

# Harborough District Profile Leicester Shire Economic Baseline Study 2006



# Leicester Shire Economic Baseline Study 2006 - District Profiles

The 2006 Leicester Shire<sup>1</sup> 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 Harborough district 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

<sup>1</sup> Leicester Shire covers the combined administrative areas of Leicester City and Leicestershire County

# Harborough 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

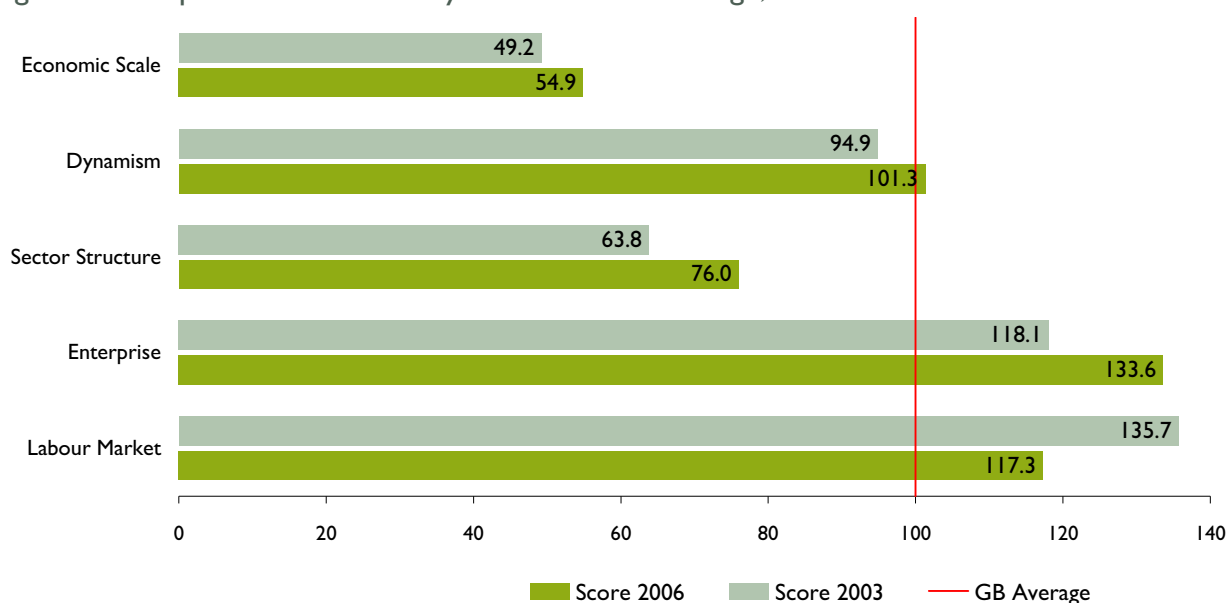
Table I: Overall LEAM Profile for Harborough, 2006

Area	Economic Scale		Dynamism		Sector Structure		Enterprise		Labour Market	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Harborough	54.9	291	101.3	154	76	227	133.6	30	117.3	81
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 Harborough, 2003 & 2006



Note: For full details of the 2003 scores see [http://www.lsint.info/downloads/Baseline\\_Survey2.pdf](http://www.lsint.info/downloads/Baseline_Survey2.pdf)

Source: Ecotec Research and Consulting, 2006

## Key points

- Harborough District scores above the national average on three of the five domains (dynamism, enterprise and labour market). The strongest domains relative to the national average (100) are enterprise (133.6) and labour market (117.3).
- Compared to the Leicestershire County averages, Harborough performs better on all the domains with the exception of dynamism and sector structure. On the enterprise domain Harborough is ranked within the top 10% of the 408 local authorities measured.
- Since 2003, Harborough has improved its relative performance compared to the national average on four of the five domains. On the labour market domain Harborough has fallen 18.4 points, but, however, it still remains above the national average.

## Employment

- A total of 32,000 people were employed in Harborough District in 2004. Since 2000, employment has increased by 8.2% (2,430 jobs). This is compared to an 8.8% increase in the County and a 3.2% increase nationally.
- By far the largest employment sector in Harborough was the distribution, hotels and restaurants sector (36.4% of employment) in 2004. This was far higher than the proportion working in this sector in the County, region and country as a whole.
- In 2004, Harborough had 12.2% of its employees working in the manufacturing sector, similar to the national average (11.9%). However, this was considerably below the County average (19%) and regional average (17.4%).
- The proportion of people working in the key growth sectors of financial and business services in Harborough District was the same as the County average (15.8%).
- However, the District is underrepresented compared to the national average (20.0%). In 2004, 2.0% were employed in High Technology Manufacturing in Harborough compared to 2.0% in Leicestershire County and 1.9% in Great Britain.
- In 2004, 13.9% of employment was based in Knowledge-based Services compared to 13.8% in the County. A much greater proportion of employment is based in Knowledge-based Services in the country as a whole (17.9%).
- The proportion of people employed in Consumer Services (28.0%) was much higher in Harborough compared to the County (21.7%), regional and national figures.
- In May 2006, the largest employer in Harborough was Asda Stores Plc based at Magna Park which employs 1,000 workers in the District.

Table 2: Employment by Sector, 2004

	Harborough	Leicestershire County	East Midlands	Great Britain
Total Employed	32,036	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	12.2%	19.0%	17.4%	11.9%
Construction	3.2%	4.6%	4.8%	4.5%
Distribution, hotels and restaurants	36.4%	28.6%	25.1%	24.7%
Transport and communications	9.5%	8.1%	5.7%	5.9%
Financial and business services	15.8%	15.8%	15.2%	20.0%
Public administration, education & health	14.0%	18.2%	25.5%	26.4%
Other services	3.7%	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

	Harborough	Leicestershire County	East Midlands	Great Britain
Consumer Services (1)	28.0%	21.7%	20.3%	21.3%
High Technology Manufacturing (2)	2.0%	2.0%	1.7%	1.9%
Knowledge-based Services (3)	13.9%	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
Asda Stores Plc	Transport, Storage and Communication	1,000
Argos Distributors Limited	Transport, Storage and Communication	570
Cottage and Rural Enterprises Limited	Health and Social Work	500
Lutterworth Grammar School	Education	350
Asda Stores Ltd (George)	Wholesale/Retail	340
Kingfield Heath	Wholesale/Retail	330
Charcon Specialist Products	Manufacturing	300
Tower Publishing Services Limited	Real Estate, Renting and Business Activities	300
J Sainsbury Supermarkets Plc	Wholesale/Retail	290
H M Prison - Gartree	Public Administration and Defence	270

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 financial and business services sector and a slightly lower proportion operating in the public administration, education and health sector.
- There was a total of 3,844 VAT registered businesses in Harborough in 2004. Between

2000 and 2004 the number of businesses grew by only 0.7%, which is considerably below the percentage change for Leicestershire County (4.3%), the East Midlands and Great Britain.

- In Harborough, 97.5% of businesses employed less than 50 people in 2004. This is higher than the County (96.8%), regional (96.2%) and national (96.2%) averages.

Table 5: Business Units by Sector, 2004

	Harborough	Leicestershire County	East Midlands	Great Britain
Total Units	3,844	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	9.7%	10.8%	9.9%	7.5%
Construction	10.0%	11.0%	10.5%	9.3%
Distribution, hotels and restaurants	27.0%	27.5%	30.4%	29.3%
Transport and communications	5.2%	6.2%	5.2%	4.5%
Financial and business services	32.6%	27.8%	26.1%	30.9%
Public administration, education & health	7.1%	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)
Harborough	3,740	0.7	97.5
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 considerably higher in Harborough District (70.3) 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 Harborough District at 15.5% was also much 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 Harborough District (42.5%) was higher 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 higher in Harborough District at 42.6 compared with Leicestershire County (33.6) and Great Britain (32.0).
- The analysis of enterprise indicators confirms the LEAM results that Harborough is a very entrepreneurial area. On all of the measures of enterprise Harborough scores above the County, regional and national average.

Table 7: Entrepreneurship

	Registration Rate <sup>1</sup> (2004)	% People Self-employed (2005)	% Start-ups in Financial and Business Services, (2004)	Micro Firm Density <sup>2</sup> (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: <sup>1</sup> Number of business start ups per 10,000 people working age population; <sup>2</sup> Number of VAT registered businesses (<10 employees) as a proportion of the population.

Sources: Small Business Service 2004; Annual Population Survey 2005

## House Prices

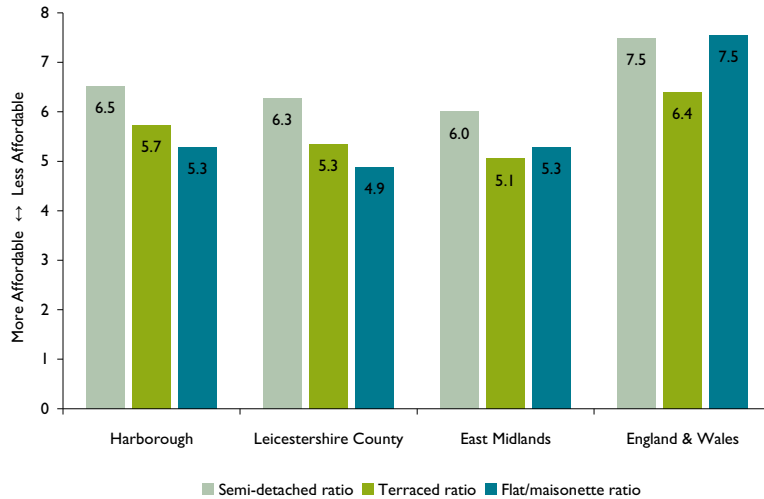
- In 2005, the average house price in Harborough District was £218,427. This was higher than the County (£177,224), regional (£153,493) and national average (£189,549). Analysis of house prices for all property types show significantly higher prices in Harborough compared to the County average.
- The housing affordability ratio in 2005 for semi-detached (6.5) and terraced (5.7) properties was higher in Harborough District compared to the County ratios. This means these housing types are less affordable for residents in Harborough compared to the County as a whole. However, the Harborough ratios for all housing types were still below the national ratios.

Table 8: Average House Prices, 2005

	All Dwellings	% Change 2004-2005	Detached	Semi-Detached	Terraced	Flat/Maisonette
Harborough	£218,427	5.2	£293,332	£165,474	£145,486	£134,239
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, 79,000 people lived in Harborough District. This represents an estimated 14.1% increase since 1994, which is considerably higher than the increase in the County (6.4%).
- Compared to the County, region and England and Wales, Harborough District has a slightly higher proportion of the population aged under 15 and a slightly lower proportion of working age residents.

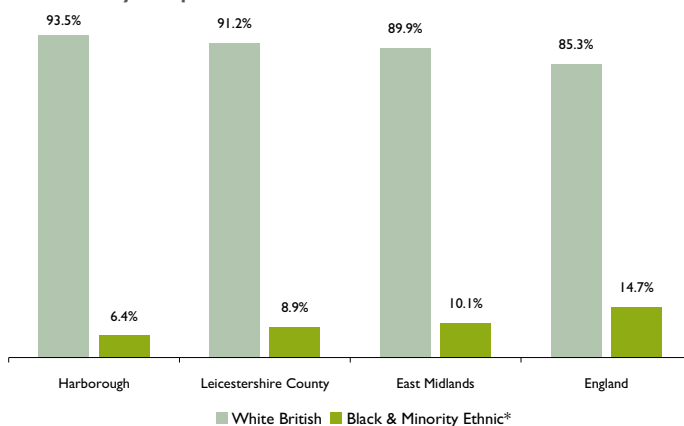
Table 9: Broad Age Profile

	All people	Children aged 0-15	Working age 16-59/64	Older People 60/65+ <sup>1</sup>
Harborough	79,000	20.2%	60.8%	19.0%
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: <sup>1</sup> 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 (93.5%) was slightly 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 Harborough District was 6.4%. By far the largest minority ethnic groups were Other White and Indian populations which account for over half of the black and minority ethnic\* population in Harborough in 2004.
- Providing current population trends continue, the number of people living in Harborough District is estimated to increase by 26.4% over the next 30 years compared to a forecast increase of 15.2% in the County.

Table 10: Population Projections (Thousands)

	2003	2008	2013	2018	2023	2028
Harborough	79.1	84.5	88.9	93.0	96.8	100.0
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 Harborough in 2005 was 85.4%. This is higher than the Leicestershire County average of 83.3%. The female economic activity rate in Harborough was more in line with the County average whereas male economic activity rate was considerably higher in Harborough compared to the County average.
- In June 2006, the Claimant Count unemployment rate was very low in Harborough District (0.8%) compared to 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 12.4% in Harborough 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 (%)
Harborough	85.4	91.3	79.4	0.8	1.1	0.5	12.4
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: <sup>1</sup> 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

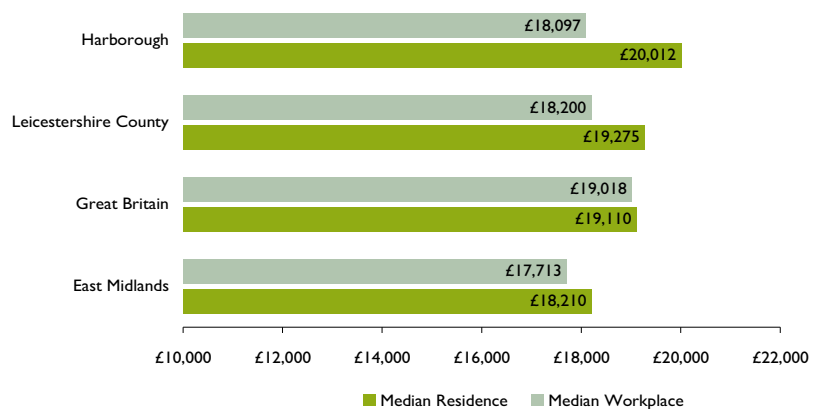


## Income & Earnings

CAI 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 inferences to be drawn about the impact of commuting.
- In 2004, the median resident annual earnings were estimated to be £1,915 more than the median workplace annual earnings in Harborough District. This suggests that the district has a less self-contained labour market compared to the County which has less discrepancy between resident and workplace average annual earnings. The data suggests a large proportion of Harborough residents travel outside the District to work.

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



Source: ASHE, 2005

Table II: Average Hourly Earnings

	Total	Male	Female
Harborough	£10.13	£11.99	£7.78
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

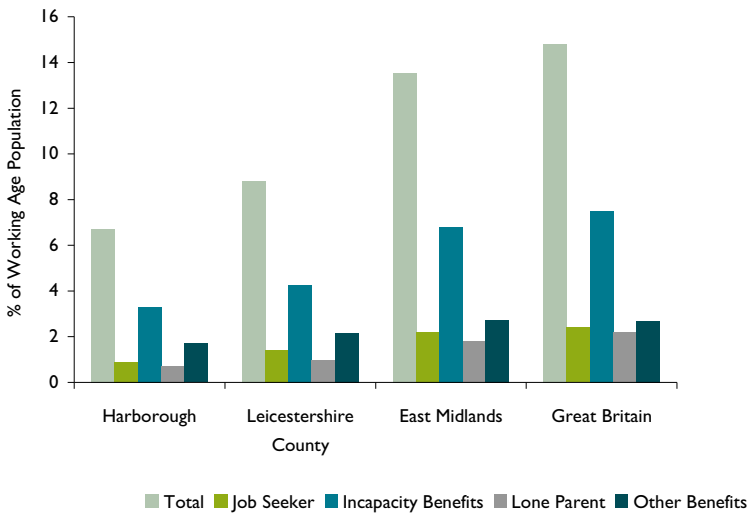
\* Median figures have been used as mean figures are skewed by very high earners.

### Social Exclusion

- Harborough District is one of the very least deprived local authority districts in England ranked 336<sup>th</sup> out of 354 authorities (where 1 is most deprived) using the 2004 Index of Multiple Deprivation. Within Leicestershire County, Harborough is the least deprived local authority district.
- Nonetheless, on the barriers to housing and services domain Harborough has some of the most deprived areas in the country. One Super Output Area in the Tilton ward is ranked within the 2% most deprived areas in England on the barriers to housing and services domain. A further five Super Output

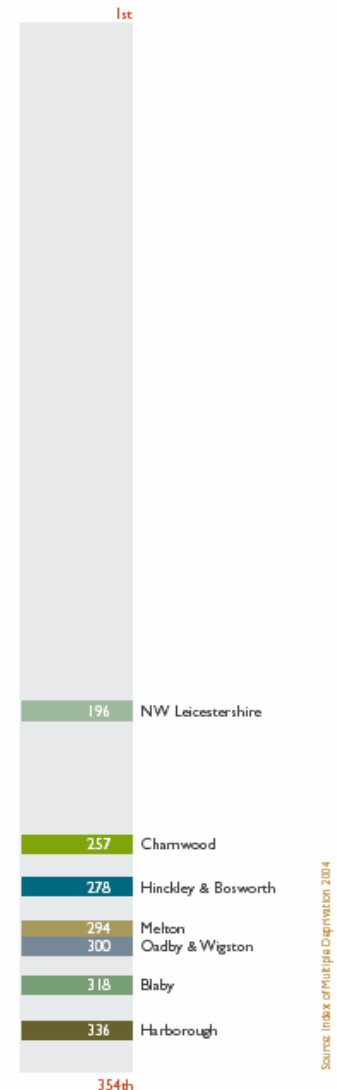
Areas in Harborough District are ranked within the 10% most deprived in England on the barriers to housing and services domain. In November 2005, the proportion of the working age population claiming benefits in Harborough was 6.7% which is less than the County average of 8.8%. The proportion of working age people claiming benefits was much higher in the region (13.5%) and country (14.8%). The largest single benefit claimed is Incapacity Benefit which 3.3% of working age people claimed in Harborough 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

## Economic Baseline 2006: Harborough District Summary

This profile has provided a summary for Harborough 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](http://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](http://www.lsint.info)