

# VIBRANT ECONOMY INDEX

A new way to measure the success of the nation

We believe that our economy should benefit society as a whole taking into account not only financial growth and economic return within an area, but also a wider set of characteristics. Our Vibrant Economy Index measures the current position in 324 English local authority areas across six baskets of socio-economic indicators, to provide an indication of the vibrancy of the area.

 Prosperity	 Dynamism and Opportunity	 Inclusion and equality	 Health, well being and happiness	 Resilience and sustainability	 Community, trust and belonging
We have an economy that is producing wealth and creating jobs.	Our economy is entrepreneurial and innovative, with a skills set that can drive future growth.	Everyone benefits from economic growth. The gap between richest and poorest narrows, regional disparities reduce, and there are opportunities for all.	People are healthy and active, leading fulfilling lives which provides individual prospects.	Our economy has a neutral impact on the natural environment and our built environments are resilient places we want to live in.	Vibrant communities have a lively and creative cultural life, and a clear identity that all its people are proud of. People feel safe, engage in community activities and trust the integrity of businesses and institutions.
<b>Indicators:</b>	<b>Indicators:</b>	<b>Indicators:</b>	<b>Indicators:</b>	<b>Indicators:</b>	<b>Indicators:</b>
<ul style="list-style-type: none"> <li>Total GVA (£m)</li> <li>GVA per job (£000)</li> <li>Mean workplace weekly pay (£)</li> <li>Knowledge-driven employment (%)</li> <li>Businesses turning over &gt;£1 million (%)</li> <li>Businesses turning over &gt;£100 million (%)</li> <li>Foreign owned businesses (%)</li> </ul>	<ul style="list-style-type: none"> <li>Business formation rate (%)</li> <li>High level skills (%)</li> <li>Knowledge workers (%)</li> <li>Patents granted (per 100,000 pop)</li> <li>GCSEs A*-C achieved (%)</li> <li>Higher education employment (%)</li> <li>R&amp;D employment (%)</li> </ul>	<ul style="list-style-type: none"> <li>Deprivation (score)</li> <li>Inequality (score)</li> <li>Average income (£)</li> <li>Child poverty (score)</li> <li>Housing affordability (score)</li> <li>Employment rate (%)</li> <li>Benefit claimant rate (%)</li> <li>Homeless households (per 000 households)</li> <li>NEETs (%)</li> <li>Housing benefit claimant rate (% of all households)</li> <li>Long-term unemployment (%)</li> <li>Fuel poor households (%)</li> <li>Unemployed inequality (ethnicity)</li> </ul>	<ul style="list-style-type: none"> <li>Sports participation (adults) (%)</li> <li>Adults overweight or obese (%)</li> <li>Life satisfaction (score)</li> <li>Life worthwhile (score)</li> <li>Happiness (score)</li> <li>Anxiety (score)</li> <li>Diabetes prevalence (%)</li> <li>Average life expectancy (yrs)</li> <li>Child obesity (Year 6) (%)</li> <li>Mean hours worked differential</li> </ul>	<ul style="list-style-type: none"> <li>Air quality (score)</li> <li>Recycling rate (%)</li> <li>Co2 emissions per capita (Kt Co2)</li> <li>Energy consumption (GWh)</li> <li>New residential addresses created in National Flood Zone (%)</li> <li>Previously developed land usage (addresses per ha)</li> <li>Dwellings completed (no.)</li> <li>Households on LA waiting list (%)</li> <li>Planning applications (no.)</li> </ul>	<ul style="list-style-type: none"> <li>Community assets (per 1,000 pop)</li> <li>Cultural amenities (per ha)</li> <li>Living alone, aged over 50 and over (%)</li> <li>Valid voter turnout (%)</li> <li>Violent crimes (per 1,000 pop)</li> <li>Ethnic diversity (score)</li> </ul>

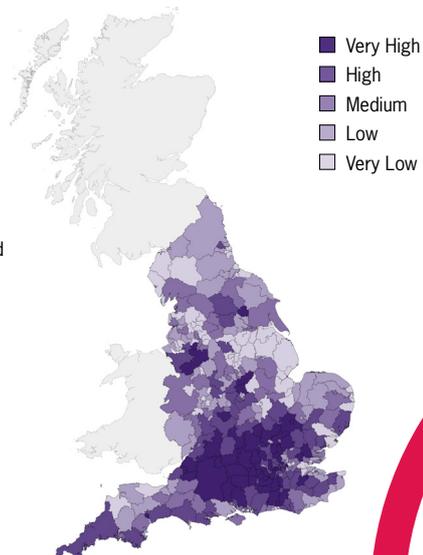
## Key findings

- Our Vibrant Economy Index ranks an area's average performance across the six baskets. Mapped out, vibrancy is dominant in the South of England, with other standout pockets of vibrancy including Cheshire East, Trafford, York, Harrogate, Wiltshire, Bath, Warwick and Rushcliffe.
- While city prosperity and dynamism scores may be high, their health and inclusion scores tend to be significantly lower, impacting their overall vibrancy ranking.
- Areas of prosperity are driven by major cities with areas of dynamism tending to form 'corridors' along key transport routes such as the M4, M11 and M69.
- Areas with higher inclusion and health scores tend to form bands outside cities pointing to the importance of individual choice for

## The Vibrant Economy Index Map

### Rank District

- Cambridge
- Oxford
- Richmond upon Thames
- South Cambridgeshire
- Guildford
- Wokingham
- Windsor and Maidenhead
- Vale of White Horse
- Winchester
- Reigate and Banstead



## City scorecard

	Prosperity	Dynamism and Opportunity	Inclusion and equality	Health, well being and happiness	Resilience and sustainability	Community, trust and belonging
Manchester	18	36	313	305	68	210
Birmingham	47	105	322	284	60	130
Leeds	27	61	279	176	5	132
Warwick	43	79	70	70	70	43
Cambridge	30	1	110	246	21	7
York	107	23	123	80	56	97

those that can afford to live outside cities, but benefit from the prosperity within. This also shows that the relationship between places – particularly in terms of travel to work patterns – is an important element in considering the overall vibrancy of particular places.

- Traditional indicators of prosperity – GVA, average earning and employment – do not correlate in any significant way with the other baskets.
- The highest level of correlation between the baskets is found between ‘Inclusion and equality’ and ‘Health, wellbeing and happiness’.
- Correlated separately, educational attainment at all levels correlates strongly with the Vibrant Economy Index, with a relatively strong correlation with four of the six baskets, reiterating the fundamental importance of education and skills in shaping a place.

## Comment

The lack of a strong correlation between prosperity and the other baskets suggests that focusing solely on improving a place’s economic performance will not necessarily have a meaningful impact on improving performance in other baskets, or filter through quickly enough to the most excluded. This multi-dimensional nature of vibrancy means that local areas need to consider which element/s are most important to them to change.

In an age of austerity, there is no doubt that local place-shaping will be best managed by localities themselves determining what is important to them and devolution offers an opportunity for this to happen faster. (Indeed, that there is a prevalence of vibrant economies in the South East indicates that devolution needs to happen faster.) So, while the index inherently ranks places for the best average, it may be that a lower, but more balanced average – such as Warwick – is more appropriate.

Creating vibrant societies isn’t simple, and as we’ve seen recently, policies to increase growth don’t necessarily translate into societies that feel they are making progress. Creating economic and societal change where businesses, communities and people can thrive, needs the public, not for profit and business communities to be united, if the vision for growth is to be more sustainable and widely shared.

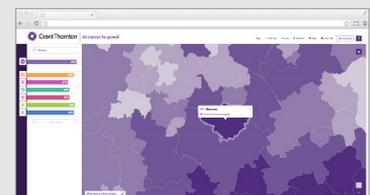
For those areas which perform lower down on the index, the response will need to be more than one about economic development, but about creating infrastructure and jobs, building community cohesion, investing in housing and health self-management, and dealing with exclusion, isolation and loneliness which are key determinations of poor health and obvious wider poor outcomes.

## Developing a gold standard for measuring progress

The Vibrant Economy Index suggests that we seek economic prosperity, but also demand that it takes into account everything that it means to run a successful society. Initially developed by our insights and analytics team, with contributions from the Vibrant Economy Commission, we now want to open up the development of the index to make it as meaningful as possible. We welcome debate and feedback as part of that process and invite individuals, businesses and place-shapers to consider what the findings mean for their places, if it reflects their view of a vibrant economy and if there are other indicators we should seek to include or weight.

## Get involved

To read insight articles, see how places perform, learn more about the methodology, or contribute your ideas, visit our website:



[grantthornton.co.uk/Vibranteconomyindex](http://grantthornton.co.uk/Vibranteconomyindex)

## About Grant Thornton

Grant Thornton is one of the world’s leading organisations of independent assurance, tax and advisory firms. We help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice.

Our underlying purpose is to build a vibrant economy, based on trust and integrity in markets, sustainable growth in dynamic businesses and communities where businesses and people thrive.

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