Department for Communities and Local Government

The way forward: an independent review of the governance and organisational capabilities of Birmingham City Council: Supporting Analysis

Department for Communities and Local Government
Strategic Analysis Team
December 2014

Department for Communities and Local Government

Contents

Background

- This evidence pack provides supporting analysis used in the review **'The way forward: an independent review of the governance and organisational capabilities of Birmingham City Council.'** It contains information on the demographics of Birmingham and on performance **across a number of different measures**, historically and compared to other areas.

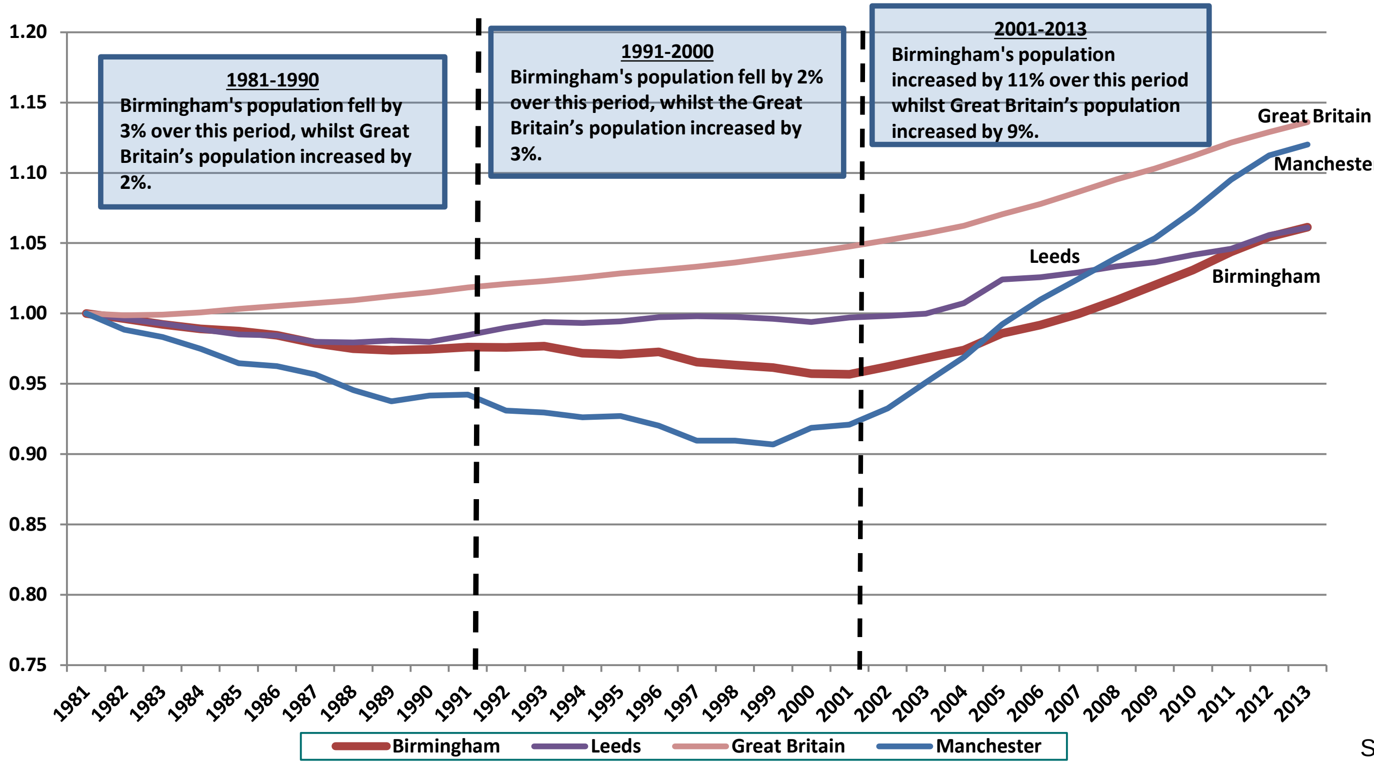
- To provide context, indicators have been **compared to other areas**: **Leeds, Liverpool, Manchester, Newcastle Upon Tyne, Sheffield, and Glasgow City**. These are referred to throughout the document as **'comparator areas.'** In addition, comparisons have been made with London and some London boroughs when looking at the age structure and ethnicity of Birmingham's residents.

- It should be noted that simple **comparisons between local authorities do not control for any potential underlying causes of differences**, such as deprivation.

Department for Communities and Local Government

Birmingham's population has grown by 11% since 2001...

Population Trends over time (1981-2013)



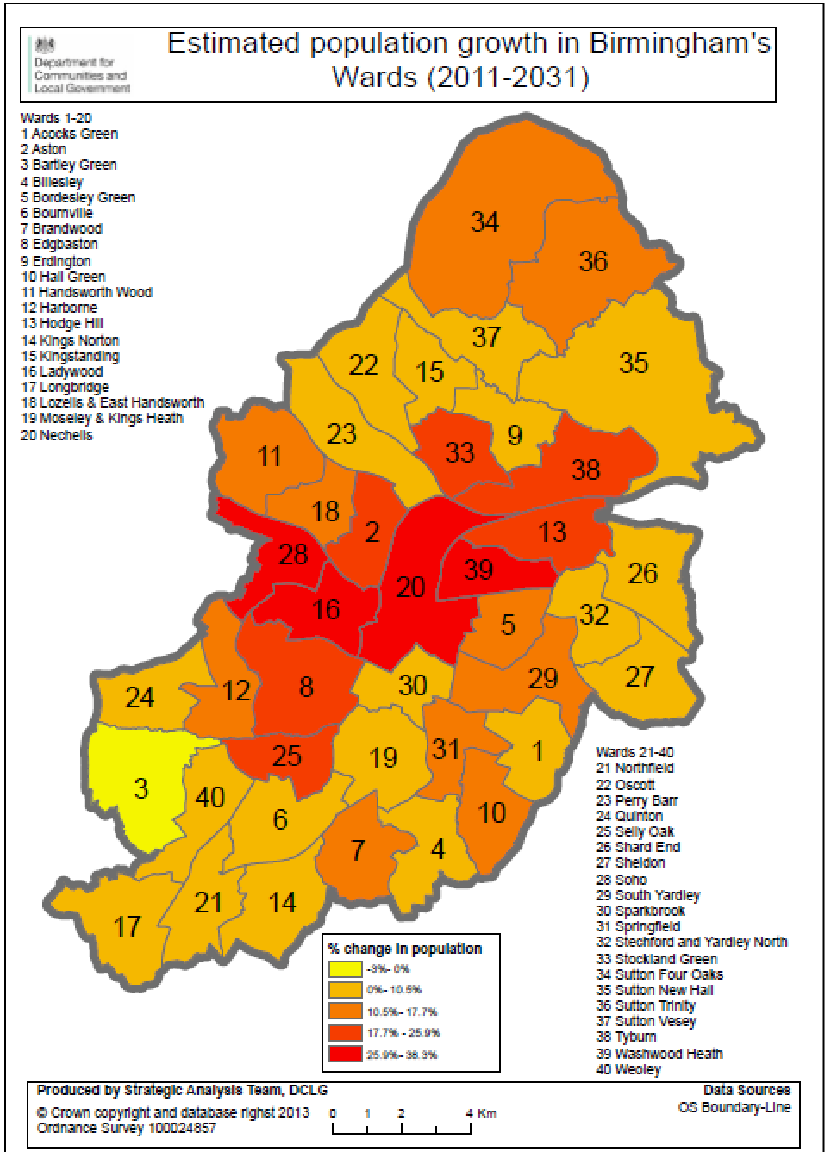
Note: Population growth is shown in index form, and is relative to population in 1981.

Source: ONS, Mid Year Population Estimates

- **Between 1981-1990 Birmingham's population fell by 3%.** Many other comparator areas also saw declines in their population over the same period, including Manchester (6% fall) and Leeds (2% fall). Great Britain on the other hand saw a 2% increase in its population.
- **Between 1991-2000 Birmingham's population fell by 2%.** In comparison, Leeds' population increased by 1%, whilst Manchester's fell by 2.5% and Great Britain's increased by 3%.
- **From 2001-2013 Birmingham's population increased by 11%** and in 2013 the population stood at 1,092,300. In comparison, the population of Leeds grew by 7% over the same period, whilst Manchester's grew by 22%.

Department for Communities and Local Government

…and it is expected to continue growing strongly



- **ONS forecasts that Birmingham's population will grow by 150,000 residents (14%) between 2011-2031.**

- The **wards in Birmingham with the largest expected population growth** (based on historical growth) are:
  - Ladywood (38%)
  - Soho (37%)
  - Washwood Heath (31%)
  - Nechells (30%)

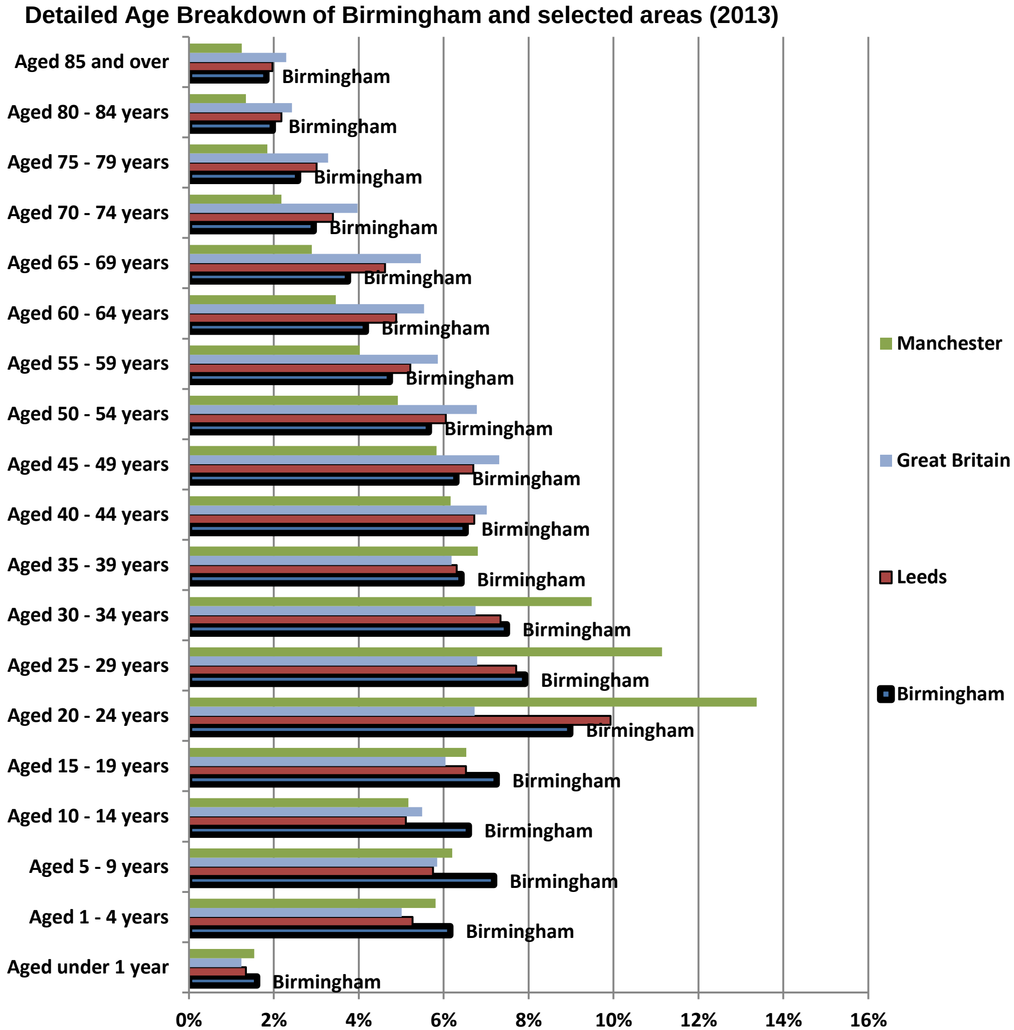
- Forecasted population growth for Ladywood has been adjusted to reflect planning permissions for residential development. Whilst it is expected to see significant population growth, it is unlikely to be as large as was seen between 2001-2011.

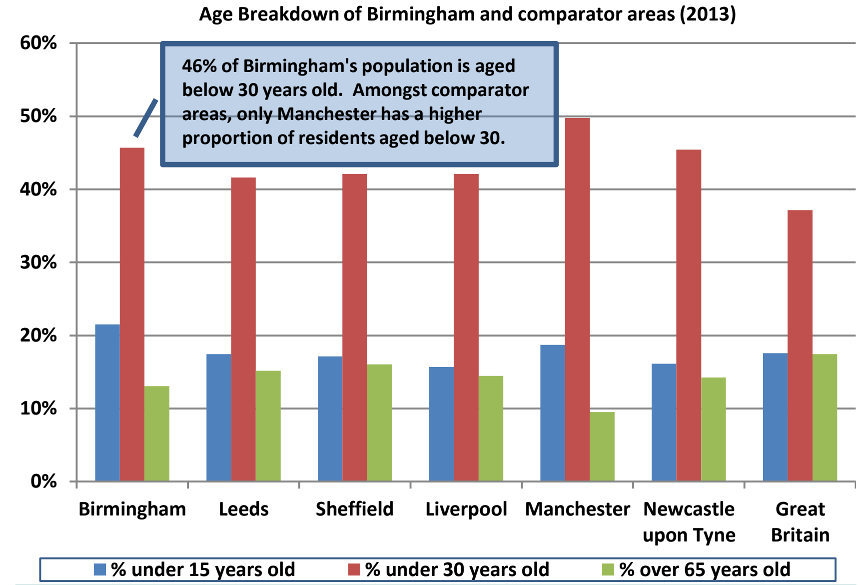
- There is a **concentration of areas around central Birmingham** that are expected to experience significant population growth in the next 20 years.

Source: Birmingham City Council forecasts using Census 2001 & 2011 data and ONS Sub-national population projections

Department for Communities and Local Government

Birmingham's population is relatively young compared to other areas...





- **Birmingham has a relatively young population compared to comparator areas.** 22% of Birmingham's residents are aged under 15 years old and 46% are aged under 30 years old.

- Amongst comparator areas, Manchester has a higher proportion of residents aged below 30 years old. Some London boroughs (Newham, Tower Hamlets and Barking and Dagenham) also have a similarly high share of young people.

- In contrast to this, **Birmingham has a lower proportion of residents aged 65 years and older than GB and other comparator areas (apart from Manchester).**

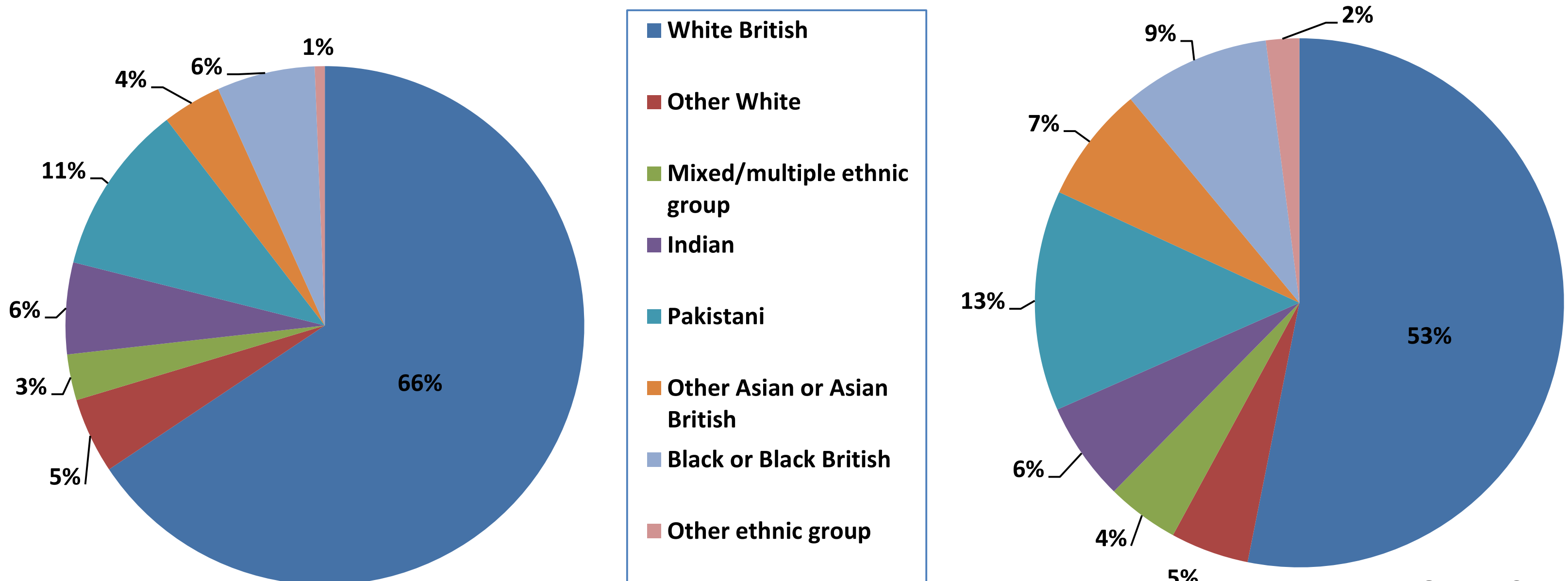
Source: ONS, Mid Year Population Estimates, 2013

Department for Communities and Local Government

...and has become increasingly diverse…

Ethnicity of Birmingham residents, 2001

Ethnicity of Birmingham residents, 2011



Source: Census 2001

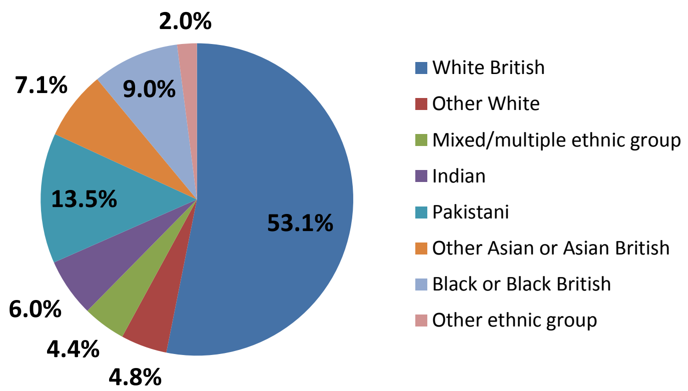
Source: Census 2011

- The proportion of **White British residents in Birmingham decreased by 13 percentage points (ppts) between 2001 and 2011.**
- Over the same time period, there was a 3.4 ppts increase in residents from other Asian/Asian British background, 2.9 ppts increase in Black or Black British residents, and 2.8 ppts increase in Pakistani residents.
- After White British, **the next biggest ethnic group in Birmingham is Pakistani**, making up 13% of the resident population.

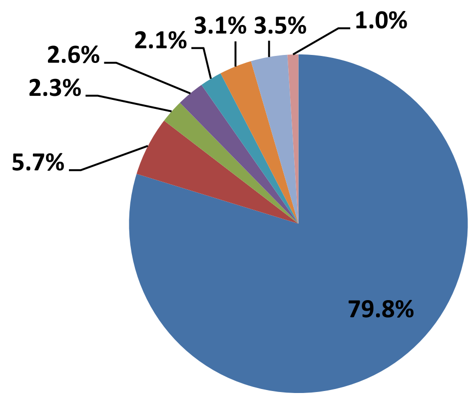
Department for Communities and Local Government

...especially in comparison to other areas

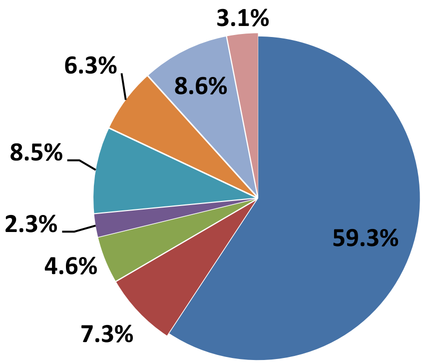
Ethnicity of Birmingham residents, 2011



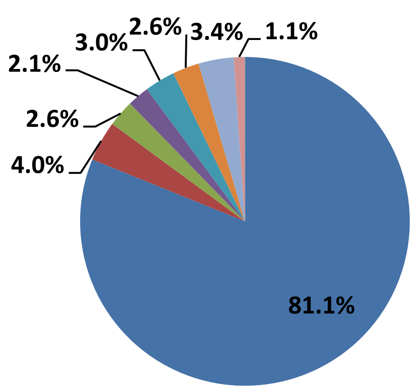
Ethnicity of England residents, 2011



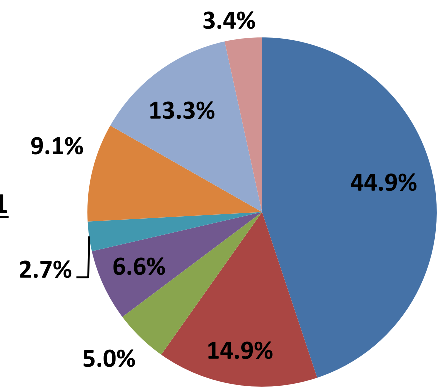
Ethnicity of Manchester residents, 2011



Ethnicity of Leeds residents, 2011



Ethnicity of London residents, 2011

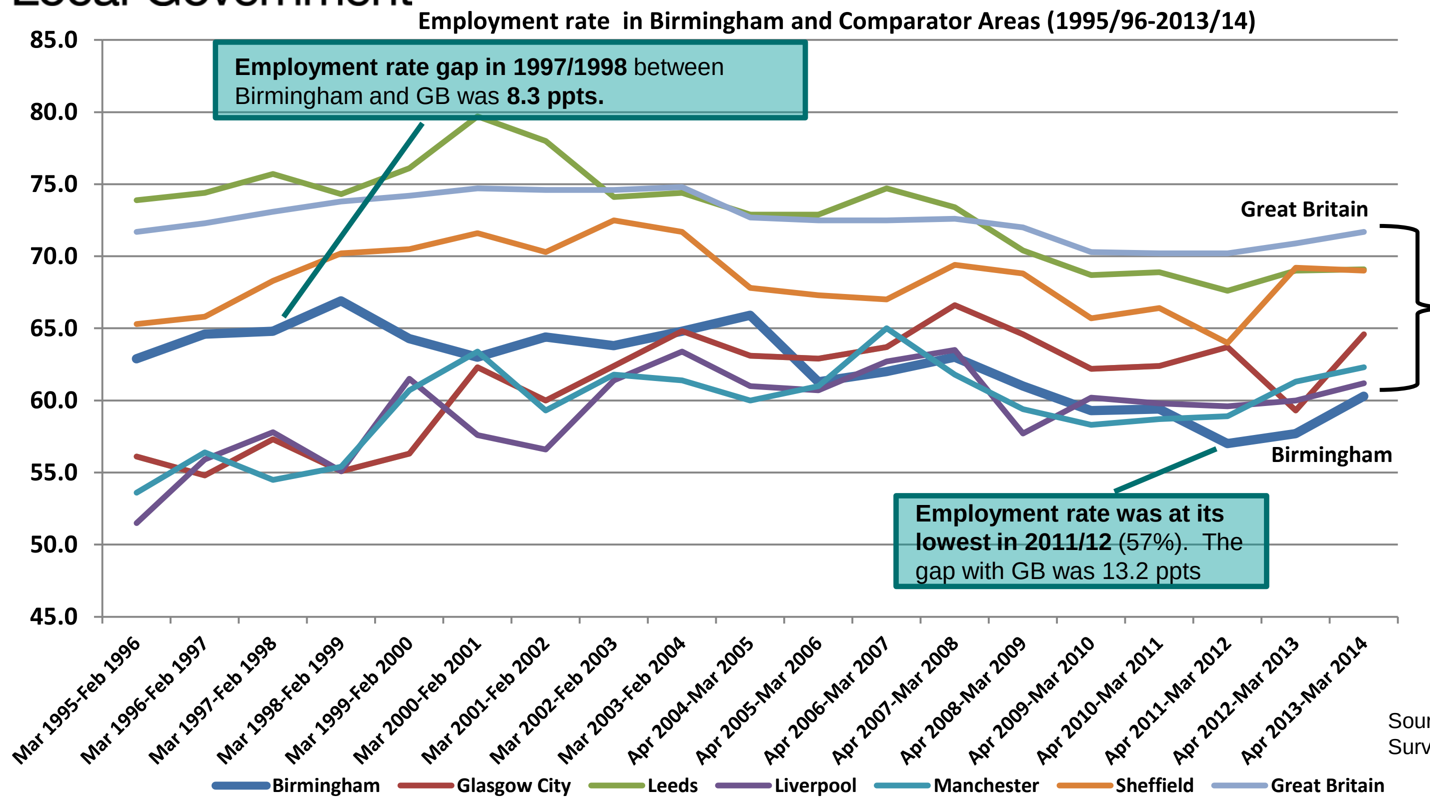


- **53% of Birmingham's population is White British,** lower than the England average (80%) and most other core cities.
- **In this sense, Birmingham's population is more like that of Manchester** (where 59% of residents are White British).
- **Birmingham's population is not as ethnically diverse as London's,** where 45% of resident population is White British.

Source: Census 2011

Department for Communities and Local Government

Worklessness is a continuing issue for Birmingham...



In 2013/14 the **employment rate gap** between Birmingham and Great Britain was **11.4 ppts. This gap has narrowed compared to 2012/13,** when it was 13.2 ppts**.**

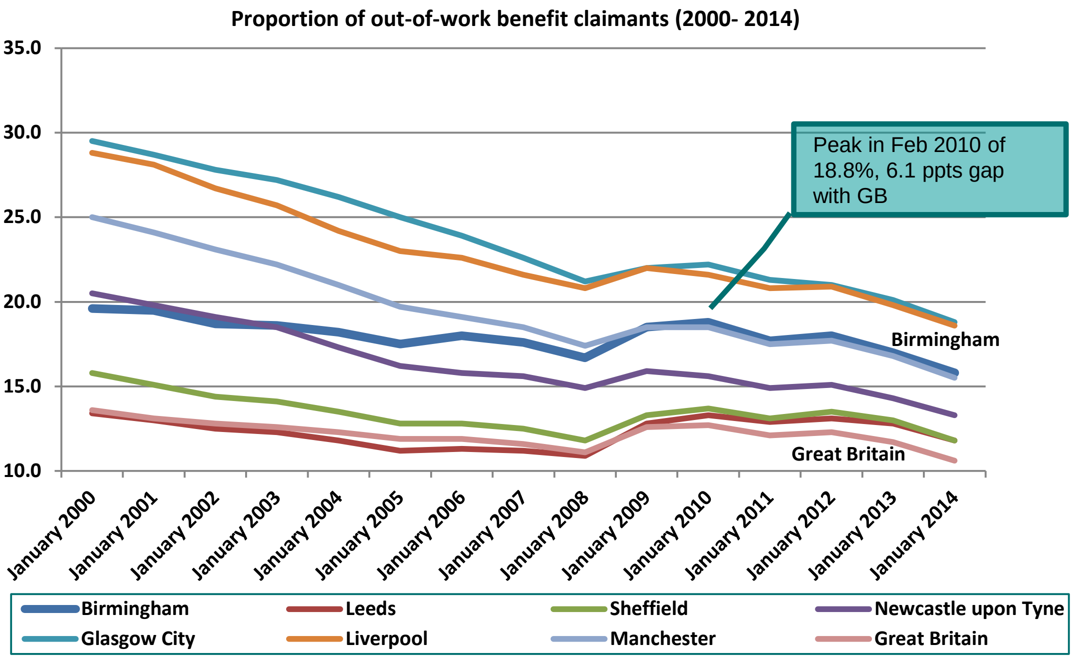
Source: Labourforce Survey, Annual Population Survey, 1995/96- 2013/14

- The **employment rate in Birmingham is lower than that of Great Britain, as well as other comparator areas**. In 2013/14, Birmingham's employment rate was 60.3%, 11.4 ppts behind that of Great Britain (71.7%). This employment gap has worsened since 1995/96, when it stood at 8.8 ppts, although it has narrowed slightly since 2012/13, when it was 13.2 ppts.

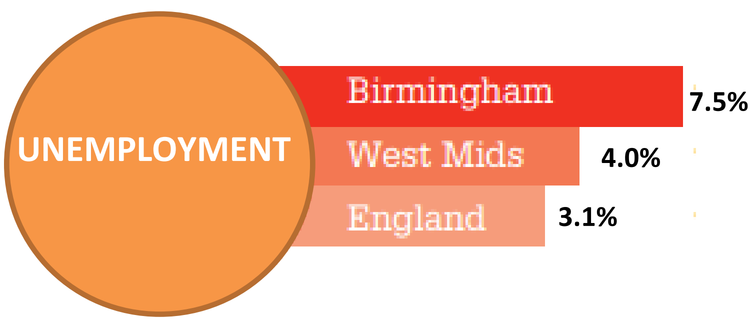
- **Birmingham's relative position compared to other areas has worsened since 1995/96**, and its employment rate is now lower than other comparator areas. Birmingham, including its surrounding primary urban area, was ranked in the bottom 5 in terms of employment rate compared to other major UK cities in Centre for Cities' 'Cities Outlook 2014.'

Department for Communities and Local Government

...with nearly 16% of working aged residents currently claiming out of work benefits...



- **Birmingham has a higher proportion of working age residents claiming out of work benefits compared to Great Britain**. In Feb 2014, 15.8% of working age residents were claiming out of work benefits in Birmingham, compared to 10.6% in Great Britain.
- **The gap between Birmingham and Great Britain has narrowed slightly since 2000**, from 6 ppts to 5.2 ppts in Feb 2014.
- **The proportion of out of work benefit claimants is similar to that of Manchester (15.5%)** and has followed a similar trend in the last 8 years.

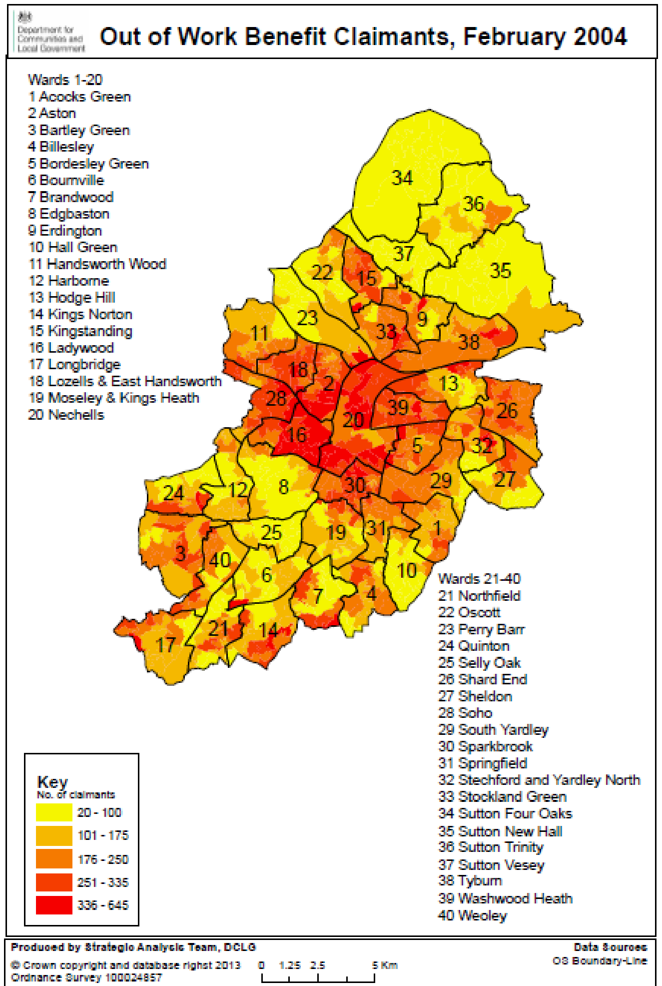


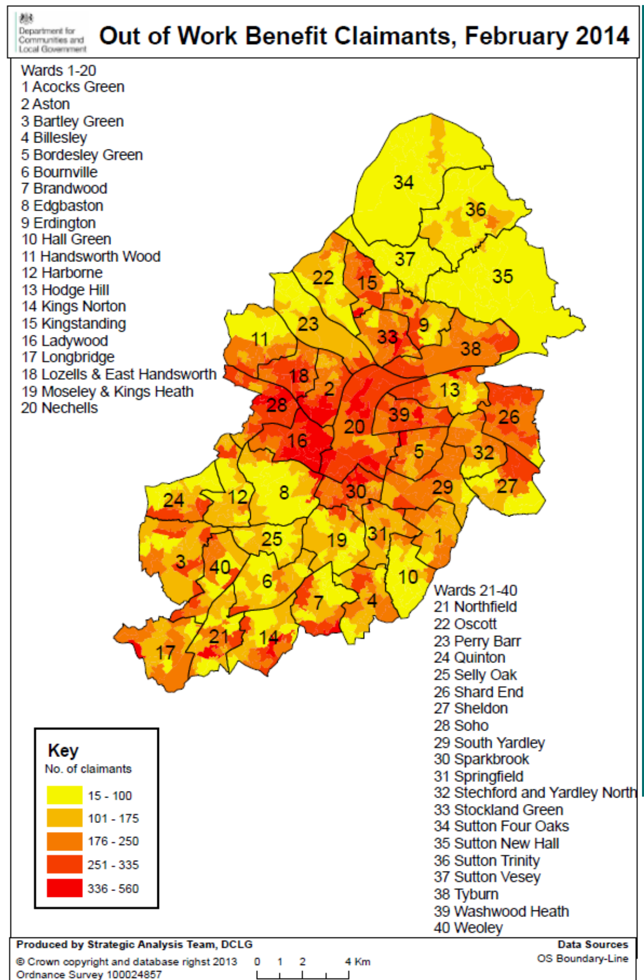
Key out-of-work benefits: consists of the following groups: job seekers, Employment Support Allowance (ESA) and incapacity benefits, lone parents and others on income related benefits

Source: DWP Benefits/ Labourforce Survey (2000-2014)

Department for Communities and Local Government

…and persistent concentrations of out of work benefit claimants in central Birmingham





- The wards with the highest number of out of work benefit claimants in 2014 were **Sparkbrook, Washwood Heath, Aston, Ladywood**, **Soho** and **Nechells.**
- **There has been some persistence in terms of the concentration of out of work benefit claimants**, with the same wards in 2004 and 2014 having high numbers of out of work benefit claimants.

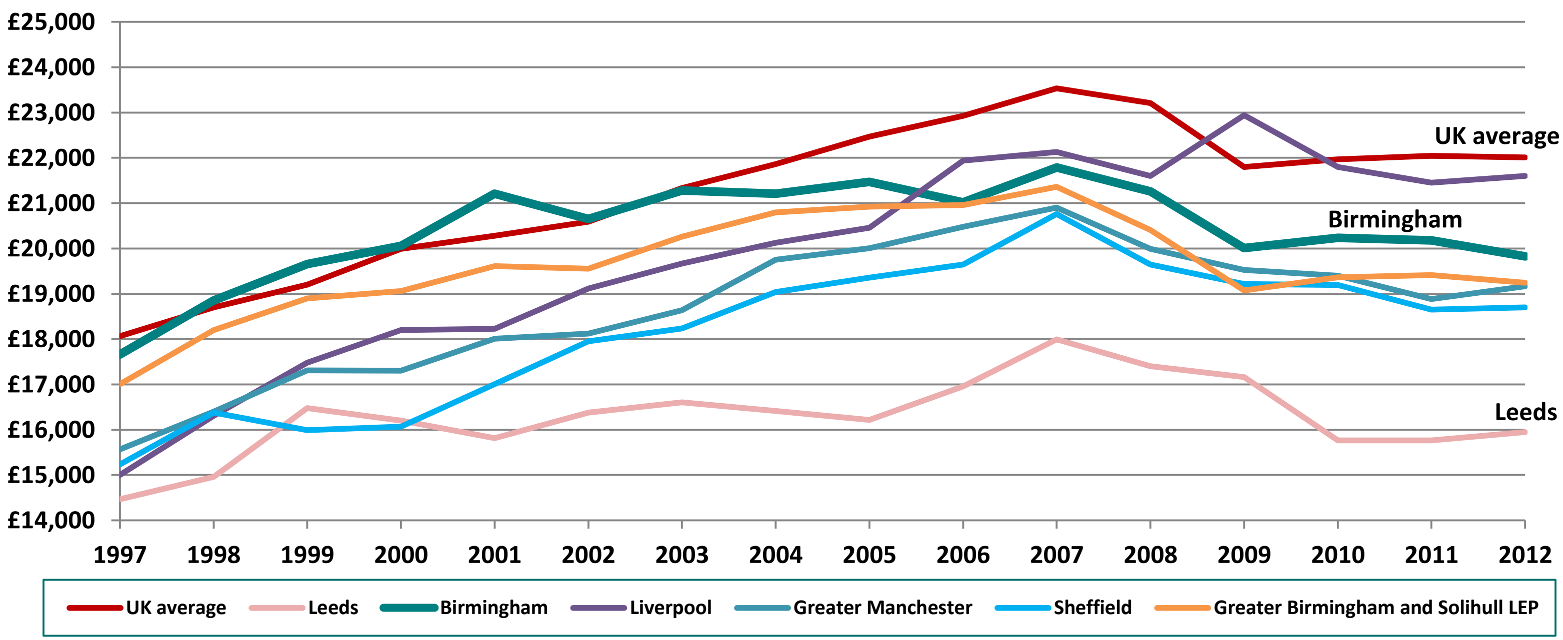
Source: DWP Benefits, Feb 2004 and Feb 2014

Department for Communities and Local Government

Birmingham's economy has fared worse than many other major areas…

- Gross Value Added (GVA) per capita in Birmingham **rose by about 12% in real terms between 1997 and 2012**, compared to **UK growth of 22%**. Over the same time period, most other comparator areas grew by more than Birmingham, with only Leeds growing by less (10%).
- **Between 2011 and 2012, Birmingham's GVA per capita fell by 1.8% in real terms,** compared to 0.2% fall in UK's GVA per capita. Over the same period, comparator areas experienced either positive or no growth.
- However, Birmingham's **GVA per capita in 2012 was still greater than most other comparator areas** (and Greater Birmingham and Solihull LEP), with the exception of Liverpool. Leeds had the lowest GVA per capita, and this has been the case since 2001.

Workplace-based real Gross Value Added per capita (2013 prices)



GVA

GVA is a measure of the value of goods and services produced in an area.

GVA per capita looks at GVA as a proportion of an area's entire population (including economically inactive). It is a useful way of comparing areas of different sizes.

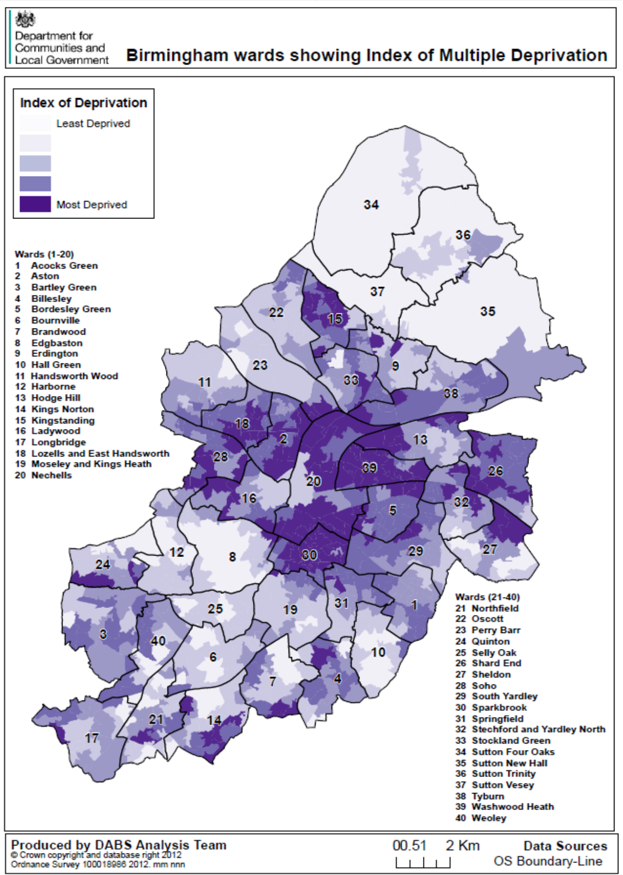
Source: ONS, Regional GVA

Department for Communities and Local Government

…and Birmingham has relatively high levels of deprivation

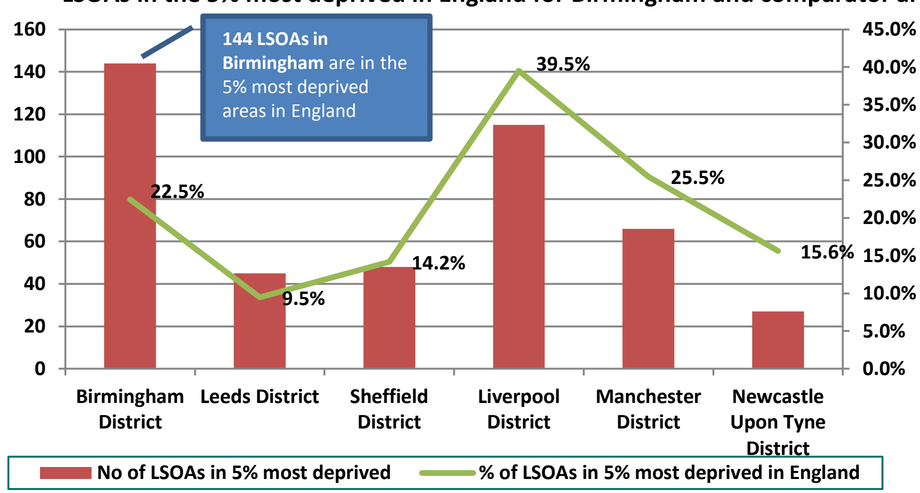
IMD Ranking of Birmingham and comparator areas, 2011

Local Authority Name	IMD Rank of Average Score
Liverpool	1
Manchester	4
Birmingham	9
Newcastle upon Tyne	40
Sheffield	56
Leeds	68



- Birmingham is the **9th most deprived local authority in England** according to the 2010 English Indices of Deprivation, falling from 10th in the 2007. Amongst comparator areas, only Liverpool (1st) and Manchester (4th) are more deprived, whilst Leeds was the least deprived.
- At the neighbourhood level, **22.5% of Birmingham's Lower Super Output Areas (LSOAs) were in the 5% most deprived areas in England**. Amongst comparator areas, Liverpool (39.5%) and Manchester (25.5%) have a higher proportion of areas amongst the 5% most deprived in England.
- It should be noted that the "average" figure for the city can mask large disparities in deprivation within the city. Looking at the neighbourhood level within Birmingham, **deprivation is concentrated in the inner city and east of the city** with pockets elsewhere.

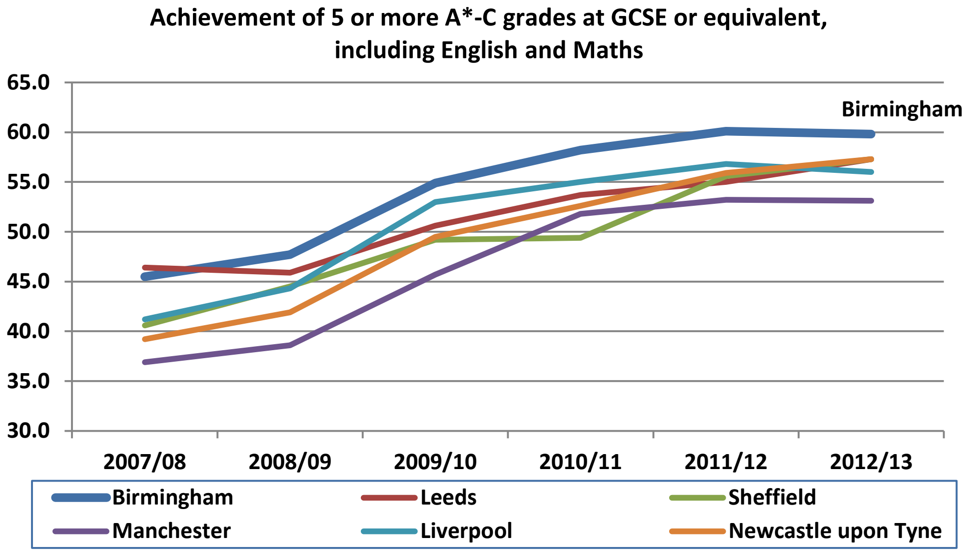
LSOAs in the 5% most deprived in England for Birmingham and comparator areas

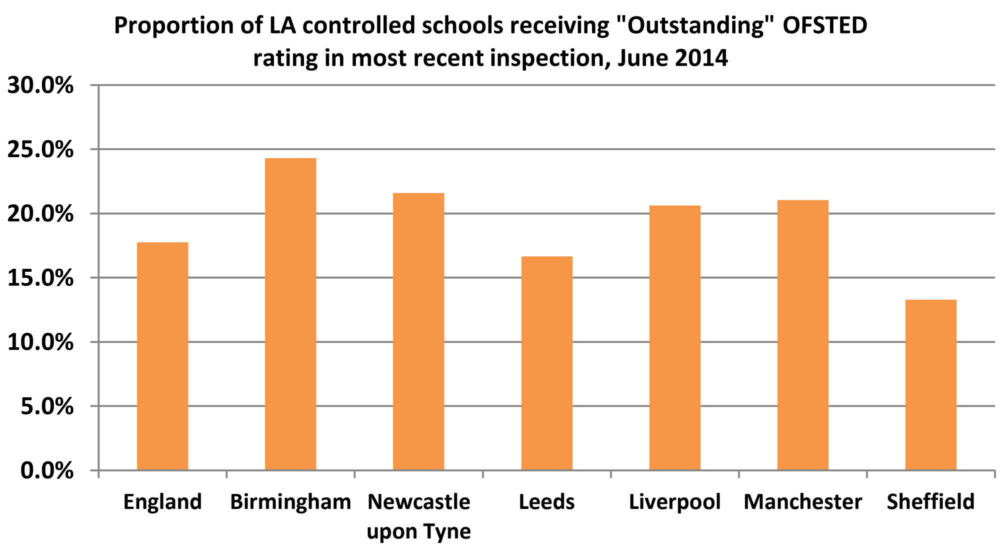


Source: English Indices of Deprivation , 2010.

Department for Communities and Local Government

Birmingham fares relatively well in terms of educational attainment and the quality of schools...





- **A higher proportion of students residing in Birmingham achieved at least 5 A*-C grades at GCSE compared to other areas**, with nearly 60% of students achieving at least 5 GCSEs at A*-C in 2012/13. Birmingham has been outperforming other areas since 2008/09.

- **Birmingham has a higher proportion of local authority run schools which received an "Outstanding" OFSTED rating in their most recent inspection compared to England average and comparator areas**. Nearly a quarter of local authority run schools in Birmingham were rated as "outstanding", compared to 18% in England overall.

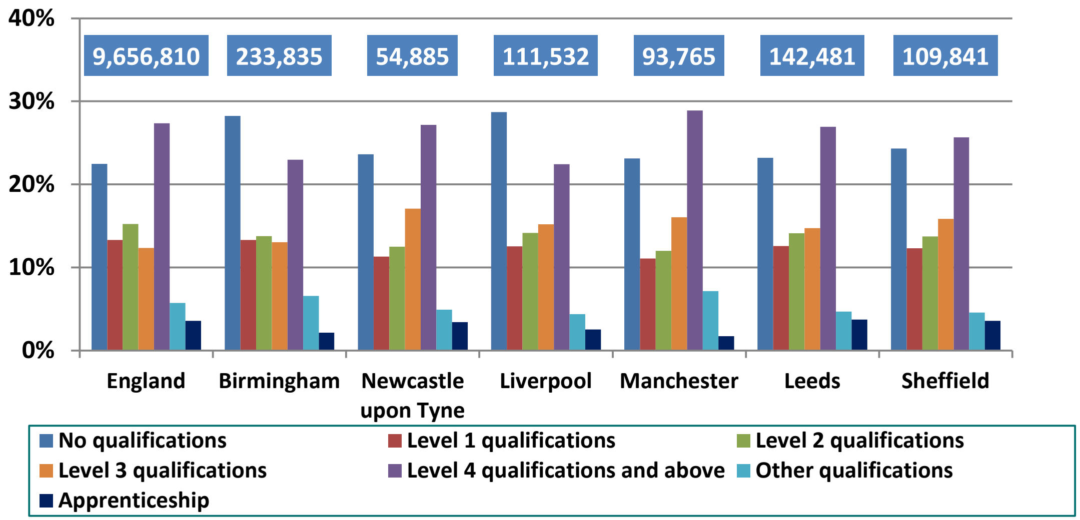
- However, in their latest report, Ofsted have identified that the potential for the radicalisation of pupils and the narrowing of the curriculum remain key areas of concern for Birmingham schools.

Sources: GCSE and Equivalent Results in England, Department for Education
Maintained Schools Inspections and Outcomes, OFSTED

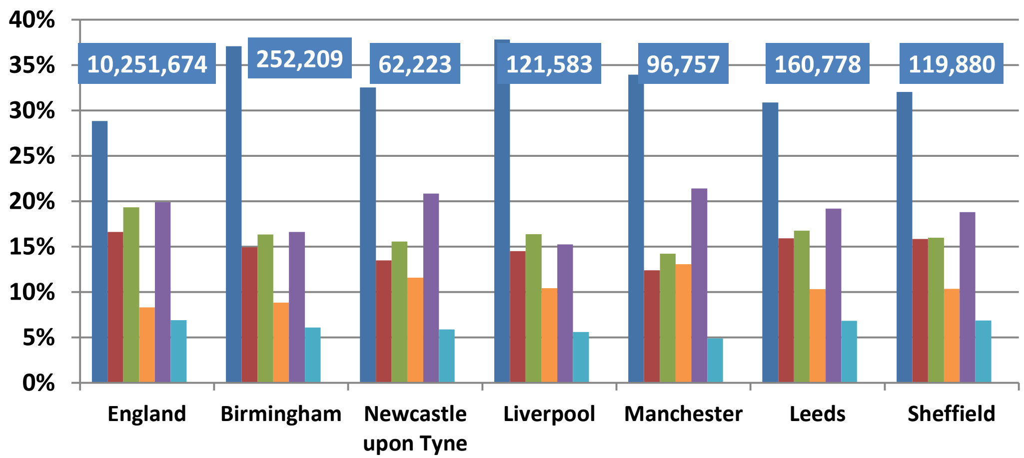
Department for Communities and Local Government

But adults lack skills - particularly at high levels…

Highest level of qualification of residents aged 16+, 2011, per cent



Highest level of qualification of residents aged 16+, 2001, per cent



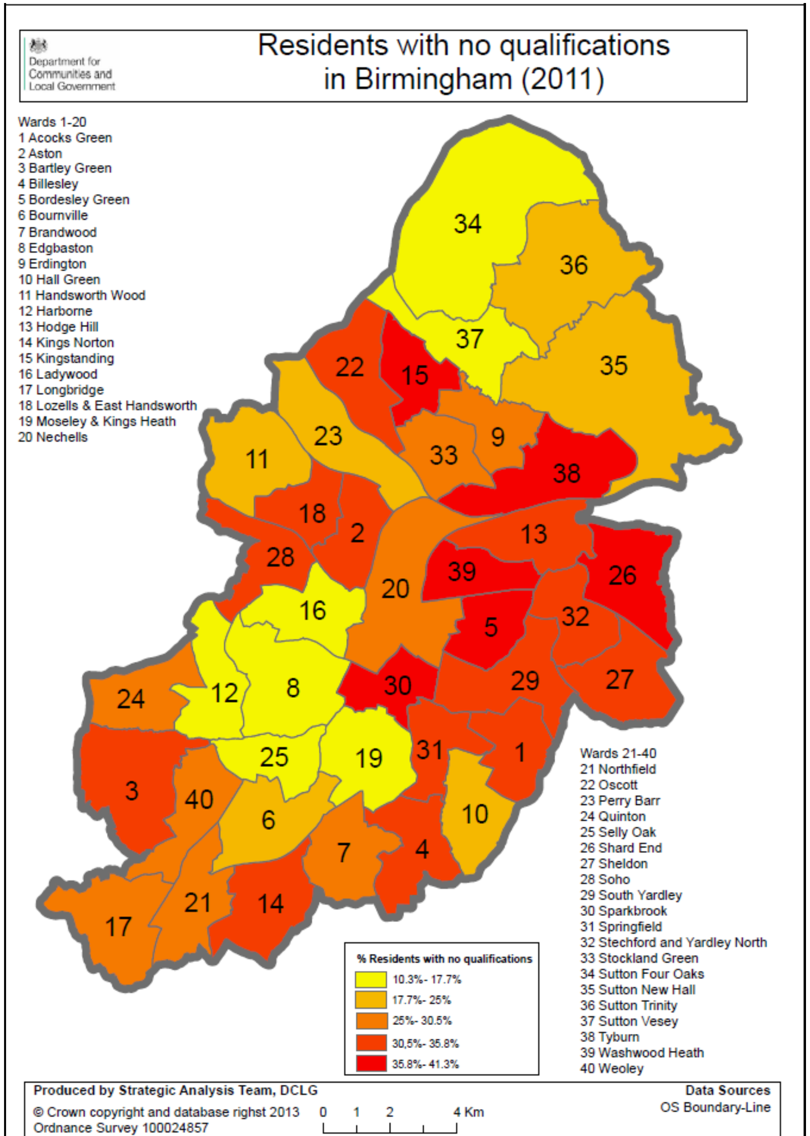
Source: Census, 2001 and 2011

- **Birmingham has a higher proportion of residents with no qualifications (28%) than England** (22.5%). Amongst comparator areas only Liverpool has a higher proportion of residents with no qualifications (nearly 29%).
- **Birmingham also has a lower proportion of residents with level 4 or above qualifications** (23%) than England and most comparator areas. Only Liverpool has a lower proportion of residents with level 4 or above qualifications (22%).
- Since 2001, the gap between Birmingham and England in terms of proportion of residents with no qualifications has narrowed.
- However, the gap in terms of those with level 4 or above qualifications has widened slightly.

- **Level 1**= foundation GNVQ, three to four GCSEs at grades D-E, Business & Technology Education Council (BTEC) first certificate
- **Level 2**= four or five GCSEs at grades A*–C, BTEC first diploma
- **Level 3**= two or more A levels, BTEC Ordinary National Diploma (OND), City & Guilds Advanced Craft.
- **Level 4=** BTEC Higher National Certificate (HNC) or Higher National Diploma (HND), or City & Guilds Full Technological Certificate / Diploma

Department for Communities and Local Government

…with particularly large concentrations of unskilled residents in East Birmingham



- There are **large concentrations of residents with no qualifications in East Birmingham**. The wards which have particularly large numbers include:
  - Washwood Heath (41%)
  - Shard End (41%)
  - Kingstanding (40%)
  - Bordesley Green (39%)
  - Tyburn (38%)
  - Sparkbrook (37%)
- All of these wards also had large concentrations of residents with no qualifications in 2001, although there has been some improvement since then.

Source: Census 2011

Department for Communities and Local Government

ANNEX: BIRMINGHAM’S FUNCTIONAL ECONOMIC GEOGRAPHY

Department for Communities and Local Government

What is a Functional Economic Market Area?

- **It is widely recognised that the economic activity does not neatly fit within the administrative boundaries of local government**. Economic flows often overlap local authority boundaries, and at the sub-regional level one can expect to find a number of different functional economic areas. These are known as functional economic market areas (FEMAs).
- **There is no universal approach to defining FEMAs.** The pattern of economic flows can be different depending on which local markets are being considered. There is an argument for analysing Census commuting or migration data, as the most reliable flow data, and supplementing this with data from other key markets: such as housing markets; supply chains in industry and commerce; and service markets for consumers.
- **Ideally, FEMAs would be defined on the basis of several markets or catchment areas which best reflect the drivers of the local economy**

Source: Definition taken from 'Functional Economic Market Areas: An Economic Note', DCLG (2010)

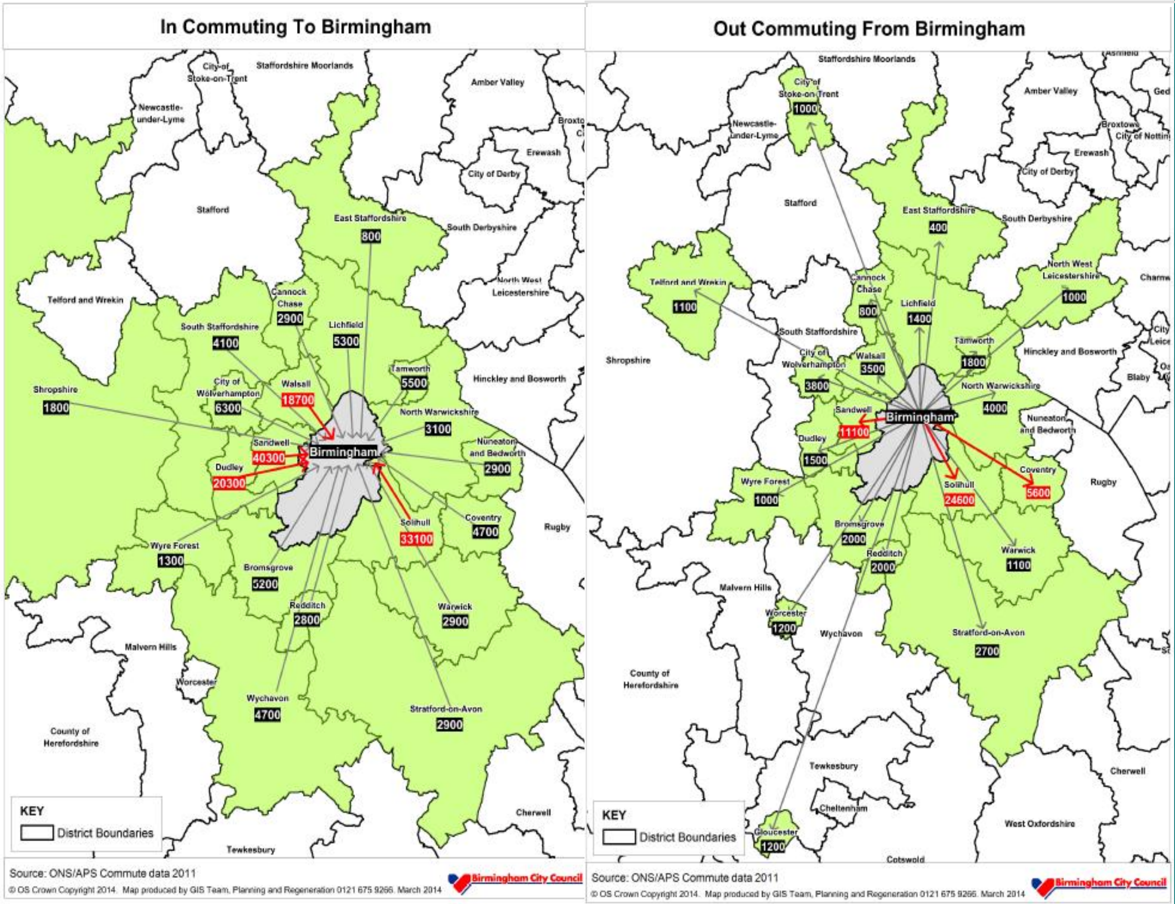
Department for Communities and Local Government

Travel to Work Areas

- **The most widely accepted approach to identifying FEMAs is by reference to "Travel to Work Area".** This is defined so that:
  - At least 75 per cent of residents work within it and
  - 75 per cent of workers live within it (known as self-containment rates).
  - The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.
- **Travel to Work Areas (TTWA) have been developed by ONS and are based on commuter flows data from Census 2001.** ONS will be updating these TTWAs in 2015 to reflect commuter flows from 2011 Census.
- There are some areas not within the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) which are in the TTWA, including parts of the Black Country LEP and parts of Warwick District.
- There are also some areas that are part of the Greater Birmingham and Solihull LEP which aren't in the TTWA, including large parts of Cannock Chase and East Staffordshire.

Department for Communities and Local Government

Commuter flows between Birmingham and the Black Country



Source: Birmingham City Council map based on Annual Population Survey, 2011

- **There are significant commuter flows between Birmingham and the Black Country local authorities.** Out of 509,000 people commuting into Birmingham in order to work, nearly 86,000 workers (17%) commute in from the Black Country LEP area. This is more than the number people commuting in from other parts of Greater Birmingham and Solihull LEP (approximately 57,000 workers).

- **A Combined Authority which included Birmingham and the Black Country would have a high degree of self containment.** 87% of employed residents would also be working in the area and 81% of workers would reside in the area. This exceeds the ONS thresholds for TTWAs.

Major employers in the area

There are several major employers which are likely to account for a lot of jobs in the area and commuter flows. **Jaguar Land Rover** have two manufacturing sites, both located in Solihull. **Kraft Foods** are located in the Bournville ward of Birmingham, and Amey and Deutsche Bank are located in the Ladywood ward of Birmingham.

Department for Communities and Local Government

Commuter flows between Birmingham and Solihull

Table 2.3: Total In-Commuting to Birmingham

Area of Residence	Total in Employment 2011	Employed in Birmingham	% Employed in Birmingham
Birmingham	398,800	313,300	78.6%
Solihull	95,000	33,100	34.8%
Sandwell	121,200	40,300	33.3%
Walsall	104,300	18,700	17.9%
Tamworth	31,100	5,500	17.7%
Dudley	139,100	20,300	14.6%
Bromsgrove	41,500	5,200	12.5%
Lichfield	45,400	5,300	11.7%
North Warwickshire	29,400	3,100	10.5%
Redditch	38,400	2,800	7.3%
Wolverhampton	94,300	6,300	6.7%
Cannock Chase	43,700	2,900	6.6%
Coventry	134,700	4,700	3.5%
Wyre Forest	48,400	1,300	2.7%
East Staffordshire	54,800	800	1.5%
Functional Geography (excluding Birmingham residents)	1,021,300	150,300	14.7%

Table 2.4: Out Commuting by Birmingham Residents

Area of Workplace	Total Out Commuting from Birmingham	% of Employed Birmingham Residents	Total Jobs 2011	% of Jobs Taken by Birmingham Residents
Solihull	24,600	6.2%	95,000	25.9%
Sandwell	11,100	2.8%	121,200	9.2%
Coventry	5,600	1.4%	134,700	4.2%
North Warwickshire	4,000	1.0%	29,400	13.6%
Wolverhampton	3,800	1.0%	94,300	4.0%
Walsall	3,500	0.9%	104,300	3.4%
Bromsgrove	2,000	0.5%	41,500	4.8%
Redditch	2,000	0.5%	38,400	5.2%
Tamworth	1,800	0.5%	31,100	5.8%
Dudley	1,500	0.4%	139,100	1.1%
Lichfield	1,400	0.4%	45,400	3.1%
Wyre Forest	1,000	0.3%	48,400	2.1%
Cannock Chase	800	0.2%	43,700	1.8%
East Staffordshire	400	0.1%	54,800	0.7%

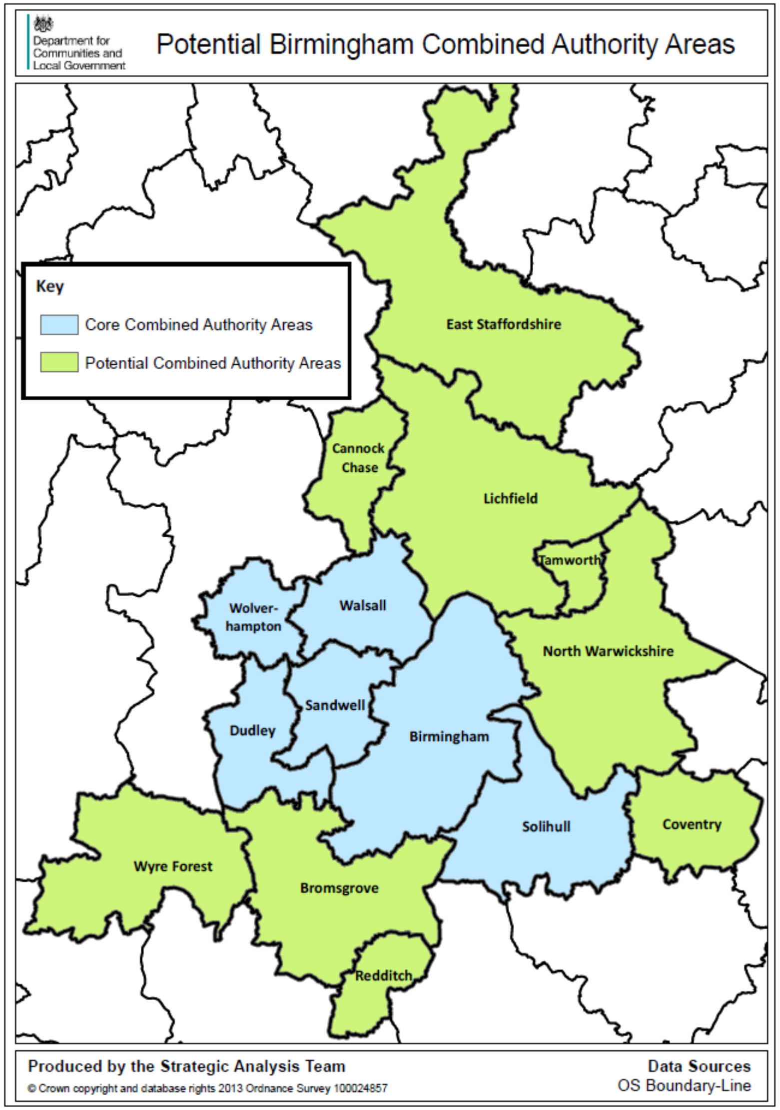
- **There are significant commuter flows between Solihull and Birmingham.** Over a third of Solihull's employed residents work in Birmingham, and over a quarter of jobs in Solihull are currently taken by Birmingham residents.

- **Including Solihull in a combined authority area along with Birmingham and the Black Country would increase the degree of self containment of the area.** 89% of employed residents of the area would also work in the area, and 84% of workers would reside in the area.

Source: Annual Population Survey, 2011

Department for Communities and Local Government

Areas which could be included in a Combined Authority



- **A combined authority area which included Birmingham, Solihull and the Black Country would have a very high degree of self containment of the area.** 89% of employed residents of the area would also work in the area, and 84% of workers would reside in the area.

- **A Combined Authority which also included Bromsgrove, Lichfield, Tamworth, Wyre Forest, Redditch, Cannock Chase, East Staffordshire, North Warwickshire and Coventry would have slightly higher degree of self containment.** 90% of employed residents of the area would also work in the area and 87% of workers would also reside in the area.

Department for Communities and Local Government

Sources

- **Slide 4: Population**: ONS Mid Year Population Estimates
- **Slide 5: Population Growth:** Census of Population & ONS Sub-national Population Projections
- **Slide 6: Age breakdown:** ONS Mid Year Population Estimates
- **Slides 7- 8: Ethnic Diversity:** Census of Population
- **Slide 9: Employment:** Labourforce Survey & Annual Population Survey
- **Slides 10-11: Out of Work Benefit Claimants:** DWP Benefits
- **Slide 12: Economy:** ONS Regional GVA
- **Slide 13: Deprivation:** English Indices of Deprivation 2010
- **Slide 14: Educational Attainment:** GCSE and Equivalent Results in England, Department for Education
- **Slide 14: OFSTED Inspections:** Maintained schools inspections and outcomes, OFSTED
- **Slide 14: OFSTED Inspections:** OFSTED Annual Report 2013/14
- **Slides15-16: Skills:** Census of Population
- **Slides 20-22: Commuter Flows:** Commuting Patterns, Annual Population Survey