

Leicestershire County Council

Charnwood Borough Economic Study

June 2001

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EXECUTIVE SUMMARY

- This document presents an analysis of the economy of Charnwood Borough within the context of the emerging Leicestershire Economic Strategy and *emda's* Economic Strategy.

Population & Social Profile

- Charnwood's largest settlement is Loughborough.
- 6.3 per cent of the population is made up of ethnic minorities, higher than the proportion in Leicestershire as a whole.
- Charnwood contains Loughborough FE College and Loughborough University (incorporating Loughborough College of Art & Design) and there are strong links between industry and local HEIs.

Current Industrial and Employment Structure

- Reflecting Leicestershire as a whole, employment in Charnwood is provided by a diverse range of industries and a large base of SMEs.
- Manufacturing accounts for the largest proportion of employees but, over the last ten years, there has been significant employment loss from traditional industries. The closure of textiles factories impacts particularly heavily on ethnic minority, particularly Bangladeshi, communities.
- Many Bangladeshi workers have poor English and many redundant engineering workers are highly skilled but do not have skills required by local employers.
- Pharmaceuticals, high technology and engineering are important sub-sectors in Loughborough. The food industry is important in the south of the Borough.
- Within Charnwood, companies in the six key sectors identified in the draft Leicestershire Economic Strategy account for a similar proportion of employment by comparison with Leicestershire as a whole.
- However, slight differences in the proportion of employment accounted for by these industries suggest that Charnwood is likely to suffer less than Leicestershire as a whole from the continued decline in textiles & clothing and food & drink. It may, however, suffer disproportionate negative impact from job losses within high technology manufacturing. The projected growth in printing & publishing and in distribution & transport represent opportunities on which the Charnwood economy might capitalise.

Employment & Unemployment

- Economic activity rates in Charnwood are higher than the rates for Leicestershire as a whole which are, in turn, higher than the rates for the East Midlands, which are higher than the rates for Great Britain as a whole.
- Compared to Leicestershire as a whole, Charnwood has a slightly higher proportion of residents in employment but a slightly lower proportion in self-employment.
- Changes in unemployment in Charnwood follow similar patterns to those in Leicestershire, the East Midlands and the UK. Unemployment rates are generally falling but there is concern that skilled jobs are being replaced by lower quality employment.
- In general, Loughborough has around a one per cent higher unemployment rate than the Leicestershire LSC area as a whole. Loughborough contains wards where the unemployment rates remain consistently higher than those for Charnwood as a whole.

Deprivation

- Overall Charnwood is ranked 269 out of 354 on the DETR Indices of Deprivation. With regard to unemployment, sickness & disability preventing work, it is ranked 160 and, with regard to low incomes, it is ranked 150.
- Woodthorpe, Hastings and Lemyngton wards (all within Loughborough) are the most deprived wards in Charnwood. Woodthorpe and Hastings are the third and fourth most deprived wards in the County.
- Birstall Stonehill, Loughborough Hastings and Loughborough Woodthorpe have significantly higher than expected mortality rates.

Competitiveness

- VAT registration survival rates for England have overtaken those for Leicestershire and the East Midlands since the mid 1990s.

Inward Investment, Enterprise Development & Job Creation

- There is a lack of industrial land in the Loughborough area.
- Rate of new business formation in Charnwood is roughly on a par with that in Leicestershire, the East Midlands and Great Britain as a whole.

Learning & Training

- Charnwood is out-performing the rest of Leicestershire with regard to the achievement of National Learning Targets.
- In the Leicestershire Household Survey respondents in Charnwood rated their skills as slightly more advanced than did respondents across the area as a whole.
- The Loughborough Bangladeshi community has particular skills needs, having low levels of qualifications and low economic activity rates linked to a poor command of English.

Regeneration

- A £1.34 million SRB II program for Loughborough is due to complete this year having created 567 jobs, as well as safeguarding a further 390. It has also created 5,900 square metres of new business/commercial floorspace and improved a further 2,000 square metres.
- The review of the Leicestershire Structure Plan has proposed the development of a new Science Park adjacent to the existing Loughborough Science Park.
- A major redevelopment on the edge of Loughborough town center will increase retail floorspace by 50 per cent. Improving the town center to compete with Nottingham and Leicester is a major focus for the Borough Council.
- There is a proposal for the development of a rail station at Parkway with the potential to link to East Midlands Airport, thereby opening up employment opportunities for Charnwood residents.
- LATI is a network of 200 high-technology companies and business support organisations.
- Charnwood Borough Council is seeking funding to develop activities to encourage hard to reach groups to participate in learning and training.
- There is a strong community and voluntary sector in Charnwood.

The Way Forward

- There are a variety of strategies in place or in the process of being developed which include Charnwood Borough in their remit. However, there are certain characteristics of the Charnwood economy which together make it unique within Leicestershire, specifically:

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- The need for training for the Bangladeshi community
 - Pockets of high long-term unemployment in specific wards, particularly among ethnic minority groups
 - The need for more industrial land in Loughborough
 - Low participation in training and learning among residents.
- The analysis within this document suggests that economic intervention activities within Charnwood should focus on the following:
 - Business support:
 - Working with the SBS and Business Link to identify and address reasons for business failure.
 - Provision of business support targeted at growth areas and key sectors.
 - Enabling the community and voluntary sector to deliver aspects of business support.
 - Continuing action to provide and promote industrial sites and premises in Loughborough.
 - Training & Learning:
 - Reskilling those made redundant from traditional manufacturing industries to meet the needs of new employers.
 - Providing training (including training in English) for the Loughborough Bangladeshi community.
 - Identifying and addressing barriers to learning and training.
 - Working with the EYDCP to ensure it addresses the needs of the Bangladeshi community.

The next step will be for the LSP to identify how these recommendations mesh with existing and planned projects, to develop actions to be taken and assign roles, responsibilities and targets.

1 INTRODUCTION

The document presents the result of an examination of the economy of Charnwood Borough with the aim of informing the Local Strategic Partnership. It presents an analysis of the economy of Charnwood Borough, within the context of the emerging Leicestershire Economic Strategy and *emda's* Economic Strategy. The area covered by the report is represented by the maps which can be found in Appendix One of this document.

The project was commissioned by Leicestershire County Council and was overseen by a Steering Group made up with the following members:

- Clare Laver, Leicestershire County Council
- Jo Miller, Leicestershire County Council
- Andy Rose, Leicestershire County Council
- Richard Thumpston, Leicestershire County Council
- Denis Winterbottom, Leicestershire County Council
- Tim Bacon, Charnwood Borough Council
- Dave Puxley, Charnwood Borough Council
- Caroline Boucher, LLSC
- Clare Parry, LLSC.

The emerging Leicestershire Economic Strategy sets out three strategic priorities, as follows:

- Promoting business competitiveness
- Developing Leicestershire's human resources
- Creating the right conditions for new economic activity to take place.

It also contains the following ten year targets:

- Increase GDP per head to 7% higher than that of the UK
- Create an extra 10,500 jobs above forecast increases
- Raise manufacturing productivity to 97% of the East Midlands figure
- Attract 2,000 net new jobs through inward investment
- Increase business start-ups by 5% a year creating 1,700 new enterprises
- Achieve National Learning Targets
- Attain 60% of the population engaged in learning activities
- Attain 90% of population with ICT competency.

The strategic priorities are to be achieved through the following actions:

- Priority One - Promoting business competitiveness:

- encouraging firms in Leicestershire to raise exports and break into new export markets
 - building strong local linkages between suppliers and their customers
 - encouraging firms to invest in the skills of their workforce
 - encouraging the dissemination of best practice between local firms
 - supporting innovation and the transfer of technology
- Priority Two - Developing Leicestershire's human resources:
 - improving links between business and education
 - helping young people to make better informed career decisions
 - making businesses aware of the benefits of training their existing workforce
 - actively encouraging management training, especially in SMEs
 - encouraging individuals to invest in their own learning
 - helping those in restructuring industries to retrain
 - Priority Three – Creating the right conditions for new economic activity to take place
 - promoting business start ups of smaller firms
 - guiding firms on various sources of funding for investment
 - targeting inward investment into the County
 - providing the specialist business support required by Leicestershire businesses
 - nurturing a culture of business networking.

The draft Leicestershire Economic Strategy also identifies six key sectors that will be of particular importance to the future prosperity of the Leicestershire economy. Employing approximately 144,200 or 38% of all employees, they are as follows:

- Textiles & Clothing - expected to continue shedding jobs in the face of increased competition from cheap imports
- Food & Drink - firms in Leicestershire expected to lose fewer jobs than the regional and national averages
- Printing & Publishing - expected to be the strongest performing manufacturing sector, in part because of its relatively small size, but also reflecting growing demands for its services both in the UK and overseas
- 'High Technology' Manufacturing – firms will be under continual pressure to increase productivity in order to compete in international markets. This will mean further job losses despite strong year-on-year expansion of output
- Wholesale Distribution & Transport - expansion in Leicestershire expected to outperform the national rates of growth, reflecting the increased demand for

distribution services as the manufacturing sector grows, along with the expansion of high value added distribution activities of Magna Park

- Financial & Business Services - output expected to expand by 4.3 per cent, slightly below the average rate of growth for the region and the economy as a whole, with little prospect of significant job gains.

In this document, the economy of Charnwood Borough is considered with particular reference to the emerging Leicestershire Economic Strategy and *emda's* Economic Strategy.

2 POPULATION & SOCIAL PROFILE

Charnwood covers an area of 279 sq km with the largest settlement being Loughborough (also the largest settlement in the County apart from Leicester City).

Charnwood has an estimated 1998 population of 155,400 projected to reach 160,900 by 2009 (ONS). The age distribution of the population is shown in Table 2.1 81.3 per cent of Charnwood's over 16 population is of working age, higher than the figure for Leicestershire as a whole (80.6 per cent) (LFS March 2000-May 2000).

Table 2.1: Population by Age

Age	Percentage of total population			
	Charnwood	Leicestershire	Shire County ¹	England
0-4	6.6	6.9	6.4	6.7
5-15	13.7	14.1	13.7	13.4
16-49	49.5	48.7	50.6	48.2
50-59/64	13.1	12.8	12.1	13.0
60/65+	17.1	17.5	17.2	18.7

Source: 1991 Census of Population (while this data is 10 years old, area age profiles generally remain fairly constant)

6.3 per cent of the 1991 population is made up of members of ethnic minorities, higher than the proportion in Leicestershire as a whole (3.2 per cent) (ONS). At the time of the 1991 Census, 4.7 per cent of the population of Charnwood identified itself as Asian (8.9 per cent in Leicestershire, 2.4 per cent in the Shire County and 3.0 per cent in England). Asian residents were concentrated in Loughborough Hastings, Loughborough Lemyngton and Thurmaston.

6.6 per cent of Charnwood respondents to the Leicestershire LSC Household Survey 2000 were lone parents, a lower proportion than that for the entire survey (8.3 per cent).

Charnwood contains two Higher and Further Education establishments - Loughborough FE College and Loughborough University (incorporating Loughborough College of Art & Design). The links between industry and the local HEIs (including Nottingham and Leicester Universities) are one of the strengths of the Borough's economy. Pre-manufacturing and manufacturing engineering companies have spun-out from the Universities.

Average annual household income in Charnwood is £22,000, lower than for Leicestershire as a whole (£22,600) (CACI – 1999 PayCheck). However, 22.3 per cent of Charnwood respondents to the Leicestershire LSC Household Survey 2000 had gross annual earnings below £11,500, a lower proportion than the figure for the

¹ The County excluding Leicester City.

area as a whole (24.6 per cent). The 1999 PayCheck study shows that specific areas of Anstey, Birstall, Loughborough, Mountsorrel, Shepshed, Sileby and Syston have a significantly higher number of households than expected with a total income of less than £10,000 per annum.

The average price of a house in Charnwood is £74,635, lower than in Leicestershire as a whole (£82,360) (HM Land Registry Oct-Dec 1999).

The development of the A46 has improved access to the South of the district while commuting in both directions between Leicester and Loughborough along the A6 corridor is significant.

3 CURRENT INDUSTRIAL & EMPLOYMENT STRUCTURE

One of the strengths of the Charnwood economy, reflecting that of Leicestershire as a whole, is the diversity of industries providing employment within the Borough.

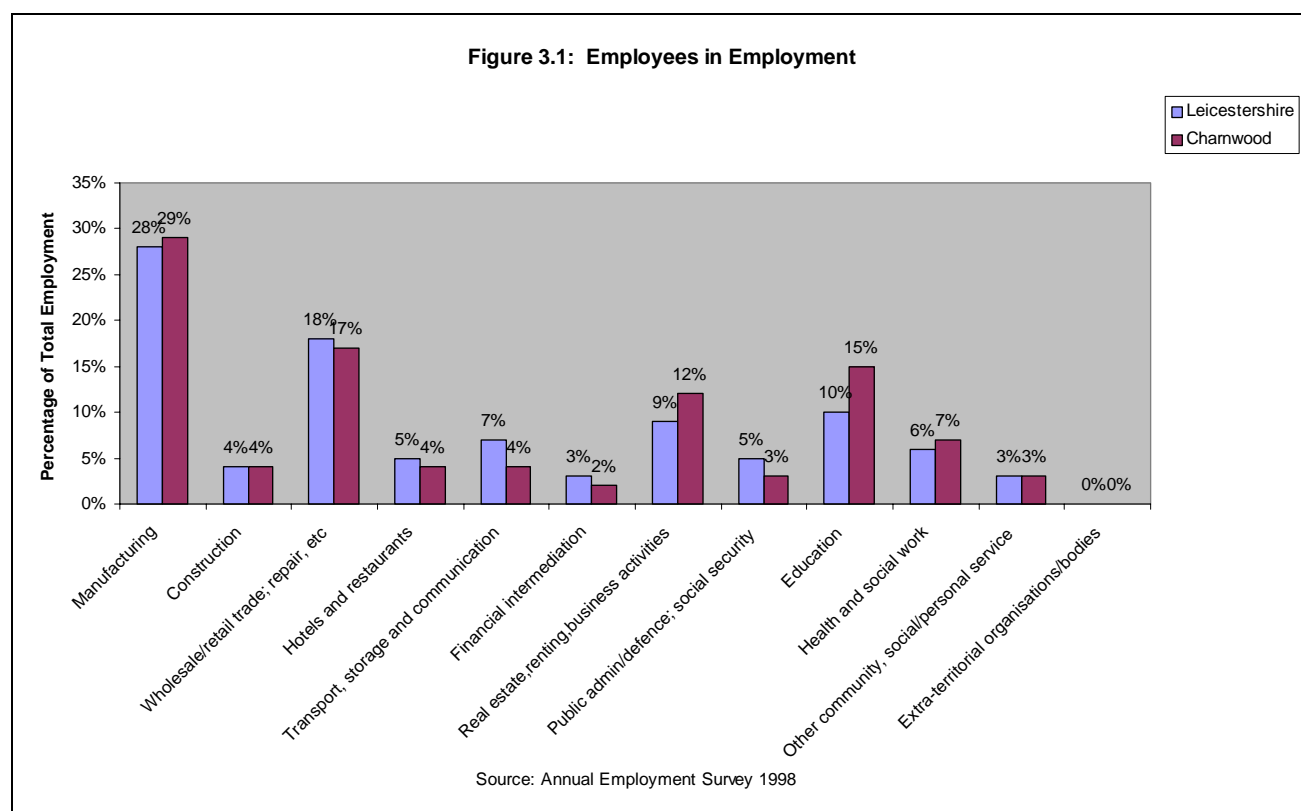
Major employers in Charnwood include AstraZeneca R&D Charnwood (1,200 employees), Arriva Fox County Ltd (950 employees) and Brush Electrical Machines (875 employees) (data4business).

Figure 3.1 shows employment by industry for Charnwood and for Leicestershire. Charnwood has a higher proportion of employees in transport, storage & communications and a lower proportion in real estate, renting & business activities and in education. The proportion in manufacturing (29 per cent) is slightly higher than the figure for Leicestershire (28 per cent) and considerably higher than the regional figure (26 per cent) and national figure (18 per cent).

Manufacturing accounts for the largest proportion of employees but, over the last ten years, there has been significant employment loss from traditional industries such as engineering, textiles, hosiery and printing (for example, the recent closure of Coats-Viyella factories in Loughborough and Shepshed). The surviving engineering companies are those at the forefront of their technologies.

The closure of textiles factories impacts particularly heavily on ethnic minority communities, particularly Bangladeshi workers. Those made redundant are skilled workers but their skills are not transferable. Many Bangladeshi workers have poor English having previously been employed by firms where Bengali was spoken and having been able to communicate in their mother tongue at work. Many redundant engineering workers are in the 40+ age group. They are highly skilled but there are few jobs available locally that require their skills. There is strong anecdotal evidence that some of these workers are out-commuting to work.

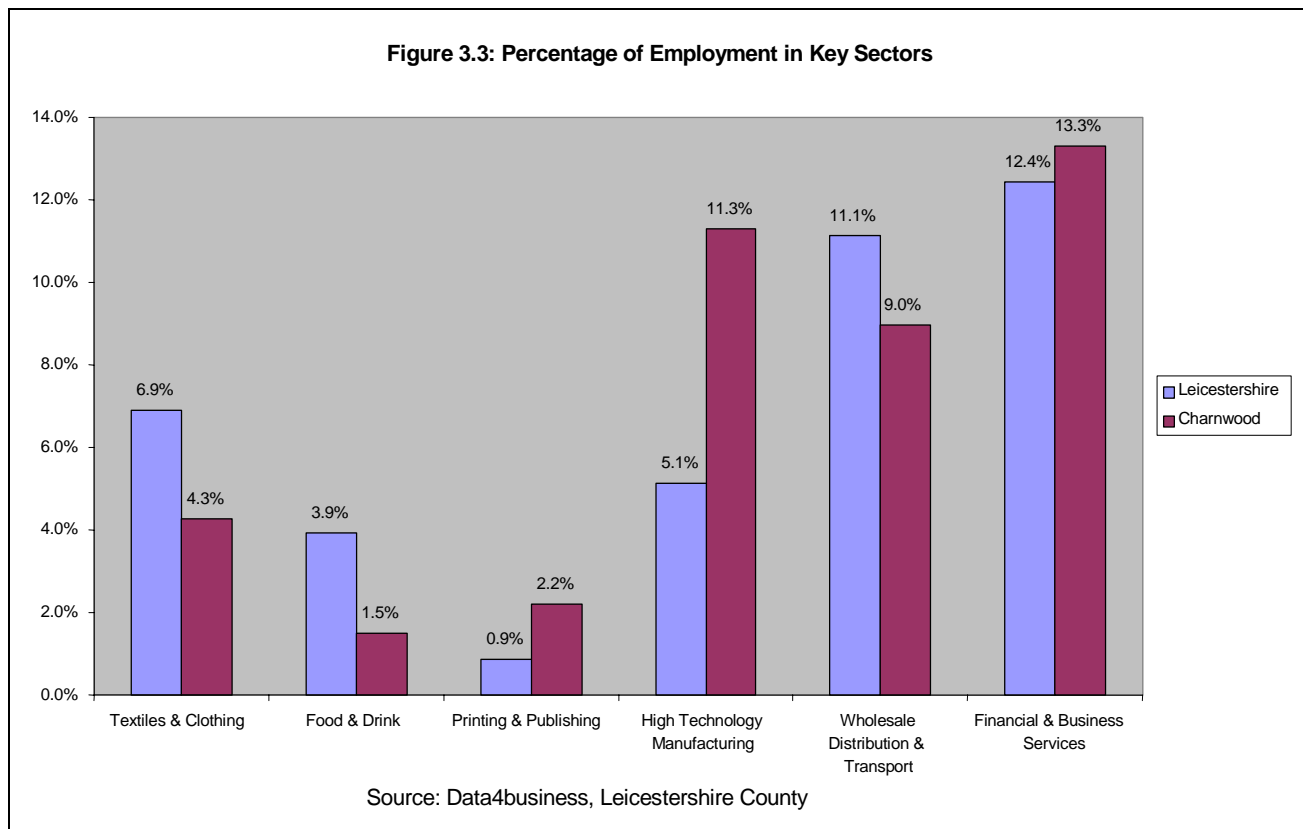
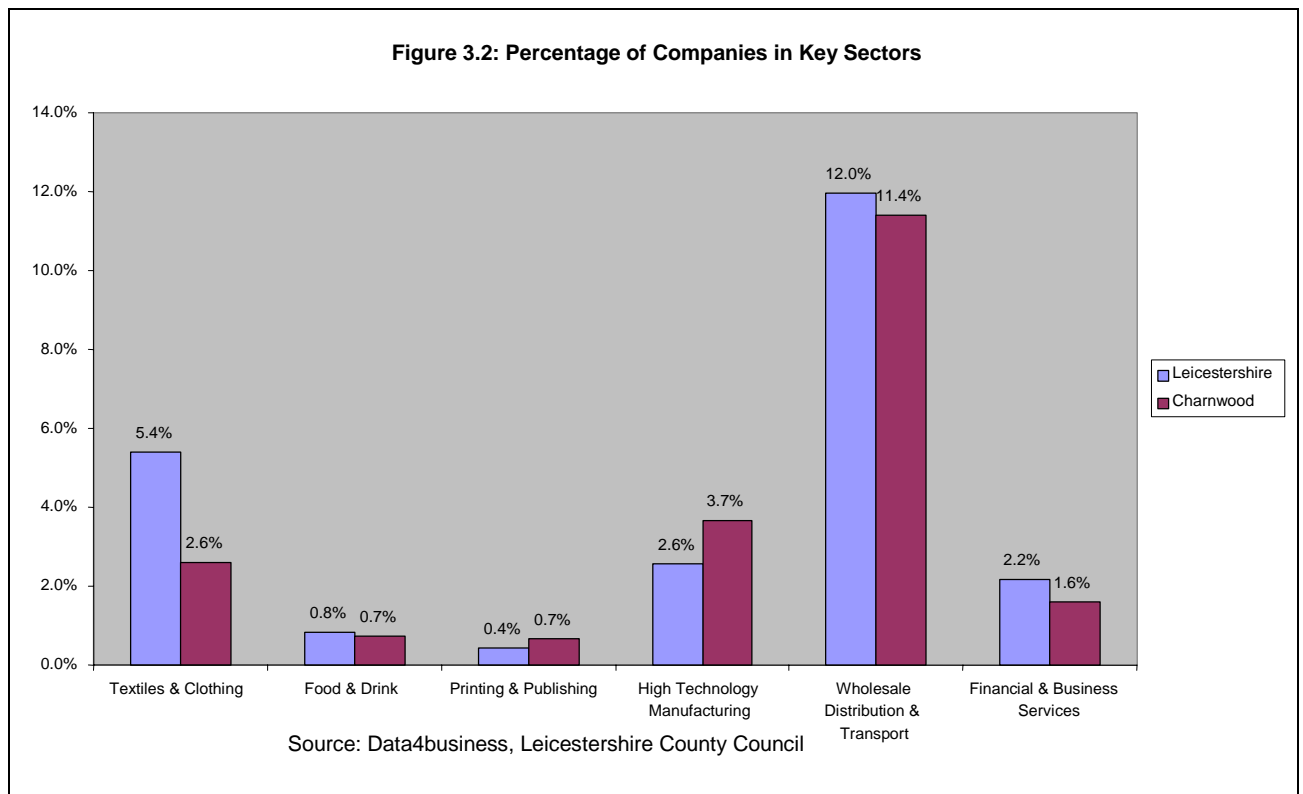
In employment terms, pharmaceuticals (for example, AstraZeneca and 3M are large employers located within the Borough), high technology and engineering are important sub-sectors in the Loughborough area, while the food industry is important in the south of the Borough. Other significant industries include minerals extraction and agriculture/land-based industries in rural areas. Retail and tourism are additional significant (and growing) sectors within the Charnwood economy with the National Space Science Centre and the National Forest developments having significant long-term potential.



Figures 3.2 and 3.3 show the relative extents to which the Leicestershire and Charnwood economies are dependent on the six key sectors identified in the draft Leicestershire Economic Strategy. Within Charnwood, these companies account for a similar proportion of businesses, although there is less dependence on textiles & clothing manufacturing. 11.4 per cent of businesses are within the Distribution & Transport sector, which is expected to outperform national rates of growth in the East Midlands.

In terms of employment, Charnwood is less dependent on the declining textiles & clothing and food & drink sectors than Leicestershire as a whole. However, it has a noticeably larger proportion of employees in high technology manufacturing, which is expected to shed jobs, and financial & business services which is unlikely to generate much additional employment. Charnwood also has a lower proportion of employees than Leicestershire as a whole in printing & publishing, which is expected to be the strongest performing manufacturing sector. It also has a lower proportion of employees in distribution & transport, which for the county as a whole is expected to outperform national rates of growth.

This suggests that Charnwood is likely to suffer less than Leicestershire as a whole from the continued decline in textiles & clothing and food & drink (partly because it has already experienced major job losses). It may however, suffer disproportionate negative impact from job losses within high technology manufacturing. The projected growth in printing & publishing and in distribution & transport represent opportunities on which the Charnwood economy might capitalise.



One of Leicestershire's economic strengths is its large base of small and medium sized enterprises (SMEs), a strength that is reflected in the Charnwood economy. Analysis of the data4business database (the business database held by Leicestershire County Council) reveals that 69.4 per cent of Charnwood businesses employ between 1 and 10 people (68.8 per cent in Leicestershire) and 98.1 per cent employ fewer than 200 (also 98.1 per cent in Leicestershire).

4 EMPLOYMENT & UNEMPLOYMENT

84.3 per cent of Charnwood's working age population is in employment, a figure higher than that for Leicestershire as a whole (80.9 per cent) (LFS March 2000-May 2000). Table 4.1 shows that economic activity rates in Charnwood are higher than the rates for Leicestershire as a whole, which are, in turn, higher than the rates for the East Midlands, which are higher than the rates for Great Britain as a whole.

Table 4.1: Economic Activity Rates (March 1999-February 2000)

Area	Those of working age	Those aged 16+
Charnwood	86.6%	72.2%
Leicestershire	82.4%	67.6%
East Midlands	80.2%	63.9%
Great Britain	78.7%	63.1%

Source: ONS, LFS

Figure 4.2 shows the findings of the Leicestershire LSC Household Survey 2000 with regard to the employment status of respondents in Charnwood and in Leicestershire as a whole. It shows that Charnwood has a slightly higher proportion of residents in employment but a slightly lower proportion of self-employed residents.

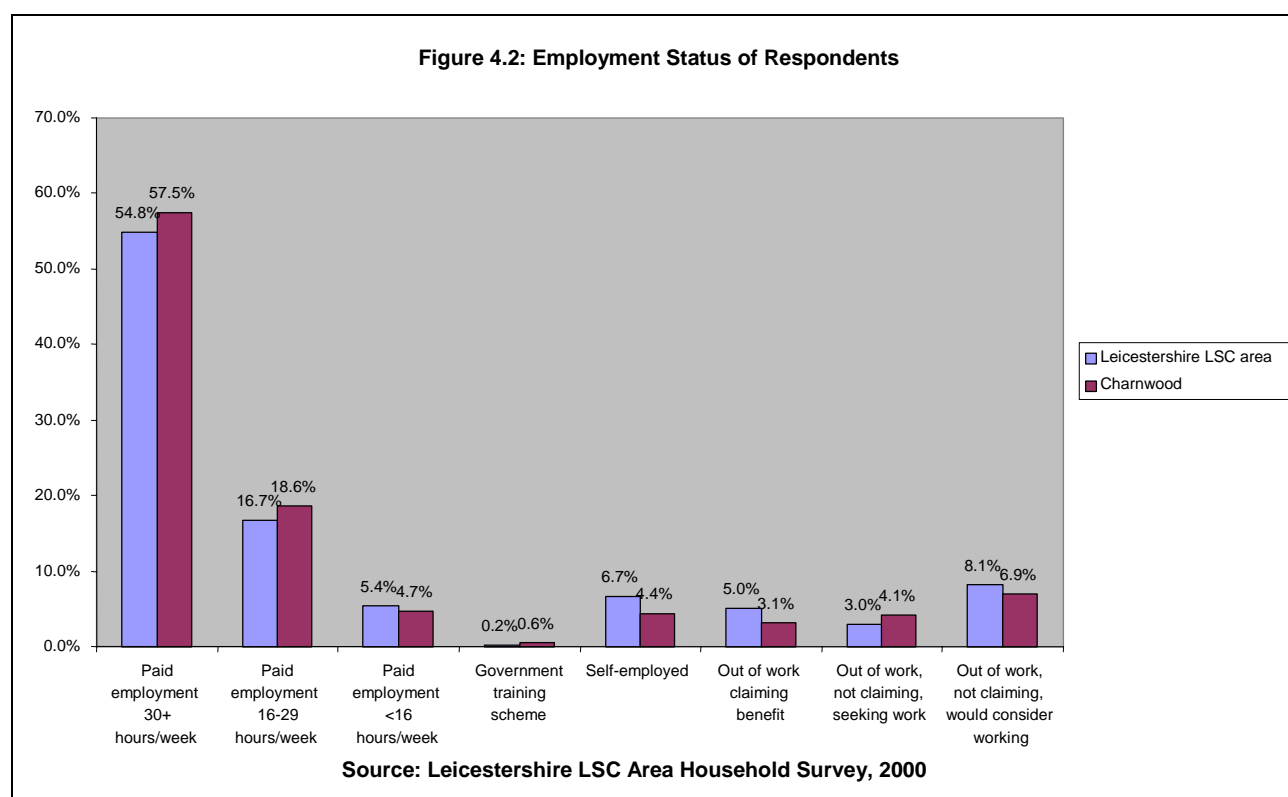
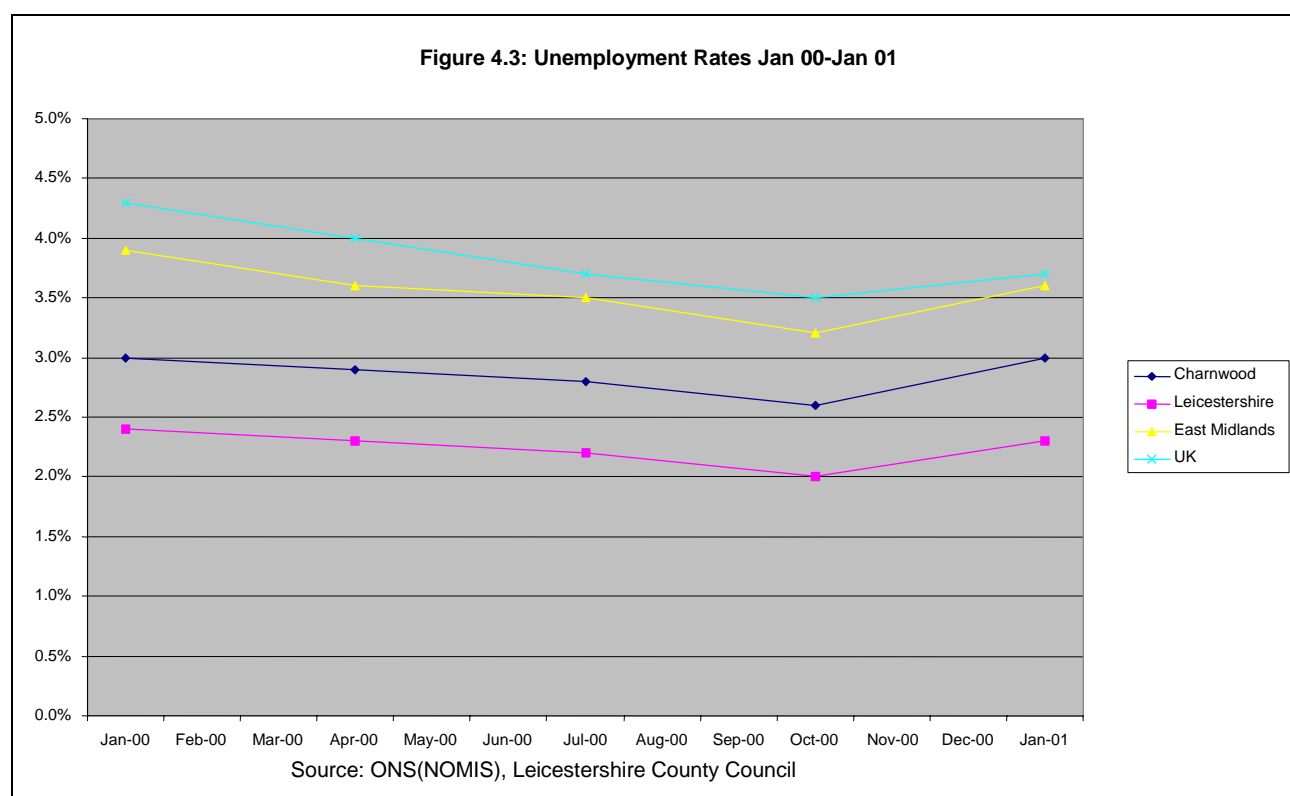
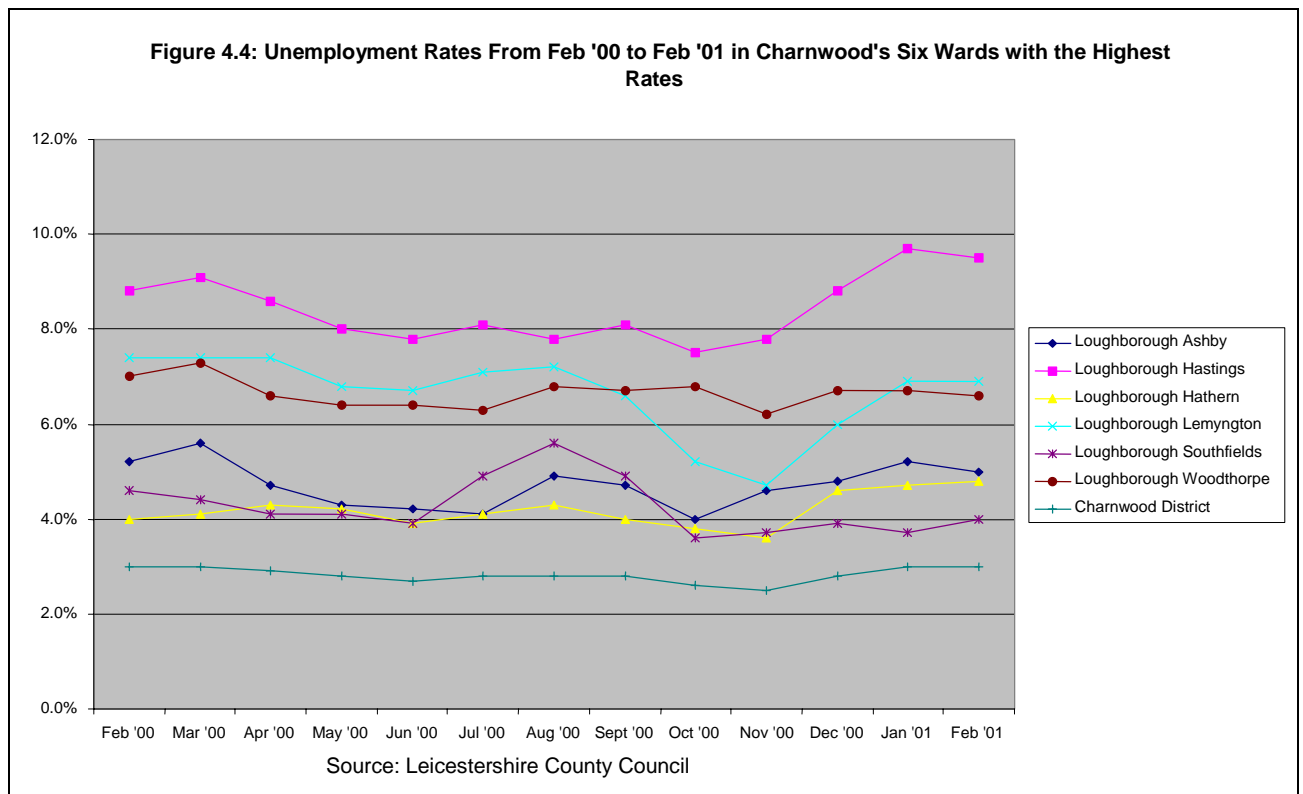


Figure 4.3 shows the change in unemployment rates between January 2000 and January 2001 for Charnwood, Leicestershire, the East Midlands and the UK. It illustrates the fact that changes in unemployment rates in Charnwood follow the same patterns as those in the wider areas, while remaining below those for the East Midlands and the UK but above those for Leicestershire.

Unemployment rates are generally falling but there is concern that skilled jobs in traditional manufacturing industries are being replaced by low skilled, lower paid, temporary and part-time jobs such as packing, simple assembly and food preparation.



Wards within Charnwood Borough have the highest unemployment rates in the Shire County. In general, Loughborough has a higher unemployment rate (around 1 per cent higher) than the Leicestershire LSC area as a whole. Figure 4.4 shows the six wards with the highest unemployment rates within Charnwood (all within Loughborough) over the year February 2000 to February 2001 and shows that, while the figures follow the same patterns of movement as those for Charnwood as a whole, the rates in these wards are consistently higher.



75.6 per cent of Charnwood's unemployed have been unemployed for over six months, 57.8 per cent for over 12 months and 44.5 per cent for over 2 years. These figures are lower than the equivalent figures for the Leicestershire LSC area as a whole (76.4 per cent, 61.9 per cent and 50.5 per cent respectively) (Leicestershire LSC Household Survey, 2000).

4.4 per cent of Charnwood's population of working age has a disability or long-term illness which limits daily activities or work, lower than the proportion within Leicestershire LSC area as a whole (5.1 per cent) (Household Survey 2000).

5 DEPRIVATION

The DETR Indices of Deprivation, 2000 show the following:

- 5,765 residents of Charnwood want to work but are unable to do so through unemployment, sickness or disability, with Charnwood ranking 160².
- 22,696 residents of Charnwood are on a low income, with Charnwood ranking 150.
- On average, across all the indices, Charnwood is ranked 269.
- Within Charnwood, Woodthorpe, Hastings and Lemyngton wards (all within Loughborough) stand out as the most deprived, ranking 1648, 1674 and 1971 respectively out of the 8414 wards in England. Woodthorpe and Hastings are, respectively, the third and fourth most deprived wards within the County.

Leicestershire Health Authority data shows that, between 1992 and 1996, the following electoral wards had **significantly higher** than expected mortality rates: Birstall Stonehill, Loughborough Hastings and Loughborough Woodthorpe. The following electoral wards had **higher** than expected mortality rates: Barrow upon Soar & Quorn, Loughborough Lemyngton, Thurmaston, The Wolds and Woodhouse & Swithland.

Charnwood Borough Council's Housing Department data shows that at 31st March 1998, the following wards had an above Borough average proportion of households making live claims for housing benefit and/or council tax benefit: Loughborough, Barrow on Soar and Mountsorrel. The following wards had a below average proportion of households making such claims: Burton on the Wolds, Hoton (including Cotes), Newtown Linford, Prestwold, South Croxton and Swithland.

Using the definition of the poor devised by the School of Advanced Urban Studies, Bristol, the poor comprise more than 21 per cent of households in Ashby, Hastings, Lemyngton, Storer and Woodthorpe and less than 9 per cent of households in Birstall Greengate, East Goscote, Nanpantan, Outwoods, The Wolds and Thurcaston.

The Leicestershire LSC Household Survey 2000 found that 96.9 per cent of Charnwood respondents had bank or building society accounts, higher than the proportion for all respondents (92 per cent).

² There are 354 Districts in England and a rank of 1 indicates the most deprived district.

6 COMPETITIVENESS

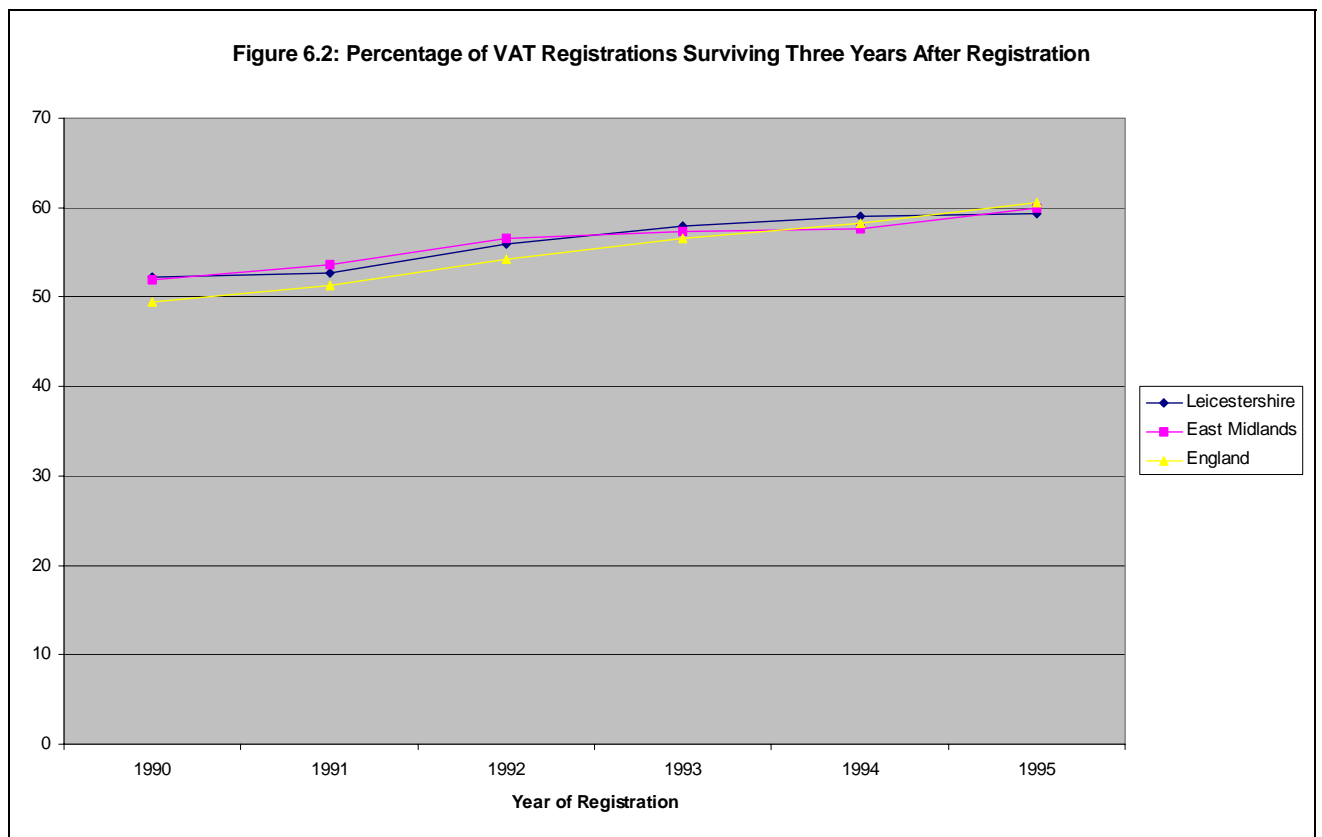
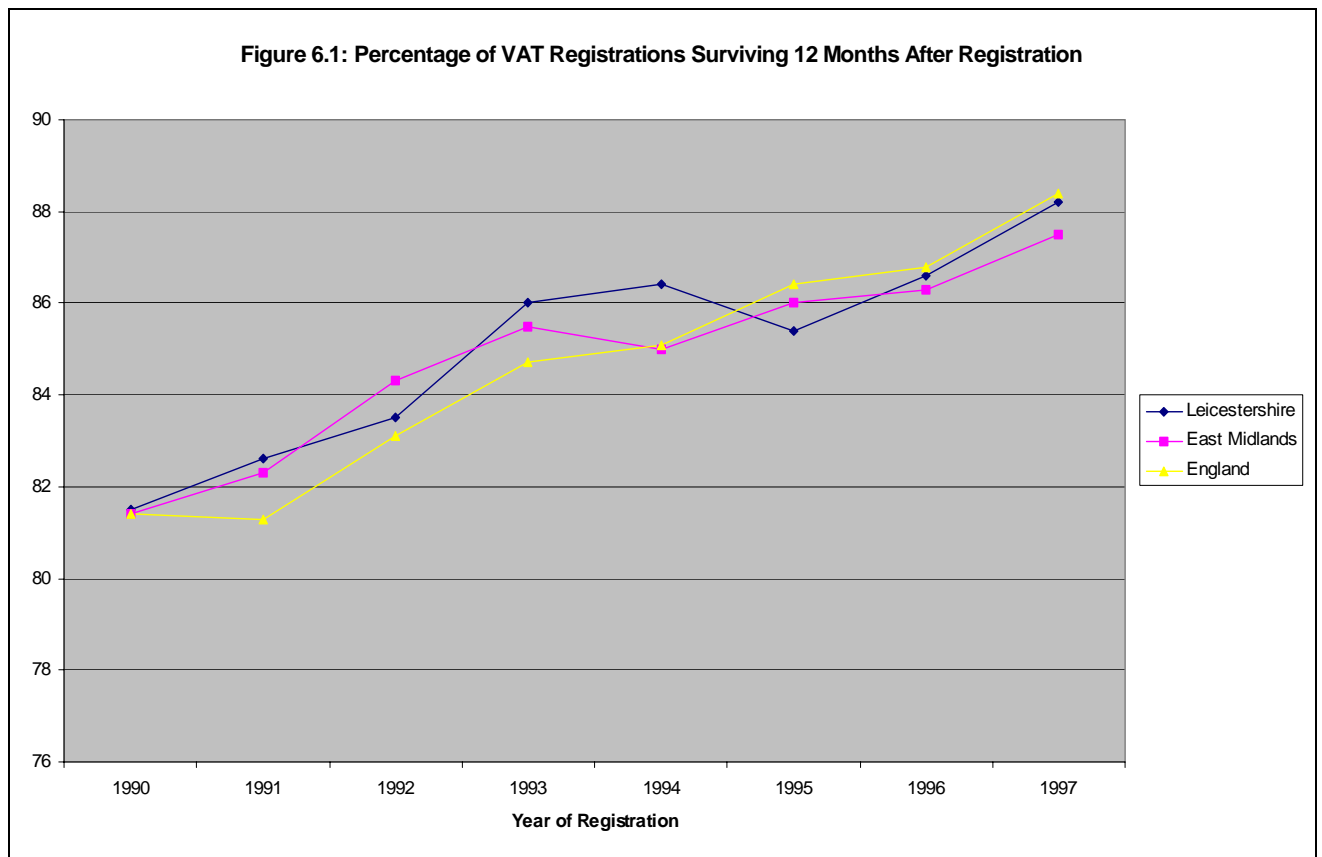
Targets for Leicestershire:

- Increase GDP per head to 7% higher than that of the UK
- Raise manufacturing productivity to 97% of the East Midlands figure

Strategic Priority One - Promoting business competitiveness:

- Encouraging firms in Leicestershire to raise exports and break into new export markets
- Building strong local linkages between suppliers and their customers
- Encouraging firms to invest in the skills of their workforce
- Encouraging the dissemination of best practice between local firms
- Supporting innovation and the transfer of technology

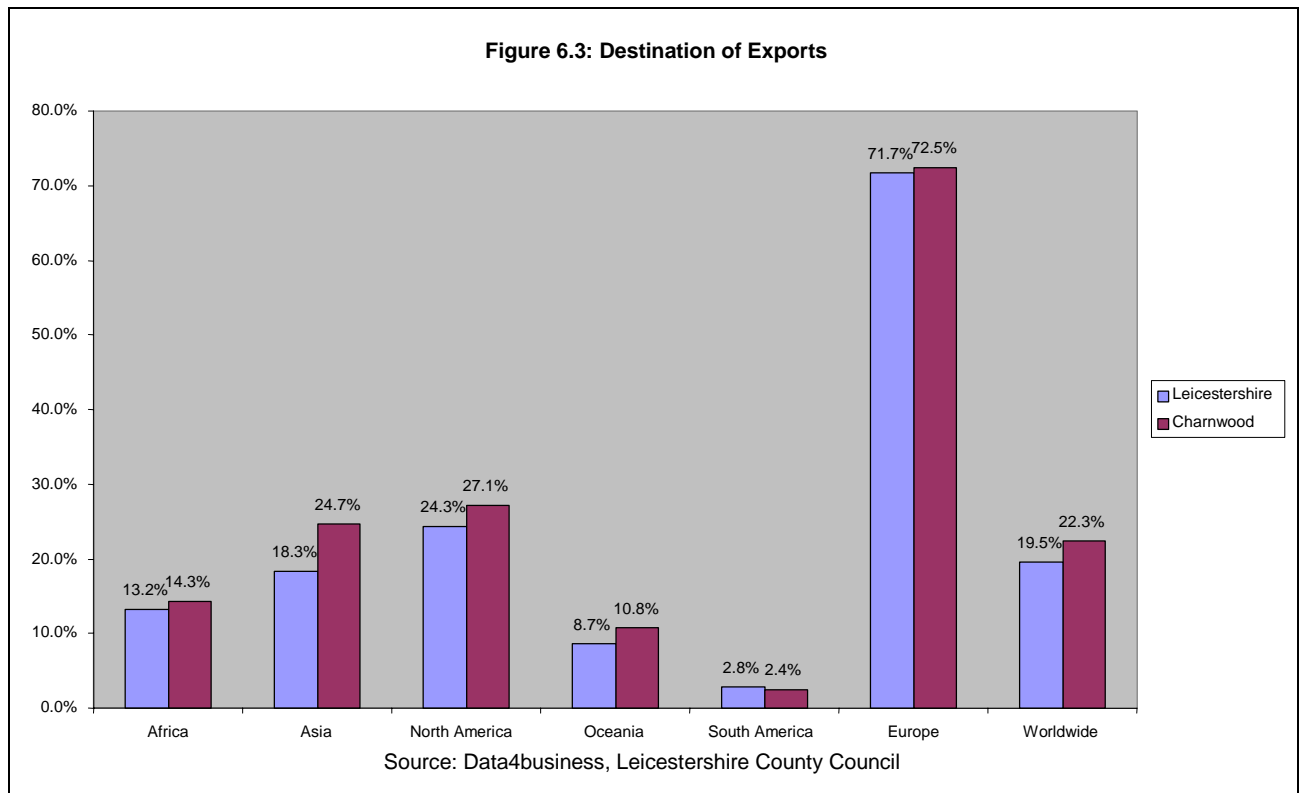
Figures 6.1 and 6.2 show the proportion of VAT registrations surviving for one and three years after registration in Leicestershire, the East Midlands and England. They illustrate that, in the early 1990s, a higher proportion of VAT registrations in Leicestershire were surviving than were registrations in the East Midlands. Similarly, a higher proportion were surviving in the East Midlands by comparison with England. Survival rates have been steadily increasing in Leicestershire, the East Midlands and England. However, since the mid 1990s, survival rates for England have overtaken those for Leicestershire and the East Midlands.



The Leicester & Leicestershire Business Survey (Summer 2000) shows:

- 66 per cent of businesses have a business plan
- 51 per cent have a training plan
- 22 per cent report increased sales
- 1 per cent reported reduced profits
- Approximately one third export.

Analysis of the Data4business database reveals that 12 per cent of Charnwood businesses export (the same figure as for the whole of Leicestershire). Figure 6.3 shows that the pattern of export destinations from Charnwood companies is similar to the picture for Leicestershire as a whole with the vast majority of exports going to Europe.



7 INWARD INVESTMENT, ENTERPRISE DEVELOPMENT & JOB CREATION

Targets for Leicestershire:

- Attract 2,000 net new jobs through inward investment
- Create an extra 10,500 jobs above forecast increases
- Increase business start-ups by 5% a year creating 1,700 new enterprises

Priority Three – Creating the right conditions for new economic activity to take place

- Promoting business start ups of smaller firms
- Guiding firms on various sources of funding for investment
- Targeting inward investment into the County
- Providing the specialist business support required by Leicestershire businesses
- Nurturing a culture of business networking.

There is a lack of industrial land in the Loughborough area and this is being addressed through the District Local Plan & Structure Plan. Table 7.1 shows the amount of industrial and office property available in the Charnwood and wider areas.

Table 7.1: Available Industrial & Office Property

Industrial Property	Total Area (Square Feet)	Number of Units
Charnwood	467,538	54
Leicestershire LSC	4,575,451	889
Leicester City	2,766,621	358
Leicestershire County	1,808,830	531
Office Property		
Office Property	Total Area (Square Feet)	Number of Units
Charnwood	28,871	11
Leicestershire LSC	1,778,362	369
Leicester City	734,280	160
Leicestershire County	1,044,082	209

Source: Leicestershire Development Agency, October 2000

The Leicestershire Development Agency has attracted a number of inward investors to Leicestershire since 1998, including ONUS Forwarding Ltd to Loughborough in June 1998, safeguarding four jobs.

VAT registration is often used as an indicator of the number of business start-ups in an area³. Table 7.2 shows VAT registrations in 1999. The rate of new business formation in Charnwood, based on VAT registrations is roughly on a par with that in Leicestershire, the East Midlands and Great Britain as a whole.

Table 7.2: VAT Registrations 1999

	Charnwood	Leicestershire	East Midlands	Great Britain
Stock at start of year	4,095	26,810	111,195	1,597,070
Number of registrations	395	2,840	11,255	174,895
Number of deregistrations	450	2,950	11,480	168,345
Net difference	(55)	(110)	(225)	6,550
Registrations as a % of stock at start of year	10%	11%	10%	11%

Source: ONS/NOMIS

³ VAT registrations do not equate precisely to business start-ups. Not all start-ups will register for VAT while some registrations are as a result of changes in ownership or legal status. In GB, the number of start-ups is estimated to be twice the number of VAT registrations.

8 LEARNING & TRAINING

Targets for Leicestershire:

- Achieve National Learning Targets⁴
- Attain 60% of the population engaged in learning activities
- Attain 90% of population with ICT competency.

Strategic Priority Two - Developing Leicestershire's human resources:

- Improving links between business and education
- Helping young people to make better informed career decisions
- Making businesses aware of the benefits of training their existing workforce
- Actively encouraging management training, especially in SMEs
- Encouraging individuals to invest in their own learning
- Helping those in restructuring industries to retrain

The Leicestershire LSC Household Survey 2000 indicated that, in Charnwood, 46.6 per cent of 18 to 59/64 year olds in, or actively seeking, employment held NVQ 3 or equivalent (against a target of 50 per cent by 2002) and that 27.7 per cent of such adults held NVQ 4 or equivalent (against a target of 28 per cent by 2002). Charnwood is out-performing the rest of Leicestershire with regard to these targets, the equivalent figures for the whole of Leicestershire being 44.6 per cent and 25.2 per cent respectively. Table 8.1 shows the highest NVQ equivalence of Charnwood respondents, and of all respondents, to the Leicestershire LSC Household Survey 2000. In Leicestershire as a whole, 50 per cent of 21 year olds' highest NVQ equivalence was Level 3 (against a target of 60 per cent) and 35 per cent of 19 year olds' highest NVQ equivalence was Level 2 (against a target of 85 per cent).

⁴ By 2002:
 80% of 11 year olds reaching level 4 or above in national English test & 75% reaching level 4 in national Maths test
 50% of 16 year olds getting 5 GCSE A*-C or equivalent
 95% of 16 year olds getting at least 1 GCSE grade A*-G or equivalent
 85% of 19 year olds with 5 GCSEs at grades A*-C, NVQ 2, intermediate GNVQ or equivalent
 60% of 21 year olds with 2 A levels, NVQ 3, Advanced GNVQ or equivalent
 50% of 18-59/64 year olds, who are employed or actively seeking employment, with 2 A levels, NVQ 3, Advanced GNVQ or equivalent
 28% of 18-59/64 year olds, who are employed or actively seeking employment, with NVQ 4, a higher degree or a higher level vocational qualification
 7% reduction in non-learners among 16-69 year olds
 45% of organisations with more than 50 employees recognised as Investors in People
 70% of organisations with 200+ employees recognised as Investors in People
 10,000 organisations with less than 51 employees recognised as Investors in People

Table 8.1: Highest NVQ Equivalence

Level	Percentage of Charnwood Respondents	Percentage of all respondents
None	33.3	33.9
1	2.5	2.2
2	18.2	22.5
3	19.2	17.6
4	18.2	17.0
5	8.5	6.9

Source: Leicestershire LSC Household Survey 2000

The Leicestershire LSC Household Survey 2000 found the following:

- 8.8 per cent of Charnwood respondents (and 10.1 per cent of all respondents) were studying for a qualification at the time of the survey.
- 64.9 per cent of Charnwood respondents had not undertaken any form of taught training or learning for more than one year - roughly the same as the figure for the Leicestershire LSC area as a whole (64.6 per cent).
- 53.1 per cent of Charnwood respondents had not undertaken any form of training or learning at all (including untaught training and self-study) for more than one year – a slightly higher proportion than the figure for the Leicestershire LSC area as a whole (51.8 per cent).
- 62.3 per cent of Charnwood respondents had not undertaken any job-related training during the past 12 months – a higher proportion than the figure for the Leicestershire LSC area as a whole (59.6 per cent).

Respondents to the Leicestershire LSC area household survey 2000 were asked to rate a number of specific skills on a scale from 1 to 5 (1 being no ability at all and 5 being able to use at a specialist level in work). The mean responses for Charnwood and for the whole Leicestershire LSC area are shown in Table 8.2. Charnwood respondents generally rated their skills as slightly more advanced than did respondents across the whole LSC area.

Table 8.2: Self-Assessment of Skills

Skill	Charnwood Mean	Leicestershire LSC Mean
IT	2.73	2.70
Numeracy	3.73	3.70
Reading	4.14	4.01
Spoken Communication	4.11	4.05
Written Communication	4.00	3.93
Working with Other People	4.14	4.09
Leadership	3.67	3.68
Problem Solving	3.82	3.77
Management of Own Learning	3.67	3.62

Source: Leicestershire LSC Household Survey 2000

The Loughborough Bangladeshi community has particular skills needs. A skills audit of this community in August 1999 found that members of this community (and particularly women and those over 35) had low levels of qualifications and low economic activity rates, linked to a poor command of English.

The Learning & Skills Partnership has been undertaking qualitative research into residents' motivation to learn.

Bids for SRB funding to encourage hard to reach groups to access learning and training have been unsuccessful. Alternative funding sources are being sought.

9 REGENERATION

A £1.34 million SRB II program began in Loughborough in 1996 and is due to complete this year. It aimed to build on the local strengths in the area in technology and education & training, encouraging competitiveness in business, addressing the shortage of industrial units and promoting partnership among local public, private and educational organisations. It has created 567 jobs and safeguarded a further 390. It has also created 5,900 square metres of new business/commercial floorspace and improved 2,000 square metres.

The review of the Leicestershire Structure Plan has proposed the development of a new Science Park adjacent to the existing Loughborough Science Park.

A major redevelopment on the edge of Loughborough centre will increase retail floorspace by 50 per cent and provide hundreds of new jobs. A Town Center Manager has been in place for four years and improving the Town Center is a major focus for the Borough Council. Shoppers already come to Loughborough from a wide area and the aim is to consolidate this, attract new large shops and compete with Nottingham and Leicester.

There is a proposal for the development of a rail station at Parkway with the potential for this to provide a rail link to East Midlands airport. This would open up employment opportunities at the Pegasus Business Park, being developed at the airport, to Charnwood residents.

The Loughborough Advanced Technology Initiative (LATI) is a network of 200 companies and business support organisations in the high-technology sector. The Network has a full-time manager and exists to provide support and networking opportunities to its members and encourage technology transfer to the traditional industries.

An unsuccessful bid for SRB funding was submitted to develop activities to encourage hard to reach groups (such as the Bangladeshi community) to participate in learning and training. Charnwood Borough Council is currently seeking alternative sources of funding.

There is a strong community and voluntary sector in Charnwood. Funded through SRB VI, *emda* have undertaken community consultations and Planning for Real exercises while Rural Community Councils have undertaken successful Village Appraisals. The Learning Partnership is keen to develop links with these consultation exercises. A two pronged approach is planned involving, first, identifying community proxies – those who have good on the ground knowledge of community issues, such as health workers – and, second, working with tools such as Planning for Real, running focus groups and holding community consultations.

10 SWOT ANALYSIS & THE WAY FORWARD

Within this SWOT analysis, issues specific to the Charnwood economy (as opposed to those that reflect the wider Leicestershire, East Midlands or UK economy) are highlighted in **bold italic**.

<p>Strengths:</p> <p><i>Existence of two HE and FE establishments within the Borough.</i></p> <p><i>Good links between local HEIs and industry.</i></p> <p><i>Existence of LATI network providing support and networking opportunities to 400 high technology sector companies.</i></p> <p>Diversity of industry.</p> <p>Large base of SMEs.</p> <p>Significant distribution and transport sector within local business base – a sector which, within the East Midlands, is expected to outperform national rates of growth (although, by comparison with Leicestershire, the sector accounts for a smaller proportion of employment).</p> <p><i>High economic activity rates.</i></p> <p>Falling unemployment.</p> <p>Lower rates of long-term unemployment than Leicestershire.</p> <p><i>Charnwood is out-performing Leicestershire with regard to the achievement of National Learning Targets.</i></p> <p><i>Strong community & voluntary sector.</i></p>	<p>Weaknesses:</p> <p>Mismatch between skills of those made redundant from traditional manufacturing industries and skill needs of employers.</p> <p><i>Poor English among Bangladeshi workers laid off from textile factories.</i></p> <p><i>Low levels of qualifications among the Loughborough Bangladeshi community.</i></p> <p>Higher proportion of employees, by comparison with Leicestershire, in high technology manufacturing (expected to shed jobs).</p> <p>Lower proportion of employees, by comparison with Leicestershire, in printing & publishing (expected to be strongest performing manufacturing sector).</p> <p>High unemployment within specific wards (particularly within Loughborough and particularly among ethnic minority communities).</p> <p><i>Lack of industrial land in Loughborough.</i></p> <p>Survival rates for businesses (based on VAT registration data) have been falling behind those for England since the mid 1990s.</p> <p><i>Lower proportions of Charnwood residents than residents of the Leicestershire LSC area as a whole are engaging in learning and training.</i></p>
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Opportunities:	Threats:
<p>Development of A46 has improved access to the South of the Borough.</p> <p><i>Potential development of rail station at Parkway with link to East Midlands airport providing access to employment at new Pegasus Business Park for Charnwood residents.</i></p> <p><i>Growth of retail sector. Improvements to Loughborough Town Centre is a major focus for the Borough Council, aiming to attract large shops and compete with Nottingham and Leicester.</i></p> <p>Growth of tourism sector.</p> <p>Projected growth in printing & publishing.</p> <p>Projected growth in distribution & transport.</p> <p><i>Action to address the lack of industrial land in Loughborough is being proposed within the District Local Plan & Structure Plan.</i></p> <p><i>Development of new Science Park adjacent to existing Loughborough Science Park.</i></p> <p><i>Major redevelopment on the edge of Loughborough Town Centre increasing retail floorspace by 50 per cent.</i></p>	<p>Continuing loss of traditional manufacturing jobs.</p> <p>Replacement of skilled manufacturing jobs with low skilled, lower paid, temporary and part-time jobs.</p> <p>Potential loss of large employers on which a significant proportion of employment depends (e.g. Astra-Zeneca, 3M).</p>

There are a variety of strategies which are in place or are being developed which include Charnwood Borough in their remit. As well as the emerging Leicestershire Economic Strategy and *emda's* Economic Strategy, these include the Leicester Urban Area Strategy (concerned with the towns on the periphery of Leicester), the Equestrian Strategy (which is examining the potential to develop a centre of excellence for equestrian studies and is relevant to Charnwood in that Loughborough

is one potential location for the centre), and *emda's* Rural and Urban Action Plans for the East Midlands. However, there are certain characteristics of the Charnwood economy which together make it unique within Leicestershire, specifically:

- The need for training for the Bangladeshi community
- Pockets of high long-term unemployment in specific wards, particularly among ethnic minority groups
- The need for more industrial land in Loughborough
- Low participation in training and learning among residents.

This analysis suggests that economic intervention activities within Charnwood should focus on the following:

- Business Support:
 - Working with agencies such as the Small Business Service and Business Link to undertake research to identify the reasons for business failure and use the findings to inform the development of business support activities to improve business survival rates. Amongst other things, this may involve ensuring that local business are aware of and access existing initiatives.
 - Provision of business support targeted at growth areas and sectors identified as key by the draft Leicestershire Economic Strategy (retail, tourism, printing & publishing, distribution & transport). Such action is already underway with regard to the technology sector, in the form of the LATI initiative. While the high technology sector is forecast to shed jobs, it is important to continue to nurture this sector as it provides high quality employment with high levels of pay (therefore creating wealth locally) and offers potential for technology transfer and spin-out enterprise creation from large companies. There is a need to preserve the existing jobs within this sector. A significant proportion of Charnwood's employment depends on a small number of large companies.
 - Working with the community & voluntary sector to deliver some aspects of business support, such as nurturing the development of social enterprise.
- Continuing action to provide and promote industrial sites and premises in Loughborough with the aim of attracting industries requiring higher skilled workers.
- Training & Learning – The fact that Charnwood is out-performing Leicestershire with regard to the achievement of National Learning Targets might cause it to be low on the Local Learning & Skills Council's list of priorities. However, it will be important to raise the LLSC's awareness of the need to address issues that affect small areas within the Borough through the following:
 - Reskilling those made redundant from traditional manufacturing industries to meet the needs of new employers attracted to the area.

- Providing training (including training in English) for the Loughborough Bangladeshi community.
- Research to identify the barriers to learning and training among Charnwood residents (building on the work already being undertaken by the Learning and Skills Partnership and *emda*) and actions to address these barriers (perhaps involving drawing on the well developed community & voluntary sector in the area to deliver training such as basic skills).
- Working with the Early Years Development and Childcare Partnership to ensure that it addresses the needs of the Bangladeshi community.

Moving on from this report, the Local Strategic Partnership should identify how these recommendations mesh with existing and planned projects underway within Leicestershire and the East Midlands, identify actions to be taken and assign roles, responsibilities and targets.

APPENDIX ONE

MAPS