

Each point on the chart represents one of the 333 Lower Super Output Areas in Warwickshire.

The points are colour coded according to which district the LSOA is located in:

- North Warwickshire Borough
- Nuneaton & Bedworth Borough
- Rugby Borough
- Stratford-on-Avon District
- Warwick District

Note the concentration of **brown** points towards the top left of the range (Stratford-on-Avon), while the points towards the lower right end of the chart are most likely to be **red** (Nuneaton & Bedworth)

The chart illustrates the correlation between levels of child poverty and attainment at school. The higher the levels of child poverty in a community, the lower the level of GCSE achievement in that area.

We cannot go so far as to prove the relationship is causal given the available data (i.e. that poverty leads to poor attainment, or vice versa), but the figures imply some form of relationship exists.

The ten LSOAs with the highest child poverty rates in the county have an average of 33% of pupils getting good GCSE's. Conversely, the ten LSOA's with the lowest child poverty rates in the county have an average of 76% of pupils getting good GCSE's.

Sources: Warwickshire County Council (Business Intelligence - Children's), HMRC, Warwickshire Observatory

# Earnings

## Description

Levels of earnings are an important economic indicator and help to identify areas of relative affluence and deprivation; low levels of earnings indicate that individuals may struggle to attain a good quality of life. The Annual Survey of Hours and Earnings (ASHE) provides information about the earnings of employees living and working in an area, excluding the self-employed. Residence-based earnings figures for Warwickshire include the earnings of all Warwickshire residents irrespective of whether they work outside the county. Workplace-based earnings data represent the wages of those working in the county, whether they live in the county or outside, and reflect the profile of the types of jobs in the area rather than the jobs held by its residents.

The statistics presented here use the median (the value below which 50% of employees fall) rather than the mean; the median is less influenced by extreme values, particularly relevant here due to the skewed distribution of earnings data. The median indicates the amount earned by a 'typical' worker.

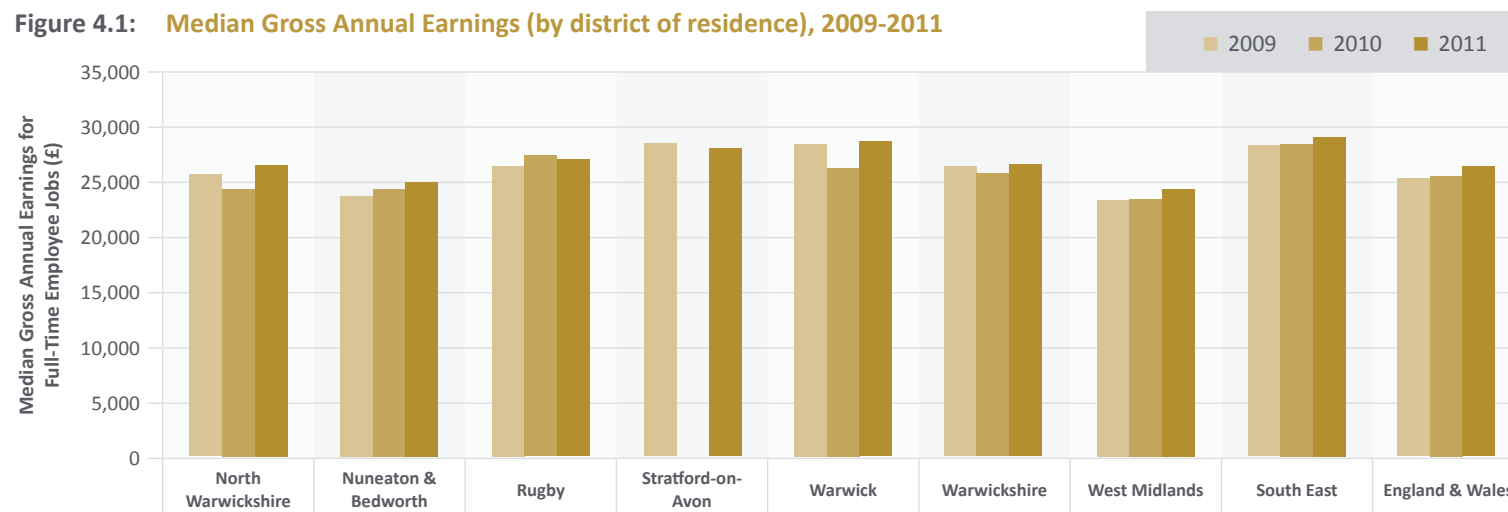
## Performance

The median gross annual earnings (before tax, national insurance or other deductions) for a full-time worker living in Warwickshire were £26,800 in 2011, which is an increase of just over £500 compared to 2010. This increase is higher than the one witnessed in England and Wales, which saw median earnings increase by approximately £350.

This means that earnings in Warwickshire are now approximately £350 above the national median and more than £2,200 above the regional median. Earnings in the most affluent area of the country, the South East, have also continued to increase, to £29,330. However the gap between Warwickshire and the South East has remained relatively static over the last twelve months.

Figures are also available at district level. Residents of Warwick District were recorded as having the highest earning levels in 2011 at £28,811. This is £2,275 more than in 2010, which also means that Warwick is the most improved of the districts between 2010 and 2011. The residents of Nuneaton & Bedworth Borough have the lowest earning levels at £25,137, although this does represent an increase of approximately £300 since 2010. Perhaps of more concern is that the median estimate in Rugby Borough has decreased by approximately £350 in the last 12 months, making it the only area in Warwickshire to witness a decline in median earnings levels.

**Figure 4.1: Median Gross Annual Earnings (by district of residence), 2009-2011**



Source: Annual Survey of Hours and Earnings 2011 (ASHE), National Statistics ([www.statistics.gov.uk](http://www.statistics.gov.uk)) © Crown Copyright 2011

Notes: Smaller sample sizes mean estimates of earnings at local authority district level need to be treated with caution. The estimate of earnings for Stratford-on-Avon in 2010 was suppressed, due to being statistically unreliable

# Earnings

The differences between workplace-based and residence-based wages reflect the mobility of better-qualified people. People living in Warwickshire tend to earn more than people who only work in the county; this inequality has remained fairly static over the last twelve months, and stands at approximately £576. People who live in Coventry tend to earn less than people who work there, by approximately £1,450.

**Figure 4.2: Comparison of workplace-based and residence-based earnings, 2011**

	Workplace-based Earnings (£)	Residence-based Earnings (£)	Difference (£)
<b>Warwickshire</b>	<b>26,224</b>	<b>26,800</b>	<b>+576</b>
Coventry	26,583	25,130	-1,453
Solihull	28,096	29,201	+1,105
West Midlands	24,550	24,568	+18
South East	27,881	29,330	+1,449
England and Wales	26,425	26,442	+17

*Source: Annual Survey of Hours and Earnings 2011 (ASHE), National Statistics (www.statistics.gov.uk) © Crown Copyright 2011*

Nuneaton & Bedworth Borough has the lowest workplace-based earnings (£21,967) and Rugby Borough the highest (£28,341). The relatively small sample sizes used in this survey make analysis at the local authority district level difficult, as small sample sizes can lead to sizeable statistical variation in results. However, differences between the districts in terms of workplace earnings can be partially explained by differences in the types of jobs which are found in each district. Areas dominated by distribution and manufacturing sectors tend to have lower workplace earnings than those with higher proportions of knowledge intensive service enterprises.

Warwickshire has experienced increases in both its workplace-based and residence-based earnings over the last twelve months; the increase witnessed is also greater than that of the national figures. However, these increases at a county level mask considerable variation at a district level.

**Figure 4.3: Typical gross annual earnings, full-time workers, 2011**

	Workplace-based Earnings (£)		Residence-based Earnings (£)	
	Earnings	% change on 2010	Earnings	% change on 2010
North Warwickshire	26,957	+13.2	26,871	+8.6
Nuneaton & Bedworth	21,967	-5.7	25,137	+1.2
Rugby	28,341	4.9	27,346	-1.8
Stratford-on-Avon	25,537	-2.0	28,103	-
Warwick	27,002	+3.7	28,811	+8.6
<b>Warwickshire</b>	<b>26,224</b>	<b>+2.3</b>	<b>26,800</b>	<b>+2.0</b>
England & Wales	26,425	+1.4	26,442	+1.3

*Source: Annual Survey of Hours and Earnings 2011 (ASHE), National Statistics (www.statistics.gov.uk) © Crown Copyright 2011*

*Note: Smaller sample sizes mean estimates of earnings at local authority district level need to be treated with caution*



# Earnings

---

## Outlook

The last twelve months have witnessed increases in median gross annual earnings in Warwickshire, both at a workplace-based and residence-based level. The increases seen have been higher than those experienced in England & Wales; however considerable variation in earnings between the districts still remains. Of course, this indicator only relates to those people who have jobs.

The section on 'Issues for Families' discusses earnings and household income in more detail. The current economic climate has seen a freeze in the pay of many individuals, a shrinking job market and also cuts to pensions. It is important to look at how these changes may impact upon families in Warwickshire.

## Further Information

Details of the Annual Survey of Hours & Earnings: <http://bit.ly/LImPmO>

Alternatively, contact the Observatory on **01926 418049** or email [research@warwickshire.gov.uk](mailto:research@warwickshire.gov.uk).



# Household Income

## Description

Household income levels are an important economic indicator to focus on due to the current climate and increasing costs. In previous Quality of Life reports the Observatory has used the IncomeX dataset as an estimate of gross annual household income. This year the Mosaic dataset has been used to model areas likely to have low levels of household income.

The Mosaic dataset tells us how many households in each Super Output Area (SOA) are of each Mosaic Type. It also tells us the propensity for each Mosaic Type to have an annual household income less than 60% of the national median household income. These two sets of data are used to create an index value for each SOA in the county.

The higher the index value, the greater propensity the area is to have low levels of household income. An index value of 100 is the national average.

## Performance

The highest index value across the county was witnessed in the Rugby 'Town Central' SOA in Rugby Borough. The index value of 180 indicates that the SOA is 80% more likely to contain households that have an annual household income of less than 60% of the national median household income. Of the 20 SOAs in the county with the highest index values, 13 are in Nuneaton & Bedworth Borough, three are in Rugby Borough, and there are two each in North Warwickshire Borough and Warwick District. These neighbourhoods are listed in Figure 4.4.

**Figure 4.4: Super Output Areas most likely to contain households with an income less than 60% of the median annual income**

SOA Name	District	Index
Rugby Town Central	Rugby	180
Bar Pool North & Crescents	Nuneaton & Bedworth	178
Abbey Town Centre	Nuneaton & Bedworth	171
Riversley	Nuneaton & Bedworth	160
Middlemarch & Swimming Pool	Nuneaton & Bedworth	160
Caldecott North West	Rugby	158
Camp Hill Village Centre	Nuneaton & Bedworth	157
Attleborough North West	Nuneaton & Bedworth	155
Bede East	Nuneaton & Bedworth	150
Atherstone Central - Centre	North Warwickshire	148
Bede Cannons	Nuneaton & Bedworth	147
Weddington South West & River	Nuneaton & Bedworth	147
Lillington East	Warwick	145
Old Town West & Railway Bridge	Warwick	143
Camp Hill West & Quarry	Nuneaton & Bedworth	142
Camp Hill South West & Brook	Nuneaton & Bedworth	141
Bede Bedworth Town Centre	Nuneaton & Bedworth	140
Kingswood Grove Farm & Rural	Nuneaton & Bedworth	139
Atherstone North - St Georges and Carlyon	North Warwickshire	137
Hillmorton West	Rugby	136

Source: Mosaic, Warwickshire Observatory 2011

Of the 20 lowest Index values, eight are also in Nuneaton & Bedworth Borough, including the lowest index value in the whole county (45 in Galley Common South). This highlights the variation that can exist within just an individual town and reinforces the point that deprivation or need cannot be summarised as a simple north/south of the county issue. Of the other 12 lowest index values, seven are in Warwick District, three are in Rugby Borough and two are in Stratford-on-Avon District.

Click on the interactive map button to see household income data at a Super Output Area level.



# Household Income

The lowest index values do not necessarily contain the households with the highest annual incomes, just the households that do not contain the lower incomes. To find out which SOAs are most likely to contain the highest incomes, a further measure within the Mosaic dataset has been analysed; households with an income in excess of £60,000 per year. Figure 4.7 lists the 20 Super Output Areas with the highest index values in the county on this measure.

Within the top decile in the county (the 33 SOAs with the highest index scores), 17 are in Stratford-on-Avon District and 13 are in Warwick District. Within the bottom decile of SOAs, 25 are in Nuneaton & Bedworth Borough and none are in Stratford-on-Avon District.

**Figure 4.5:** Super Output Areas most likely to contain households with an income greater than £60,000 per year

SOA Name	District	Index
Tamworth	Stratford-on-Avon	378
Lapworth North, Baddesley Clinton & High Cross	Warwick	368
Milverton North	Warwick	360
Glass House & Windy Arbour	Warwick	353
Lapworth South, Bushwood Lowsonford & Rowington	Warwick	348
Leek Wootton, Guys Cliffe & Beausale	Warwick	347
Earlwood	Stratford-on-Avon	339
Wroxhall, Hasely & Honiley	Warwick	319
Moreton Morrell, Ashorne & Newbold Pacey	Stratford-on-Avon	311
Welford	Stratford-on-Avon	302
Thickthorn & Castle End	Warwick	298
Marston and Water Park	North Warwickshire	296
Bubbenhall, Wappenbury, Weston & Eathorpe	Warwick	296
Claverdon	Stratford-on-Avon	295
Newbold-on-Stour, Ilmington East & Whitchurch	Stratford-on-Avon	289

Source: Mosaic, Warwickshire Observatory 2011



Click on the interactive map button to see household income data at a Super Output Area level.

## Outlook

In June 2012, the Office for National Statistics (ONS) reported that average disposable income fell by around £200 in real terms between 2009/10 and 2010/11 across the country. The largest fall was for the middle fifth of households, largely driven by a decrease in income from wages and salaries for households in this group.

With the current weak economy, restrained consumer demand and the need to reduce public spending, household income growth is expected to be weak or non-existent again over the coming twelve months. While it is hoped that the impact will be relatively short-term and have a limited overall effect, it is likely to increase financial pressures on low and middle-income earners in the county.

## Further Information

For further information on household income, please contact the Warwickshire Observatory on **01926 418049** or e-mail [research@warwickshire.gov.uk](mailto:research@warwickshire.gov.uk).



# Financial Inclusion

## Description

Financial Inclusion is about ensuring that everyone has access to appropriate financial services and advice, enabling them to manage their money on a day to day basis. It is also about helping residents to plan for the future and cope with financial pressure and deal effectively with financial distress. People who are able to achieve these goals are more likely to enjoy a better quality of life.

This indicator looks at an umbrella of indicators that have been combined to create an 'index of financial inclusion'. The index has been used by the Warwickshire Financial Inclusion Partnership to identify local areas most likely to contain households most at risk of financial exclusion. The index consists of the following variables:

- Council Tax / Housing Benefit Claimant with children
- Claimant Count
- Free School Meals
- Fuel Poverty
- No Savings
- Debt levels
- No direct payment account

The index has been created at a Super Output Area level, so that areas at risk of exclusion can be identified at a lower geographical area.

## Performance

The index has been calculated so that the higher the index value in an area, the more likely residents living there are to suffer from financial exclusion. The highest index value across the county was witnessed in the 'Camp Hill Village Centre' SOA in Nuneaton & Bedworth Borough. In fact eight of the highest nine index values were assigned to SOAs in Nuneaton & Bedworth Borough, the other being in North Warwickshire Borough.

Figure 4.6 displays the highest 20 index values in the county, where an index value of zero represents the county average. The table shows that 14 of the 20 SOAs most at risk are in Nuneaton & Bedworth Borough, with two each in North Warwickshire Borough, Rugby Borough and Warwick District.

**Figure 4.6: Super Output Areas most likely to contain households at risk of becoming 'financially excluded'**

SOA Name	District	Index
Camp Hill Village Centre	Nuneaton & Bedworth	18.60
Bar Pool North & Crescents	Nuneaton & Bedworth	17.57
Middlemarch & Swimming Pool	Nuneaton & Bedworth	16.60
Camp Hill West & Quarry	Nuneaton & Bedworth	12.13
Atherstone Central - Centre	North Warwickshire	11.35
Kingswood Grove Farm & Rural	Nuneaton & Bedworth	11.19
Hill Top	Nuneaton & Bedworth	9.98
Bede East	Nuneaton & Bedworth	9.46
Abbey North	Nuneaton & Bedworth	9.46
Lillington East	Warwick	9.13
Abbey Town Centre	Nuneaton & Bedworth	8.95
Bede Cannons	Nuneaton & Bedworth	8.46
Camp Hill North West & Allotments	Nuneaton & Bedworth	8.24
Kingswood Stockingford Schools	Nuneaton & Bedworth	8.11
Brownsover South Lake District North	Rugby	8.03
Mancetter South and Ridge Lane	North Warwickshire	7.82
Rugby Town Centre	Rugby	7.77
Kingswood North East	Nuneaton & Bedworth	7.52
Brunswick South East	Warwick	7.33
Poplar Coalpit Field	Nuneaton & Bedworth	7.10

Source: Modelled Mosaic Data 2011





# Financial Inclusion

The three SOAs least at risk of being financially excluded are all in Warwick District, and ten of the 20 SOAs at least risk are in that district. The rest of the bottom 20 is made up of five SOAs in Nuneaton & Bedworth, four from Stratford-on-Avon District and one from Rugby Borough.

The index highlights the contrast between different SOAs within the same borough; Nuneaton & Bedworth Borough has 14 SOAs in the 'most at risk' category, but also five SOAs in the 'least at risk' group. To understand the distribution in the other districts, Figure 4.7 shows the percentage of SOAs in each quartile of the index at a Local Authority level. As well as highlighting Nuneaton & Bedworth Borough as having a significant proportion of SOAs in the top and bottom quartiles, it also shows that despite having 44% of SOAs in the bottom quartile, Warwick District has a significant proportion of SOAs in the most at risk category.



Click on the interactive map button to see household income data at a Super Output Area level.

**Figure 4.7: Percentage of Super Output Areas in each quartile at a local authority level**

District	Total SOA's	% of SOA's in top quartile (most at risk)	% of SOA's in 2nd quartile	% of SOA's in 3rd quartile	% of SOA's in bottom quartile (least at risk)
North Warwickshire	38	32	29	34	5
Nuneaton & Bedworth	82	49	29	7	15
Rugby	58	29	26	29	16
Stratford	71	6	25	37	32
Warwick	84	12	19	25	44

## Outlook

The Warwickshire Financial Inclusion Partnership is a joint group consisting of Warwickshire County Council, the five Borough and District Councils, the Citizen Advice Bureau in the county, NHS Warwickshire, Coventry and Warwickshire Co-operative Development Agency and Warwickshire Welfare Rights Advice Service. The group has formed to pool their knowledge, experience and aspirations to identify the key areas that will contribute to improving Financial Inclusion for the people of Warwickshire. The existence of the partnership is also recognition that in the current climate of increased demand for support and restricted resources there is a need to ensure a co-ordinated approach, to enhance impact and ensure sustainable change.

In the current economic climate it is likely that more households will face financial exclusion and it is hoped that the work of this group will identify and help Warwickshire households through this period of uncertainty.

## Further Information

For further information on the Financial Inclusion indicator, please contact the Warwickshire Observatory on **01926 418049** or e-mail [research@warwickshire.gov.uk](mailto:research@warwickshire.gov.uk).

For more information more generally on Financial Inclusion, please contact the Localities and Partnerships Team on **01926 418071**.



# Issues for families

## Description

This is a new indicator, included for the first time this year to try and capture some of the issues affecting households and families in the current economic climate. There is considerable evidence illustrating how more households are existing at or near the 'breadline' (see the Households at Risk indicator for more detail on that specific theme) and, with the cost of living continuing to rise within an environment of little or no additional household income and substantial welfare reform, it is worthwhile trying to summarise some of the impacts on quality of life these changes are having.

Here we examine national research on family issues within a local context, including the perceived level of income needed in order for a family to have an acceptable standard of living, and identify where families are likely to be making cutbacks on their spending.

## Performance

What level of household income is needed in order for a family to have an acceptable standard of living? The Joseph Rowntree Foundation (JRF) conducted a piece of research examining this issue, conducting focus groups to gather information on what are the bare essentials required to participate in and contribute to society and the economy. The results, '**A minimum income standard for the UK in 2012**' concluded that a couple with two children needs to earn £36,800 for an acceptable standard of living, while a single person needs to earn £16,400 a year. It concludes that the weekly budget for a couple with two children is £685 per week, which includes rent and childcare costs, and for a single person it is £262. Nationally, this means that more than one quarter of the UK population, 17 million people, do not have enough income to reach the level that is believed to be required in order for a family to have an acceptable standard of living. It is also becoming more of a problem in light of recent cuts in tax credits for families and an increase in general living costs.

The research also summarises the minimum budget in 2012 for four types of family group. For the purposes of this indicator we are focusing on the type identified as a 'Couple, 2 children (one aged 2 – 4 years and one primary school age)'. The table shows a minimum income standard budget, by expenditure type, for a family in 2012.

**Figure 4.8: A minimum income standard budget for a 'couple with 2 children'**

£ Spend Per Week	Couple, 2 Children - Weekly Spend (£)
Childcare	147.85
Food	99.55
Social and cultural participation	93.28
Rent	82.67
Motoring	60.25
Personal goods and services	41.27
Clothing	38.69
Household goods	26.81
Fuel	22.88
Council Tax	22.30
Other travels costs	13.77
Other housing costs	9.76
Water Rates	8.99
Household Services	7.74
Alcohol	6.84
Household Insurance	2.40
Tobacco	0
	£685.05

Source: *A minimum income standard for the UK in 2012*,  
Joseph Rowntree Foundation.

# Issues for families

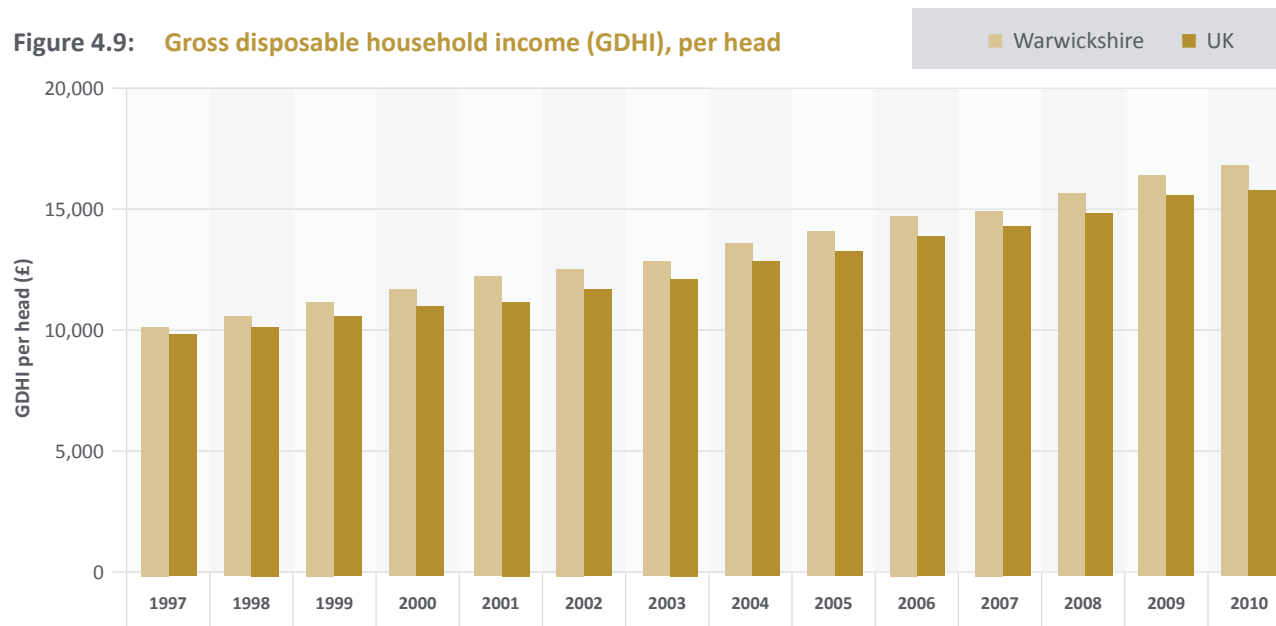
The rising cost of childcare has been under the spotlight in the media over the past twelve months. Very often, a considerable proportion of a family's income can be spent on childcare for young children. The Organisation for Economic Co-operation and Development (OECD) reveals in its report **'Doing Better for Families'** that, in the UK, an average family spends approximately 27% of their income on childcare, which equates to 41% of the average national wage. In a world where childcare is becoming increasingly expensive, the report reveals that more and more people are relying on informal childcare, through family and friends, to help ease the financial burden.

Within this indicator it is also important to consider disposable income, which is the amount of money that households have available for spending or saving after income distribution measures (for example taxes and benefits) have taken effect.

The Office for National Statistics reports that in 2010, the Gross Disposable Household Income (GDHI) per head in Warwickshire was £16,628. This is above the UK average (£15,727) and is closer to the average for the South East region than the West Midlands. Warwickshire features comfortably within the top quartile, ranking 24th out of 139 areas, and saw its figure increase by 4% between 2009 and 2010, exceeding the national trend of 3%.

Since 1997, GDHI in Warwickshire has increased by 62% (not accounting for inflation) which is in line with the national trend of 60%. Over the past thirteen years, Warwickshire GDHI per head has remained 5% to 8% above the national average and currently sits at 6% higher. This is shown in Figure 4.9.

**Figure 4.9: Gross disposable household income (GDHI), per head**



Source: Office for National Statistics

On the whole, it is to be expected that families will cut back their spending in the current economic climate. The Joseph Rowntree research demonstrated this, and describes how families are reducing expenditure in a range of areas, particularly what might be classed as

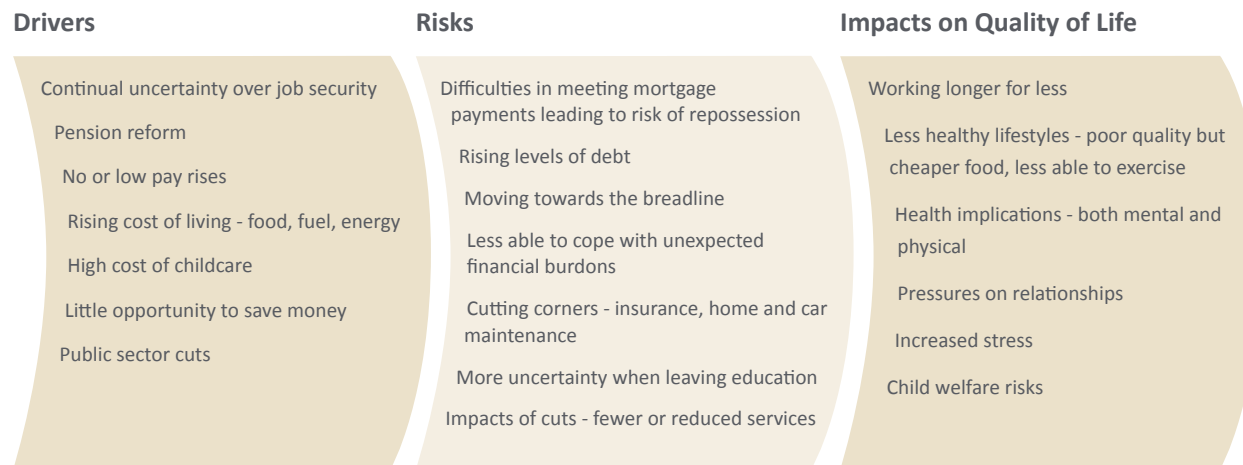
'luxury' expenditure such as eating out and presents. The research also showed that people were still prepared to pay for items they deem a necessity, for example internet access and computers.



# Issues for families

Unfortunately there is a whole realm of issues that could affect a family in the current climate and many of these are shown in the graphic. Problems such as the loss of a job or unmanageable debt could lead to health issues including stress for an individual and these could further link to relationship breakdowns and serious ill health. For example, **other research** undertaken by the Observatory identified a strong correlation between unemployment trends and the number of children being taken into care. An example of a few of the issues is shown in Figure 4.10.

**Figure 4.10: Illustrative issues affecting family life in 2012**



## Outlook

The Welfare Reform Act received approval in March 2012 and signifies the biggest change to the welfare system for over 60 years. As soon as elements of the act come into force, it will directly affect many Warwickshire families. The basic aims of the changes are to;

- **Create the right incentives to get more people into work**
- **Protect the vulnerable in our society**
- **Deliver fairness to those claiming benefit and to the taxpayer**

One major factor affecting families this year will be the change to the tax credit system in April 2012, with the biggest change being that couples with children will have to work 24 hours per week between them, not 16, in order to qualify for working tax credit. One member of the couple will have to work at least 16 hours per

week. The Government sees this change as reducing the disparity between couples and single parents by ensuring that at least one member of a couple is required to work the same minimum hours per week as a single parent.

Historically, in the time of a recession, families can get through the hard times by adapting to a new lifestyle and making changes for the future. Families may need to prioritise expenditure and adapt to the loss of a critical income should one partner lose their job. A positive outcome, however, may be that families spend more time together, spending more time at home or at the park instead of going out for expensive meals or trips to the cinema.

The problems associated with the current economic climate can also link to a child's economic well-being. More on this can be read in the 'Child Poverty' indicator.

## Further Information

For more information please contact the Warwickshire Observatory on **01926 418645** or at **[research@warwickshire.gov.uk](mailto:research@warwickshire.gov.uk)**.

Disposable Income Comparison Observatory Blog: **<http://bit.ly/OiFCnZ>**

Doing Better for Families: **<http://bit.ly/OXiWqI>**