

Melton 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 Melton 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

Melton 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

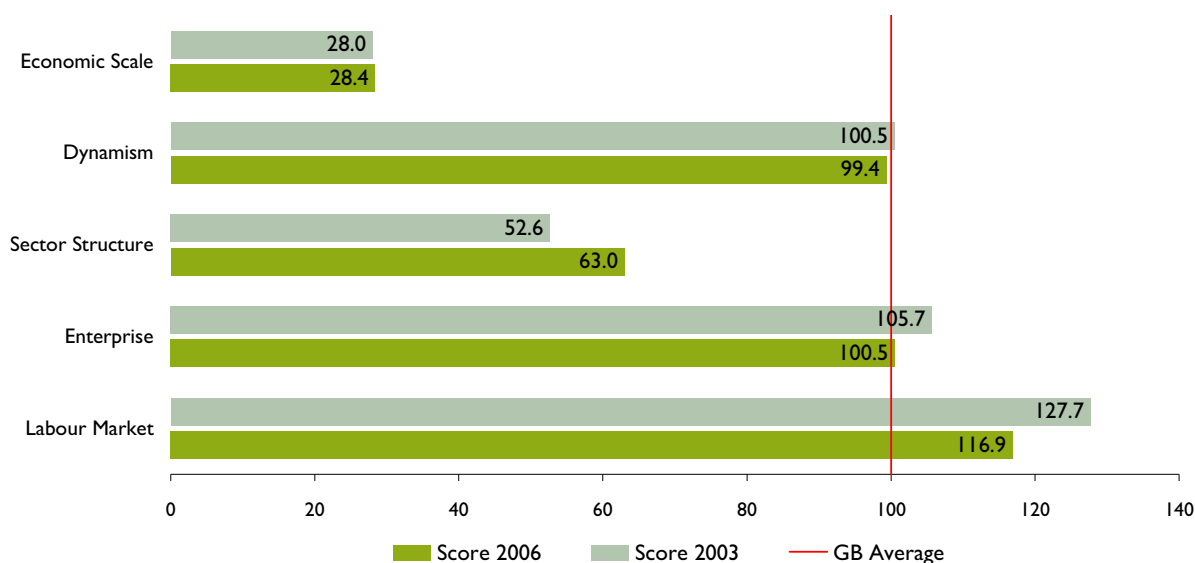
Table 1: Overall LEAM Profile for Melton, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Melton	28.4	389	99.4	258	63.0	319	100.5	180	116.9	85
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 Melton, 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

- Melton Borough only scores above the national average on two of the five domains (labour market and enterprise). By far the weakest domain relative to the national average (100) was economic scale (28.4) because of the lack of major economic centres in the Borough.
- Compared to the Leicestershire County averages, Melton performs better on the enterprise and labour markets LEAM domains. Melton was ranked in the top 20% of local authorities on labour market domain. Since 2003, Melton has improved its relative performance compared to the national average on two of the five domains (economic scale and sector structure). Melton's relative score compared to the national average has declined on the Borough's strongest domain, labour market (10.8 points).

Employment

- A total of 17,500 people were employed in Melton Borough in 2004. Since 2000, employment has increased by 0.6% (1,500 jobs). This is compared to an 8.8% increase in the County and a 3.2% increase nationally.
- The largest employment sectors in Melton in 2004 were distribution, hotels and restaurants (25.1%), manufacturing (23.2%) and public administration, education and health (20.0%).
- In 2004, Melton had a considerably higher percentage of employment based in manufacturing (23.2%) than the national average (11.9%). This is even higher than the average in the County (19.0%).
- The proportion of employees working in the key growth sectors of financial and business services (13.0%) in Melton was lower than the County average (15.8%). The Borough was particularly underrepresented in these key sectors compared 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 have not flourished in Melton Borough. In 2004, only 0.3% of employees were employed in High Technology Manufacturing in Melton. This was compared to 2.0% in Leicestershire County and 1.9% in Great Britain.
- In 2004, only 11.5% 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 Services in the country as a whole (17.9%).
- The proportion of people employed in Consumer Services (19.6%) was a little lower in Melton Borough compared to the County, regional and national figures.
- The overall mass of employment was low in Melton Borough. A number of the largest employers are based in the food manufacturing sector, including Masterfoods (800 employees) and Kettleby Foods Limited (600 employees).

Table 2: Employment by Sector, 2004

	Melton	Leicestershire County	East Midlands	Great Britain
Total Employed	17,478	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	23.2%	19.0%	17.4%	11.9%
Construction	3.4%	4.6%	4.8%	4.5%
Distribution, hotels and restaurants	25.1%	28.6%	25.1%	24.7%
Transport and communications	5.7%	8.1%	5.7%	5.9%
Financial and business services	13.0%	15.8%	15.2%	20.0%
Public administration, education & health	20.0%	18.2%	25.5%	26.4%
Other services	7.0%	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

	Melton	Leicestershire County	East Midlands	Great Britain
Consumer Services (1)	19.6%	21.7%	20.3%	21.3%
High Technology Manufacturing (2)	0.3%	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
Masterfoods	Manufacturing	800
Kettleby Foods Limited	Manufacturing	600
Ragdale Hall Limited	Social and Personal Service Activities	500
Melton Foods Limited	Manufacturing	450
Brooksby Enterprises Limited	Real Estate, Renting and Business Activities	360
Jeld-Wen (UK) Limited	Manufacturing	350
Brooksby Melton College	Education	330
Hodgson and Hodgson Group Limited	Construction	250
Asfordby Storage & Haulage Limited	Transport, Storage and Communication	250
Tesco Stores Limited	Wholesale/Retail	250

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 was similar to that in the County, region and country in 2004.
- There was a total of 1,945 VAT registered businesses in Melton in 2004. Between 2000 and 2004 the number of businesses grew by 4.3%, which was the same as the percentage change in Leicestershire County.

- In Melton, 97.3% of businesses employed less than 50 people in 2004. This was slightly higher than the County (96.8%), regional (96.2%) and national (96.2%) averages.

Table 5: Business Units by Sector, 2004

	Melton	Leicestershire County	East Midlands	Great Britain
Total Units	2,080	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	9.6%	10.8%	9.9%	7.5%
Construction	10.9%	11.0%	10.5%	9.3%
Distribution, hotels and restaurants	28.7%	27.5%	30.4%	29.3%
Transport and communications	6.5%	6.2%	5.2%	4.5%
Financial and business services	26.5%	27.8%	26.1%	30.9%
Public administration, education & health	9.1%	8.6%	9.8%	8.8%
Other services	8.1%	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)
Melton	1,945	4.3	97.3
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, MYE 2004

Economic Baseline 2006: Melton Borough Summary

- In 2004, the business registration rate was similar in Melton Borough (47.3) 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 Melton Borough at 14.6% was considerably higher 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 Melton Borough (33.3%) 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 was higher in Melton Borough at 37.3 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)
Melton	47.3	14.6	33.3	37.3
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

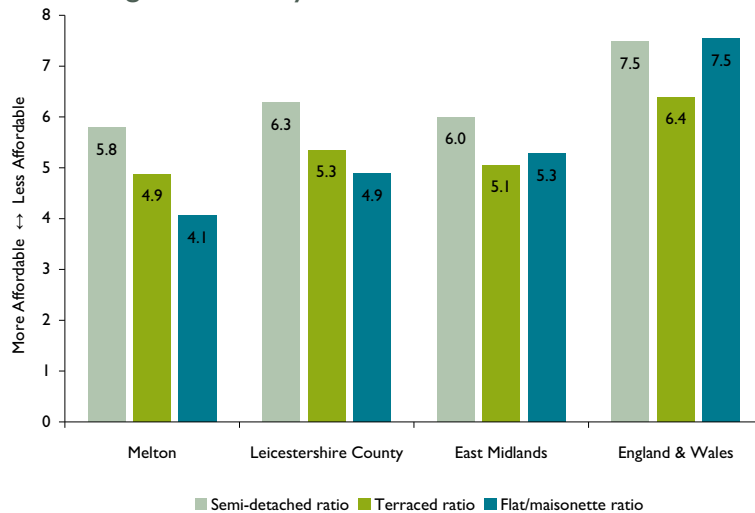
- In 2005, the average house price in Melton Borough was £187,218. This was higher than the County average (£177,224) and regional average (£153,493), but below the national average (£189,549). The gap between average house prices in Melton and the County as a whole was most pronounced for detached properties sold during 2005.
- The housing affordability ratio in 2005 for semi-detached (5.8) and terraced (4.9) properties was lower in Melton compared to the County ratios. This suggests that 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
Melton	£187,218	9.1	£283,721	£143,176	£120,621	£100,525
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, 48,300 people lived in Melton Borough. This represents an estimated 4.3% increase since 1994, which was lower than the increase in the County as a whole (6.4%).
- Compared to the County, region and England and Wales, Melton Borough has a higher proportion of the population aged above retirement age in 2004.

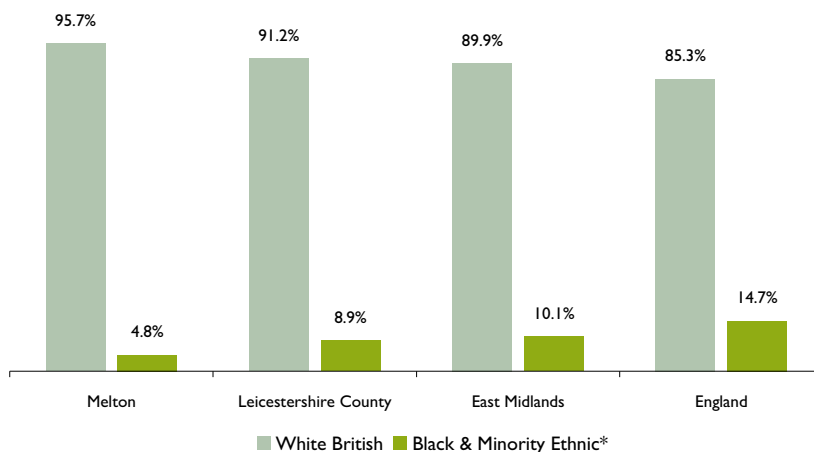
Table 9: Broad Age Profile

	All people	Children aged 0-15	Working aged 16-59/64	Older People 60/65+ ¹
Melton	48,300	19.3%	61.3%	19.7%
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 (95.7%) was higher than the County average (91.2%). The regional average was 89.9% and national average considerably lower at 85.3%. The estimated proportion of black and minority ethnic* residents in Melton was 4.8%.
- Providing current population trends continue, the number of people living in Melton Borough was estimated to increase by 14.3% over the next 30 years compared to an estimated increase of 15.2% in the County.

Table 10: Population Projections (Thousands)

	2003	2008	2013	2018	2023	2028
Melton	48.2	49.6	51.0	52.4	53.8	55.1
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 Melton in 2005 was 83.6%. This was slightly higher than the Leicestershire County average of 83.3%. Interestingly, the male economic activity rate in Melton was above the County average whereas the female economic activity rate was below.
- In June 2006, the Claimant Count unemployment rate was 1.3% in Melton Borough, lower 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 considerably lower in Melton (9.7%) compared to the Leicestershire County rate (13.2%), the East Midlands (13.9%) and Great Britain (15.7%).

Table 11: Economic Activity and Unemployment

	Economic activity rate (%)			Claimant unemployment (%)			
	All	Males	Females	All	Males	Females	LTU ¹ (%)
Melton	83.6	89.3	77.7	1.3	1.7	0.8	9.7
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

- Interestingly, average hourly earnings in 2005 were lower in Melton compared to the County, regional and national averages. The disparity between male and female hourly average earnings was more marked in Melton Borough (£4.07 p/h difference) compared to Leicestershire County (£3.44 p/h difference).

CACI data no longer available

Table II: Average Hourly Earnings

	Total	Male	Female
Melton	£7.96	£10.64	£6.57
Leicestershire County	£9.41	£11.14	£7.70
East Midlands	£9.03	£10.35	£7.68
England & Wales	£9.62	£11.00	£8.41

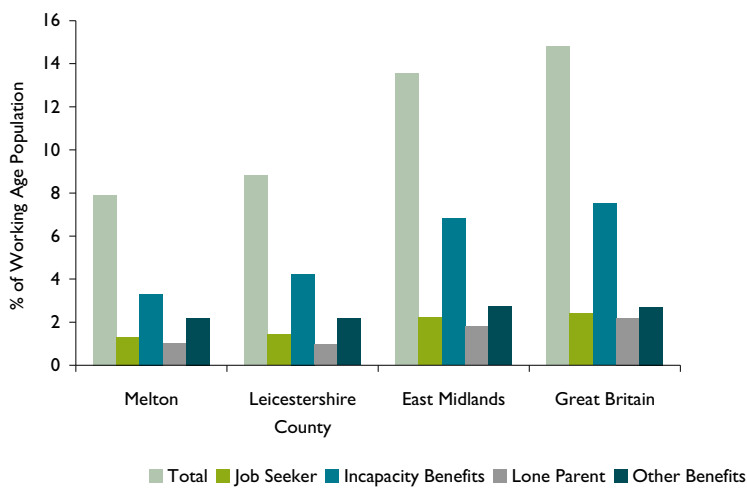
Note: Median figures have been used as mean figures are skewed by very high earners.
Source: ASHE, 2005

Social Exclusion

- Melton Borough was one of the least deprived local authority districts in England ranked 294th out of 354 authorities (where 1 is most deprived) using the 2004 Index of Multiple Deprivation.
- In November 2005, the proportion of the working age population claiming benefits in Melton was 7.9% which was lower than the County average of 8.8%. The proportion of

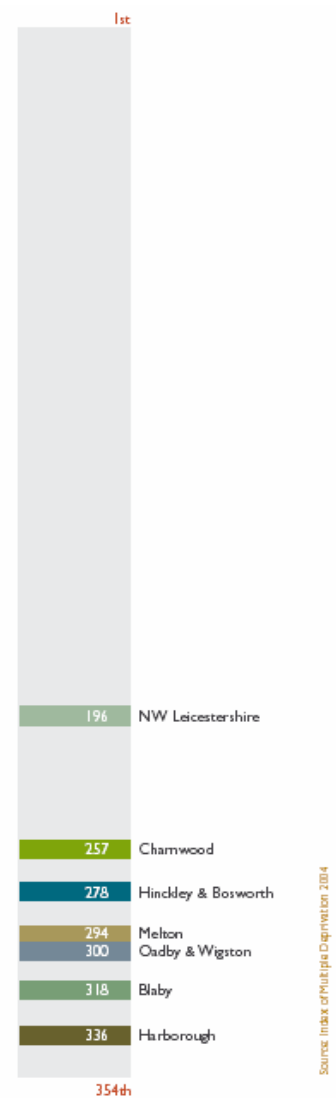
working age people claiming benefits was much higher in the region (13.5%) and country (14.8%) as a whole. The largest single benefit claimed was Incapacity Benefit which 3.3% of working age people claimed in Melton Borough in November 2005.

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: Melton Borough Summary

This profile has provided a summary for Melton 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