Economic Profile 2007 Canterbury

This bulletin looks at the economic performance of Canterbury City based on seven indicators. The local authority in England and Wales with the most similar economic performance ('nearest neighbour') to Canterbury is identified. Change between 2001 and 2007 is also presented.

Background
The Kent Partnership is the countywide local strategic partnership made up of representatives from the private, public, voluntary and community sectors. Kent Prospects is the partnership's strategic framework for economic development and regeneration in Kent. It was originally launched in 1996 as a 10-year plan. The Plan underwent a review in 2001 and 2006. The latter review established the need for a new set of indicators to monitor Kent's economic performance to 2012.

Whilst identifying a new set of economic indicators to use, it was also decided that a more robust way of monitoring performance (beyond that of merely using the change in actual values of an indicator) should be examined. The problem with only looking at change in actual values is that in part, it only reflects a change in national patterns.

It was decided that the best way to achieve this, was to look at economic performance *relative* to other areas. For example, how well an area is doing compared to all other areas. A nearest neighbour analysis tool was therefore developed by The Analysis & Information Team to compare rankings across England & Wales. This bulletin presents the findings of the latest analysis.

For more information on Kent Prospects please visit
www.kent.gov.uk/business/economic-development/kent-prospects

Methodology
A total of seven indicators have been selected to monitor the economic performance of local authorities in England and Wales. These are:

1. Unemployment rate
2. Median full-time earnings
3. Total employees
4. Stock of VAT registered businesses
5. Gross Value Added (GVA) per head
6. % of employees in the knowledge economy
7. % of the working age population with NVQ4+

Data on each of these indicators is collected annually for all 376 local authorities (including unitary authorities) in England and Wales.

Kent County Council

Economic Profile 2007 - Canterbury

In order to compare authorities, the values for each of the indicators are ranked out of 376. These ranks are then converted to a percent-rank (i.e. out of 100) as a way of standardising the data. During this process each indicator is ranked so that 100 represents the best. For example, a low unemployment rate is a good thing and therefore the lowest will be ranked 100. With earnings though, a higher earning is good so the highest will be ranked 100. Using percent-rank means that a range of indicators can be displayed on one chart – if actual values were used then it would be difficult to chart an unemployment rate, for example, alongside median earnings.

The chart type chosen to present the economic indicators is a Spider or Radar chart. The advantage of this type of chart is that the "shape" of the local economy can be drawn so it is easy to spot the differences between areas.

Two Excel-based models have been developed. The first model, containing a comparison chart, is based on the latest data only and includes nearest neighbour analysis. The nearest neighbour analysis can be useful in drawing comparisons with other areas across the country.

The second model looks at performance over time from 2001 to 2007 for an individual authority.

Note: due to small sample sizes in certain datasets, some indicators may be volatile and subject to anomalies in the data. Where this is the case, additional notes will be provided.

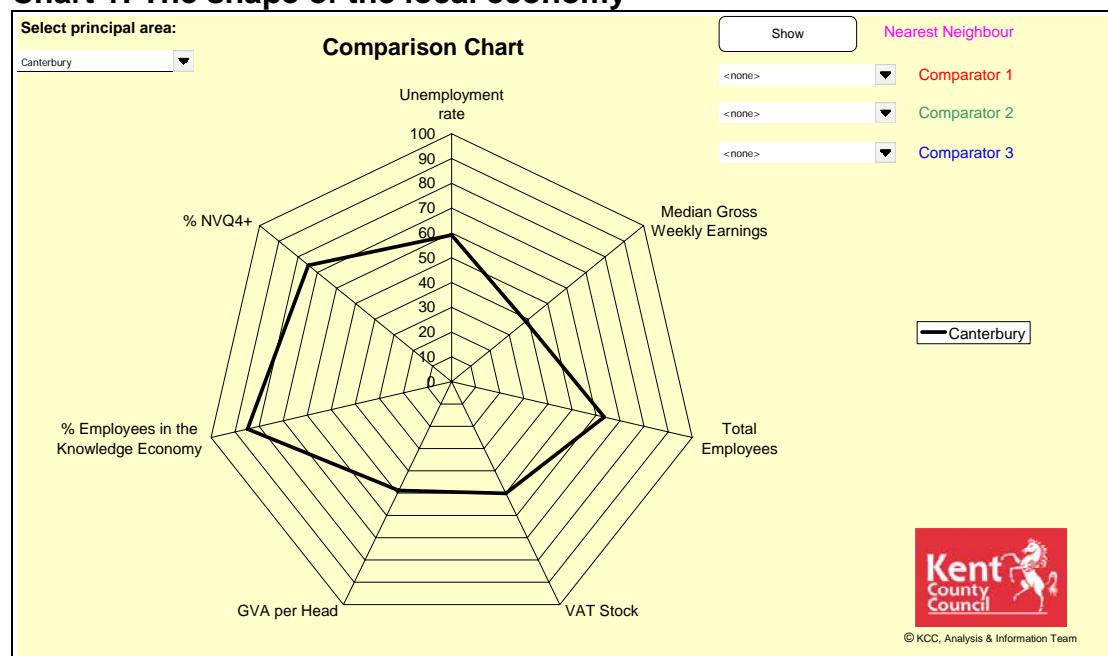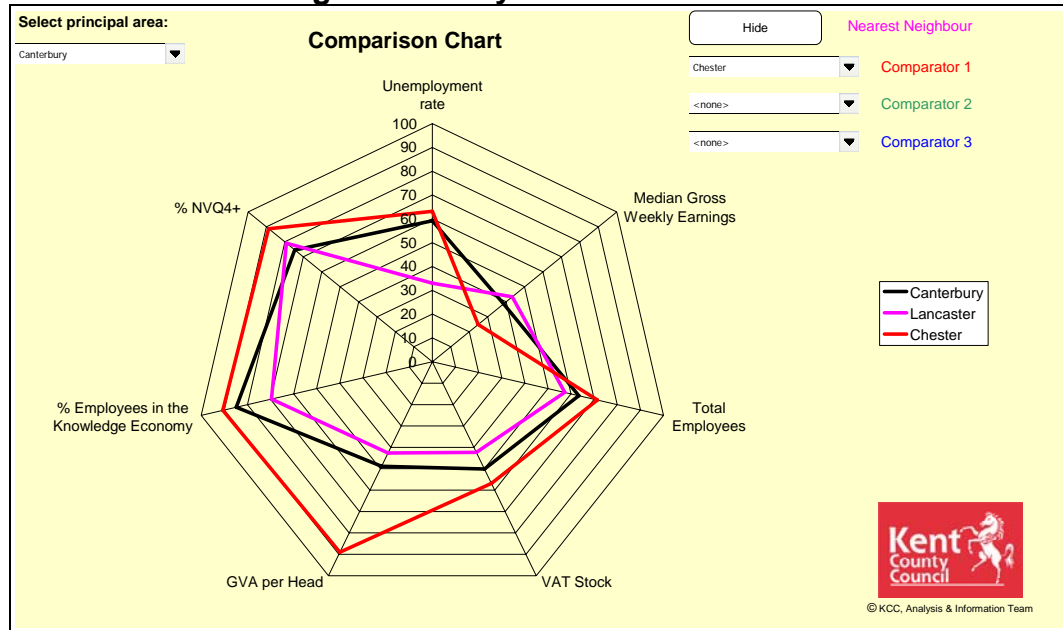## Chart 1: The shape of the local economy

Chart 1 reveals that Canterbury shows an average performance in 5 of the indicators but ranks highly in two; the proportion of those of working age with NVQ4+ and those employed in the knowledge economy. This reflects the
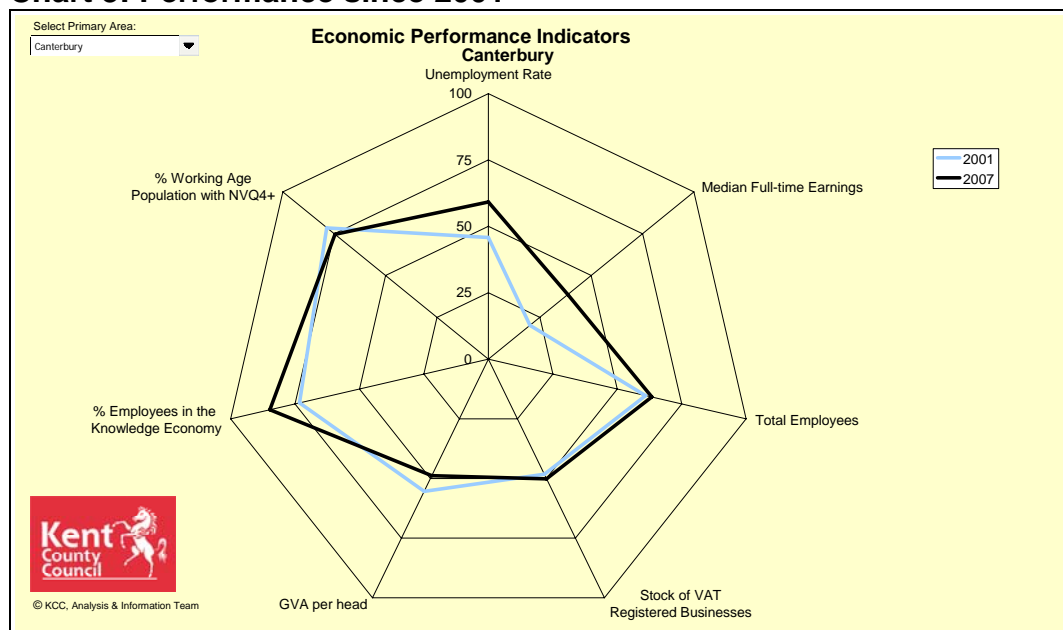
Economic Profile 2007 - Canterbury

presence of the University of Kent at Canterbury (UKC) within the local economy

Chart 2: Nearest neighbour analysis

Based on these indicators, Chart 2 shows Canterbury's nearest economic neighbour is Lancaster in Lancashire. Canterbury ranks slightly higher than Lancaster in 5 of the indicators. Lancaster ranks higher in 2; those with NVQ4+ and median weekly earnings. Chester is also a near economic neighbour to Canterbury, though it is interesting that the high ranking scores for NVQ4+ and % employed in the knowledge economy do not translate into a high GVA ranking in both Canterbury and Lancaster, as they do in Chester (and indeed other University Cities).

Chart 3: Performance since 2001

Economic Profile 2007 - Canterbury

Chart 3 shows that since 2001, the biggest change in the rankings has been in median weekly earnings. The ranking for those employed in the knowledge economy has also improved as has the unemployment rate, while the score for GVA per head has dropped slightly. The remaining indicators are about the same.

Economic Performance Indicators

Table 1 illustrates the percent rank of each of the indicators. This rank is out of 100. A rank of 100 is considered to be the best.

Table 1: Percent Rank of Indicators for Canterbury

	2001	2007
Unemployment Rate	46	59
Median Full-time Earnings	20	39
Total Employees	61	63
Stock of VAT Registered Businesses	48	50
GVA per head	55	49
% Employees in the Knowledge Economy	73	85
% Working Age Population with NVQ4+	79	75

Table 2 illustrates the actual data values of each of the seven indicators.

Table 2: Actual Indicator Values for Canterbury

	2001	2007
Unemployment Rate (%)	2.3	1.7
Median Full-time Earnings (£)	310	403.5
Total Employees	55,468	60,510
Stock of VAT Registered Businesses	3,425	3,760
GVA per head (£)	11,544	14,199
% Employees in the Knowledge Economy	17.1	21.2
% Working Age Population with NVQ4+	29.8	30.6

Table 3 indicates the year of release to which the data relates to.

Table 3: Release Year of Indicator

	2001	2007
Unemployment Rate	2001	2007
Median Full-time Earnings	2000	2006
Total Employees	1999	2005
Stock of VAT Registered Businesses	1999	2005
GVA per head	1998	2004
% Employees in the Knowledge Economy	1999	2005
% Working Age Population with NVQ4+	1999	2005

For further information regarding this document please contact:

The Analysis and Information Team
Email: economy@kent.gov.uk
Telephone   01622 221625
Fax   01622 694782

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