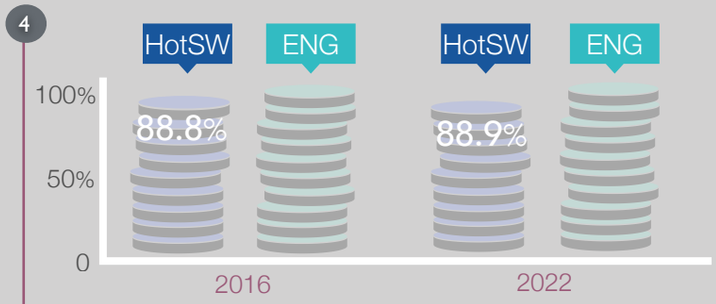
Health outcomes are generally worse for women in the larger urban areas.

GENDER PAY GAP

4

83.5% ENGLAND

Female F/T earnings rose from 79.4% to 82.9% of male full-time earnings between 2016 and 2022



FULL TIME EARNINGS (comparison)

INCLUSIVE GROWTH – contents

Inequality	Slide 3	
Educational attainment	Slide 4	*updated*
Qualification levels	Slide 5	
Child poverty	Slide 6	
Worklessness	Slide 7	*updated*
Labour market	Slide 8	*updated*
Housing affordability	Slide 9	
Rental levels	Slide 10	
Earnings	Slide 11	*updated*
Health inequality	Slide 12	
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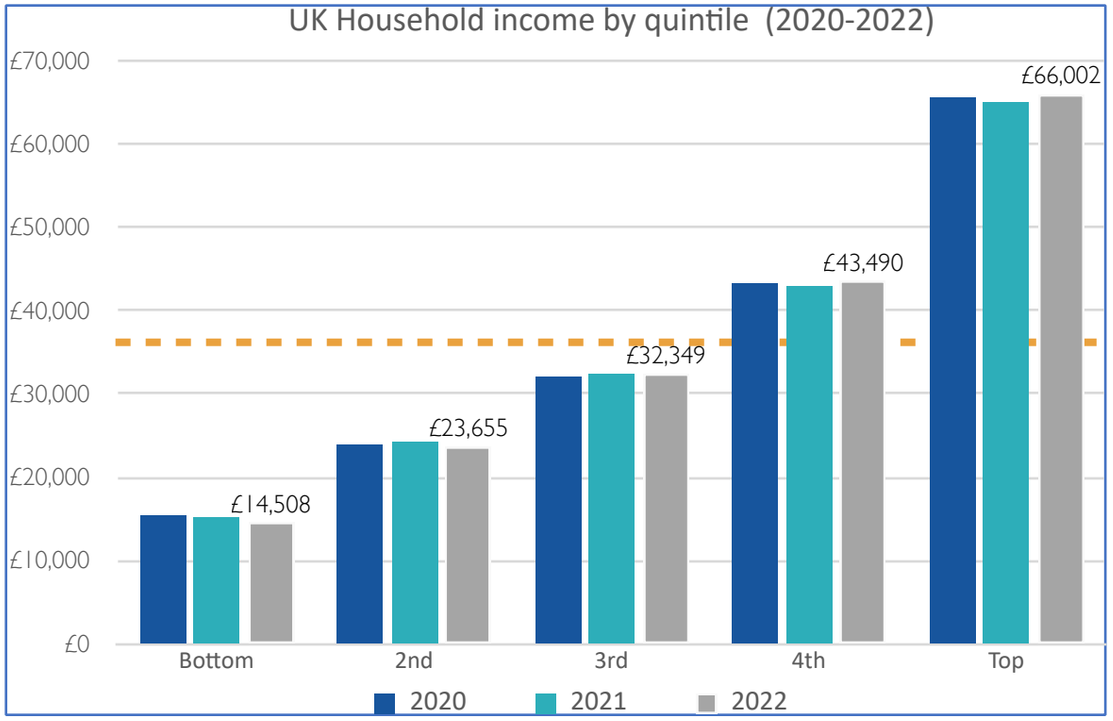
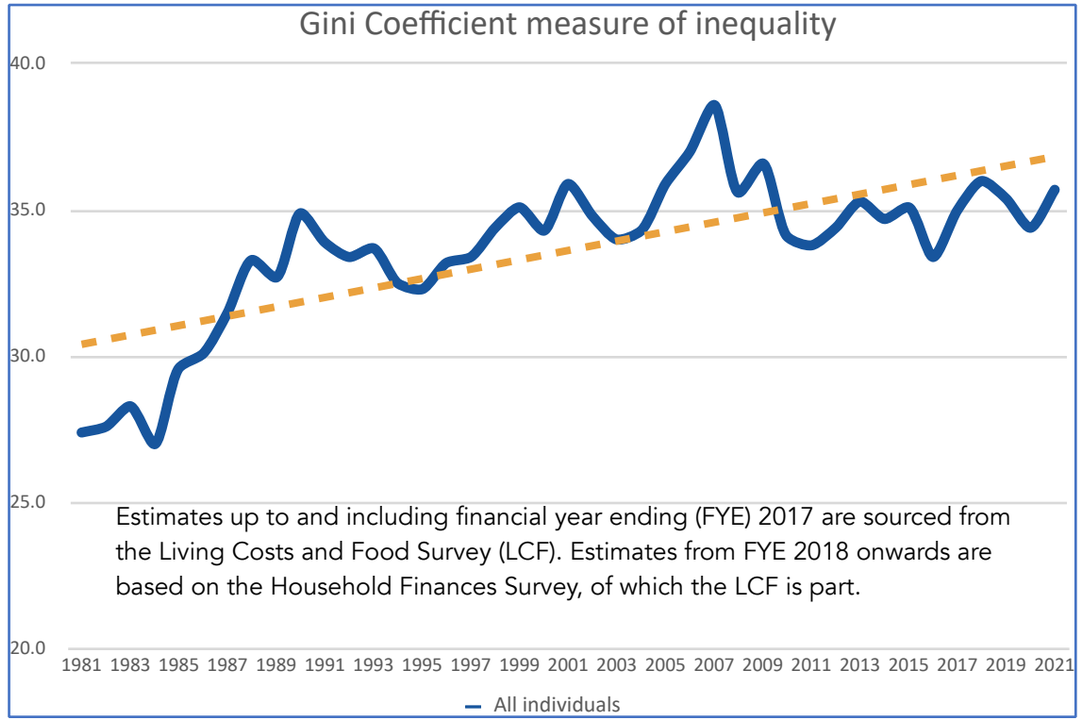
INCLUSIVE GROWTH – inequality

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 benefits 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 across the different quintiles of distribution – highlighting that available household income in the highest quintile of households is approximately 4.5 x that of the lowest quintile. Median income fell by 3.8% for the poorest fifth of people, whilst increasing by 1.6% for the richest fifth of people in financial year ending (FYE) 2022.

The Gini coefficient is an internationally recognised measure of inequality in a given country and the right hand chart shows that this has got worse over the past 40 years.





Poverty and inequality

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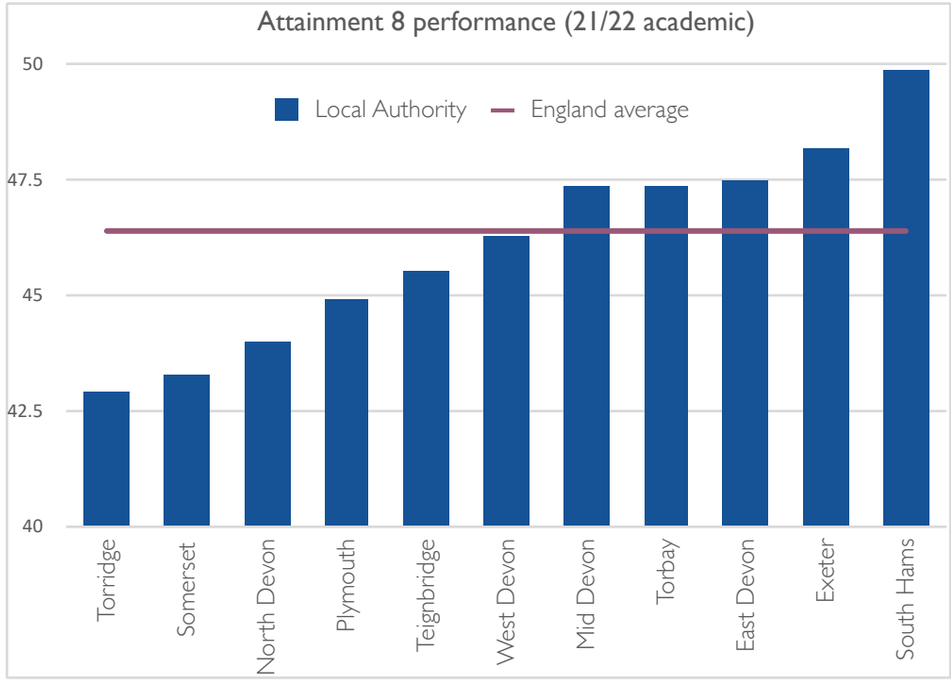
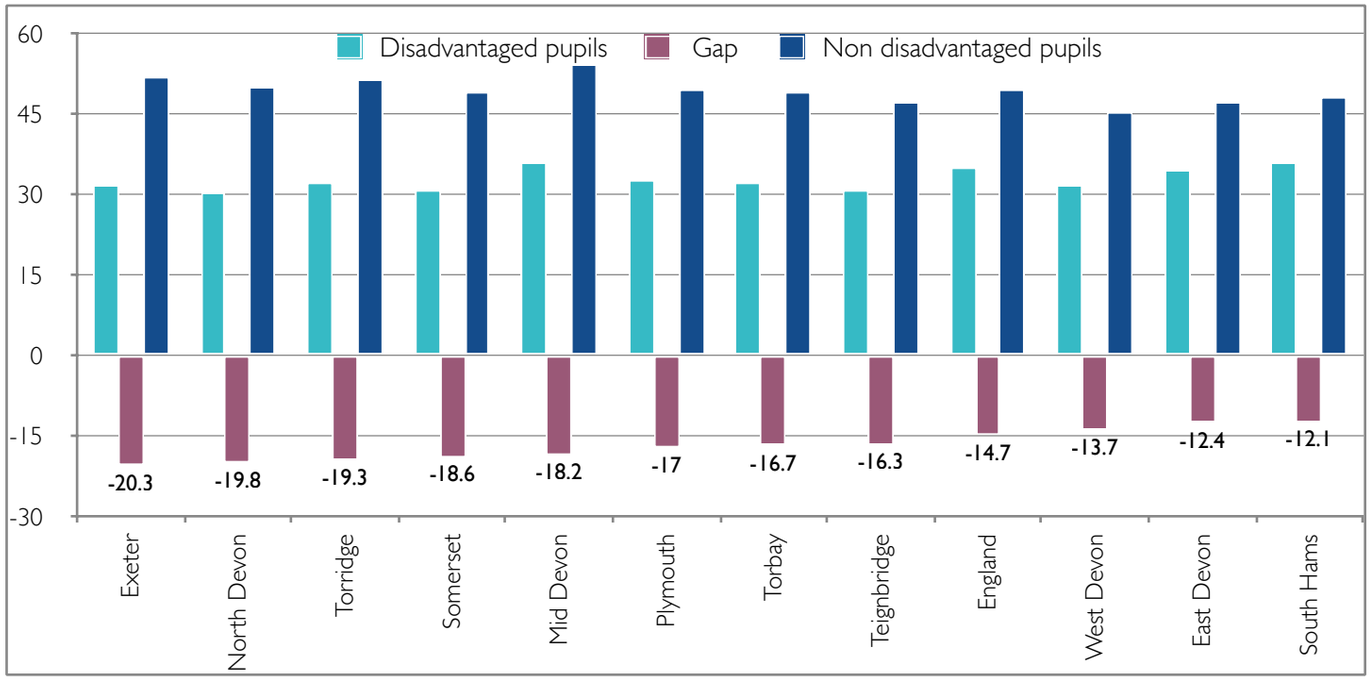
INCLUSIVE GROWTH – educational attainment

PAGE UPDATED

The average attainment 8 score for school pupils (22/23) across HotSW was 46.1 (non-weighted across the Local Authority areas), slightly lower than the national average (46.4). Attainment 8 measures a student's average grade across eight subjects at GCSE level. Mid Devon and South Hams are outperforming the national average and other areas such as Torridge (notably) and Somerset (post Local Government reorganisation) are below the national average. The most significant characteristic in terms of inclusive growth is the significant difference in attainment between disadvantaged and all other pupils – also seen across England. Nationally, there is a 14.7 pt difference in attainment, and this gap has widened in recent years after some narrowing. In the HotSW the largest gap in 22/23 was in Exeter, North Devon and Torridge. The data in this latest update has changed the ordering of the Local Authority areas somewhat.



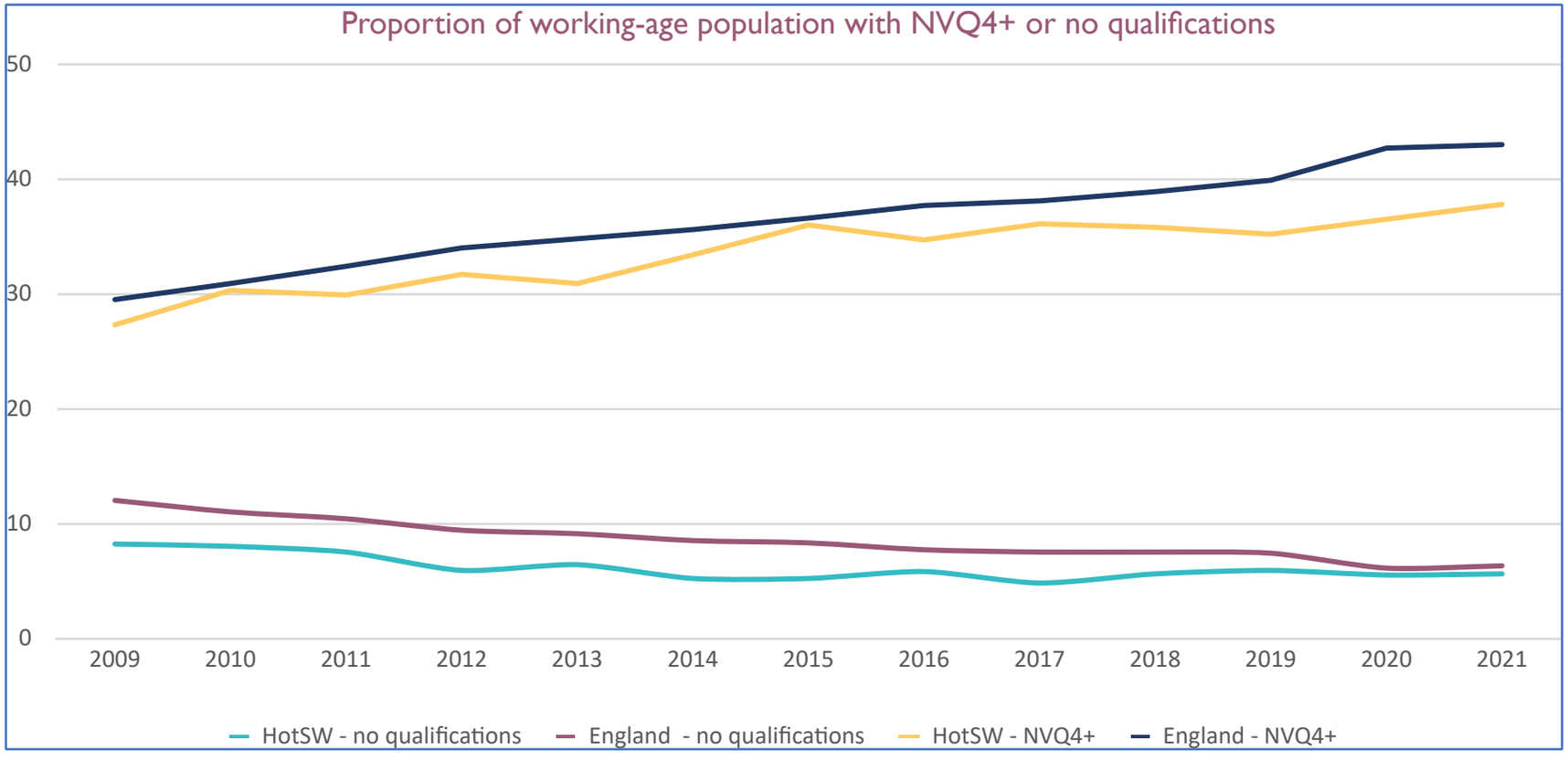


Attainment 8 scores

Attainment gap

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

See No qualifications map

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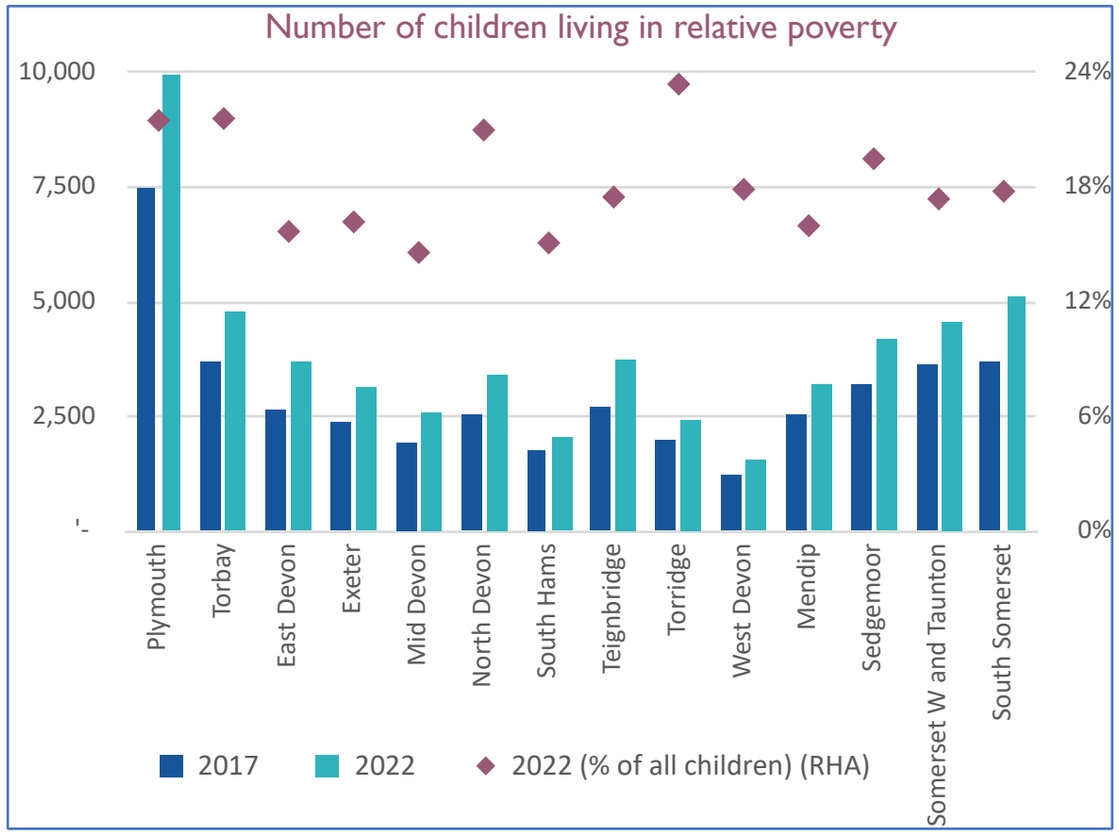
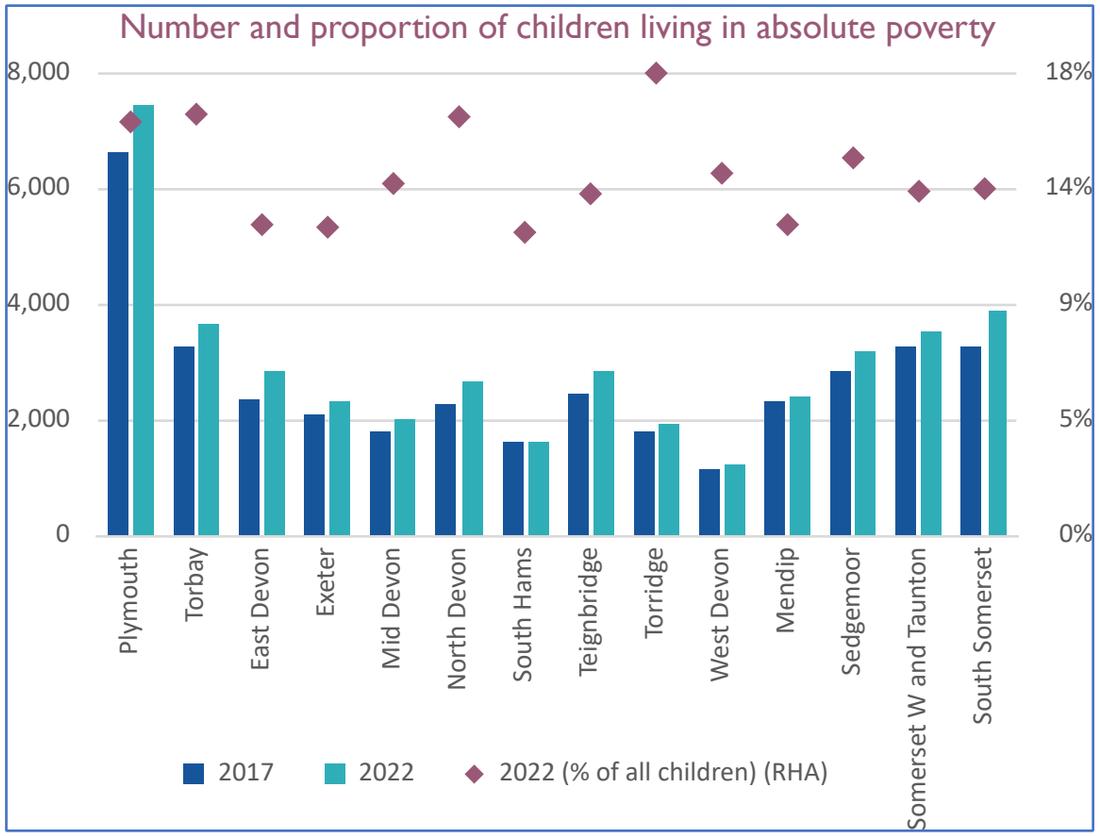
INCLUSIVE GROWTH – child poverty

The latest 2022 data now shows a reversal of previous trends. The estimates for the number of children living in relatively low income families indicates that the extent of child poverty has significantly increased in recent years - which is a worrying sign. For example, the number of children living in relative poverty in Plymouth increased by 5.5ppts between 2017 and 2022. There were similar increases in Torbay, North Devon, Torridge, Sedgemoor and South Somerset. 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. Overall, in 2022, just over 54,510 children across HotSW live in relative poverty (c18.6% of all children), with 41,500 children in absolute poverty (c14.1% of all children)





Child poverty

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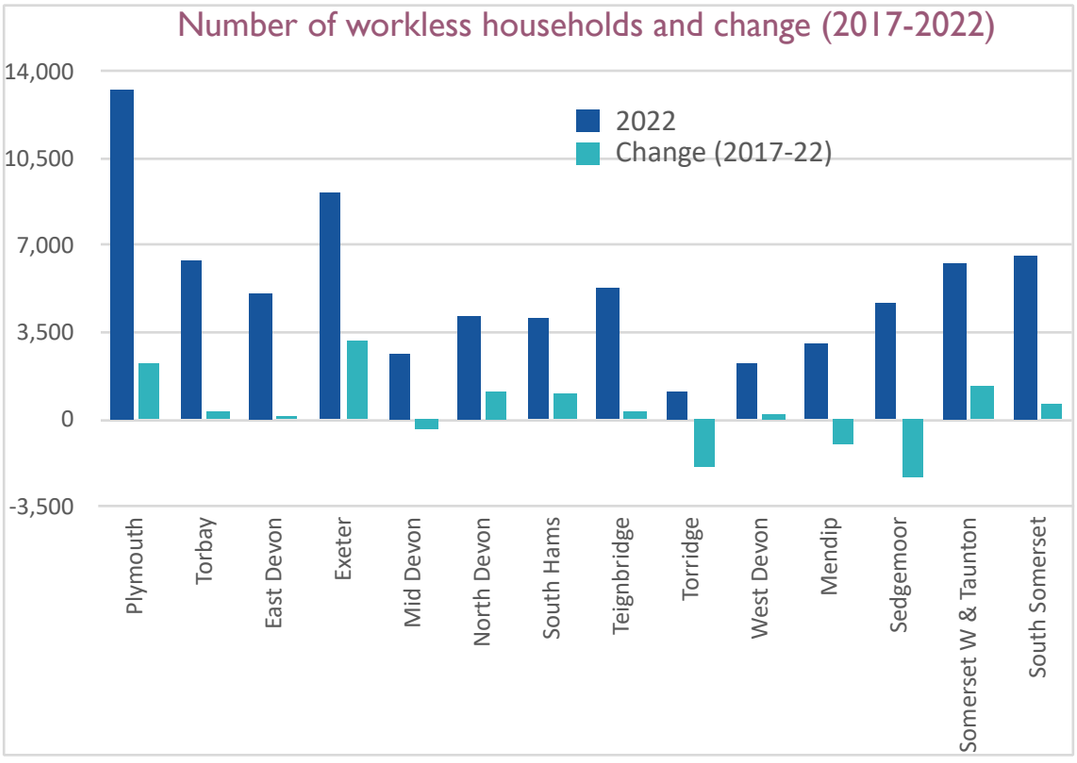
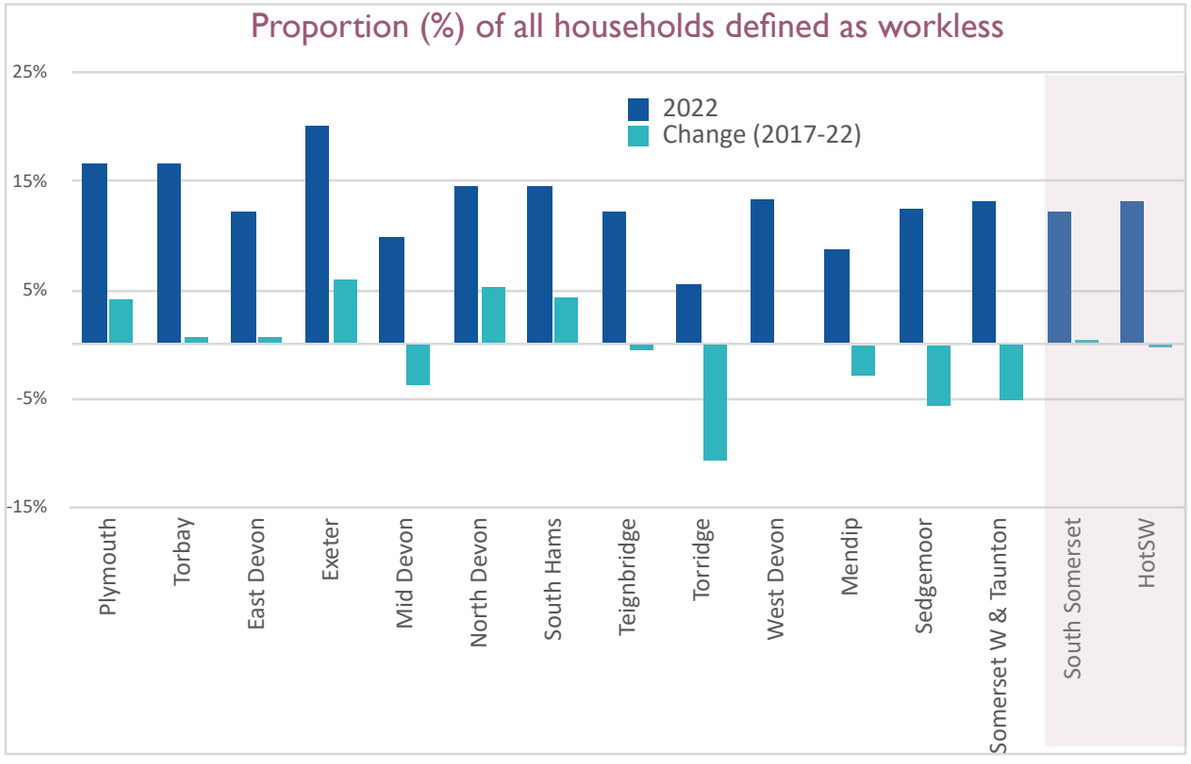
INCLUSIVE GROWTH – worklessness

PAGE UPDATED

Over the past 5 years (2017-22), the general trend has been for a slight increase in the number of workless households (defined as not having any member of the household in employment) across the HotSW as a whole. However, there has been a mix of experiences across the area - with quite large increases seen in Exeter, Plymouth, but with falls in Torridge and Sedgemoor. 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 East Devon and West Devon. This volatility in the data is shown quite clearly in the right hand chart.





It is important to note that this data is associated with wider confidence intervals at lower geographies. Careful interpretation is required as worklessness data can be very volatile.

Workless households

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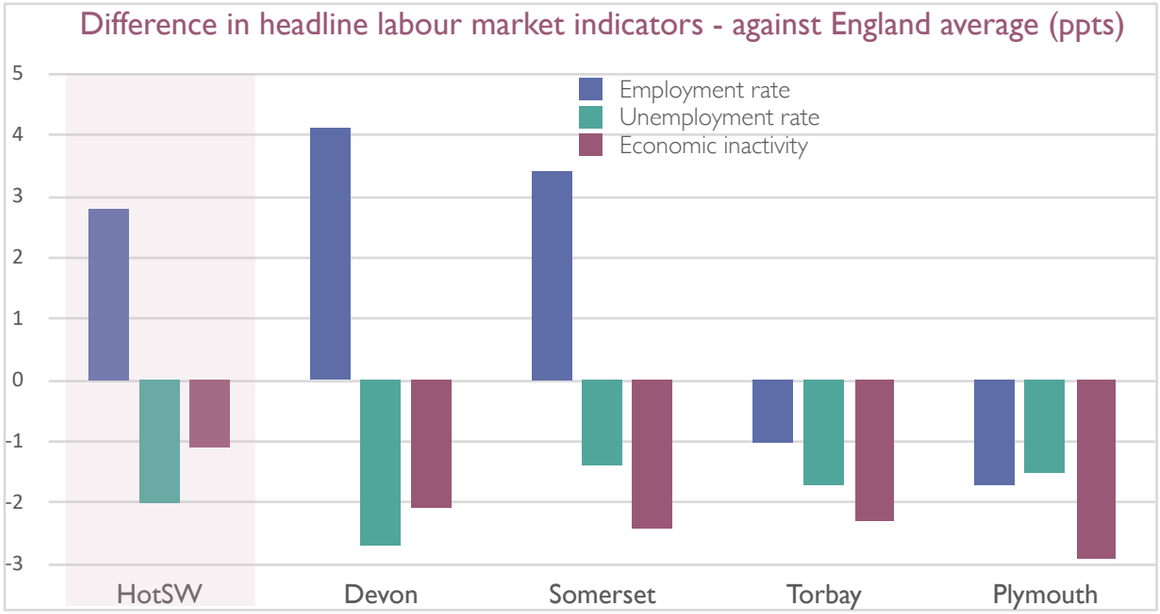
INCLUSIVE GROWTH – labour market

PAGE UPDATED

The latest labour market statistics suggests that during the latter part of 2023 there were increases in the employment rate, and at the same time falls in the unemployment rate. Both were associated with a fall in economic inactivity from the highs seen post-pandemic. However, the latest national labour statistics suggest that economic inactivity is showing signs of increasing again, or certainly remaining 'sticky' at high levels (broadly one in five of working age population). The local data shows that economic inactivity is particularly high in both Plymouth and Torbay.

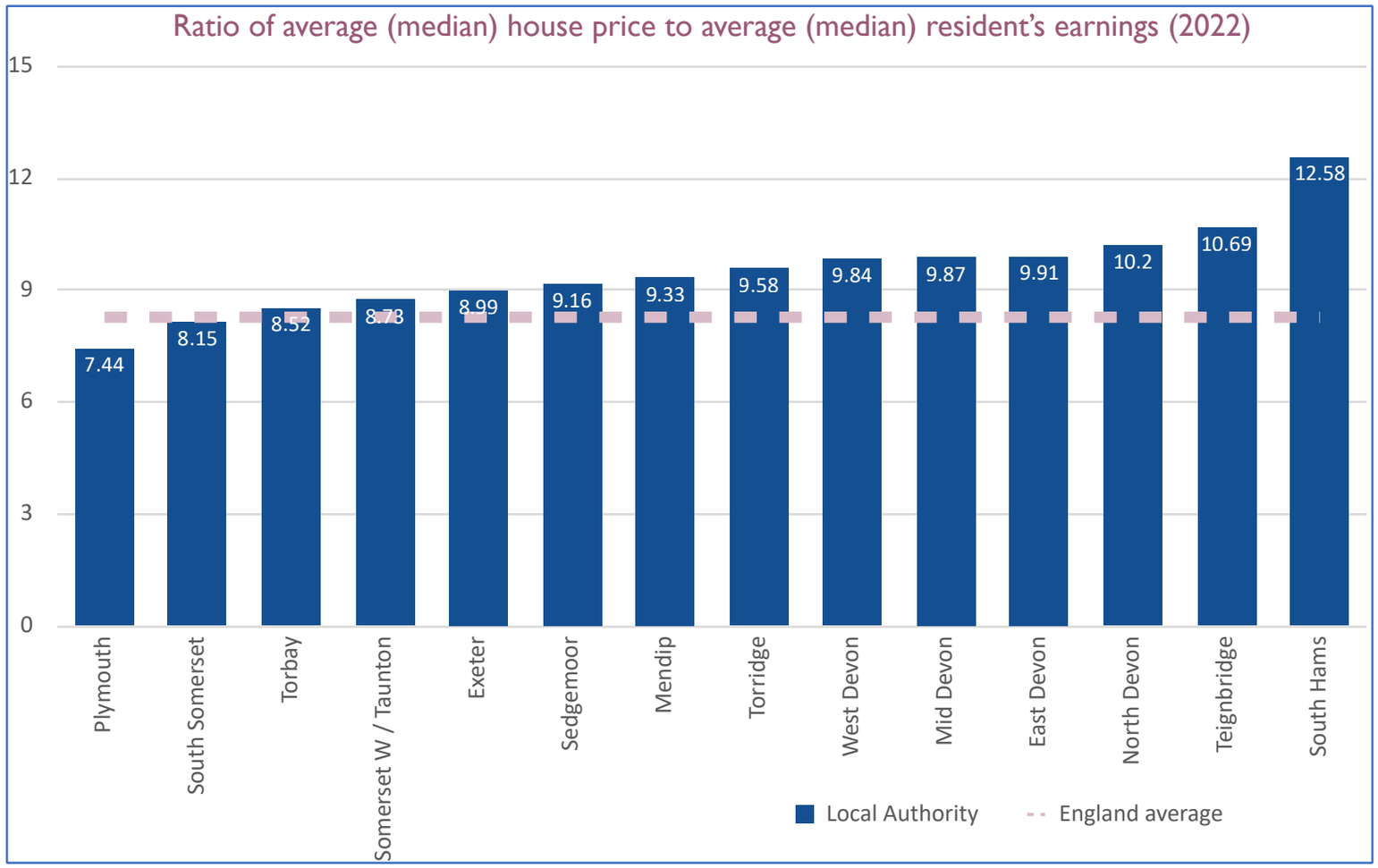
Labour Market indicators - year to September 2023			
16-64yo	Employment rate %	Unemployment rate %	Economic inactivity %
England	75.9	3.9	21.1
HotSW	78.5	1.9	20
Devon	80	1.2	19
Somerset	79.3	2.5	18.7
Plymouth	74.2	2.4	24
Torbay	74.9	2.2	23.4



Local labour market statistics

INCLUSIVE GROWTH – housing affordability

House affordability remains a critical issue across the HotSW area, with some areas such as South Hams amongst the least affordable locations. The latest 2022 data suggests that affordability may have improved slightly as house prices show signs of falling, and wage growth is currently relatively strong. However, this will not necessarily mean that houses will become affordable for many.



Housing affordability

See Housing affordability map

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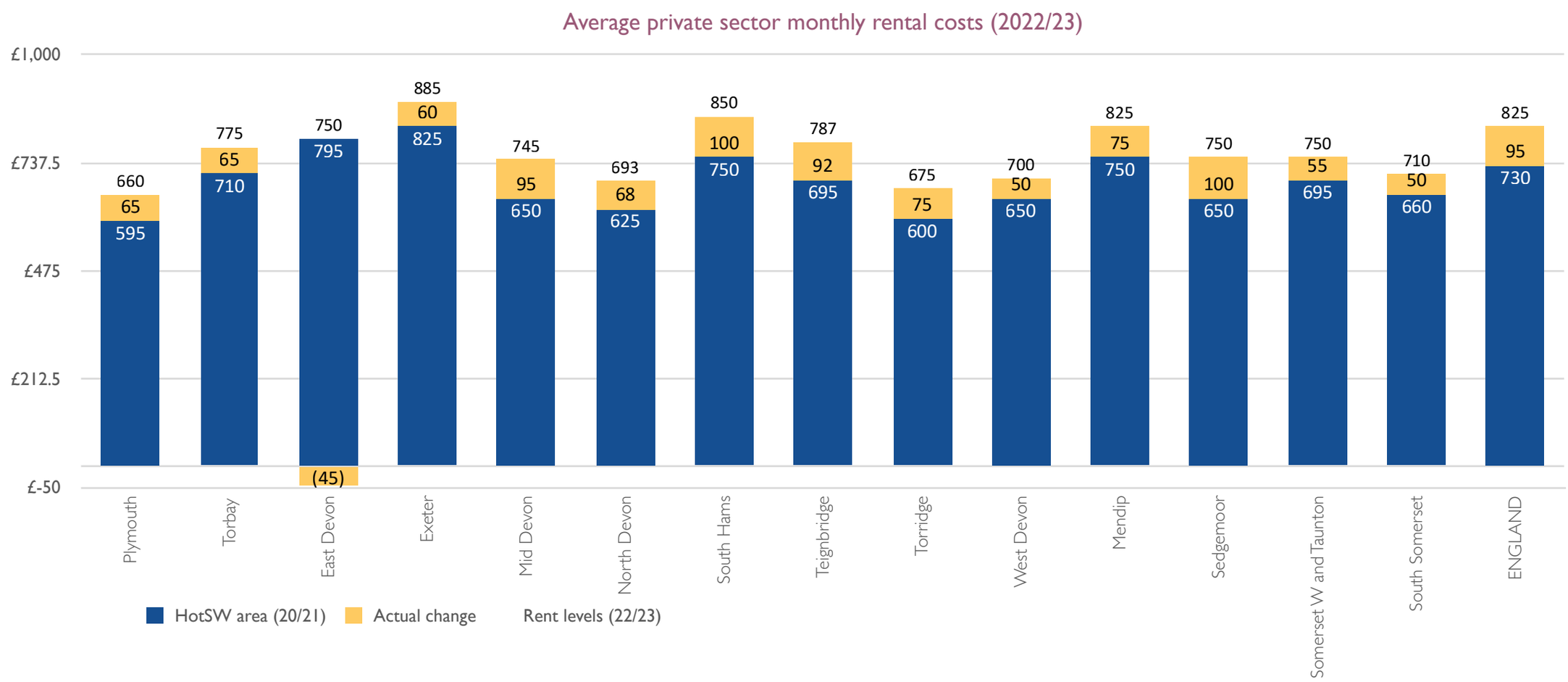
INCLUSIVE GROWTH – rental levels

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, although latest data suggests that growth has slowed considerably over the last two years. Across almost all areas rental levels have increased strongly over the past 12-24 months, reflecting national trends. This has been partly been driven by higher interest rates resulting in higher costs for landlords, a reduced pool of rental properties (due to the same factor) and high demand. Rental levels have increased significantly more than house prices. Some areas of HoTSW have seen significant rental price increases.

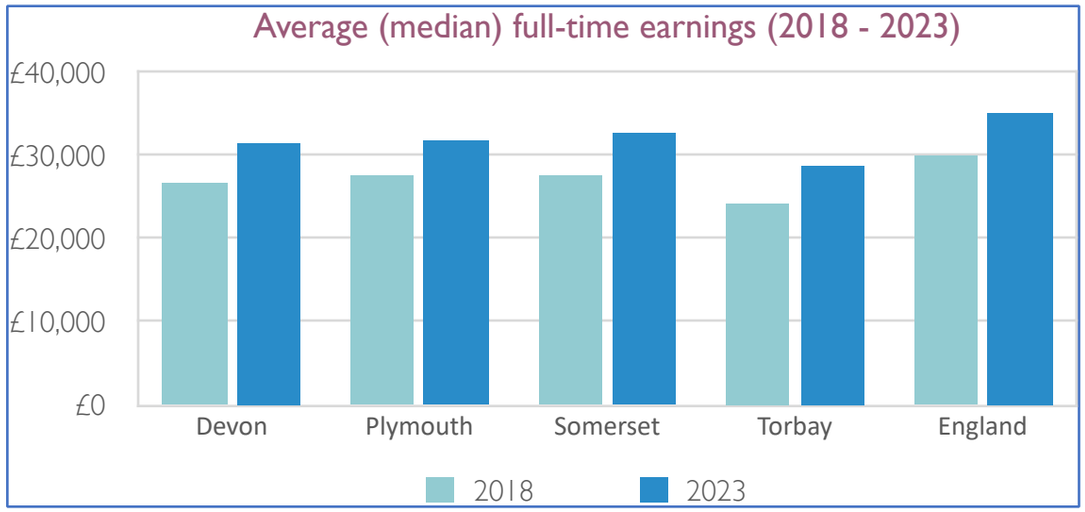


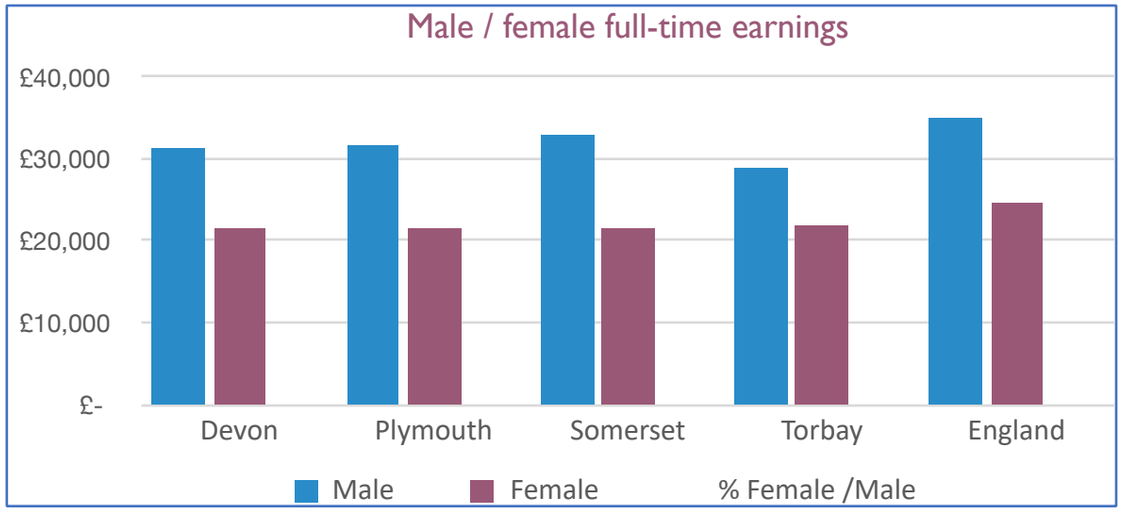
Private rental levels

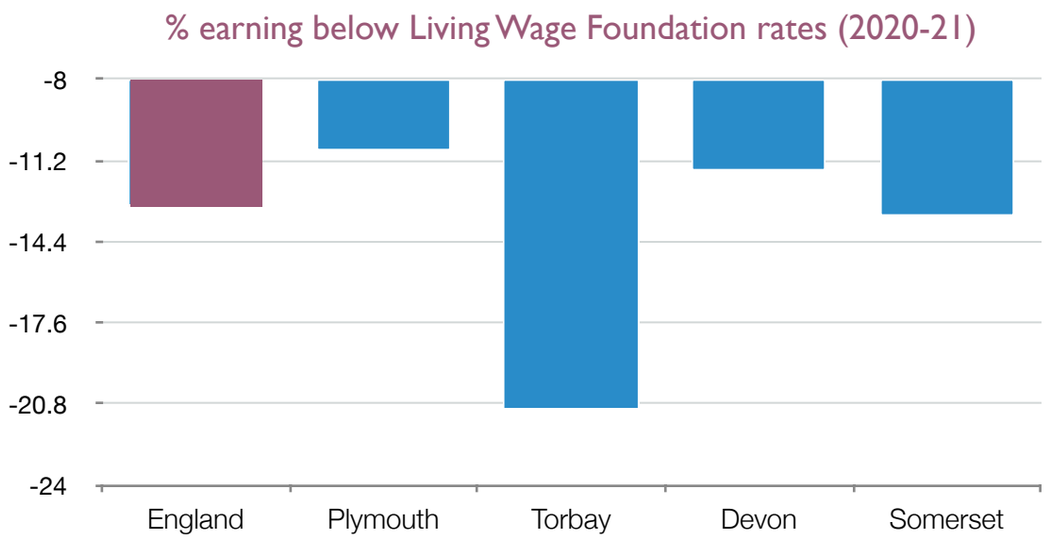
INCLUSIVE GROWTH – earnings

PAGE UPDATED

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 c17% over the past seven years, broadly matching the national profile. There are some tentative signs that the gender wage gap has slightly narrowed across the HotSW, although the gap remains significant (noting the wide confidence intervals and inter-year variability in the data). Whilst female full-time earnings were c79.3% of male full-time earnings in 2016, this was estimated to be c82.9% in 2022.







Average earnings

See Household income map

LWF data

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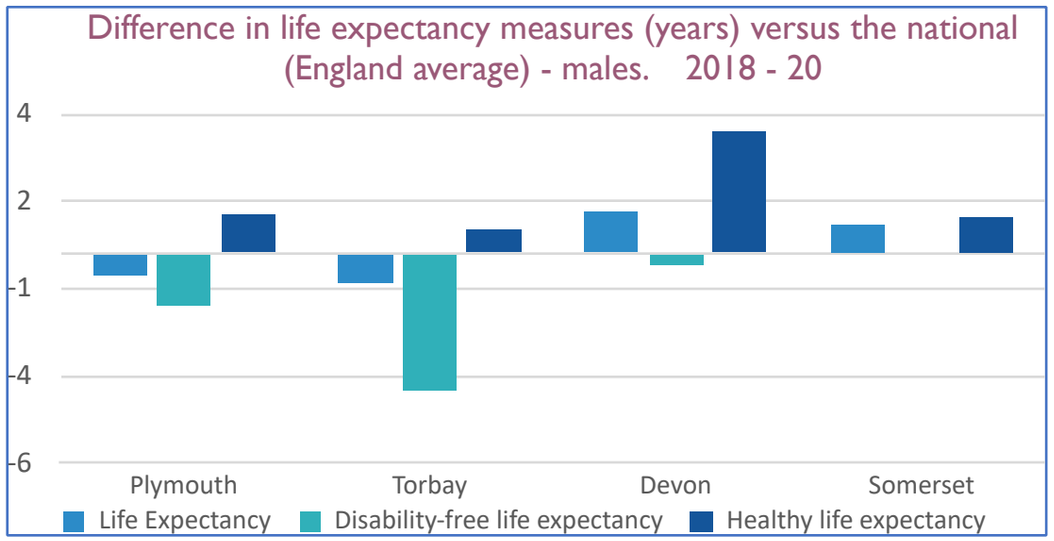
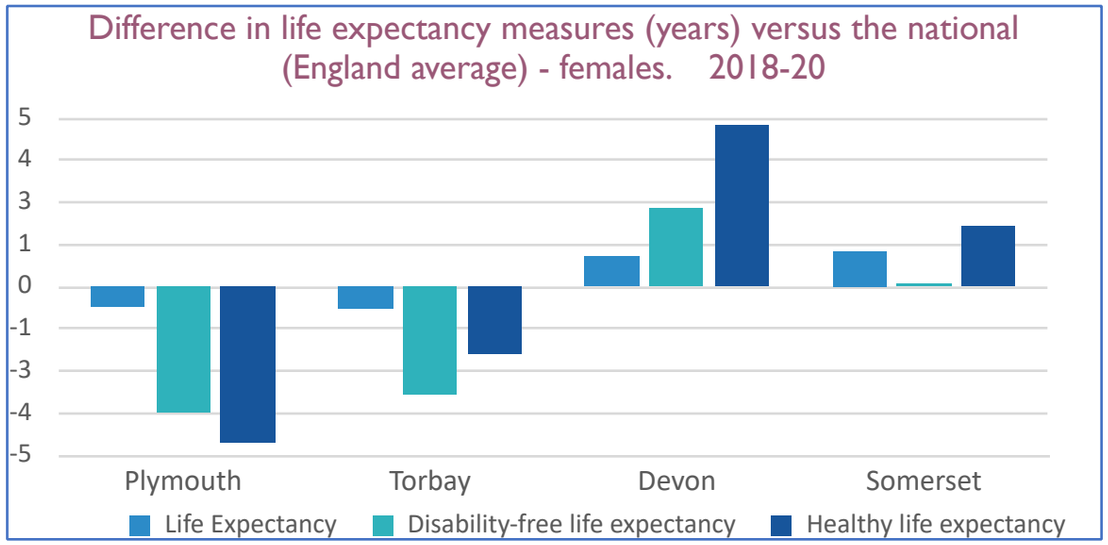
INCLUSIVE GROWTH – health inequality

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, the average 'healthy life expectancy' of a female in Plymouth is 4.6 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 born between 2018-20 in Torbay's most deprived wards are expected to live 11+ years less than those living in its least deprived wards. The differences between health outcomes in the most deprived wards and other areas in HotSW is very marked. National data indicates that life expectancy is falling in most deprived areas.





Difference in life expectancy between most and least deprived areas - males	
Devon	-6
Plymouth	-8.1
Torbay	-11.5
Somerset	-6.1
England	-9.4

Difference in life expectancy between most and least deprived areas - females	
Devon	-4.2
Plymouth	-5.1
Torbay	-7.7
Somerset	-4.1
England	-7.6

Health outcome inequality 1
Health outcome inequality 2
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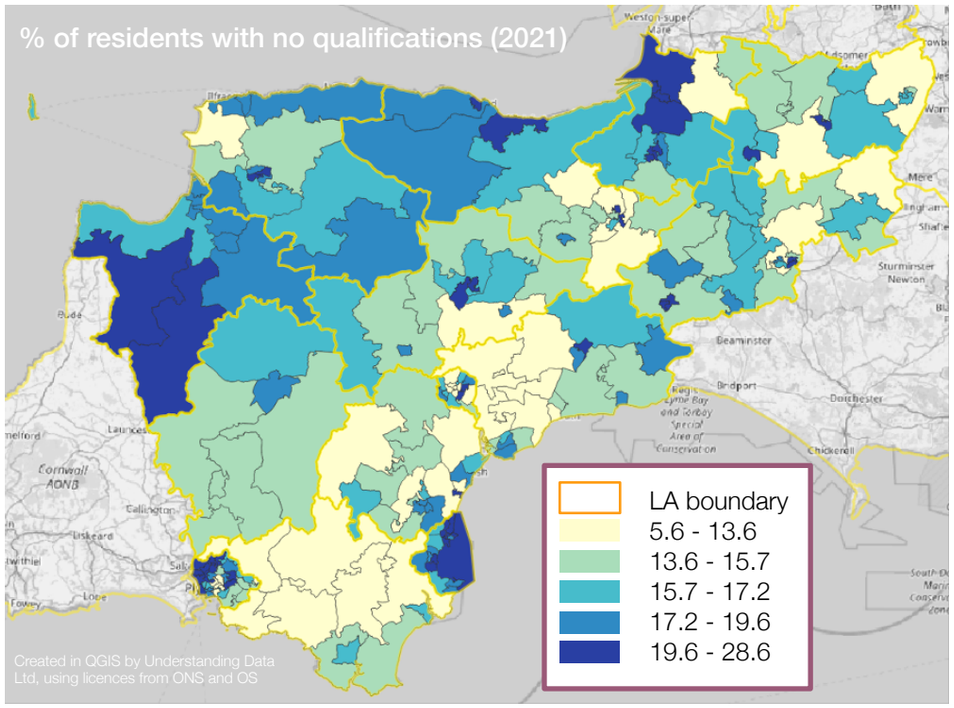
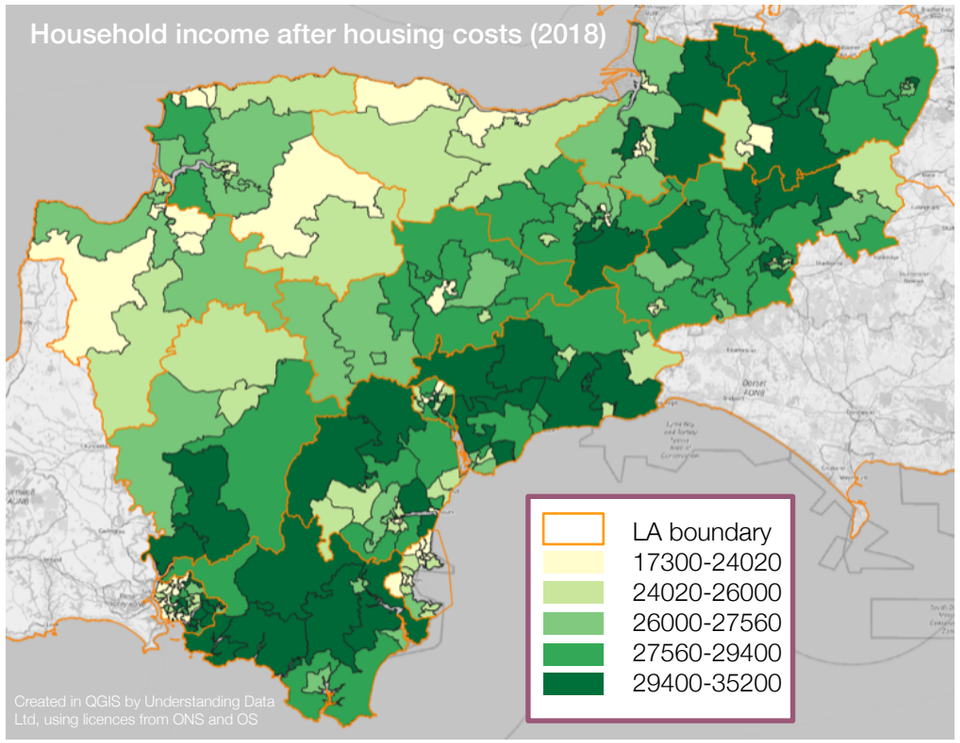
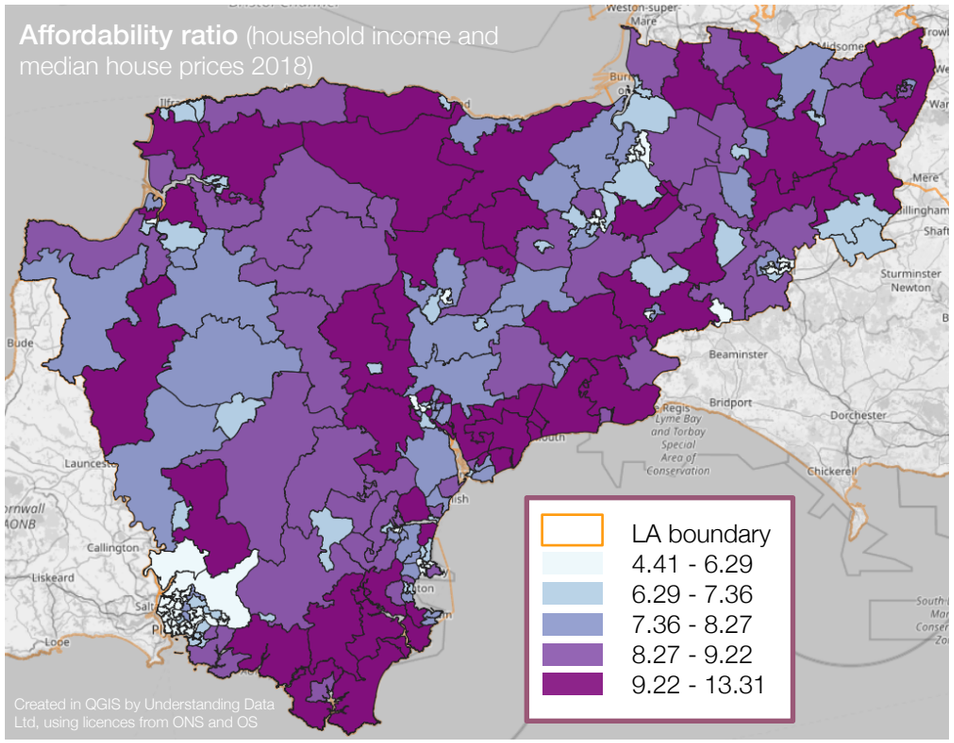
INCLUSIVE GROWTH – small area maps

There is a suggestion of a broad split between north/west and south/east - with the northern parts of Devon and Western Somerset lagging on several indicators. This obviously oversimplifies the geographical aspects of inclusion and there are strong urban aspects (as shown in previous slides), as well as pockets of deprivation elsewhere. However, a broad diagonal split (using these three sets of data as an illustration) across the more rural parts of HotSW can be loosely determined.

The maps show quite historical data and they will be updated as new data is released e.g. 2021 Census data.







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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. (Link to data explorer where specific tables can be created)

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

Slide 11
Data provided via ONS and Office for Health Improvement & Disparities at LA level. Whilst 2023 data has been released at a Local Authority level, the data at a LEP level has been delayed. Therefore, data now principally focused on local authority analysis.

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.

The approach taken in these dashboards is to use consistent sources of data to track changes over time. In some instances, different but more up-to-date data/ forecasts may be available - although they will not necessarily be updated on a regular basis, or cover quite the same thing. Therefore, using a consistent data source is the approach chosen. **As sometimes shown, changing the period covered by the data can change the story behind the data. This relates to inter-year variability in some datasets. Consequently, interpreting long-term data trends is often important**.

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

This dashboard reflects data releases up to and including 29th February 2024..

Unless otherwise stated, data has been sourced, collated, analysed and visualised by Ash Futures Ltd. (simon@ashfutures.co.uk)

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