

Hinckley & Bosworth 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 Hinckley and Bosworth 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

Hinckley & Bosworth 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

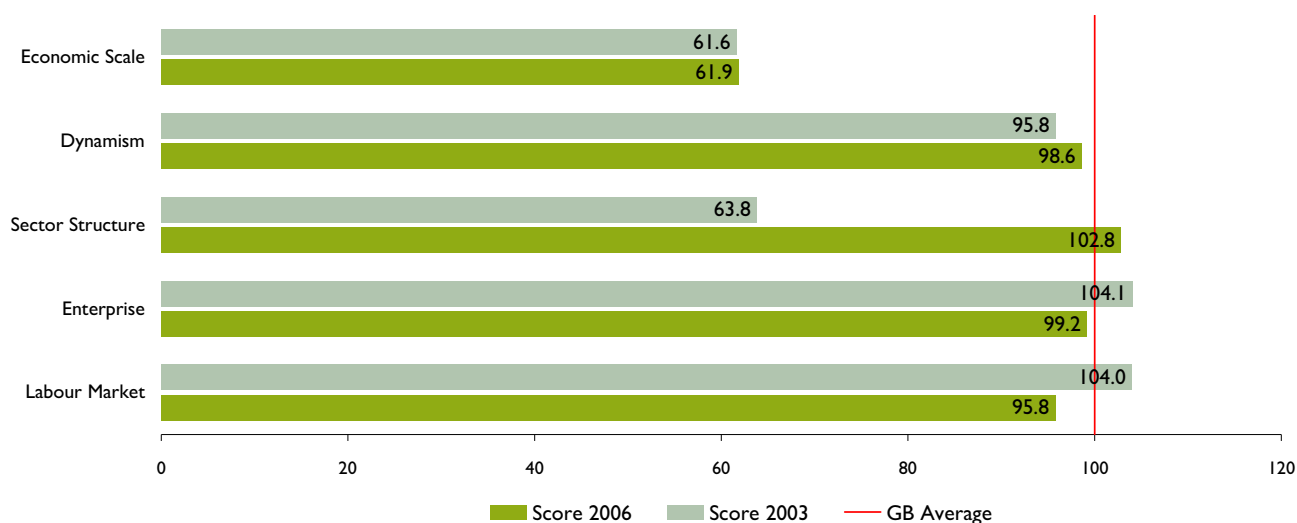
Table I: Overall LEAM Profile for Hinckley & Bosworth, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Hinckley & Bosworth	61.9	259	98.6	294	102.8	113	99.2	190	95.8	234
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 Hinckley & Bosworth, 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

- Hinckley and Bosworth only scores above the national average on one of the five domains (sector structure). By far the weakest domain relative to the national average (100) is economic scale (61.9) because of the lack of major economic centres in the Borough.
- Compared to the Leicestershire County averages, Hinckley and Bosworth performs better on the economic scale and sector structure domains.
- Hinckley and Bosworth is ranked in the top half of local authorities on both the sector structure and enterprise domains.
- Since 2003, Hinckley and Bosworth has improved its relative performance compared to the national average on three of the five domains. On the sector structure domain Hinckley and Bosworth has risen an impressive 39 points relative to the national average.

Employment

- A total of 39,300 people were employed in Hinckley and Bosworth Borough in 2004. Since 2000, employment has decreased by 3.7% (1,500 jobs). This was compared to an 8.8% increase in the County and a 3.2% increase nationally.
- The largest employment sectors in Hinckley and Bosworth in 2004 were manufacturing (26.1%) and distribution, hotels and restaurants (26.1%).
- In 2004, the proportion of employees working in the manufacturing sector (26.1%) was considerably higher than the national average (11.9%) and even higher than the average in the County (19.0%).
- The proportion of people working in the key growth sectors of financial and business services (15.0%) in Hinckley and Bosworth was slightly lower than the County average (15.8%). The Borough was underrepresented in these key sectors relative to the national average (20.0%).
- The development of knowledge sectors, those employing high proportions of graduate labour and those most capable of sustaining local competitive advantage, in Hinckley and Bosworth has not been as strong as the County and considerably weaker than the national picture.
- In 2004, only 1.0% of employees were employed in High Technology Manufacturing in Hinckley and Bosworth. This was compared to 2.0% in Leicestershire County and 1.9% in Great Britain.
- Also, 13.0% 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 (22.6%) was much higher in Hinckley and Bosworth compared to the County, regional and national figures.
- In May 2006, the largest employer in Hinckley and Bosworth Borough was Tesco Stores Ltd, which has a distribution site in Hinckley employing over 1,000 people. The prominence of manufacturing in the Borough is also evident from the large-scale employment provided by Triumph Motorcycles Ltd, Hammonds Furniture Ltd and Timken Alloy Steel Europe Ltd.

Table 2: Employment by Sector, 2004

	Hinckley and Bosworth	Leicestershire County	East Midlands	Great Britain
Total Employed	39,275	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	26.1%	19.0%	17.4%	11.9%
Construction	3.5%	4.6%	4.8%	4.5%
Distribution, hotels and restaurants	26.1%	28.6%	25.1%	24.7%
Transport and communications	5.9%	8.1%	5.7%	5.9%
Financial and business services	15.0%	15.8%	15.2%	20.0%
Public administration, education & health	14.0%	18.2%	25.5%	26.4%
Other services	6.7%	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

	Hinckley and Bosworth	Leicestershire County	East Midlands	Great Britain
Consumer Services (1)	22.6%	21.7%	20.3%	21.3%
High Technology Manufacturing (2)	1.0%	2.0%	1.7%	1.9%
Knowledge-based Services (3)	13.0%	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
Tesco Stores Limited	Transport, Storage and Communication	1,000
Triumph Motorcycles Limited	Manufacturing	600
Hammonds Furniture Limited	Manufacturing	550
National Grid Transco	Real Estate, Renting and Business Activities	500
Timken Alloy Steel Europe Limited	Manufacturing	450
Asda Stores Limited	Wholesale/Retail	400
Unichem Plc	Transport, Storage and Communication	350
Wolters Kluwer (UK) Limited	Real Estate, Renting and Business Activities	300
Hinckley and Bosworth Borough Council	Public Administration and Defence	300
Ciber UK	Wholesale/Retail	280

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

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 manufacturing sector and a slightly lower proportion operating in the public administration, education and health sector.
- There was a total of 3,545 VAT registered businesses in Hinckley and Bosworth in 2004. Between 2000 and 2004 the number of businesses grew by 6.1%, which is above the proportionate change for Leicestershire County, the East Midlands and Great Britain. In Hinckley and Bosworth, 97.2% of businesses employed less than 50 people in 2004. This is slightly higher than the County (96.8%), regional (96.2%) and national (96.2%) averages.

Table 5: Business Units by Sector, 2004

	Hinckley and Bosworth	Leicestershire County	East Midlands	Great Britain
Total Units	4,044	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	12.5%	10.8%	9.9%	7.5%
Construction	11.4%	11.0%	10.5%	9.3%
Distribution, hotels and restaurants	27.1%	27.5%	30.4%	29.3%
Transport and communications	6.4%	6.2%	5.2%	4.5%
Financial and business services	27.7%	27.8%	26.1%	30.9%
Public administration, education & health	6.8%	8.6%	9.8%	8.8%
Other services	7.6%	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)
Hinckley and Bosworth	3,545	6.1	97.2
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 2004, the business registration rate was higher in Hinckley and Bosworth (51.5) than the County rate (48.6). The East Midlands rate was 43.4 and the rate for Great Britain was 46.3.
- Self employment in Hinckley and Bosworth Borough at 10.5% 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 Hinckley and Bosworth Borough (35.7%) was slightly 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 (less than 10 employees) to the population was higher in Hinckley and Bosworth Borough at 34.0 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 Firm Density ² (2004)
Hinckley and Bosworth	51.5	10.5	35.7	34.0
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

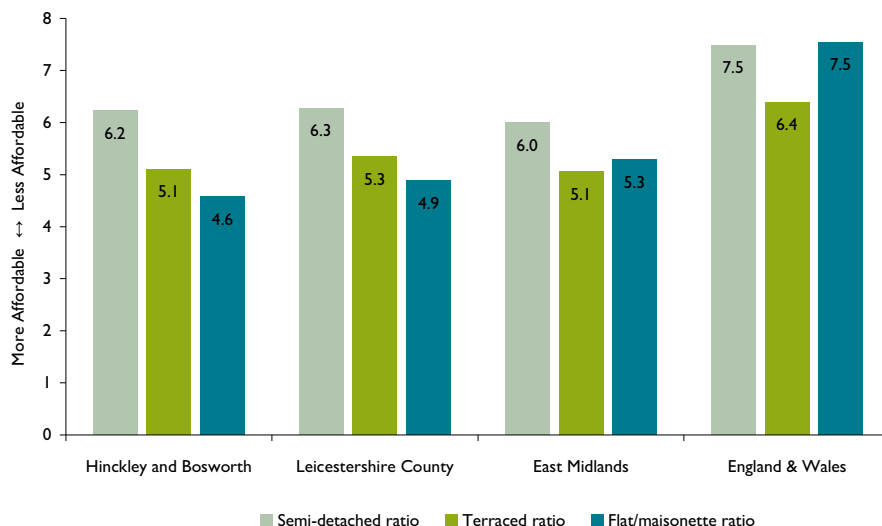
- In 2005, the average house price in Hinckley and Bosworth Borough was £166,889. This was lower than the County average (£177,224) and national average (£189,549) but above the regional average (£153,493). The gap between average house prices in Hinckley and Bosworth and the County as a whole is most pronounced for detached properties.
- The housing affordability ratio in 2005 for semi-detached (6.2) and terraced (5.1) properties was slightly lower in Hinckley and Bosworth compared to the County ratios. This means these housing types are generally more affordable in relation to average resident earnings in the Borough compared to the County as a whole.

Table 8: Average House Prices, 2005

	All Dwellings	% Change 2004-2005	Detached	Semi-Detached	Terraced	Flat/Maisonette
Hinckley and Bosworth	£166,889	7	£249,882	£146,872	£120,265	£107,785
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, 102,200 people lived in Hinckley and Bosworth Borough. This represents an estimated 4.4% increase since 1994, which is lower than the increase in the County as a whole (6.4%).
- Compared to the County, region and England and Wales, Hinckley and Bosworth Borough has a higher proportion of the population aged above retirement age and a lower proportion of people aged under 15 years.

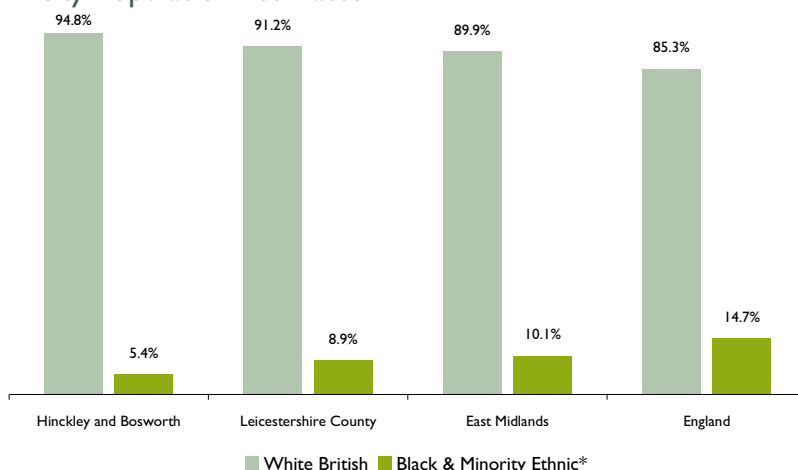
Table 9: Broad Age Profile

	All people	Children aged 0-15	Working age 16-59/64	Older People 60/65+ ¹
Hinckley and Bosworth	102,200	18.5%	62.1%	19.5%
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 (94.8%) was higher than the County (91.2%) average. The regional average was 89.9% and national average considerably lower at 85.3%.
- The estimated proportion of black and minority ethnic* residents in Hinckley and Bosworth was 5.4%. By far the largest ethnic minority group are the Indian population which account for almost 30% of the black and minority ethnic* estimated population in Hinckley and Bosworth in 2004.
- Providing current population trends continue the number of people living in Hinckley and Bosworth Borough is estimated to increase by 11.5% over the next 30 years compared to a forecast increase of 15.2% in the County.

* Includes White Irish and White Other.

Table 10: Population Projections (Thousands)

	2003	2008	2013	2018	2023	2028
Hinckley and Bosworth	101.5	103.8	106.3	108.9	111.3	113.2
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 Hinckley and Bosworth in 2005 was 85.9%. This is slightly higher than the Leicestershire County average of 83.3%. Both the male and female economic activity rates in Hinckley and Bosworth were higher than the County, regional and national figures, particularly the male rate.
- In June 2006, the Claimant Count unemployment rate was 1.6% in Hinckley and Bosworth, 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 13.3% in Hinckley and Bosworth 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 (%)
Hinckley and Bosworth	85.9	90.8	80.7	1.6	2.1	1.0	13.3
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

- Interestingly, average hourly earnings in 2005 were higher in Hinckley and Bosworth compared to the County, regional and national averages.
- The disparity between male and female hourly average earnings was less marked in Hinckley and Bosworth Borough (£2.90 p/h difference) compared to Leicestershire County (£3.44 p/h difference).

Table II: Average Hourly Earnings

	Total	Male	Female
Hinckley and Bosworth	£10.10	£11.53	£8.62
Leicestershire County	£9.41	£11.14	£7.70
East Midlands	£9.03	£10.35	£7.68
England & Wales	£9.62	£11.00	£8.41

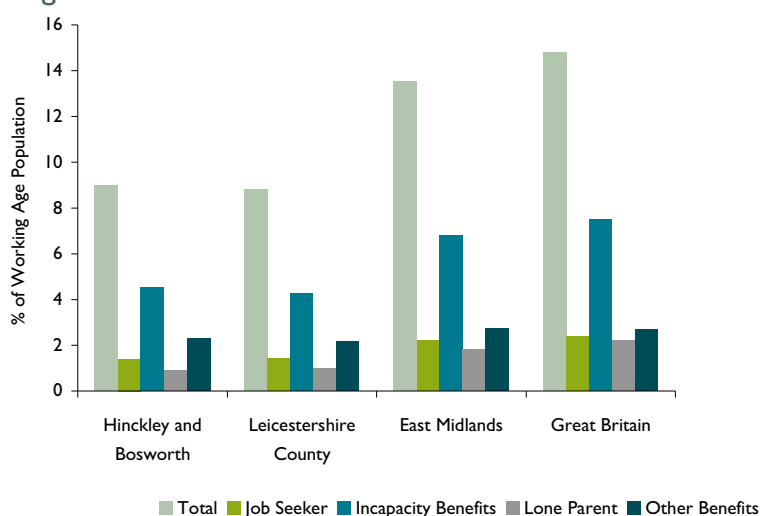
Note: Median figures have been used as mean figures are skewed by very high earners.
Source: ASHE, 2005

Social Exclusion

- Hinckley and Bosworth Borough is one of the least deprived local authority districts in England ranked 278th out of 354 authorities (where 1 is most deprived) using the 2004 Index of Multiple Deprivation. Within Leicestershire County, Hinckley and Bosworth is the third most deprived local authority district.

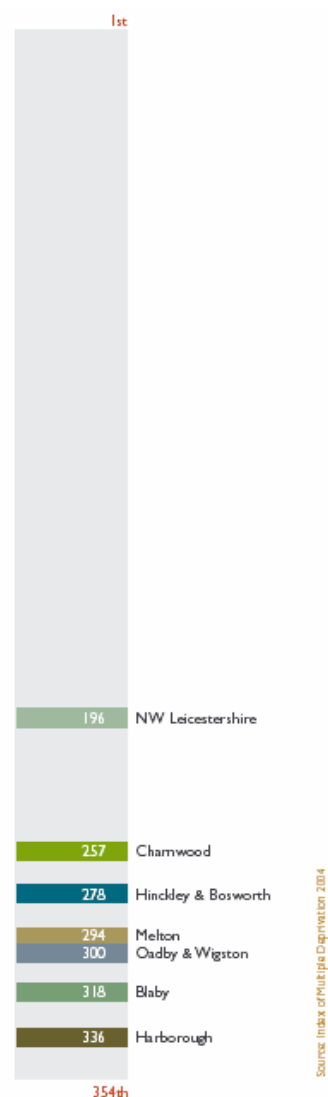
- In November 2005, the proportion of the working age population claiming benefits in Hinckley and Bosworth was 9.0% which is similar to the County average of 8.8%. The proportion of working age people claiming benefits was much higher in the region (13.5%) and country (14.8%). The largest single benefit claimed is Incapacity Benefit which 4.5% of working age people claimed in Hinckley and Bosworth 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

Source: Index of Multiple Deprivation 2004

Economic Baseline 2006: Hinckley & Bosworth Borough Summary

This profile has provided a summary for Hinckley & Bosworth 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;

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