West Midlands Regional Economic Assessment Coventry

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1 Background

The Regional Integrated Economic Assessment (RIEA) was commissioned from the Observatory by the Regional Forum of Leaders (RFL) in partnership with Advantage West Midlands (AWM), as a joint response to the requirements of the Sub-national Review of Economic Development & Regeneration (SNR).

It was agreed by the RFL that the RIEA contain three distinct elements:

- An overarching regional summary;
- Thematic chapters (Economic Structure and Output, Communities and Connections, The People of the Region);
- Local authority area profiles (for each of the 14 strategic authorities).

The primary focus of the RIEA is the synthesis of existing data and evidence across the range of themes and local areas. It has been developed by identifying, collating, integrating, analysing and interpreting current information, rather than sourcing new information. The local area profiles incorporate each of the thematic areas, highlighting key characteristics of each area and identifying some of the current issues facing local economies.

The RIEA has been prepared in collaboration with staff from the Region's 14 strategic local authorities. They have supplied much of the evidence which underpins the assessment and have been heavily involved in writing, editing and improving its constituent parts, particularly the local area profiles.

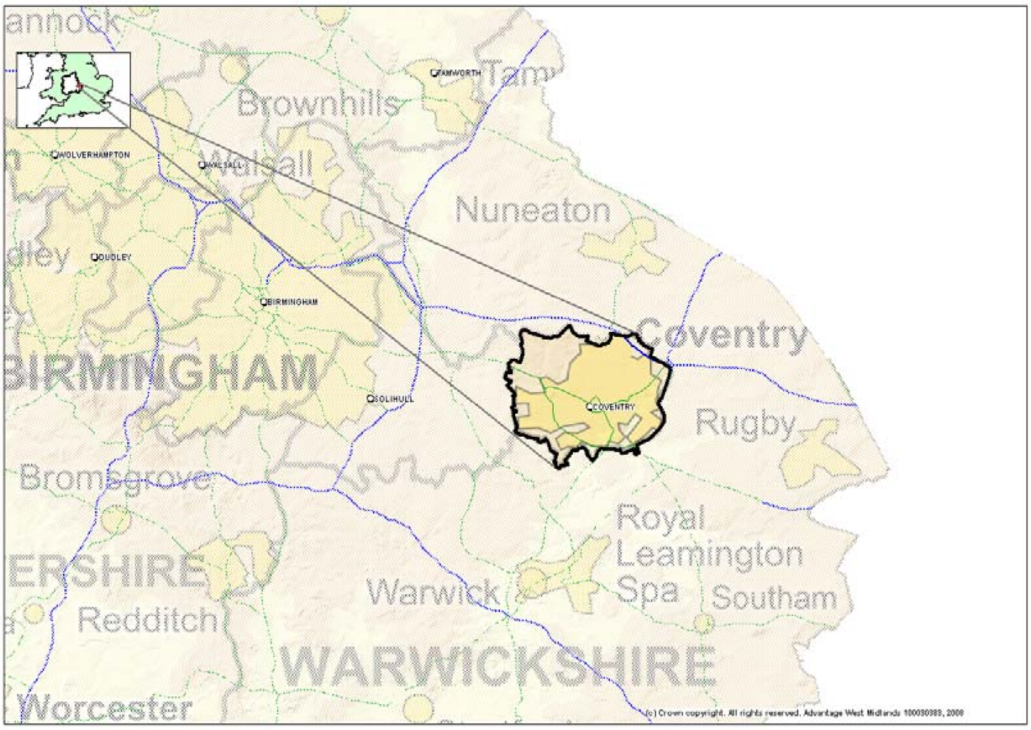
The RIEA constitutes an important **first step** in the longer term iterative development of the evidence base for the single integrated regional strategy. Partners should see the RIEA, and the local area profiles in particular, as a starting point, providing a good foundation for the much more detailed local work required in the preparation of individual Local Economic Assessments as proposed by the SNR.

2 Introduction and Summary

Coventry is a city located in the south east of the region, within the West Midlands County to the east of the city of Birmingham and to the north of Warwickshire. Coventry has a population of 306,600 in an area of approximately 9,980 hectares. Coventry is the eleventh largest city in the UK and the second largest in the region, mainly of an urban character with a relatively high population density of approximately 30.7 persons per hectare. The north west of the city, areas bordering North Warwickshire and Solihull, has more of a rural character compared to the rest of the city.

Coventry is bordered by Solihull to the west, the districts of North Warwickshire and Nuneaton and Bedworth to the north, Rugby to the east and Warwick to the south as illustrated in figure 2.1.

Figure 2.1: Map showing location of Coventry



For over the last two decades the City Council has led a programme of work to regenerate the city and restructure the local economy. As a result, Coventry's economy is undergoing rapid change. Decline of traditional manufacturing in the city and loss of some of its most famous companies have been successfully balanced with new investment and new types of jobs, and a growth in the working age population. Output growth has been driven primarily by the services sector since 1999.

The presence of two universities contributes to the city having a younger population than average for England and offers significant benefits to the city. Graduate retention is important for economic strength in the future. The city's excellent communications and the improved rail access to London, along with the development of the local airports, mean that Coventry is well placed to benefit from the expansion of the London and South East economy and from central government relocation programmes. Coventry also has a higher than regional average proportion of its population qualified to at least NVQ level 2, and the same is true for NVQ level 4 or above. All these factors also combine to make the city attractive to both domestic and foreign investors, with the city currently receiving the 4th highest level of foreign direct investment in the region.

Improvement in employment levels confirms growing economic strength of the city. However, there remains a notable contrast in many factors, including income, health, deprivation and employment distribution across the city, resulting in priority neighbourhoods being identified. Coventry has strong geographical and economic links with neighbouring areas, in particular Warwickshire and Solihull, and also with neighbouring districts in the East Midlands region.

3 Economic Structure & Output

Output

Total output of the Coventry economy has increased in nominal terms from £3.6bn in 1995 to £5.5bn in 2005. This equates to an overall increase of 55% in economic output, an average rate per year of 4.4%. This average annual rate is marginally below the regional rate of 4.7% over the same period, resulting in the share of total output from Coventry falling slightly from 6.7% in 1995 to 6.5% in 2005[1]

While growth in total GVA is an important measure of economic strength, it can mask key drivers in changing economic performance. GVA per head is a preferred measure as it enables a more detailed analysis of comparative output performance.

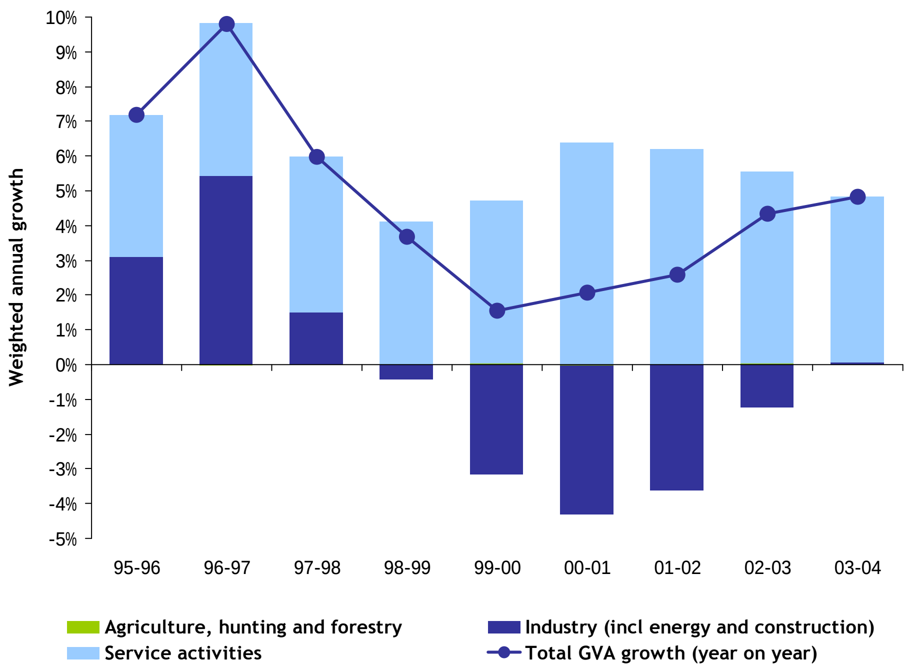
Output in Coventry, as measured by Gross Value Added per head in 2005 has been estimated at £18,145, 15% higher than in the region as a whole. Output per head is measured on a workplace basis; in Coventry GVA per head is the second highest out of all local authorities in the region, marginally higher than output per head in Birmingham. Output per head has increased by 53% in the ten years prior to 2005, equivalent to an average 4.4% annual growth. Over the same period however, the population of Coventry increased by less than 1%, an estimated net growth of 2,000 since 1995.

Given that the estimated population of Coventry has remained broadly static, the growth in output, as measured by output per head is primarily due to productivity and the positive impact of in-commuting.

Between 1995 and 2000, growth in Coventry was faster than in the West Midlands region as the Coventry economy continued to recover from shocks in the 1980's, and a manufacturing industry in decline. The total population of the city fell marginally between 1995 and 2001 while the working age population has increased steadily since 1995. This could be a factor explaining why the growth in output per head in Coventry was relatively high in the late 1990's.

[1] While the rates of change relate to estimates of output published by the Regional Accounts Division of the Office for National Statistics data is often subject to revision. Caution should be taken when interpreting analysis based on calculations The data for 2005 is still provisional and is likely to be revised in December 2008 when the latest estimates are published following an amendment to the accounting methodology.

Figure 2.2: GVA growth across major sectors in Coventry



Source: ONS Regional Accounts, 2005

As we can see from figure 2.2 above, total output growth up to 2003 was driven almost exclusively by increases in output from services. In 1999 output per head in Coventry was 23% higher than output per head in the West Midlands, up from 16% in 1995, but the gap started to close in 2000 and has fallen back to 15%. Growth in Coventry was slower between 2000 and 2005 as the city suffered around 14,500 redundancies; mainly in the period between 2001 and 2007 with major disinvestments by large companies (particularly manufacturing companies)[2].

There have also been important investments made into the city, creating jobs, predominantly in service industries. The economic 'churn' within Coventry is significantly greater than it was in the 1980s and early 1990s. The investments, and significant investments planned for Coventry in the coming months and years, means that capital per worker, boosted by technology improvements, has been increasing and growth in output per head has been positive in every year since 1995.

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[2] Coventry's Economy 1976 to 2026, Research and Strategy Research Paper, Myles Mackie 2008, Coventry City Council.

Productivity

Productivity in Coventry, like output, is higher than the West Midlands average productivity. Here productivity is measured using Gross Value Added per employee.

GVA per employee in Coventry was £38,839 in 2005, 9% higher than the regional average, though productivity in Coventry is lower than the national average. The productivity gap is smaller than the output gap between Coventry and the region. As with output, Coventry has the second highest GVA per employee of all unitary authorities in the region, with higher productivity than comparable areas such as Birmingham, Wolverhampton and Walsall and lower productivity than Solihull.

Productivity grew by 3.2% between 2003 and 2004 and 2.2% between 2004 and 2005. The loss of employees due to redundancies around 2004/5 at the Jaguar and Peugeot car assembly plants may have negatively affected productivity growth as those workers were considered to create a higher GVA than the average employee in Coventry. In the period between 2003 and 2006 GVA per employee in Warwickshire grew by only 1.6% compared to 5.5% in Coventry.

Recent analysis by ONS (Wosnitza & Walker) uses an alternative measure of productivity, GVA per filled job, which makes use of estimates of workforce jobs (WFJ). WFJ is a measure of the total number of jobs in an area. This encompasses not only employee jobs (as estimated by ABI/1) but also self-employment jobs (from the Labour Force Survey (LFS) and Annual Population Survey (APS)), those serving in HM Forces and government-supported trainees. As one might expect, using a WFJ related estimate of productivity, GVA per filled job, produces somewhat different results for Coventry as compared with GVA per employee. For 2005, GVA per filled job was around £35,050 - approximately 11% above the regional average of £31,500. This represents a modest improvement in its relative standing since 2001, when GVA per filled job for Coventry was approximately 10% above the regional average. Only Solihull has a higher level of GVA per filled job within the West Midlands.

Wosnitza & Walker demonstrate how GVA per head can be decomposed into four factors, namely: productivity per filled job; the commuting rate; the activity rate; and the employment rate. This approach is discussed further in the thematic chapter dealing with Business in the regional economy.

One can examine why a given authority's GVA per head lies above or below the regional average by comparing its scores on each of the four factors against the corresponding regional averages. In Coventry's case its high relative productivity, at around 11% above the regional average, largely explains why its GVA per head was around 15% above the regional average in 2005. Coventry also experiences a level of net inward commuting, which also contributes positively to GVA per head. Its activity rate is similar to that of the region as a whole, and so has a neutral effect on its relative GVA per head. Coventry's employment rate is slightly below the regional average, and this in turn has a slight depressing effect on relative GVA per head.

During the major recession in Coventry in the early 1980's, the effects of which continued throughout the eighties, the upheaval caused and the reforms in the labour market introduced by the government contributed to the start of an increasing trend of productivity where labour organisation changed and overdue technological change came about. Significant productivity increases occurred in the manufacturing businesses in Coventry, at Agco, Rolls Royce and Jaguar Peugeot for example. It is estimated that 40% of job losses were a result of increases in productivity. Around 11,500 jobs were lost in Coventry due to productivity increases between 2000 and 2006.[3]

Enterprise

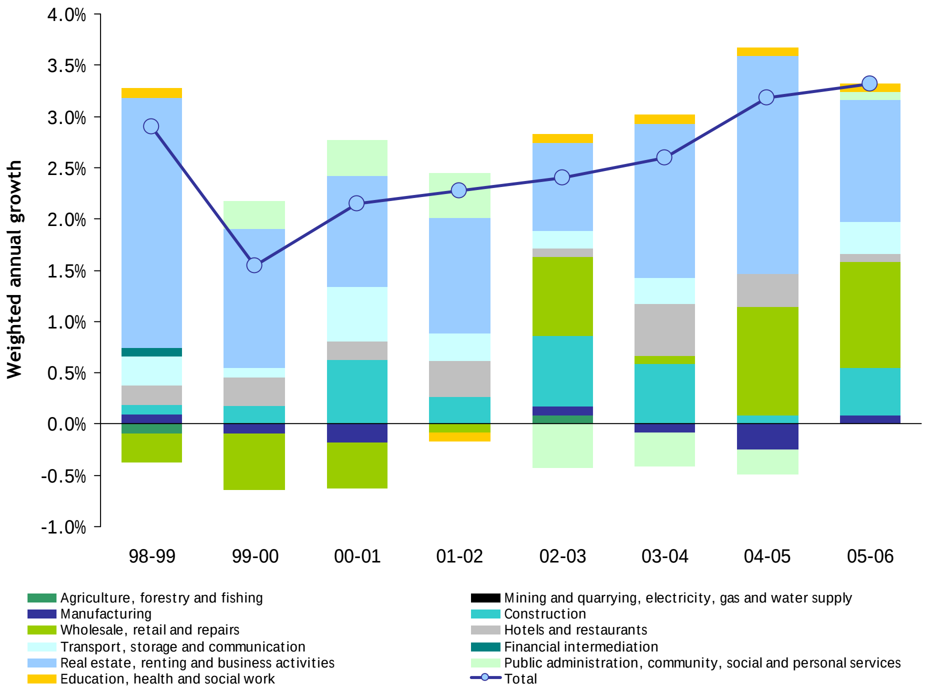
The total stock of businesses in Coventry has grown by 22% between 1998 and 2006, with growth in real estate and business services contributing over half of this growth. Figure 2.3 shows the contributions of each of the broad sectors to total growth in business stock. In each year the principle sector of growth has been real estate and business services, while construction and, more recently, wholesale, retail and repair industries showing strong growth since 2002[4].

Enterprise is a key driver of economic growth. Increases in the number of firms increase the output capacity of the economy. A widely used measure is the number of new VAT registrations as a ratio of the population. There is some debate as to the appropriate population measure to use. BERR publish VAT registration rates per 10,000 of the population over 16 years of age, while HM Treasury's preferred measure is VAT registration over the whole population.

[3] Coventry's Economy 1976 to 2026, Research and Strategy Research Paper, Myles Mackie 2008, Coventry City Council.

[4] BERR Small Business Service Analytical Unit

Figure 2.3: Sector contributions to year on year growth in Coventry business stock 1998 - 2005



Source: BERR Small Business Service Analytical Unit

The VAT registration rate in Coventry is lower than the regional average. At 27 newly VAT registered businesses per 10,000 adults in 2006, Coventry's rate of enterprise is 79% of the regional average (34) and lower than comparable urban areas in the region such as Birmingham, Dudley and Wolverhampton who have registration rates of 30, 32 and 29 respectively. Given the smaller denominator the rate for the whole population is lower (22). Similar to the national and regional trends, registration rates have been stable, falling marginally in the period since 2004. Enterprise is an area in which Coventry has historically lagged behind the region over a number of years.

While the VAT registration rate is lower than other areas, the stock of businesses in Coventry has been increasing since 1997. Since 1981 the number of VAT registered businesses in Coventry has grown by 51% and has grown by 26% since 1994. Reasons for the growth in enterprises over the long term, a phenomenon not occurring before the mid 1980's, include a diversifying economy, a growth of the small and medium size companies sector and the rationalisation and de-merging of some major companies in Coventry[5].

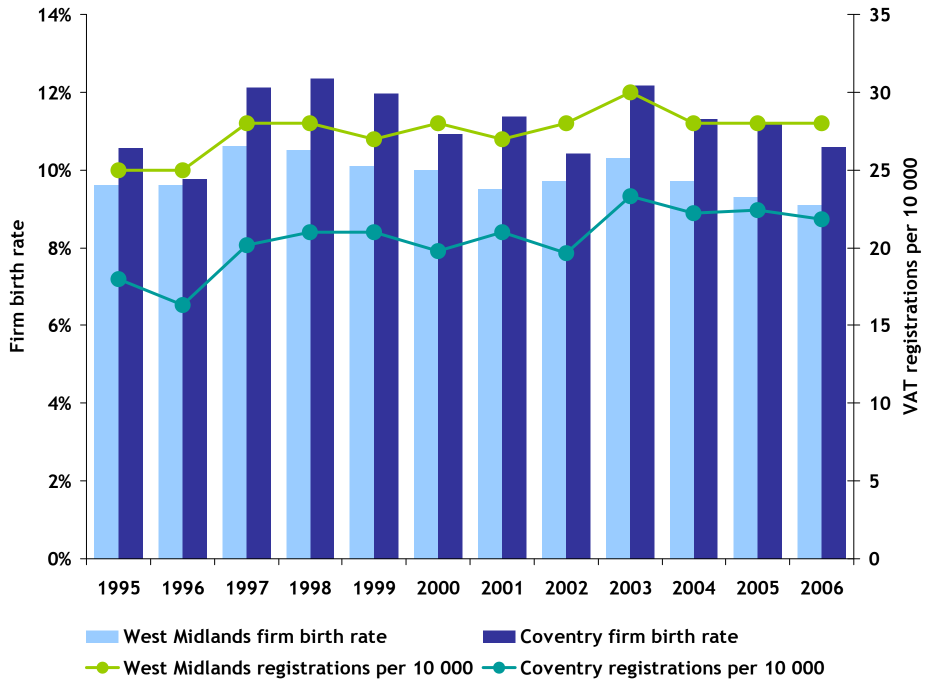
[5] Coventry's Economy 1976 to 2026, Research and Strategy Research Paper, Myles Mackie 2008, Coventry City Council.

In Coventry the number of VAT registrations in 2006 was 670, giving a registration rate[6] of 10.5%. This compares to the Regional average of 9.0% and the national average of 9.4%. However, Coventry has a similar deregistration rate, at 7.5%, to the 7.4% Regional average. Since 1994 the rate of new VAT registrations has averaged 11%, compared to around a 9.5% rate for de-registrations. This positive net growth has resulted in total business stock increasing by over a fifth from 5,300 in 1998 to over 6,500 in 2006.

The VAT registration rate per 10,000 does not reflect possible agglomeration effects from spatial concentrations of existing businesses. Urban areas tend to have above average firm ‘birth rates’, as measured by new registrations as a percentage of the stock at the start of the year, than less densely populated rural areas. Figure 2.4 shows the rate of new registrations as a percentage of the stock at the start of the year; this is a measure of the ‘birth rate’ of new firms.

The birth rate of firms in Coventry is historically above the regional average as the borough has some attractive urban areas where the catalyst for growth results in above average birth rates. Between 1994 and 2006 the average birth rate in Coventry was 11% compared to 10% regionally.

Figure 2.4: Comparison of business formation in Coventry and the West Midlands region, 1995 to 2006



Source: BERR Small Business Service Analytical Unit

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[6] The number of new registrations as a percentage of the stock of existing enterprises.

One way around the potential bias of comparing on the basis of just a population base or stock base measures independently is to compare the two together in an 'enterprise index'. The index measures the city against the regional averages for VAT registrations per 10,000 and firms' birth rates. Each is equally weighted 50:50 to give a composite index.

Table 2.1 highlights the similar rate of enterprise Coventry has against the region on this combined measure. It highlights that while lower levels of VAT registrations per 10,000 compared to the regional average have resulted in the overall index for enterprise below the overall regional average, the gap has closed to just 2 points in 2006, levels consistent with those of the late 1990s.

Table 2.1: Rate of enterprise in Coventry compared with the Region

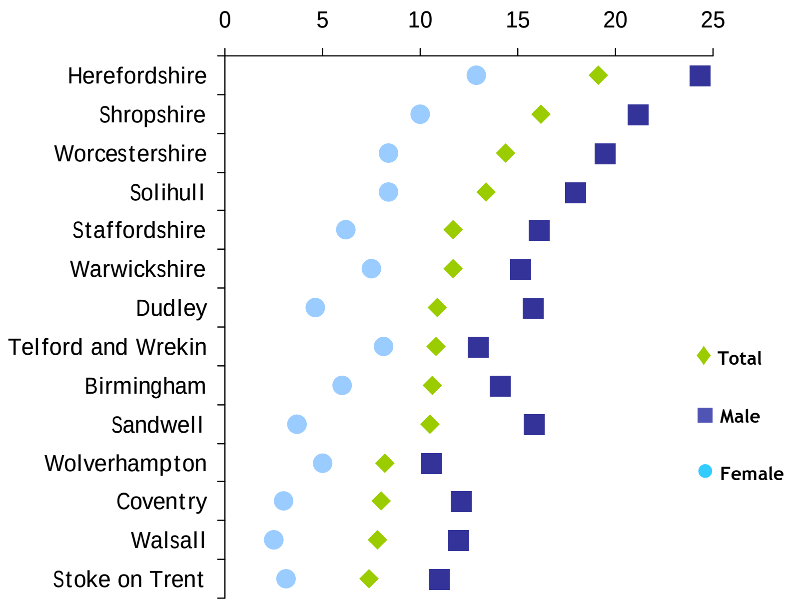
Area	1994	1998	2002	2006
West Midlands	100	100	100	100
Coventry	84	98	90	98

The changing distribution of firms' activities is impacting on the type of industrial and commercial office space required. Between 1998 and 2007 an additional 236,000m^2 was available for office use an increase of over 25%; the majority of this additional capacity. Industrial floor-space fell by over 450,000 m^2, a fall of over 20% across the city and, despite there being a fall of over 200 retail premises, the amount of retail floor-space still increased by over 40,000m^2 reflecting the trend for larger, out-of-town retail outlets, although there have also been increases in the city centre.

Business survival rates show the percentage of businesses that are still trading after a certain length of time. New firms have a greater chance of survival than the regional average. Three-year survival rates are around 73% for businesses registered in 2002. This rate is higher than for the West Midlands at 70.2% and the UK at 71.3% and has shown almost steady rise since a figure of just 58% surviving from registration in 1995.

Self employment rates in the city are among the lowest in the region with just Walsall and Stoke having less self-employment; in 2006 considerably less than 10% of the workforce was in self-employment compared to under 12% across the region as a whole. Figure 2.5 shows the distribution of self-employment along with gender breakdown. Among males around 12% are in self-employment, while among females the rate was around just 3%.

Figure 2.5: Self-employment rates, as percentages of all employed by gender and local authority area



Source: ONS Annual Population Survey, 2006

Knowledge economy

In 2006 the share of the total workforce in knowledge intensive industries[7] in Coventry was higher then the regional average. Over 50% of the workforce from Coventry is employed in what are considered to be knowledge intensive industries compared to around 44% in the region and 48% nationally.

These figures also include the two large universities within Coventry's boundaries. Latest estimates of employment in higher education put employment at nearly 8,000[8]. This does not include businesses and organisations for which the universities are key partners.

Coventry has a higher percentage of its workforce in knowledge intensive industries than any other authority in the region, although Birmingham and Solihull have similar figures. Between 2003 and 2006 the percentage of the Coventry workforce in knowledge intensive services increased significantly from 46% to 50%, an increase of over 7,000 workers. By 2006 there were 70,200 people working in knowledge intensive industries in Coventry.

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[7] Total knowledge-intensive services is defined by Eurostat The sectors included are NACE Rev. 1.1 codes 61, 62, 64 to 67, 70 to 74, 80, 85 and 92. These are consistent with SIC 2003 codes
[8] Annual Business Inquiry 2006 Estimates

As noted in the Qualifications and Skills section below, Coventry residents are qualified to relatively high levels compared to people from other towns, cities and counties in the region. With two universities in the city, Coventry has a knowledge base that other towns and cities of a similar size do not have. The city attracts students from around the country and overseas and those who stay and live in the city are amongst those qualified to the highest level and most will go on to work in knowledge intensive industries. Graduate retention is an issue for Coventry and for the City Council and the Coventry partnership who are keen to increase retention rates.

There is an increasing demand from Coventry businesses for people with skills above NVQ level 2, according to the quarterly surveys conducted by the Coventry and Warwickshire Chamber of Commerce and CW Connexions. Organisations who are new investors into Coventry generally demand a relatively high skills profile. Over a quarter of the new jobs created by investment between 2006 and 2016 are expected to be in the 'hi-tech' industries[9].

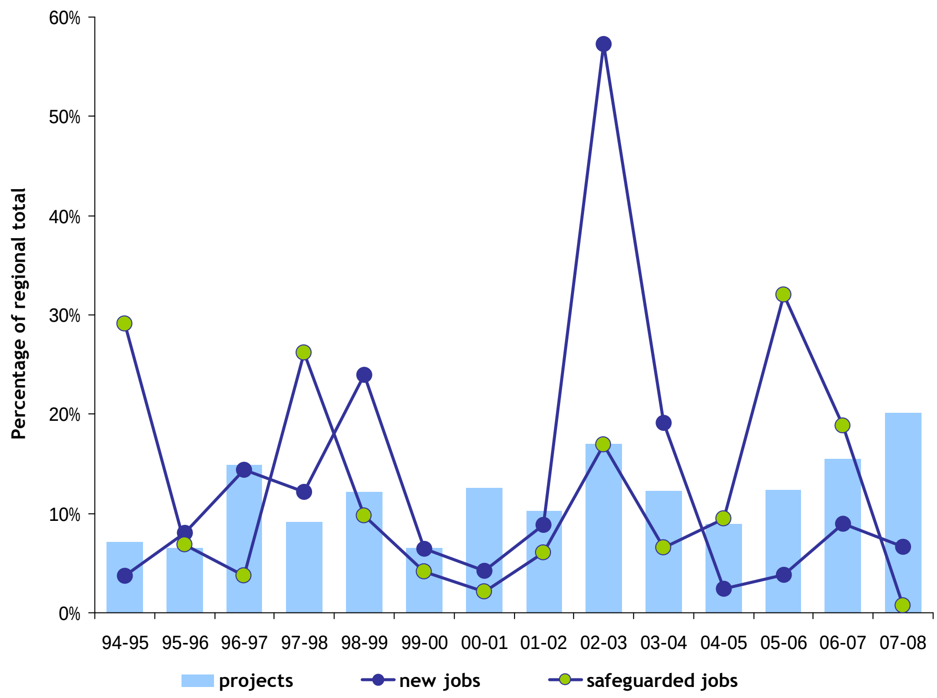
Investment

Coventry's business landscape is made up of a higher proportion of foreign owned companies than is the region, 18% compared to 14.5%. The prevalence of foreign owned companies can be used an indication of the level of inward investment an economy has enjoyed, in the past at least. Investment into Coventry and the 'offer' that the city can present to potential investors is key to the growth of the Coventry economy.

Foreign Direct Investment Projects in Coventry 1994-2008
Since 1994, Coventry has attracted nearly 150 foreign inward investment projects. During this time these overseas owned companies created nearly 7,000 new jobs and safeguarded a further 15,000. This amounts to 12% of all investments into the Region, 11% of the new jobs and 10% of the safeguarded jobs. Coventry receives the fourth highest level of inward investment in the Region behind Birmingham, the Black Country and Staffordshire[10] despite its lower population than other sub-regions.

[9] Coventry's Economy 1976 to 2026, Research and Strategy Research Paper, Myles Mackie 2008, Coventry City Council.
[10] Advantage West Midlands

Figure 2.6: Inward Investment Projects and Jobs into Coventry, 1994-2008



Source: Advantage West Midlands, 2008

The United States is the largest investor into Coventry but not to the extent seen in many other sub-regions, with 41 investments (just over a quarter of the total, as opposed to almost a half of all foreign investment in Birmingham and Solihull). Germany (23), Japan (22) and France (18) are also significant investors in Coventry.

Overseas Owned Companies in Coventry

According to Experian, there are currently nearly 300 overseas owned companies in Coventry, just over a tenth of the Regional total.

The city of Coventry has attracted a wide variety of industries to its city centre and technology and industrial parks and university campuses. Some industries have set up in the city include including business services and high technology communications industries in business parks such as University of Warwick Science Park and Westwood Business Park as well as specialist engineering and international distribution companies to Prologis Business Park and Middlemarch Business Park as well as regeneration areas in the north of the city.

Major disinvestments in recent years resulting in redundancies from foreign owned companies, including from Agco, Peugeot, Jaguar and Rohm & Haas, have cost around 5,000 jobs, about a third of total redundancies in the city over the same period. Amongst the many jobs that have been created by investment into the city, over 3,500 have been created by foreign owned companies including Capita, TATA and TUI.

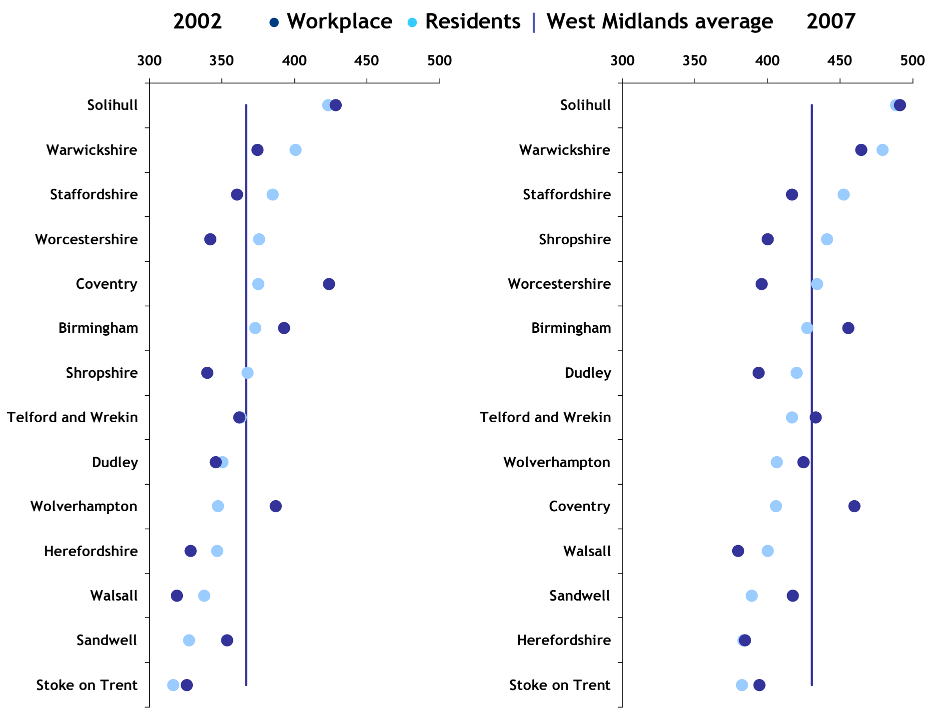
Much of the recent inward investment into Coventry and future expected investment will also be from domestic companies. Investment Coventry has been very successful in attracting UK footloose projects, particularly from outside the West Midlands region.

There are a large number of developments and regeneration projects that have taken place in recent years and will continue in the near future as well as the businesses that have invested in Coventry. From the £330m Ansty development, just over the city boundary in Warwickshire but mainly serving Coventry, and the £118m Ricoh Arena sports, to the redevelopment of the old Peugeot and Jaguar brownfield sites, there are numerous developments in and close to the city to attract UK and overseas companies. As Coventry is attracting the fourth highest level of inward investment to the Region, after Birmingham, Staffordshire and the combined Black Country, regeneration projects appear to be working.

Earnings and Income

Median weekly earnings for those employed in Coventry were around £460 in 2007, 7% higher than the average for the region of £430 (figure 2.7). The weekly income of residents in employment, as opposed to those working in the city, which includes in-commuters, is similar to the national average and to Birmingham. As with output per head (income and output are strongly linked), Coventry has the one of the highest levels of income out of all unitary authorities in the region.

Figure 2.7: Median weekly earnings by local authority area



Source: Annual Survey of Hours and Earnings

The workplace earnings in Coventry are higher than average as many well-paid managerial jobs are based in the city, as it's central to a sub-region including neighbouring Solihull and Warwickshire. Many of these higher paid people live in more affluent areas outside the city's boundary in Warwickshire, Coventry's commuter belt, a reason why the resident income level is lower. There is a need for a larger stock of 'aspirational' housing in Coventry with environments and services that would attract these people to live in the city.

The median income of residents in Coventry is £406 per week, 14% lower than the median income of those who work in Coventry and is lower than the regional average of £430 (Figure 2.7), implying that those who commute into Coventry have a higher than average income compared to those who live in the city.

The income of Coventry residents has grown at an average of 1.6% a year sine 2002, similar to the income growth of all those who work in Coventry. This growth rate is half that of the region in the same period. This means that workplace-based earnings have fallen behind those in Warwickshire during the period, whilst the earnings of residents have fallen from a position slightly above the regional average to one where they are significantly below average.

Gross Disposable Household Income (GDHI) per head is a measure of economic welfare. It takes into account not only wages and salaries but other forms of income such as property income, pension income and social benefits. Payments of tax, social contributions, and certain other outgoings are deducted to arrive at disposable income.

The provisional estimate for Coventry's GDHI per head for 2006 was £11,447 which was almost 9% below the regional average of £12,546 per head. The provisional data also suggests that the growth of Coventry's GDHI per head between 2005 and 2006 was, at around 2.7%, lower than the corresponding regional growth rate of 3.0%. In index terms (where UK average GDHI per capita = 100) the index value for Coventry in 2006 at 83 has declined from its index value of 85 in 1995. Over the same period the index value for the West Midlands region declined marginally from 92 to 91. Hence Coventry's relative GDHI per head has declined, albeit quite moderately, against both the UK average and the West Midlands average

4 Communities & Connections

Transport

Coventry has an extensive road network including an inner ring road that facilitates access to the city centre by car and it is served by the M6 and M69 motorways to the north of the city's boundaries. By rail, Coventry has good connections with Birmingham and Warwickshire and has a good position in the Midlands in terms of access to London and the South East.

Estimated traffic flow per head in Coventry was two thirds of the regional average in 2006. A factor here is the higher population density meaning that Coventry is more compact than neighbouring areas so travel distances are shorter. Those living in areas further away from urban areas commute greater distances to work. Coventry has a more extensive and integrated public transport system than the shire counties meaning fewer vehicle kilometres per head are required.

It was estimated that there were 6,130 vehicle kilometres per head travelled in Coventry in 2006[11]. This figure falls in the middle of the range of metropolitan boroughs, with Dudley and Wolverhampton for example having lower figures whilst Sandwell and Walsall have higher ones.

In 2002 there were 6,060 vehicle kilometres per head meaning there has been a 1% increase in four years. From 1995 to 2002 there was annual growth of 1.7% in vehicle kilometres compared to around 0.25% a year since 2002. The number of vehicle kilometres travelled in Coventry decreased from 2005 to 2006, reversing the historic trend of growth.

In 2001, 65% of Coventry residents in employment travelled to work by car[12]. This is lower than the regional average. 10.7% of people travelled to work by foot or on a bicycle, which is higher than the regional average. This, together with the fact that 20.7% of the population (more than the regional average) travelled less than 2km to work; this could explain why fewer vehicle kilometres per head are travelled in Coventry compared to the wider West Midlands as a whole.

[11] Department for Transport Road Traffic Statistics for Local Authorities
[12] Census 2001

Results from a household survey commissioned by Coventry City Council of around 1,000 residents of Coventry[13] show that, in 2006, 24.1% of respondents who were in employment said that they travel to work on foot or by public transport (against 20.5% in 2005). Assuming that around 6.5% of Coventry residents in employment work from home (census 2001), this suggests, by deduction, that around 69% of Coventry residents in employment may travel to work by car (against a 2001 census figure of 65%).

Housing

The housing affordability index for 2007 shows the affordability of houses in Coventry to be slightly better than across the West Midlands region as a whole. In fact, the ratio of the lowest quartile house prices to the lowest quartile income is 8 percentage points lower in Coventry than in the West Midlands region. On average, to those with incomes in the lowest quartile of the income distribution in Coventry, the price of a house is 6.33 times their annual income, compared to 6.89 for the region as a whole[14].

At the mean income level and mean house price of £139,350, the affordability ratio is 4.8 compared to 6.3 for the lowest quartile, meaning that houses in Coventry are the least affordable for the lowest income groups. However, houses are, on average, more affordable for the 25% of the population with the lowest incomes in Coventry than for their counterparts in the region as a whole mainly because the average prices of the least expensive 25% of houses are significantly lower than the least expensive housing in the West Midlands region. In 2006, the lowest quartile house prices in Coventry were £96,300 compared to around £110,000 in the West Midlands region.

Between 1997 and 2007 the ratio of lower quartile house prices to lower quartile income in Coventry increased by 113%. This means that housing has halved in affordability in the space of 10 years. This increase in house prices in relation to annual incomes in Coventry has been significantly faster than for the region as a whole - the third fastest in the region after Birmingham and Herefordshire. House prices were outstripping incomes most quickly between 2001 and 2004 with an annual increase in the ratio of 17.5% compared to 11% a year between 1997 and 2007. This has been driven by increases in house prices rather than falling incomes.

[13] Household Surveys 2003-2006
[14] DCLG Ration of lower quartile house prices to lower quartile earnings by district 2007

The composition of the housing stock in Coventry is significantly different to that of the United Kingdom as a whole and also very different to that of the region. In 2001, 36.2% of houses in Coventry were detached or semi-detached compared to 54.1% nationally and 61.5% in city region. 47.2% of Coventry's housing stock consisted of terraced houses compared to 25.8% nationally and 23,9% in the region. Also, in 2001 the average number of rooms in a Coventry house was 5.08 compared to 5.42 across the region and 5.61 in Warwickshire. This all paints a picture of Coventry as a city with smaller than average dwellings compared nationally and compared to local towns and cities. This could be a factor explaining why houses are more affordable in Coventry than in many other local authorities in the region.

At the time of the last census in 2001, 17.6% of the housing stock in Coventry was social housing. There are relatively fewer social houses in the city than in the West Midlands region (20.6%). The total social stock has remained roughly the same in the period since 2001 but the quality has been improved with all houses being brought up to a high standard of repair and comfort. Some former council estates are subject to major regeneration projects where areas are being redeveloped to improve the social/private housing mix in these areas.

The rate of private renting of housing was higher in Coventry than in the region as a whole, 10.2% compared to 7.3%. Coventry had the second highest proportion of privately rented homes in the region after rural Shropshire, partly due to the large proportion of students in the city. The rate of owner occupation was close to the regional average but higher than in many of the other metropolitan boroughs.

The growth agenda for Coventry and the Regional Spatial Strategy have set out a plan for 33,500 new dwellings to be built by 2026. 25% of new dwellings in Coventry must be affordable or social housing. The number of additional dwellings planned is based on a growing population but, nevertheless, the increased supply of housing may help to make houses more affordable in the medium term.

The major issues for housing in Coventry, set out in the Sustainable Communities Strategy, include the need to provide a better mix of housing with more high-end expensive housing and the need for more affordable housing. Also the quality and condition of the housing stock in Coventry is an issue with around half of the housing stock being built before 1944. It is targeted that 70% of the private housing stock should be considered of a 'decent' standard by 2010. In 2007, 93.5% of social housing was considered to be of a 'decent' standard up from 74% in 2005, with failure to meet this standard often due to lack of insulation.[15]

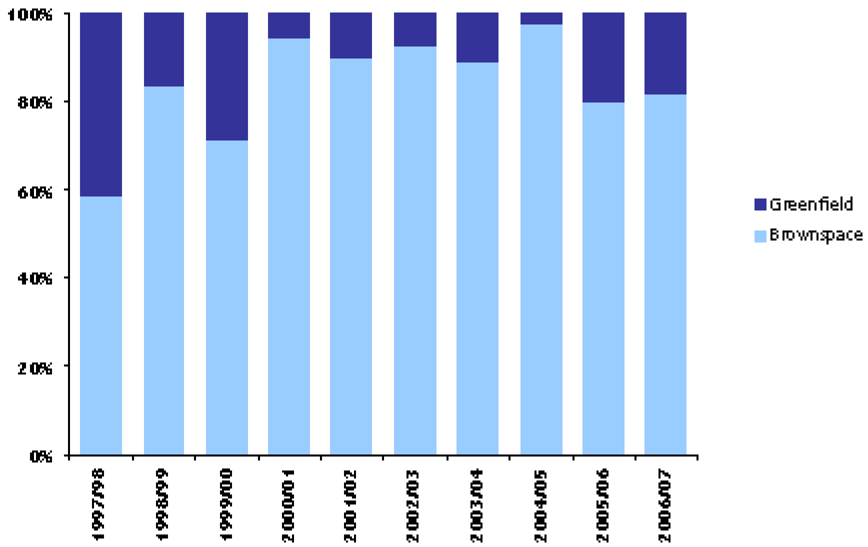
[15] The Coventry Sustainable Community Strategy, February 2008, the Coventry Partnership

Land Use

The radar chart at the start of the Communities and Connections section illustrates that fact that the proportion of homes developed on previously developed land in Coventry in 2006/7 was very similar to the proportion developed in the region as a whole[16].

The percentage of housing built on previously developed land in Coventry is just below the regional average at 82% (2006/7); the figure for the Region is 84%. In 2006/7, 919 new houses were completed, 752 on previously developed land.. Use of brown field land for development in Coventry in 2006/7 was lower than in most other urban authorities in the region, several of which approached 100% of new housing on such sites. However, the vast majority of housing development in previous years in Coventry has been on previously developed land as illustrated in Figure 2.8.

Figure 2.8: Proportion of Completed Dwellings by Site Type 1997-2006



Source: Regional Spatial Strategy Annual Monitoring Report

When it comes to Coventry's growth agenda and the 33,500 new homes planned for the next 18 years to 2026, the priority for planners is to develop on brown field sites and to use the principal of infill, increasing the urban density of the city. New housing has been built and is planned to be built in New Deal for Communities (NDC) areas of the city and in Stoke (Dominion Plaza), Foleshill (Paragon Park) and Canley Regeneration Area. However, the growth agenda is likely to put pressure on green belt land to some extent. Much of the previous development on green field sites has been for 'aspirational homes' in the south of the city around the areas of Gibbet Hill and Westwood Heath, areas near the University of Warwick.

[16] Coventry Annual Monitoring Report 2006/7; Regional Housing Land Availability Survey, 2007

Connections

Data from ONS from 2005[17] shows that the workplace based workforce of Coventry was 3% larger than the resident workforce, although this figure is lower than most other estimates and may undercount the number of in-commuters to the city. This shows Coventry to be a place that attracts labour from other parts of the region to work in the city. This is unsurprising for a city the size of Coventry, the third largest urban area in the region. The only other places in the region that attract a net in-commute on a similar scale are Walsall, Wolverhampton, Solihull and Birmingham. Coventry's main sphere of influence within the region in terms of the labour market is Warwickshire, which is separate to the influence of Birmingham and the Black Country.

The 2001 census gives a more detailed picture of commuter patterns in and out of Coventry. In 2001 the in-commute from within the wider West Midlands region was 132,800 people employed in the city and 119,750 of the resident population of Coventry in employment elsewhere within the region. In addition to this 9,100 people commuted to Coventry from outside of the region and 5,700 residents worked outside of the region. This is a net in-commute of 16,250, or 12%, significantly higher than the 2005 calculated rate of in-commute.

Coventry has historically experienced an in-commute from people working in the manufacturing sector. This may mean in-commuting levels have been affected by the 14,000 redundancies suffered since 2003/4 including the closure and loss of employment from large manufacturing plants within the city.

Almost 94,000 of those who worked in Coventry were residents in the city, meaning 71% of jobs in Coventry were filled by residents of Coventry[18]. The most significant source of commuters into Coventry was the district of Nuneaton and Bedworth, from which over 12,000 people came to work in Coventry, representing over 15% of the working age population. Other significant commuter areas for Coventry include Warwick (over 7,500 commuters), Rugby (5,000 commuters), Solihull (3,500 commuters), Stratford-on-Avon (over 2,000 commuters) and North Warwickshire (over 1,700 commuters).

Relatively few people from Birmingham and the Black Country commuted to work in Coventry in 2001. Only 3,000 people living in Birmingham worked in Coventry in 2001, with only slightly more travelling in the opposite direction; the flows between two of the largest cities in the region appear relatively low.

[17] Regional economic indicators, May 2008, with a focus on differences in sub-regional economic performances http://www.statistics.gov.uk/elmr/05_08/
[18] 2001 Census

Around 6,200 people resident in the East Midlands region worked in Coventry in 2001, whilst less than 3,000 city residents crossed the regional boundary. Around 2,000 of these commuters came from Hinckley and Bosworth, the closest East Midlands district to Coventry, with only 500 travelling from Leicester.[19]

The work places of Coventry residents who commute out of the city are in similar destinations to the sources of in-commuters. Warwick is the destination where the largest number of Coventry out-commuters work, with 7,200 residents of Coventry being employed in the district in 2001.

Environmental resources

In 2005, the CO_2 emissions per head in Coventry were 7.2 tonnes, up from 7.1 tonnes in 2004 and 7.0 tonnes per head in 2003[20]. This marginal increase in the per capita emissions over the year is undesirable given the long-term targets of central government and Coventry City Council. However, changes in methodology between years may make comparisons unreliable.

In 2004, Coventry's carbon emissions per head were at a similar level to the other metropolitan boroughs in the region but between 2004 and 2005 Coventry made no progress towards the aim of reducing its 'carbon footprint' whereas many other authorities did. The lack of a reduction in carbon emissions in Coventry between 2003 and 2005 is thought to be an aberration from the general downward trend in the city. Coventry's emissions from industrial and commercial sources were generally higher than other metropolitan boroughs, whereas those from domestic and transport sources were close to the average. To some extent this reflects the fact that the number of people employed in Coventry is higher, relative to its population, than elsewhere.

Coventry is actively looking for a 70% reduction in overall carbon emissions by 2015, a target set out in the city's green strategy. The city has signed the Nottingham declaration on climate change and has instituted a range of carbon-reduction measures for Council transport and building.

In 2006-07, Coventry City Council handled just under 180,000 tonnes of municipal waste, the vast majority of it household waste[21]. Of this, just over 24% was recycled or composted, below the regional average of 28%, although on a par with most of the other metropolitan boroughs.

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[19] 2001 Census
[20] Per capita reduction in of Co2 emissions in the LA area, 2005 - www.defra.gov.uk/environment/statistics/globatmos/galocalghg.htm
[21] Defra, Municipal Waste Statistics 2007 - http://www.defra.gov.uk/environment/statistics/wastats/archive/mwb200607a.xls

Use of landfill was limited at around 13%, the 5th lowest proportion nationally (the lowest in the region), with the majority of waste being incinerated.

Deprivation

33 of Coventry's Lower-level Super Output Areas (LSOAs) fall amongst the 10% most deprived LSOAs in England based on analysis from the Index of Deprivation 2007. That is, 16.8% of these smaller areas in the city (out of 197 LSOAs) are amongst the most deprived in the country compared to 15% in the wider West Midlands region. This gap is perhaps lower than might be anticipated given the fact that Coventry is a city with some characteristically deprived inner city. Coventry has a much lower proportion of its areas in the 10% most deprived in the country compared to Birmingham and the Black Country (apart from Dudley).

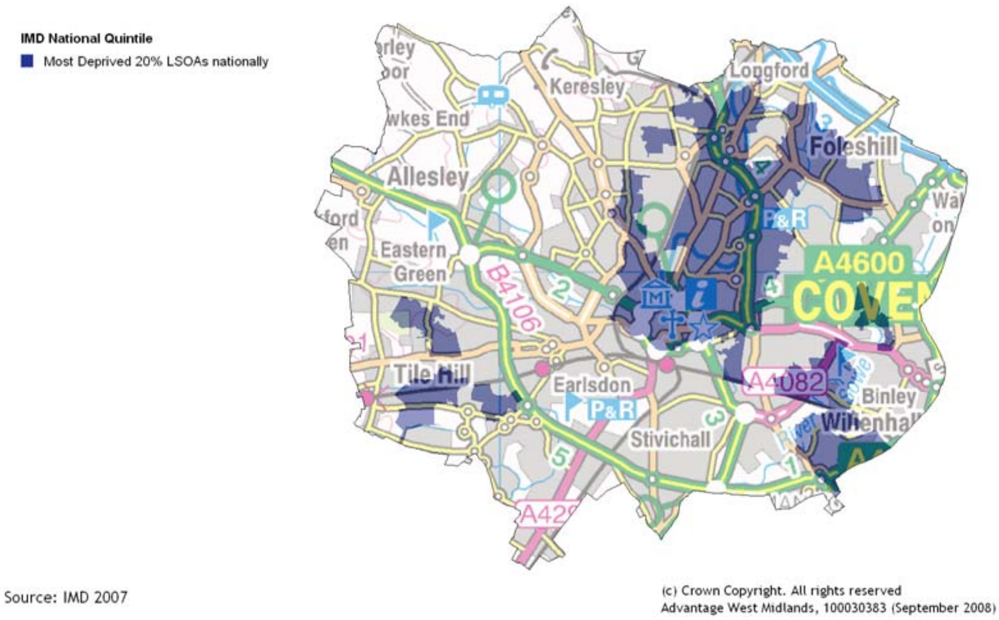
The change in relative overall deprivation in Coventry since the Index of Deprivation 2004 (has been marginal with little change in the number of LSOAs in the most deprived 10% nationally and a slight fall in the number of LSOAs that lie within the 20% most deprived a small, relative improvement amongst the poorest in Coventry. In 2004, 34% of Coventry's LSOAs fell within the 20% most deprived in the country and by 2007 this had reduced to 30% of the LSOAs in the city.

Using the average of the scores of each LSOA, Coventry is the 71st most deprived local authority in England compared to 64th in 2004. This shows that there has been a slight improvement in relative deprivation within the city as a whole compared to the rest of the country. This is in contrast to many of the region's other major urban areas, which have moved up the rankings. Birmingham is now ranked as the 10th most deprived local authority and Wolverhampton ranks as the 28th most deprived local authority in England.

The is relatively little difference between Coventry's performance against the various domains which make up the Indices of Deprivation 2007. For most of them between 29% and 36% of LSOAs in the city are in the most deprived 20% nationally. The only exception is the Barriers to Housing and Services domain, where only 8% of the city is in the most deprived fifth of the country.

Spatially, deprivation in Coventry is quite concentrated (figure 2.9)with most of the LSOAs that lie within the 10% most deprived areas in England being in certain areas such as Hillfields, Foleshill, Henley and Willenhall. Many of the areas that were amongst the ten most deprived areas in the city in the IMD[22] 2004 were still ranked amongst the ten worst in the IMD 2007. This perhaps illustrates that socio-economic problems in the most deprived areas in the city are entrenched and that although there has been some improvement the changes that have occurred in the city in recent years have not significantly changed the relative position of very poorest.

Figure 2.9: Map of Index of Multiple Deprivation by national quintile



Source: Indices of Deprivation 2007

Environment and Culture

The radar chart at the beginning of the Communities and Connections section illustrates that Coventry has greater environmental and cleanliness problems than the region. This is based on national indicator BVPI (Best Value Performance Indicator) 199a that quantifies through surveys whether an area suffers from 'unacceptable' levels of litter and detritus.

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[22] Index of Multiple Deprivation, CLG.

The percentage of surveyed areas with unacceptable levels of litter in 2005/6 was almost double that of the Region[23]. By 2006/7, Coventry was assessed as having 20.2% of areas with unacceptable levels of litter and detritus (BVPI 199), still the second lowest performance in the West Midlands ahead only of the 26.1% in Birmingham. However, this represented a significant improvement compared with the previous year, following prioritisation of this issue by the City Council.

Results from a 2006 survey of Coventry households conducted by Coventry City Council show that 55.3% of respondents were satisfied with the cleanliness of their neighbourhood. This opinion has not changed significantly since the 2003 household survey.

As a predominantly urban local authority, Coventry has less greenspace than many other authorities. Nevertheless, 44% of the city's land area was green, more than any other type of land use. In fact, Coventry has 5.6 hectares of urban green space for every 1000 residents, more than most of the other metropolitan boroughs in the region.

The city has a number of major cultural and heritage assets which help improve the quality of life of local residents. The most significant is perhaps Warwick Arts Centre, located at the University of Warwick, which attracts major international performers. The Belgrade Theatre is one of the largest theatres in the region and attracts a wide range of performances. Coventry Cathedral is a major heritage site and draws significant numbers of visitors to the city. However, figures from the EU urban audit show that Coventry is slightly below average in terms of the provision of some key cultural resources, such as cinemas, theatres, museums and public libraries, relative to the size of its population.

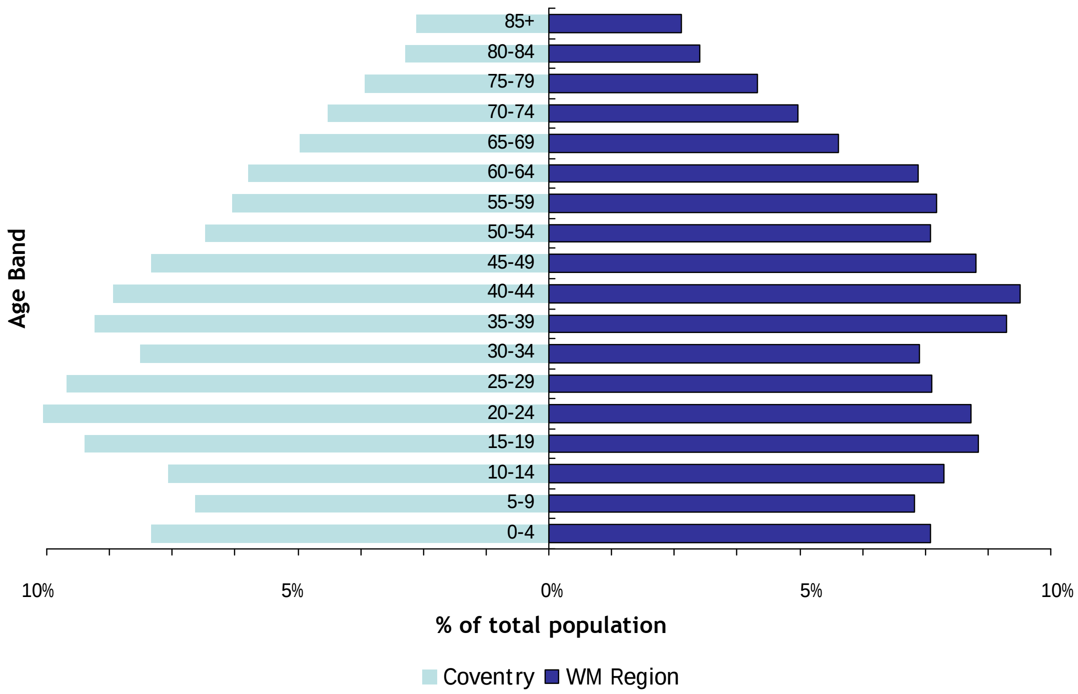
[23] Coventry Best Value Performance Report 2005/6

5 The people of Coventry

Demographic Profile

People of working age make up a marginally greater proportion of the population of Coventry than they do for the region as a whole. In 2006 there were estimated to be 194,200[24] people of working age, making up 63.3% of the population of Coventry, compared to 61.2% in the region. The number of people of working age in Coventry has increased by around 6,700 since 2002 with the working age population increasing from 61.8% to 63.3% of the city's population. In that time the growth in the percentage of the population who are of working age in the region has grown at a slower rate, from 60.9% to 61.2%.

Figure 2.10: Comparison of age profile of Coventry's population with the West Midlands region



Source: ONS Mid-year population estimates

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[24] ONS 2006 mid-year population estimate. Working age population is males aged 16 – 64 and females aged 16 – 59.

The growth of the working age population has been the driver of the overall population growth in Coventry; there has been little or no increase in the numbers of teenagers or the numbers of people of retirement age, however, a high number of births has resulted in the number of people aged under ten increasing.

Figure 2.10 above shows that the population of Coventry is made up of a similar percentage of children aged 0-14 to the West Midlands region and also the populations aged 80 and over are similar in proportion. Coventry has a population made up of a greater proportion of people aged 15-29, with a particularly large proportion of people aged 20-24. This is mainly due to the location of Coventry University and the University of Warwick within the city. As these universities have grown in recent years, the growth in the young adult population has driven the population growth of Coventry.

Migration in to the city from outside of the UK has been increasing in recent years, particularly from the A8 countries (predominantly Poland, Slovakia and Latvia), but net migration has not contributed significantly to the growth of Coventry. Natural change has been the driver of population growth between 2001 and 2006. There has been a moderate net emigration from Coventry to other parts of the UK. This is particularly the case with people aged 20-24, which raises issues of graduate retention. It may be the case that the growth in the numbers of people aged 20-24 in Coventry comes partly from international migration. With the difficulty experienced in measuring international migration in and out of the city, particularly in judging how long new immigrants stay in the city after registering for work, the working age population could be underestimated.

A report[25] on the population of Coventry has suggested that the ONS population estimates underestimated the number of 0-14 year olds in the city and overestimated the number of 20-24 year olds on the city. With the adjustments suggested, Coventry can still be said to be populated by a larger proportion of 20-24 year olds and people of working age than the region and other urban areas in the region, with the possible exception of Birmingham.

People aged 40-74 make up a smaller proportion of the population of Coventry than they do in the region as a whole. The difference is particularly clear in the 50-69 age group. This is partly a result of out migration of these people in the 1980's during a time of many redundancies in the city. This is the main reason for the high proportion of working age people in the city and for the city's younger age profile than others. Coventry does not therefore anticipate the same ageing population issues that the country as a whole will have to deal with. It could be a generation before the city will experience the problems of supporting a large retired population.

[25] Coventry Population Estimates and Projections – A report to Coventry City Council October 2007, John Hollis (Data Management and Analysis Group, Greater London Authority)

Coventry is an ethnically diverse city and is becoming more so. The demographic changes in terms of ethnicity between 2001 and 2005 and the migration into the city from outside of the UK points towards a progressively changing ethnic profile. This has a potential impact on community cohesion in the city, an issue that is recognised by Coventry City Council and its partners and is being actively addressed.

The number of people in Coventry who are of a White British ethnic background decreased by around 5,000 between 2001 and 2005, from 78.3% of the total population to 75.5%[26]. This implies that around 25% of the Coventry's residents are from minority ethnic communities, up from 22% in 2001. This compares to 15% of England's population and 16% of the inhabitants of the West Midlands region.

The largest broad ethnic minority community in Coventry is made up from Asians or British Asians who make up around 12% of Coventry's population, up from 11% in 2001. The largest group is the people with an Indian background who make up 8% of Coventry's population. The population with an Asian background in Coventry is relatively stable. People who identify themselves as Black or Black British make up around 2.8% of the population of the city, up from 1.8% in 2001.

The numbers of people considered to be of 'White Other' ethnicity (not including Irish) increased by around 2,000 in this period, from 2.2% of the population to 2.8%. This is largely due to the number of people from the A8 eastern European countries registering to work in Coventry, which increased from around 500 in 2004/5 to over 3,000 in 2006/7. The 'White Other' population in Coventry is expected to have increased further since 2005 and might be expected to grow in coming years, perhaps at a slower rate than currently. It has been estimated that about 50% of people from outside of the UK who register to work in Coventry are living in the city a year after registration.

Worklessness

The percentage of people in Coventry who are claiming out of work benefits is greater than the regional average. Taking the four quarterly average from August 2006 to May 2007, 14.8% of the working population in Coventry were claiming either Job seekers Allowance (JSA), Incapacity Benefit (IB), were a lone parent claiming Income Support or were claiming 'Other income related out of work benefits'[27]. This was higher than both the regional and national figures, 13.4% and 11.8% respectively.

[26] Source: ONS mid-year population estimates (experimental)
[27] Source: DWP working age client group benefits, ONS mid-year population estimates, August 2006 – May 2007

In Coventry the average number of claimants over a year fell marginally by 0.4% between 2003/4 and 2006/7 and the working age population increased by 2.3% in that period contributing to a fall in the worklessness rate from a four-quarter average of 15.2% in 2003/4 to 14.8% in 2006/7. The new cohort of people of working age, those aged 16-18, have increasingly been staying in education, employment or training. The NEETS figure (16-18 year olds not in employment, education or training) in Coventry is now at 8% and been falling in recent years[28].

Amongst those claiming out of work benefits in Coventry, a higher proportion were claiming Jobseekers Allowance than was the case across the region, whilst fewer were claiming Incapacity Benefit. The city also had a relatively high proportion of Lone Parent Benefit claimants compared with other parts of the region.

Overall, around 28% of Coventry's working age population were not working. The difference between this figure and the number of benefit claimants is made up of those who were economically inactive. This group is made up of people who would like to work but aren't currently seeking work and those who choose not to work for some reason, for example because they are looking after their home or family or because they are full-time students. This figure is only slightly higher than the regional average of 27%.

Skills

While the population of Coventry is an important determinant of total human capital in the city's economy and the output of the city, the degree to which the working age population are qualified and the skills that they possess are particularly important to human capital in the city and productivity of its workforce. The human capital of the workforce is an important contributor to output and the growth in output, just as the size of the labour force or physical capital investment is.

The percentage of Coventry's population who are qualified to at least level 2 is higher than the average for the region. In 2006, 62.1% of the working age population in Coventry were qualified to at least level 2 as compared to 60.5% in the wider region. The percentage of the workforce qualified to at least level two increased by 2.6% from 59.5% in 2005, a lower than average level for the region. Between 2005 and 2006 Coventry experienced one of the largest increases in skills levels in the region. This could be partly explained by the fact that the GCSE pass rate in Coventry increased from 46% in 2004 to 52.5% in 2007.

[28] Coventry and Warwickshire Connexions

With manufacturing as the major industry in decades past, formal qualifications were perhaps of less importance to the prosperity of the city. With a changed economy and the movement towards a more knowledge based economy with niche manufacturing, high tech industries and business services amongst the sectors that have grown since 2002 and are future growth sectors, it is more important that the working population are highly skilled with formal qualifications.

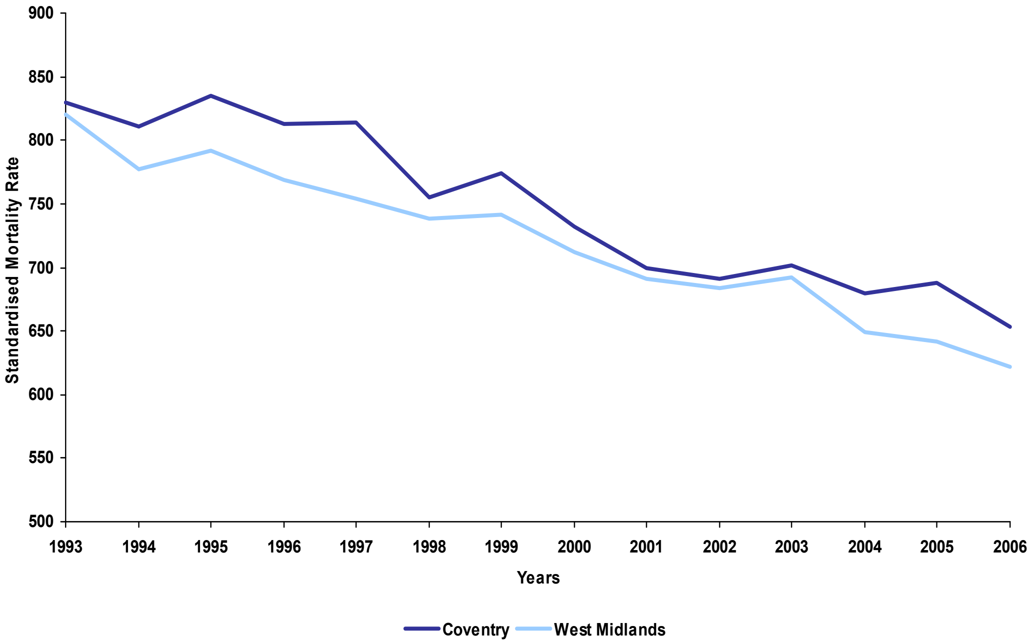
Coventry has a greater percentage of its working age population qualified to at least level 4 than the region as a whole, 26.5% in 2006 compared with 23.9% of people of working age in the region as a whole. The percentage qualified to at least level four increased from 25.4% in Coventry in 2005. This represents a better improvement than the region experienced in that period, which improved from 23.0% in 2005.

Health

The mortality rate is a key indicator of the health of the population of the city. While it is desirable to reduce the mortality rate for obvious reasons, it is important to reduce the mortality rate and improve the health of Coventrians to the end of boosting the city's economy. A lowering mortality rate would contribute to the population growth of Coventry and so may contribute to a growing potential labour force. If employment rates were to remain stable, a lower mortality rate may increase employment and therefore output without any external factors considered, such as immigration or investment. A healthier population may also mean a more productive workforce.

Coventry has a higher mortality rate from all causes than the region as a whole. In 2006 the mortality rate in Coventry was around 653 per 100,000 people. The regional mortality rate was 622 per 100,000 people, 5% lower than Coventry's (Figure 2.12). Coventry's mortality rate is higher than the national average also. However, it is lower than Birmingham's mortality rate (669) and much lower than the mortality rates in Sandwell (753) and Wolverhampton (700).

Figure 2.12: Mortality rates per 100,000 population in Coventry



In 1993 Coventry's mortality rate was at a level comparable to that of the region as a whole but in the time since it has fallen by less than the regional mortality rate has. The mortality rate in Coventry fell by 21% between 1993 and 2006 compared to a 24% fall in the West Midlands region. This is an average drop of 1.6% a year for Coventry, although the downward trend has not been a totally smooth one.

Perhaps the most notable difference is in mortality from all circulatory diseases from which residents of Coventry have a mortality rate of 103.9 per 100,000 people compared to 91.2 for the whole of England and Wales. Mortality from heart disease and stroke and cancers is significantly higher than the national average although the gap between Coventry and national figures has closed in the last ten years for heart disease and strokes. The infant mortality rate in Coventry between 2003 and 2005 was 6.8 per 1,000 live birth compared to 5.0 per 1,000 live births in England and Wales.

Census responses confirm the picture that the general health of Coventrians is poorer than the health of the nation overall, although this in itself may not be surprising given levels of deprivation associated. In 2001, 18.6% of people reported to have a Limiting Long Term Illness compared to 17.6% nationally.

Crime

In 2006/7[29] the crime rate in Coventry was higher than the region as a whole. Coventry has a crime rate of 12.1 offences per 100 people in the year 2006/7. This was 27% higher than the regional average, marginally higher than Birmingham, and the 2nd highest of all authorities in the wider West Midlands region. However, crime rates in the region as a whole are lower than much of the rest of the country and Coventry's figures compare well with other similar cities across the country. Furthermore, 2006/7 was an anomalous year for Coventry in terms of recorded BCS crime, and was primarily due to an increased level of vehicle crime (up by 33.6% from the previous year) and violent crime. Indications are that crime levels in the city fell significantly in 2007/8 but comparisons with other parts of the region aren't yet available.

The driving forces of the general fall in the crime rate have been moderate and steady falls in theft from a person, burglary and theft of a motor vehicle. These falls are reflected in the longer term trend, and between 2001/2 and 2006/7 burglary was down by 26%, vehicle crime by 32% and robbery had fallen by 19%, consistent with the overall improving crime rate over this period.

Crime in Coventry is strongly concentrated in the city centre with rates of around 350 per thousand people (35%), over three times the average for the city. Violent crime is high in the city centre and crimes such as vehicle theft and burglary are associated less with the city centre and more with residential areas.

Violent crime in Coventry is at a high level compared to the region, but only 25% higher than the regional average, whereas overall crime in Coventry is 27% higher than the regional average. The burglary rate is high compared to the region as a whole but is low compared to other similar cities nationwide.

[29] 2007/8 data was not publicly available at Local Authority level at the time of writing this report and so it has not been possible to include this.

6 Conclusion

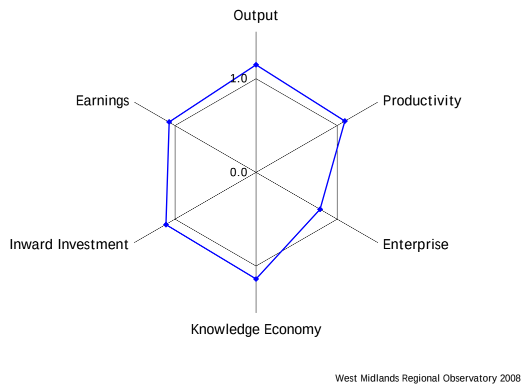
This local area profile forms part of the Regional Integrated Economic Assessment (RIEA). The primary focus of the RIEA is the synthesis of existing data and evidence across the range of themes and local areas. The RIEA constitutes an important **first step** in the longer term iterative development of the evidence base for the single integrated regional strategy.

More detail about the range of thematic areas covered in this profile can be found in the thematic chapters which form part of the RIEA. These cover the position at regional level and make comparisons between different parts of the region. The overarching regional summary section of the RIEA draws together the key messages relating to each of the themes to provide an overall assessment of the state of the regional economy and the issues which impact upon it.

A summary of some of the key findings from the local area profile can be found overleaf. This incorporates a series of radar charts which are explained on the following pages.

Economic Structure & Output

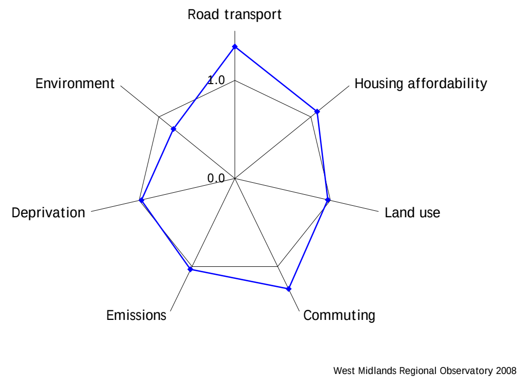
Key business indicators for Coventry



- GVA per head for Coventry is at £18,145 in 2005, 15% higher than the region as a whole and the second highest unitary authority in the region
- GVA per employee in Coventry was £38,839 in 2005, 9% higher than the regional average
- Coventry's VAT Registration Rate of 22 per 10,000 population is 22% lower than regional average of 28, despite this low registration rate the stock of businesses in Coventry has been increasing since 1997 due to a diversifying economy and SME growth
- At 70,000, just over half of all employees in Coventry work in what is categorised as knowledge intensive industries, the highest percentage in the region
- Foreign owned companies employ 46% of employees as compared to a regional average of 41%, only Solihull, Sandwell and Telford have a higher proportion
- The median weekly earnings for those employed in Coventry was £460 in 2007 as compared with a figure of £430 for the region. This is one of the highest in the region and is exceeded only by Solihull and Warwickshire

Communities & Connections

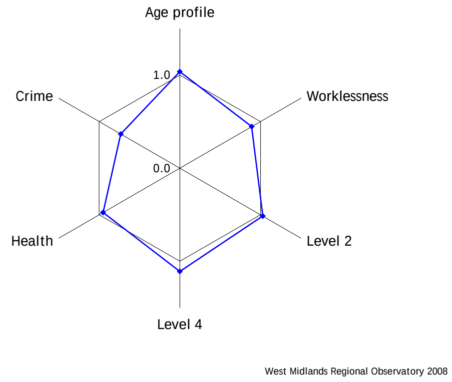
Key place indicators for Coventry



- Estimated traffic flow per head in Coventry (6,130 vehicle kilometres per head) was only two thirds of the regional average in 2006;
- On average, to those with incomes in the lowest quartile of the income distribution in Coventry, the price of a house is 6.33 times their annual income, compared to 6.89 for the region as a whole;
- Data from ONS from 2005 shows that the workplace based workforce of Coventry was 3% larger than the residence based workforce. This indicates a net in-commute of workers;
- In 2005, the CO2 emissions per head in Coventry were 7,200kg, up from 7,100kg in 2004 and 7,000kg per head in 2003. Coventry was one of the only West Midlands' areas to show an increase over this period;
- 16.8% of LSOAs in the city (out of 197 LSOAs) are amongst the 10% most deprived in the country compared to 15% in the wider West Midlands region;
- The percentage of housing built on previously developed land in Coventry is below the regional average at 82% (2006/7); the figure for the Region is 84%.

The People of Coventry

Key people indicators for Coventry



- After several years of a declining or stable population, the population of Coventry increased by nearly 6,000 people between 2001 and 2006.
- The majority of this increase was in the working age population and consequently Coventry has a higher proportion of its population of working age than the West Midlands, specifically in the 15 – 29 age groups.
- In 2005, nearly 25% of the population of Coventry was from a non-White British ethnic group. This group has increased since 2001 when it made of 22% of the population of Coventry.
- Nearly 15% of the working age population of Coventry were claiming out-of-work benefits in 2006/07, compared to a regional rate of 13.4%.
- Coventry now has more working age people qualified to levels 2 and 4 than the region as a whole. In 2005, Coventry had a lower percentage of people qualified to level 2 or higher (59.5%) but by 2006 this had increased to 62.1%.
- Coventry has higher levels of mortality and crime than the region. Although both are decreasing, they have been doing so more slowly than the region.

Appendix A – Using Radar Charts

A radar chart, also known as a spider chart or star chart because of its appearance, plots the values of each indicator along a separate axis. Each axis starts from the same point in the centre of the chart and ends on the outer ring.

Radar charts are useful when you want to look at several different indicators all related to one item. In our analysis the factors are all related to the regional figure for the West Midlands Region for each indicator.

In our analysis we use a radar chart to present data about a particular broad theme for each local authority area. In the report charts, all the variables have been measured relative to the regional average. A rating of more than 1 indicates the local area is performing better than the region as a whole, while a rating of below 1 indicates the local area is performing worse than the regional as a whole[30]. This means that for some indicators (denoted by an asterisk in the list below), a high value of the indicator will lead to a rating below 1 and a low value will mean a rating above 1.

Reading along the axes, if the indicator for the local authority is below 1 the point on the chart will be inside the middle ring. If the indicator for the local authority is above 1 the point on the chart will be outside the middle ring.

The resulting radar chart will graphically show areas of relative strength and relative weakness, as well as depicting general overall performance. The charts use the following indicators:

Business

Output – Gross Value Added per Head (2005, ONS Regional Accounts)
Productivity – Gross Value Added per Employee (2005, ONS Regional Accounts and Annual Business Inquiry)
Enterprise – VAT registrations per 1000 population (2006, BERR Small Business Service Analytical Unit)
Knowledge Economy - Percentage of workforce employed in knowledge intensive services (2006, ONS Annual Business Inquiry)
Inward Investment – Proportion of employees working in foreign-owned businesses (2006, ONS Inter-Departmental Business Register)
Earnings – Median earnings of people working in the area (2007, ONS Annual Survey of Hours and Earnings)

[30] Except for indicators where there it is not clear whether a high or low value is better, in which case figures above 1 represent a higher value and below 1 a lower value. This relates to the indicators of Inward Investment, Commuting & Age Profile.

Place

Road Transport – Total road traffic flow per head of population* (2007, DfT Road Traffic Statistics)
Housing – Housing affordability index (ratio of lower quartile house price to lower quartile income)* (2007, DCLG)
Land use – Percentage of housing completions on previously developed land (2006/07, DCLG)
Commuting – Net commuting as percentage of the total workforce (2006/07, ONS Annual Population Survey)
Emissions – Carbon dioxide emissions per head of population* (2005, DEFRA Local and Regional Estimates of Carbon Emissions – End User Basis)
Deprivation – Percentage of LSOAs in the area which are **not** in the 10% most deprived nationally (2007, DCLG Index of Multiple Deprivation)
Environment – Percentage of surveyed areas with acceptable levels of litter and detritus (2005/06, DCLG BVPI Local Street and Environmental Cleanliness Indicator)

People

Age profile – Proportion of the population who are of working age (2006, ONS Mid-year Population Estimates)
Worklessness – Percentage of the working age population who are on out-of-work benefits* (2006-07, DWP Working Age Client Group)
Level 2 – Percentage of the working age population qualified to at least level 2 (2006, ONS Annual Population Survey)
Level 4 – Percentage of the working age population qualified to at least level 4 (2006, ONS Annual Population Survey)
Health – All age, all cause mortality rate* (2006, National Centre for Health Outcomes Development)
Crime – Notifiable offences recorded by the police per head of population* (2006/07, Home Office Notifiable Offences Statistics)

* Low values for this indicator are >1 and high values are <1

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