

North West Leicestershire
District Profile
Leicester Shire Economic
Baseline Study 2006



Leicester Shire Economic Baseline Study 2006 - District Profiles

The 2006 Leicester Shire¹ Economic Baseline Study provides a comprehensive review of the sub-regional economy including chapters based around the economy and investment, people, labour market and skills and the Local Economy Audit Model carried out by Ecotec Research and Consulting. This separate document provides a summary of how North West Leicestershire scores on each of the Local Economy Audit Model (LEAM) domains and a snapshot profile using additional data from the baseline. The LEAM has provided systematic analysis of the performance of the local economy adopting an external perspective. The model uses a series of carefully selected indicators in order to specify strengths and weaknesses and challenges and opportunities associated with the local economy. For a copy of the full report or executive summary please visit <http://www.lsint.info>.

A Leicestershire County and a Leicester City profile have been produced.

Seven District profiles have been produced for:

- Blaby District
- Charnwood Borough
- Harborough District
- Hinckley and Bosworth Borough
- Melton Borough
- North West Leicestershire District
- Oadby and Wigston Borough

The information contained in the profiles is based around the following themes:

- Local Economy Audit Model
- Employment
- Business and entrepreneurship
- House prices
- Demography
- Economic activity and unemployment
- Income and earnings

¹ Leicester Shire covers the combined administrative areas of Leicester City and Leicestershire County

North West Leicestershire District Summary

For further information about the Local Economy Audit Model (LEAM), see page 53 of the Economic Baseline Study. The full report can be downloaded at <http://www.lsint.info>.

Overall LEAM Profile 2006

Table 1: Overall LEAM Profile for North West Leicestershire, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
North West Leicestershire	70.3	218	108.8	7	75.1	234	99.5	187	97.5	217
Leicestershire County	52.1	N/A	102.3	N/A	88.3	N/A	99.7	N/A	101.1	N/A
East Midlands	74.2	8	101.2	3	82.4	9	93.3	5	90.8	8
Great Britain	100	N/A	100	N/A	100	N/A	100	N/A	100	N/A

Notes: Each local authority is expressed relative to 408 local authority areas in Great Britain. The East Midlands is compared to 11 regional areas in the UK. The Leicestershire County score is not comparable by rank. The domain scores are indexed against the national average (100).

Source: Ecotec Research and Consulting, 2006

Figure 1: Competitiveness Summary Chart for North West Leicestershire, 2003 & 2006



Note: For full details of the 2003 scores see http://www.lsint.info/downloads/Baseline_Survey2.pdf

Source: Ecotec Research and Consulting, 2006

Key points

- In 2006, North West Leicestershire District only scored above the national average on one of the five LEAM domains (dynamism). Relative to the national average (100) the dynamism score was 108.8. On this domain North West Leicestershire was ranked in the top 1% of local authority areas.
- Compared to the Leicestershire County averages, North West Leicestershire performs better on the economic scale and dynamism domains.
- Since 2003, North West Leicestershire has improved its relative performance compared to the national average on three of the five domains (economic scale, dynamism and sector structure). On both the enterprise and labour market domains North West Leicestershire dropped below the national average between 2003 and 2006.

Employment

- A total of 45,600 people were employed in North West Leicestershire District in 2004. Since 2000, employment has increased by 19.6% (7,500 jobs). This is compared to an 8.8% increase in the County and a 3.2% increase nationally.
- The largest employment sector in North West Leicestershire in 2004 was distribution, hotels and restaurants (24.9%).
- In 2004, North West Leicestershire had 18.7% of its employees working in the manufacturing sector. This is considerably higher than the national average (11.9%) but close to the average in the County (19.0%).
- The proportion of employees working in the key growth sectors of financial and business services (15.5%) in North West Leicestershire was on a par with the County average (15.8%). However, the District was under-represented in these key sectors compared to the national average (20.0%).
- The development of knowledge sectors employing high proportions of graduate labour and those most capable of sustaining local competitive advantage in North West Leicestershire has not been very strong. In 2004, only 0.4% of employees were employed in High Technology Manufacturing in North West Leicestershire. This is compared to 2.0% in Leicestershire County and 1.9% in Great Britain.
- Also, only 12.9% of employment was based in Knowledge-based Services compared to 13.8% in the County. A much greater proportion of employment was based in Knowledge-based Service in the country as a whole (17.9%).
- The proportion of people employed in Consumer Services (16.7%) was lower than the County, regional and national figures in 2004.
- There were few relatively large employers in North West Leicestershire registered on the data4business database in May 2006. The largest organisations are generally operating in the education, transport, storage and communication, wholesale and retail and manufacturing sectors.

Table 2: Employment by Sector, 2004

	North West Leicestershire	Leicestershire County	East Midlands	Great Britain
Total Employed	45,621	250,074	1,804,824	26,024,705
Agriculture and fishing	*	0.6%	1.2%	0.9%
Energy and water	*	1.0%	0.8%	0.6%
Manufacturing	18.7%	19.0%	17.4%	11.9%
Construction	6.6%	4.6%	4.8%	4.5%
Distribution, hotels and restaurants	24.9%	28.6%	25.1%	24.7%
Transport and communications	17.0%	8.1%	5.7%	5.9%
Financial and business services	15.5%	15.8%	15.2%	20.0%
Public administration, education & health	12.2%	18.2%	25.5%	26.4%
Other services	2.7%	4.3%	4.3%	5.1%

Note: * figures have not been disclosed for confidentiality purposes

Source: Annual Business Inquiry, 2004

Table 3: Knowledge Economy Employment, 2004

	North West Leicestershire	Leicestershire County	East Midlands	Great Britain
Consumer Services (1)	16.7%	21.7%	20.3%	21.3%
High Technology Manufacturing (2)	0.4%	2.0%	1.7%	1.9%
Knowledge-based Services (3)	12.9%	13.8%	13.4%	17.9%

1 - Defined by SIC codes 52, 55, 92

2 - Defined by SIC codes 22, 224, 30, 32

3 - Defined by SIC codes 65, 66, 67, 72, 73, 74

Source: Annual Business Inquiry, 2004

Table 4: Major Employers, 2004

Company/Organisation Name	Sector	Employees
Ashfield Healthcare Limited	Education	850
bmibaby	Transport, Storage and Communication	600
Stephenson College	Education	400
W M Morrison Supermarkets Plc	Wholesale/Retail	400
Aggregate Industries Plc	Wholesale/Retail	400
Antalis Limited	Manufacturing	400
Waterman Group Plc	Real Estate and Business Activities	380
Standard Soap Company Limited	Manufacturing	320
North West Leicestershire District Council	Public Administration and Defence	320
Plastic Omnium Automotive Limited	Manufacturing	320

Notes: Table only includes companies/organisations included on the Data4business database – for information see <http://www.leics.gov.uk/statistics>

Businesses and Entrepreneurship

- The distribution of business units by sector is similar to that in the County with the exception of a higher proportion of units operating in the transport and communications sector.
- There was a total of 3,120 VAT registered businesses in North West Leicestershire in 2004. Between 2000 and 2004 the number of businesses grew by 11.8%, which is higher than the percentage change in Leicestershire County (4.3%).
- In North West Leicestershire, 96.1% of businesses employed less than 50 people in 2004. This is slightly lower than the County (96.8%), regional (96.2%) and national (96.2%) averages.

Table 5: Business Units by Sector, 2004

	North West Leicestershire	Leicestershire County	East Midlands	Great Britain
Total Units	3,830	24,689	154,600	2,235,348
Agriculture and fishing	*	0.3%	0.4%	0.5%
Energy and water	*	0.2%	0.2%	0.2%
Manufacturing	8.9%	10.8%	9.9%	7.5%
Construction	9.1%	11.0%	10.5%	9.3%
Distribution, hotels and restaurants	28.0%	27.5%	30.4%	29.3%
Transport and communications	9.0%	6.2%	5.2%	4.5%
Financial and business services	28.5%	27.8%	26.1%	30.9%
Public administration, education & health	8.8%	8.6%	9.8%	8.8%
Other services	7.1%	7.6%	7.5%	8.8%

Note: * figures have not been disclosed for confidentiality purposes. Business Units do not readily correspond to the commonly used terms firms, companies or businesses by which employers are sometimes identified.

Source: Annual Business Inquiry, 2004

Table 6: Business Base, 2004

	No. of VAT registered businesses (2004)	% change 2000-2004	% employing <50 people (2004)
North West Leicestershire	3,120	11.8	96.1
Leicestershire County	20,865	4.3	96.8
East Midlands	125,170	5.5	96.2
Great Britain	1,760,955	3.5	96.2

Sources: VAT register, 2004; Annual Business Inquiry, 2004,

Economic Baseline 2006: North West Leicestershire District Summary

- In 2004, the business registration rate was higher in North West Leicestershire (53.4) compared to the County rate (48.6). The East Midlands rate was 43.4 and the rate for Great Britain was 46.3.
- Self-employment in North West Leicestershire 9.3% was lower than the County average (11.2%). The proportion of people self employed in the East Midlands was 12.0% and in Great Britain 12.3% in 2005.
- In 2004, the proportion of business start-ups in the financial and business service sector in North West Leicestershire (35.5%) was below the County (36.9%) and national (37.3%) averages.
- A key indicator of entrepreneurial activity and competitiveness is Micro Firm Density. The ratio of micro firms (employing less than 10 employees) to the population is higher in North West Leicestershire at 36.2 compared with Leicestershire County (33.6) and Great Britain (32.0).

Table 7: Entrepreneurship

	Business registration Rate ¹ (2004)	% People Self-employed (2005)	% Start-ups in Financial and Business Services, (2004)	Micro Firms Density ² (2004)
North West Leicestershire	53.4	9.3	35.5	36.2
Leicestershire County	48.6	11.2	36.9	33.6
East Midlands	43.4	12.0	33.7	29.9
Great Britain	46.3	12.3	37.3	32.0

Notes: ¹ Number of business start ups per 10,000 people working age population; ² Number of VAT registered businesses (employing less than 10 employees) as a proportion of the population.

Sources: Small Business Service 2004; Annual Population Survey 2005

House Prices

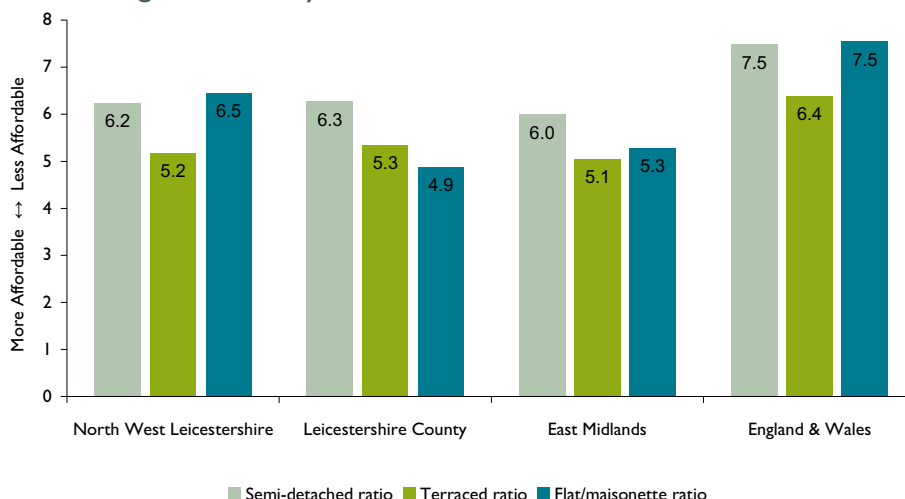
- In 2005, the average house price in North West Leicestershire District was £164,632. This was lower than the County average (£177,224) and national average (£189,549), but higher than the regional average (£153,493). Interestingly, the average price of flat/maisonette properties was considerably higher in North West Leicestershire (£142,759) than Leicestershire County (£114,478) in 2005. This is a result of a number of flat/maisonette properties which were sold for an unusually high price in the District between April and June 2005. For the duration of the rest of the year , flat/maisonette properties were close the County average.
- The housing affordability ratios (Figure 2) in 2005 for semi-detached (6.2) and terraced (5.2) properties were similar in North West Leicestershire to the County ratios. This means these housing types are generally equally affordable in relation to resident average earnings in the District compared to the County as a whole. For flat/maisonette properties the affordability ratio was much higher in North West Leicestershire (6.5) compared to the County average (4.9). However, the ratio was still below the national ratio for flat/maisonette properties.

Table 8: Average House Prices, 2005

	All Dwellings	% Change 2004-2005	Detached	Semi-Detached	Terraced	Flat/Maisonette
North West Leicestershire	£164,632	5.1	£227,418	£137,867	£114,512	£142,759
Leicestershire County	£177,224	6.6	£260,543	£147,101	£125,331	£114,478
East Midlands	£153,493	6	£226,700	£131,976	£111,203	£116,254
England & Wales	£189,549	6.2	£292,460	£173,637	£148,248	£175,059

Source: HM Land Registry, 2005

Figure 2: Housing Affordability Ratio



Notes: The affordability ratio is calculated by dividing average annual house prices by gross median annual full time employee resident earnings. In general, a higher figure implies that housing is less affordable to residents.

Source: HM Land Registry, 2005; ASHE, 2005

Demography

- According to the 2004 mid-year population estimates, 88,300 people lived in North West Leicestershire District. This represents an estimated 7.2% increase since 1994, which is higher than the increase in the County as a whole (6.4%).
- Compared to the County, North West Leicestershire has a similar age structure with the exception of a slightly higher proportion of young people aged under 15 years.

Table 9: Broad Age Profile

	All people	Children aged 0-15	Working age 16-59/64	Older People 60/65+ ¹
North West Leicestershire	88,300	19.7%	61.5%	18.8%
Leicestershire County	623,900	19.1%	62.1%	18.9%
East Midlands	4,279,700	19.3%	61.7%	18.9%
England & Wales	53,046,200	19.5%	61.9%	18.6%

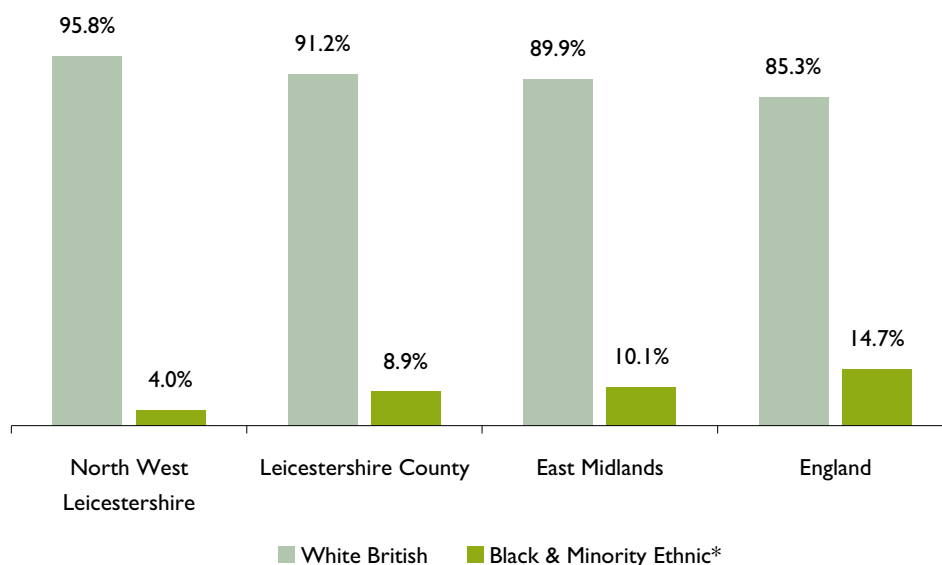
Notes: ¹ above state retirement age (60 – females, 65 – males)

Source: ONS, Mid Year Estimate, 2004

- In 2004, the estimated proportion of people of White British origin (95.8%) was higher than the County (91.2%) average. The regional average was 89.9% and the national average considerably lower at 85.3%. The estimated proportion of black and minority ethnic* residents in North West Leicestershire was 4.0%.
- Providing current population trends continue the number of people living in North West Leicestershire District is estimated to increase by 23.3% over the next 30 years, compared to an estimated increase of 15% in the County.

* Includes White Irish and White Other.

Figure 3: Ethnicity Population Estimates



Note: * Includes White Irish and White Other. Figures may not add due to rounding.

Source: ONS, Experimental estimates, 2004

Table 10: Population Projections (Thousands)

	2003	2008	2013	2018	2023	2028
North West Leicestershire	87.5	92.3	96.6	100.9	104.7	107.9
Leicestershire County	619.2	640.5	660.0	679.1	697.7	713.2
East Midlands	4,252.3	4,365.7	4,478.5	4,593.9	4,706.3	4,803.5
England	49,855.7	50,922.5	52,058.8	53,249.3	54,402.6	55,396.7

Source: Sub National Population Projections, ONS, 2003

Economic Activity and Unemployment

- The economic activity rate in North West Leicestershire in 2005 was 82.1%. This is slightly lower than the Leicestershire County average of 83.3%. Interestingly, the male economic activity rate in North West Leicestershire was almost 3 percentage points below the County figure, whereas the female economic activity rate is broadly the same. This is possibly still attributable to the decline of the coal mining industry, which

employed huge proportions of men in North West Leicestershire.

- In June 2006, the Claimant Count unemployment rate was 1.5% in North West Leicestershire slightly higher than the County average of 1.4%. The regional (2.4%) and national (2.6%) unemployment rates were considerably higher in June 2006. The proportion of people unemployed for more than a year was higher in North West Leicestershire (15.0%) compared to the County (13.2%).

Table 11: Economic Activity and Unemployment

	Economic activity rate (%)			Claimant unemployment (%)			
	All	Males	Females	All	Males	Females	LTU ¹ (%)
North West Leicestershire	82.1	84.2	79.8	1.5	1.9	1.0	15.0
Leicestershire County	83.3	87.0	79.3	1.4	1.9	0.9	13.2
East Midlands	79.3	83.7	74.6	2.4	3.3	1.3	14.9
Great Britain	78.4	83.3	73.2	2.6	3.7	1.4	15.7

Note: ¹ Long Term Unemployment (LTU) is defined as the proportion of those claiming unemployment benefit who have been out of work for at least a year

Source: Annual Population Survey 2005, NOMIS; Claimant Count Series June 2006, NOMIS

Income & Earnings

- Average hourly earnings in 2005 were lower in North West Leicestershire compared to the County, regional and national averages. The disparity between male and female hourly average earnings was similar in North West Leicestershire (£3.49 p/h difference) compared to the County (£3.44 p/h difference).

- The variation between annual earnings by place of residence and place of work indicates the extent to which the residential and working populations of an area are different, allowing inference to be drawn about the impact of commuting. In 2004, the median resident annual earnings were estimated to be £1,592 greater than the median workplace annual earnings in North West Leicestershire District. This suggests that the district has less self contained labour market compared to the County and region as a whole which have a lower discrepancy between resident and workplace average annual earnings.

Figure 5: Variation Between Residential and Workplace Median Annual Earnings* (£)



Source: ASHE, 2005

Table II: Average Hourly Earnings*

	Total	Male	Female
North West Leicestershire	£8.94	£10.58	£7.09
Leicestershire County	£9.41	£11.14	£7.70
East Midlands	£9.03	£10.35	£7.68
England & Wales	£9.62	£11.00	£8.41

Source: ASHE, 2005

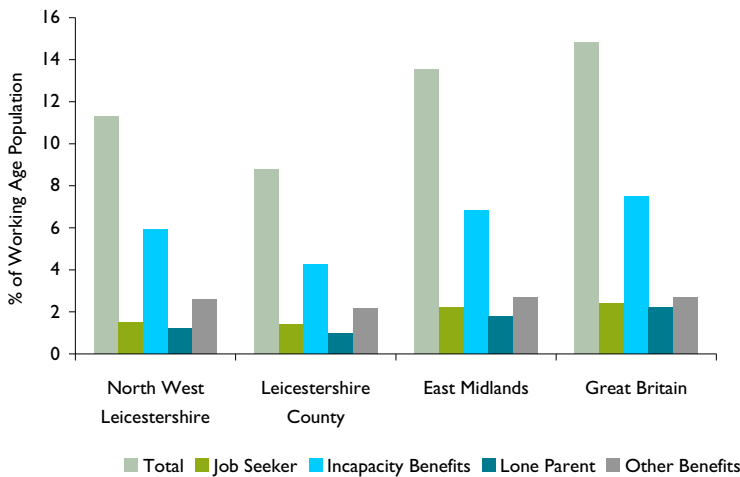
* Median figures have been used as mean figures are skewed by very high earners.

Social Exclusion

- North West Leicestershire is ranked within the 50% least deprived local authority districts in England, 196th out of 354 authorities (where 1 is most deprived) using the 2004 Index of Multiple Deprivation. However, the District is the most deprived in Leicestershire with a number of small areas with concentrations of multiple deprivation. Two Super Output Areas in Greenhill ward are ranked within the 20% most deprived in England on the 2004 Index of Multiple Deprivation.

- In November 2005, the proportion of the working age population claiming benefits in North West Leicestershire was 11.3% which is higher than the County average of 8.8%. The proportion of working age people claiming benefits was much higher in the region (13.5%) and country (14.8%) as a whole. The largest single benefit claimed is Incapacity Benefit which 5.9% of working age people claimed in North West Leicestershire District in November 2005.

Figure 6: Benefit Claimants



Source: Department for Work and Pensions, November 2005

Figure 7: Leicestershire County Local Authority District Index of Multiple Deprivation 2004 Ranking



Note: rank out of 354 authorities nationally, 1=most deprived 354=least deprived

Source: Index of Multiple Deprivation 2004

Economic Baseline 2006: North West Leicestershire District Summary

This profile has provided a summary for North West Leicestershire district of its performance on the Local Economy Audit Model (LEAM) and a review of the district's economy, based around the key themes of 'Economy and Investment' and 'Labour Market and Skills'.

The full Economic Baseline study contains more detail on the LEAM and presents the sub-regional economy against the national and regional context. The following table summarises the performance of all of the districts within Leicestershire on the key competitiveness factors within the LEAM.

Table 12: Overall LEAM Profile; Leicestershire County, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Leicestershire County	52.1	N/A	102.3	N/A	88.3	N/A	99.7	N/A	101.1	N/A
Blaby	64.0	245	111.0	3	112.4	85	90.2	255	98.2	210
Charnwood	95.2	145	99.9	229	90.2	172	91.3	244	98.9	204
Harborough	54.9	291	101.3	154	76.0	227	133.6	30	117.3	81
Hinckley and Bosworth	61.9	259	98.6	294	102.8	113	99.2	190	95.8	234
Melton	28.4	389	99.4	258	63.0	319	100.5	180	116.9	85
North West Leicestershire	70.3	218	108.8	7	75.1	234	99.5	187	97.5	217
Oadby and Wigston	29.3	386	96.0	372	76.7	224	88.5	268	100.1	191
Leicester City	214.0	25	96.9	354	89.4	173	86.0	279	76.2	382
East Midlands	74.2	8	101.2	3	82.4	9	93.3	5	90.8	8
Great Britain	100	N/A	100	N/A	100	N/A	100	N/A	100	N/A

Notes: Each local authority is expressed relative to 408 local authority areas in Great Britain. The East Midlands is compared to 11 regional areas in the UK. The Leicestershire County score is not comparable by rank. The domain scores are indexed against the national average (100).

Source: Ecotec Research and Consulting, 2006

Chapter 5 of the main Economic Baseline Study also summarises the emerging sector opportunities in Leicester Shire and this together with the detailed evidence in the study has been used to produce a SWOT analysis, conclusions and policy implications for the sub-region.

To download a copy of the Leicester Shire Economic Baseline Study please log on to www.lsint.info/reports.asp

Alternatively to request a hard copy or for any further information about the study please contact;

Caroline Boucher
 Manager, Leicester Shire Intelligence
 LSEP
 Charnwood Court
 5b New Walk
 Leicester
 LE1 6TE
 T: 0116 257 5684
 E: caroline.b@lsep.co.uk

Ian Neale
 Economic Research Officer
 Leicestershire County Council
 County Hall
 Glenfield
 LE3 8RA
 T:0116 265 8097
 E: ineale@leics.gov.uk

Leicester Shire Intelligence
www.lsint.info