

Charnwood Borough 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 Charnwood Borough 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>.

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

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

Charnwood Borough 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 I: Overall LEAM Profile for Charnwood, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Charnwood	95.2	145	99.9	229	90.2	172	91.3	244	98.9	204
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 I: Competitiveness Summary Chart for Charnwood, 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, Charnwood did not score above the national average for any of domains. The strongest domains relative to the national average (100) were dynamism (99.9) and labour market (98.9).
- Compared to the Leicestershire County averages, Charnwood performs better in relation to the economic scale and sector structure domains. It is ranked in the top half of local authority areas for economic scale and sector structure domains.
- Since 2003, Charnwood has improved its relative performance compared to the national average on four of the five domains. Most notably, sector structure has improved by 10 points. The Borough has fallen back on the labour market domain when previously it was above the national average.

Employment

- A total of 57,900 people were employed in Charnwood Borough in 2004. Since 2000, employment has increased by 3.8% (over 2,000 jobs). This is compared to an 8.8% increase in the County and a 3.2% increase nationally.
- The largest employment sectors in Charnwood in 2004 were the distribution, hotels and restaurants sector (26.8%) and public administration, education and health (25.5%). The latter accounted for a considerably higher proportion of employment than the County average (18.2%) in 2005.
- The proportion of employment based in the manufacturing sector was 20.8% in Charnwood in 2004. This was close to the County average (19.0%) and above the regional average (17.4%). However, a much smaller proportion of employment is based in the manufacturing sector nationally (11.9%).
- A smaller proportion of employees were working in the key growth sectors of financial and business services (13.1%) in Charnwood Borough compared to the County, regional and national figures.
- The development of knowledge sectors, employing high proportions of graduate labour and those most capable of sustaining local competitive advantage, has been disproportionate between the High Technology Manufacturing sectors and Knowledge-based Service sectors in Charnwood Borough.
- There were a considerably higher proportion of people working in High Technology Manufacturing in Charnwood (4.6%) compared to the County, regional and national figures.
- However, there were a lower proportion of people employed in Knowledge-based Services in Charnwood (11.5%) compared to County, regional and national averages.
- The proportion of people employed in consumer services (20.0%) was close to the County, regional and national figures.

Table 2: Employment by Sector, 2004

	Charnwood	Leicestershire County	East Midlands	Great Britain
Total Employed	57,921	250,074	1,804,824	26,024,705
Agriculture and fishing	0.5%	0.6%	1.2%	0.9%
Energy and water	0.3%	1.0%	0.8%	0.6%
Manufacturing	20.8%	19.0%	17.4%	11.9%
Construction	5.0%	4.6%	4.8%	4.5%
Distribution, hotels and restaurants	26.8%	28.6%	25.1%	24.7%
Transport and communications	3.8%	8.1%	5.7%	5.9%
Financial and business services	13.1%	15.8%	15.2%	20.0%
Public administration, education & health	25.5%	18.2%	25.5%	26.4%
Other services	4.1%	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

	Charnwood	Leicestershire County	East Midlands	Great Britain
Consumer Services (1)	20.0%	21.7%	20.3%	21.3%
High Technology Manufacturing (2)	4.6%	2.0%	1.7%	1.9%
Knowledge-based Services (3)	11.5%	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
Loughborough University	Education	2,660
AstraZeneca	Real Estate, Renting and Business Activities	1,200
3M Health Care Limited	Manufacturing	800
Asda Superstores	Wholesale/Retail	700
Arriva Fox County	Transport, Storage and Communication	650
Charnwood Borough Council	Public Administration and Defence	600
Imago Services	Hotels and Restaurants	550
Loughborough College of Further Education	Education	520
Fisher Scientific (UK) Limited	Wholesale/Retail	500
Rushcliffe Care	Health and Social Work	500

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

Source: Leicestershire data4business, May 2006

- In May 2006, the major employer in Charnwood was Loughborough University which employed over 2,600 workers. The main private sector employers was AstraZeneca, who employed 1,200 people.

units operating in the distribution, hotels and restaurant sector and a slightly lower proportion operating in the banking, finance and insurance sector.

- There was a total of 4,495 VAT registered businesses in Charnwood in 2004. Between 2000 and 2004 the number of businesses grew by only 0.9%, which is considerably below the percentage change for Leicestershire County (4.3%), the East Midlands (5.5%) and Great Britain (3.5%).

Businesses and Entrepreneurship

- The distribution of business units by sector is similar to that in the County with the exception of a slightly higher proportion of

Table 5: Business Units by Sector, 2004

	Charnwood	Leicestershire County	East Midlands	Great Britain
Total Units	5,680	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	11.4%	10.8%	9.9%	7.5%
Construction	11.1%	11.0%	10.5%	9.3%
Distribution, hotels and restaurants	29.5%	27.5%	30.4%	29.3%
Transport and communications	5.5%	6.2%	5.2%	4.5%
Financial and business services	25.2%	27.8%	26.1%	30.9%
Public administration, education & health	9.2%	8.6%	9.8%	8.8%
Other services	7.7%	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)
Charnwood	4,495	0.9	96.9
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,

- In Charnwood, 96.9% of businesses employed less than 50 people in 2004. This is similar to the County (96.8%), regional (96.2%) and national (96.2%) figures.
- In 2004, the business registration rate was much lower in Charnwood Borough (39.7) than the County (48.6). The East Midlands rate was 43.4 and the rate for Great Britain was 46.3.
- Self employment in Charnwood Borough at 9.3% was slightly lower than the County average (11.2%). The proportion of people self employed in the East Midlands was 12.0% and 12.3% in Great Britain in 2005.
- The proportion of business start-ups in the financial and business service sector in Charnwood Borough (34.1%) was lower than 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 (less than 10 employees) to the population was lower in Charnwood Borough at 30.4 compared with Leicestershire County (33.6) and Great Britain (32.0). The Borough has a higher ratio than the East Midlands (29.9) in 2004.

Table 7: Entrepreneurship

	Business Registration Rate ¹ (2004)	% People Self-employed (2005)	% Start-ups in Financial and Business Services, (2004)	Micro Firm Density ² (2004)
Charnwood	39.7	9.3	34.1	30.4
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 (less than 10 employees) as a proportion of the population.

Sources: Small Business Service 2004; Annual Population Survey 2005

House Prices

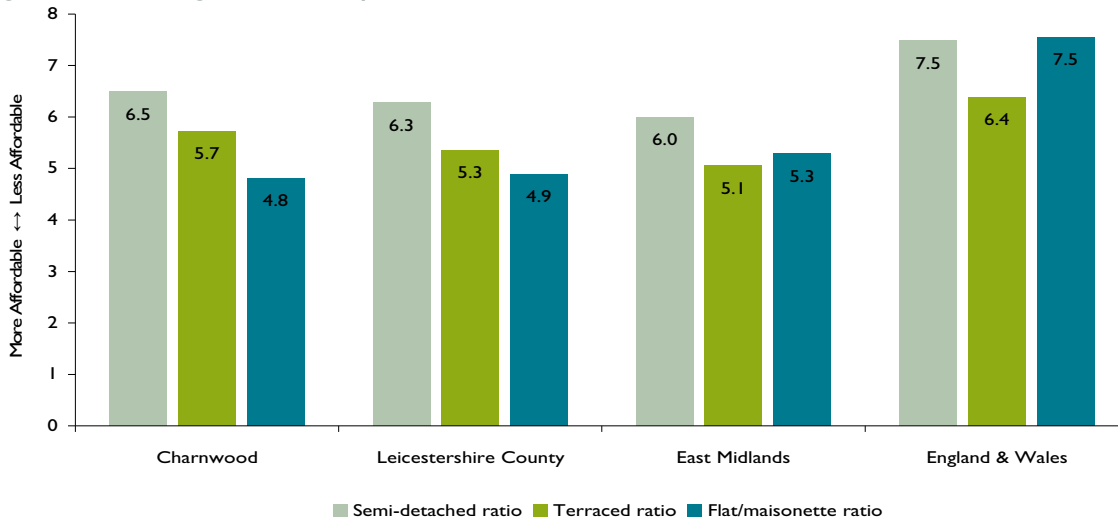
- In 2005, the average house price in Charnwood Borough was £172,723. This was lower than the County (£177,224) and national averages (£189,549), but above the regional average (£153,493). The difference in the average house price between Charnwood Borough and the County was most pronounced for detached properties.
- The housing affordability ratio in 2005 for semi-detached (6.5) and terraced (5.7) properties was higher in Charnwood Borough compared to the County ratios. This means these housing types are more expensive in Charnwood compared to resident earnings than the County as a whole. However, the Charnwood ratios for all housing types were below the national ratios.

Table 8: Average House Prices, 2005

	All Dwellings	% Change 2004-2005	Detached	Semi-Detached	Terraced	Flat/Maisonette
Charnwood	£172,723	5.6	£273,170	£147,400	£129,933	£109,251
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, 157,500 people lived in Charnwood Borough. This represents an estimated 4.5% increase since 1994, which is slightly lower than the increase in the County (6.4%).
- Compared to the County, region and England and Wales, Charnwood Borough has a much higher proportion of people of working age. In contrast, the Borough has a much lower proportion of people aged under 15 years old and of pensionable age compared to the County, region and England and Wales.

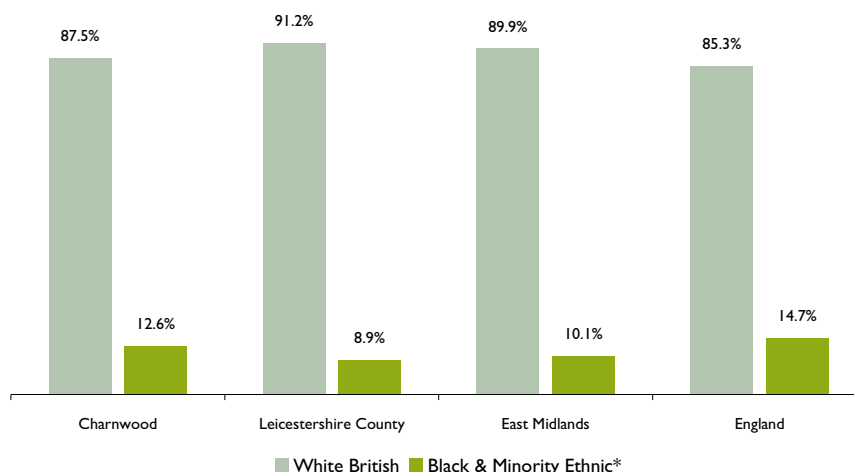
Table 9: Broad Age Profile

	All people	Children aged 0-15	Working age 16-59/64	Older People 60/65+ ¹
Charnwood	157,500	18.3%	64.2%	17.5%
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

Figure 3: Ethnicity Population Estimates



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

Source: ONS, Experimental estimates, 2004

- In 2004, the estimated proportion of people of White British origin in Charnwood Borough (87.5%) was lower than the County average (91.2%). The estimated proportion of black and minority ethnic* residents in Charnwood Borough was 12.6%. By far the largest ethnic minority group are people of Indian origin which account for almost 40% of the black and minority ethnic* estimated population in Charnwood. There were also estimated to be sizeable number of people of Bangladeshi and Chinese origin living in Charnwood in 2004.
- Providing current population trends continue, the number of people living in Charnwood Borough is estimated to increase by 8.7% over the next 30 years compared to an estimated increase of 15.2% in the County as a whole.

Table 10: Population Projections (Thousands)

	2003	2008	2013	2018	2023	2028
Charnwood	155.4	158.2	160.9	163.4	166.2	168.9
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 Charnwood in 2005 was 82.2%. This is slightly below the Leicestershire County average of 83.3%. Male economic activity in Charnwood is more in line with the national average, whereas female economic activity is considerably higher than the national average.
- In June 2006, the Claimant Count unemployment rate was low in Charnwood Borough (1.6%) but slightly higher than the County average (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 13.0% in Charnwood compared to 13.2% in Leicestershire County, 14.9% in the East Midlands and 15.7% in Great Britain.

Table 11: Economic Activity and Unemployment

	Economic activity rate (%)			Claimant unemployment (%)			
	All	Males	Females	All	Males	Females	LTU ¹ (%)
Charnwood	82.2	83.8	80.4	1.6	2.2	1.0	13.0
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

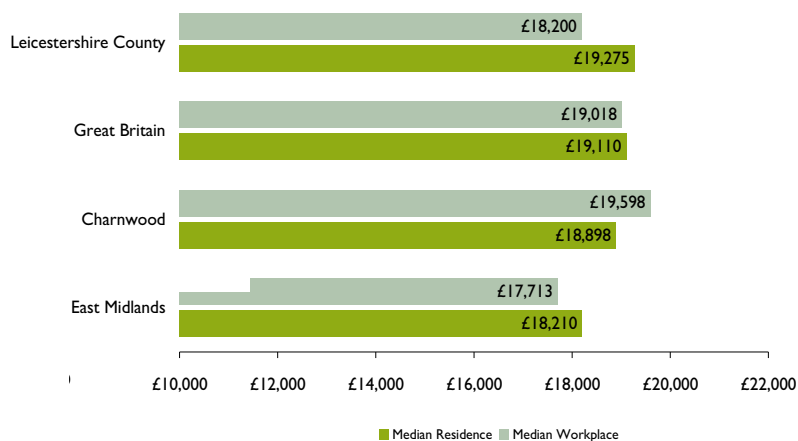
Source: Annual Population Survey 2005, NOMIS; Claimant Count Series June 2006, NOMIS

Income & Earnings

CACI data no longer available

- 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 £700 less than the median workplace annual earnings in Charnwood Borough. This suggests that the Borough has a more self contained labour market compared to the County which had a much greater discrepancy between resident and workplace average annual earnings in 2005.
- However, Charnwood Borough has a higher workplace rather than resident earnings which is atypical in Leicestershire County and suggests a high level of net in-commuting into the Borough to work.

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



Source: ASHE, 2005

Table II: Average Hourly Earnings*

	Total	Male	Female
Charnwood	£9.30	£10.78	£7.59
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

- Charnwood Borough is one of the least deprived local authority districts in England ranked 257th out of 354 authorities (where 1 is most deprived) using the 2004 Index of Multiple Deprivation. However, within Leicestershire County, Charnwood is the second most deprived district after North West Leicestershire.
- Despite the overall low level of relative deprivation there are pockets of high concentrations of deprivation in parts of Loughborough Hastings, Loughborough Storer and Loughborough Shelthorpe wards, which include three lower super output areas in the 20% most deprived in England using the 2004 Index of Multiple Deprivation.

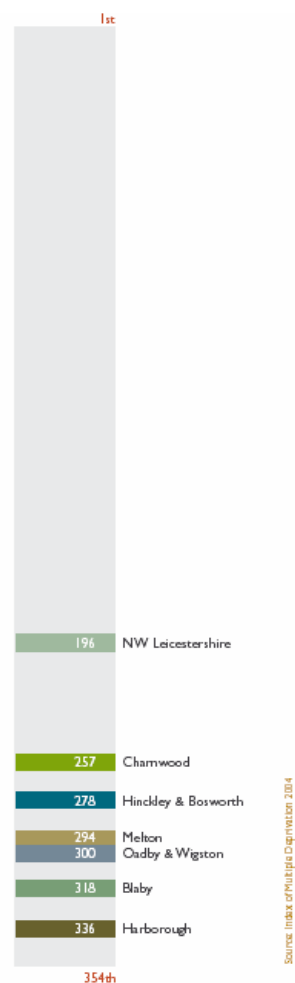
- In November 2005, the proportion of the working age population claiming benefits in Charnwood (8.9%) was approximately the same as Leicestershire County (8.8%) as a whole. The proportion of working age people claiming benefits was much higher in the region (13.5%) and country (14.8%). The largest single benefit claimed was Incapacity Benefit which over 4% of working age people claimed in Charnwood Borough 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

Economic Baseline 2006: Charnwood Borough Summary

This profile has provided a summary for Charnwood Borough 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;

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