The East Midlands in 2010: Sub-Regional Profiles

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9.1 Introduction

This chapter presents short sub-regional profiles provided by the nine East Midlands Upper Tier Local Authorities. These profiles are based on data produced by the ONS Regional Team and reflect progress made on shared approaches to the new Local Economic Assessment duty[1] in the East Midlands. Each profile describes key indicators grouped by theme reflecting the main chapter headings of The East Midlands in 2010. Each profile concludes by identifying a number of key challenges and issues affecting each sub-region.

The first profile has been provided by Derby City Council, followed by a profile contributed by Derbyshire County Council. The next section comprises a joint profile provided by Leicester City and Leicestershire County Councils (to support the Multi-Area Agreement currently being taken forwards by the two authorities). Following this, Lincolnshire County Council has produced a profile for its area. The next profile has been produced by Northamptonshire County Council, and this is followed by profiles provided by Nottingham City and Nottinghamshire County Councils respectively. The final profile covers Rutland Unitary Authority, produced jointly by *emda* and Rutland County Council.

emda is appreciative of the contributions made by its Sub-Regional Partners (SRPs) and hopes that this Chapter provides a positive basis for regional joint working in producing Local Economic Assessments through 2010-2011.

9.1.2 Technical introduction

These profiles describe indicators identified by a working group comprising *emda* and Local Authority research staff. Data is drawn from a database of official statistics produced by the ONS Regional Team. The nine Upper Tier Authorities agreed a small selection of indicators with *emda* that could reasonably be used by each area to create comparable short profiles that would facilitate a level of local interpretation as part of The East Midlands in 2010. The principal level of geography used in these profiles is Upper Tier Local Authority – i.e. County and Unitary Authorities. These sub-regions are compared to the East Midlands region and national average where appropriate, and variations within the sub-region are illustrated with Local Authority District (LAD) data. In the case of Nottingham City and Leicester and Leicestershire, the areas are treated somewhat differently in order to reflect spatial and strategic issues.

Some indicators used in this chapter will not be comparable with equivalent indicators used in the earlier chapters of The East Midlands in 2010 because of data issues related to the different levels of geography. For example, the modelled estimates of unemployment used in this chapter and the chapter on

[1] Part of the 2009 Local Democracy, Economic Development and Construction Act. From 1st April 2010, all Upper Tier Local Authorities have been given the responsibility of producing an assessment of the economic, social and environmental challenges facing their area, which will form a key input to future integrated Regional Strategies.

deprivation and economic inclusion will differ. In the Deprivation and Economic Inclusion Chapter, published data for the region's 40 Local Authority Districts/Unitary Authorities is used, which is based on the denominator for the population aged 16 and above. To produce data for the Upper Tier Authorities for this chapter, the ONS Regional Team produced weighted averages of the LAD data and using the 16 to retirement age denominator for consistency with other labour market indicators. It should also be noted that official statistics used in these profiles often have significant time lags, and thus in many cases cannot yet be used to fully discuss the impacts of the recession and any recent indications of recovery. Where possible, the Local Authorities contributing to this work have referred to more recent local intelligence or recent unemployment claimant count data in order to discuss more recent developments.

9.2 Derby City Sub-regional Profile

9.2.1 Introduction

Derby is located in the centre of England and is an important transport hub, with good east-west and north-south rail links and close proximity to the M1 motorway and East Midlands Airport. Derby was at the centre of the Industrial Revolution and remains an important centre for rail, aerospace and automotive engineering. Significant engineering employers like Rolls-Royce, Bombardier and Alstom are located in Derby, and Toyota is located seven miles south of Derby city centre. Additionally, the credit card company Egg represents an important asset in the city's growing financial services sector.

Due to a £2 billion investment programme, Derby has seen an increase in its education, retail and leisure offer, as well as an upturn in riverside housing developments with master planning support from Derby Cityscape. The city's retail offer has had a major boost with the expansion of the Eagle Centre, supported by the Connecting Derby transport proposals. An impressive cultural development – QUAD Arts Centre – has taken place in the city's Cathedral Quarter, supported by an increase in public realm investment. Significant investment in further education, including the development of Derby College's Roundhouse campus, has seen the city capitalising on its industrial heritage. Other developments include public-private partnerships such as Lightspeed Derby, an alliance of businesses and public sector organisations to ensure Derby has access to advanced broadband technology.

9.2.2 Demography

The Mid Year Estimates for 2008 show that Derby has a total population of around 239,200, equating to 5.4% of the East Midlands population. When broken down by broad age band, 19.5% of Derby residents were in the school age group (above the regional average of 18.4%), 62.2% were in the working age group (compared to 61.9% in the East Midlands), and 18.3% were in the pensionable age group (below the regional average of 19.7%).

Derby City makes up over half of the total population of the Derby Housing Market Area, which has a population of just less than 453,000.

Between 1998 and 2008 the population of Derby increased by 3.6%, which was half the rate of growth experienced in the East Midlands overall (7.3%). The school age population decreased by -5.5% over the decade, whilst the working age and pensionable age groups increased by 6.6% and 4.0% respectively. However, the rate of decrease in the school age group was significantly less than in other cities in the East Midlands.

Population projections suggest that Derby's population will increase in line with the national average throughout the period to 2031 at 19.5% compared to 19% in England overall. However, this is below the rate expected to occur in both the Derby Housing Market Area (24.4%) and in the East Midlands as a whole (25.8%). This could be exacerbated by the projected expansion of housing provision in areas such as South Derbyshire, which could potentially draw residents away from the city.

The experimental estimates of ethnicity indicate that, in 2007, 84.8% of Derby's population described themselves as 'White'. However, Derby has a significant proportion of the population who would describe themselves as 'Asian or Asian British', at 9.5% compared to 5.7% in the East Midlands overall. Communities with larger proportions of people who would describe themselves as coming from an ethnic minority background are concentrated within the wards south of the city centre, primarily Arboretum and Normanton. Data from the Annual Population Survey on country of birth suggests that in 2008 Derby has a significant proportion of the population who are 'non-white not UK-born', at 7.3%, compared to 4.6% in the East Midlands overall. This suggests that larger proportions of migrants to Derby could be from the Indian Sub-Continent and also from Africa and the Middle East (Derby has played an important role as a destination for asylum seekers and refugees[2]), with smaller proportions of migrants from the predominantly white countries in central and eastern Europe compared to other sub-regions in the East Midlands.

9.2.3 Housing

In 2008, the mean house price in Derby was £143,600. Although the city has experienced one of the highest increases in mean house prices in the region between 1997 and 2007, prices remain significantly lower than the East Midlands average of £163,300. Derby is ranked 9th out of the 40 Local and Unitary Authorities in the region in relation to 2008 mean house prices.

Using the ratio of lower quartile house prices to lower quartile incomes, Derby is one of the more affordable areas in the East Midlands. In Derby, lower quartile house prices are 5.1 times the amount of lower quartile incomes, which is a lower ratio than in the East Midlands, which was 6.6 in 2008. This

[2] See Institute of Employment Research, on behalf of *emda*, 'Migrant Workers in the East Midlands Labour Market', January 2007.

is a product of the relatively low house prices in Derby combined with above average incomes (see the labour market section).

Derby broadly conforms to the concentric zone model[3] with the cheapest house prices towards the city centre and highest prices in the outer suburbs. Some of the highest house prices can be found in Chellaston on the A50 corridor and in Allestree.

9.2.4 Economy and productivity

The economy of Derby has traditionally been based around manufacturing and engineering. The city has successfully transformed its traditional manufacturing capabilities into high skilled activities which compete on a global scale.

More than 40% of employed residents are in upper tier occupational groups. This is higher than Nottingham, Leicester and the regional average of 39.1%.

The highest percentage of employment is within the public administration, education and health industry group, which accounts for 28.9% of all employees. Manufacturing accounts for 18.7% of employment, compared to a regional average of 15.0%, heavily influenced by the presence of large companies such as Rolls-Royce and Bombardier. For its size, Derby has a relatively strong banking, finance and insurance sector, with 19.1% employed in this group, largely influenced by the presence of the headquarters of Egg.

Derby continues to lag behind other areas in terms of business birth rates, with 40.5 business births per 10,000 population in 2008, compared to a regional average of 46.7.

9.2.5 Labour market

In Derby for the 12 months between January and December 2008, the employment rate was 73.5%, below the East Midlands average of 75.9%. The ONS' model-based estimate of unemployment was 6.5%, which is lower than other cities in the East Midlands.

In terms of qualifications, Derby performs well with 28.7% of the working age population qualified to at least an equivalent of an NVQ Level 4 (2008), an overall increase from 24.5% in 2001. In 2005 the percentage of working age population with no qualification was 25.5%, but this had fallen to 14.6% by 2008.

[3] This describes the distribution of social groups within urban areas, with each group concentrated in a concentric ring. A city conforming to the concentric zone model has a Central Business District (CBD) in the centre, a transitional zone of mixed commercial and residential use around this, followed by a more deprived residential zone (the inner city residential area), then a more affluent ring of middle class residential areas (the outer suburbs), and finally the commuter belt of the most affluent residences.

Derby has the highest median weekly pay by workplace in the East Midlands (£574.90 compared to £456.60 respectively). The wage levels are in part attributable to the level of high skill employment in engineering in the city. However, the statistics for residents' pay suggest that a significant number of well paid jobs in Derby are undertaken by people living outside the city. Median weekly resident pay in 2009 was £492 in Derby compared to £460.50 in the East Midlands.

9.2.6 Deprivation and economic inclusion

Derby has an economic activity rate of 77.9%, which is higher than other cities in the region but below the regional average of 80.0%.

Latest Job Seeker's Allowance (JSA) figures highlight a significant increase in claimants. From 2004 to 2008, Derby's JSA count remained relatively stable, at around 3%, but the arrival of recession in autumn 2008 led to a rapid increase to 5% (a total of 7,500[4]) by December 2009. The claimant rate has continued to increase through the first quarter of 2010, reaching 5.3% by March 2010 (7,800 residents). It is interesting to note that the male claimant rate is over 7% while the female claimant rate is below 3%[5]. To some extent this is a national trend but it is expected that this will be influenced by recession-led redundancies in traditionally male dominated sectors such as manufacturing.

In February 2009, 15.2% of the working age population were claiming out-of-work benefits, which is significantly higher than the regional figure of 12.5%. Incapacity Benefit and JSA have been the most claimed benefits in Derby for the last decade.

According to the 2007 Indices of Deprivation, Derby has 41 Lower Super Output Areas (LSOA) in the most deprived quintile in England, which is 27.9% of the total LSOAs in the city. In Derby, 19% of LSOAs are within the least deprived quintile in England. The most deprived areas in Derby are located within the Sinfin, Normanton and Arboretum wards.

9.2.7 Transport and infrastructure

Results from the Annual Population Survey show 75% of all residents of Derby who were in employment were working in Derby, while 59% of the workforce of Derby lived in the city.

According to the April 2008 count of bulk premises, Derby has significant levels of office and retail floor space. However Derby has lower levels of warehouse, bulk premises and factory floor space.

The proportion of working age residents who are able to access employment

[4] ONS (accessed via Gavurin, May 2009).
[5] ONS (accessed via Gavurin, May 2009).

by public transport has improved in Derby between 2005 and 2008, increasing from 81.7% to 82.0% over that period.

9.2.8 Environment

Historical data reveals that Derby is showing a steady improvement in CO_2 emission levels. There are similar improvements in the levels of household residual waste (kilograms per household) between 2002-2003 and 2008-2009. This has been a result of increased recycling and composting performance, with over 43.7% of households in the city receiving comprehensive kerbside recycling collections. Alongside this there has been a downturn in the amount of non-recyclable waste produced per household.

9.2.9 Health and crime

Between 2002 and 2007, Derby has shown a progressive decline in mortality rates per 100,000 head of population. This overall reduction reflects the increases in both male and female life expectancy in the East Midlands. Contributing to this are healthcare programmes targeting key causes of mortality, including circulatory diseases such as coronary heart disease and certain cancers. Together, the NHS national ‘Smoke Free’ campaign, Derby City’s smoking cessation service and ‘Fresh Start’ have done much to reduce mortality from circulatory diseases. The city has also introduced improvements to the management of cardiovascular conditions, for example by prescribing Statins and Asprin and improving monitoring and management methods to prevent more serious development of the disease.

Derby has the third highest overall crime rates of the sub-regions in the East Midlands. However, between 2003-2004 and 2008-2009 the crime rate in Derby has declined significantly. This is in part due to a significant reduction in acquisitive crime at a national level.

Key challenges and issues

- There is a significant difference between the salaries of people working in Derby (amongst the highest in the region) and those who are resident in the city. There is therefore a need to increase the skills levels of Derby residents to improve their employment opportunities.

- Derby suffers from low rates of new business starts in relation to the regional average. This needs to be improved to ensure the city remains competitive across all sectors.

- Improvements to the infrastructure in Derby present a key challenge to link the residential and commercial areas of the city. Developments that will be essential to attract investment and ensure economic progress include Connecting Derby and Lightspeed Derby.

9.3 Derbyshire Sub-regional Profile

9.3.1 Introduction

The county of Derbyshire lies in the centre of England and forms the north-west part of the East Midlands region. Derbyshire consists of eight district/borough councils[6] and encircles the Unitary Authority of Derby City.

Derbyshire is a largely rural county, with a relatively higher proportion if its population living within rural areas. The Peak District National Park, an area of outstanding natural beauty, covers most of north-west Derbyshire.

9.3.2 Demography

The mid-2008 population of Derbyshire stood at 762,100, representing 17.2% of the region's population. The age profile of the county is considerably older than both the East Midlands and England. Within the county, the districts of Derbyshire Dales and North East Derbyshire have notably older age profiles than the Derbyshire average, and South Derbyshire a notably younger age profile.

Population growth between 1998 and 2008 and projected population growth to 2016 are both below the regional averages. Of all nine Unitary/County Authorities in the East Midlands region, Derbyshire is projected to have the lowest population growth from 2006-2016. Across Derbyshire, South Derbyshire has experienced significant population growth over the last 10 years, linked to the high level of new housing development that has taken place in the district. Significant growth in this district is also expected to continue up to 2016, with an 18.8% increase projected between 2006 and 2016. However, population growth across Derbyshire will be uneven, with projected growth in Derbyshire Dales being just 3.3%, which is likely to reflect the older age profile of this district.

9.3.3 Housing

In 2008 the average house price in Derbyshire was £162,600, similar to the average for region, but only 74.0% of the average for England. Across Derbyshire this varies significantly from £244,100 in the rural district of Derbyshire Dales to £128,800 in Bolsover.

Using the ratio of the lower quartile of house prices to the lower quartile of earnings as a measure of affordability, houses appear to be slightly more affordable in Derbyshire than in the East Midlands and England. However,

[6] The county includes the boroughs of Amber Valley, Chesterfield, High Peak and Erewash and the districts of Bolsover, Derbyshire Dales, North East Derbyshire and South Derbyshire.

within Derbyshire, affordability is particularly an issue in High Peak and the Derbyshire Dales. These districts fall within the Peak District National Park and are a sought after location for people to live, therefore impacting on property prices. Using this measure, Bolsover is one of the most affordable districts in the East Midlands.

9.3.4 Economy and productivity

The structure of the business population in Derbyshire is very similar to that regionally. However, compared with England, the production and agriculture sectors are more prominent in Derbyshire and the finance, property and business services sector less so.

Focusing on the sector split of employees, in 2008 the main three employment sectors in the county were: public administration, education and health (27.1%); distribution, hotels and restaurants (23.1%); and manufacturing (20.4%). The employment structure in Derbyshire is more heavily dependent on manufacturing than both the East Midlands (15%) and England (10.2%). Conversely, the banking, finance and insurance sector is under-represented in the county. The significance of the rural economy to the county could also contribute to the importance of the distribution, hotels and restaurants sector compared to the regional and national averages.

In 2007 the level of new business formation in Derbyshire was 44.2 enterprise births per 10,000 population, similar to the regional figure of 46.7, but well below the national figure of 57.2. Derbyshire Dales has by far the highest rate of new business registration in the county, with a figure of 56.4. The growth in the tourism sector in the district is likely to be a factor. Bolsover has the lowest, at 38.0, although it has experienced the fastest increase since 2002. The latter is likely to reflect the targeted intervention and investment made to regenerate Bolsover's economy in recent years.

The percentage of small businesses showing employment growth in 2008 was similar in Derbyshire to the East Midlands and England, at around 14.7%, 14.5% and 14.2% respectively. In recent years there has been an increase in the proportion of small businesses showing employment growth, with the rate of increase in Derbyshire above the region but well below the national figure.

Derbyshire, as with the East Midlands, has a lower skilled occupational structure than England. The proportion of Derbyshire residents employed in upper tier occupational groups in 2008 was 37.5%, the figures for the East Midlands and England being 39.0% and 43.7% respectively. Within the districts, the most skilled occupational structure is in South Derbyshire, with the least skilled being Bolsover.

9.3.5 Labour market

In 2008 the employment rate in Derbyshire was 78.8%, on a par with the regional figure of 75.9%, but marginally higher than the national figure of 74.2%. There are parts of Derbyshire where male employment rate is lower than the regional or national average, such as Chesterfield and North East Derbyshire. A possible contributory factor to this could be the higher levels of limiting long-term illness experienced by former workers in the male dominated mining industry in the North Derbyshire coalfields.

Annual Population Survey data for 2008 shows that the unemployment rate was 5% in Derbyshire. This is higher than the unemployment rate for Rutland and Leicestershire and the same as the rate for Northamptonshire; and lower than unemployment rate for the three city Unitary Authorities. Within Derbyshire, Bolsover and Chesterfield have the highest rates and Derbyshire Dales the lowest.

The working age population in Derbyshire has a slightly higher proportion of residents with higher level qualifications (28.3% with a Level 4 and above) than the regional average (27%), but performs less well relative to the national average (30.5%). In terms of the proportion of working age residents with no qualifications, Derbyshire also outperforms the regional average, at 10.3% compared to 12.8% in the East Midlands overall in 2008.

There is a marked variation in qualification levels across the districts. For those qualified to a Level 4 or above, the variation is almost 25 percentage points, with the predominantly rural districts of High Peak and South Derbyshire showing the highest values at 39.7% and 34.9% respectively and Bolsover the lowest at 15.5%. Analysis using the ACORN[7] 2007 classification highlights that many areas in these districts are dominated by the ‘wealthy achievers’ category, a group characterised by higher qualification levels. In contrast, districts in the east of the county, specifically Erewash and Bolsover, showed the lowest proportions qualified to level 4. In localised areas within this part of the county deprivation remains an issue – and educational underachievement is one facet of this.

Over recent years the working age population at county, regional and national level has become better qualified, although in Derbyshire the rate of improvement has been marginally greater.

For workplace earnings, average weekly pay in Derbyshire in 2009 was £439.20, below both the regional and national averages (£456.60 and £488.70 respectively). There is considerable variation within the county, with the lowest average earnings in Bolsover and North East Derbyshire, at around £414. High Peak had the highest workplace earnings, at £469.20 per week, possibly linked to the higher skilled occupational structure in this district.

[7] ACORN a geo-demographic tool used to identify and understand the UK population and the demand for products and services, CACI Ltd.

The proportion of the working age population able to access employment sites by public transport/walking is virtually the same in Derbyshire as regionally and nationally.

9.3.6 Deprivation and economic inclusion

In 2008 the level of economic activity in Derbyshire was 82.9%, higher than the regional and national average. Within the county, Bolsover has the lowest rate, at 77.1%. This is also the lowest of any of the Local Authority Districts (i.e. excluding the three city Unitary Authorities) in the East Midlands. Derbyshire Dales has the highest economic activity rate in Derbyshire, at 85.2%.

In March 2010, the county JSA claimant unemployment rate was 3.8%, below both the regional and national figures (4.1% and 4.2% respectively). However, since the beginning of the economic downturn, the rate of increase in parts of Derbyshire has been greater than both the regional and national rates. Within Derbyshire, claimant unemployment was highest in Erewash, Bolsover and Chesterfield, and lowest in Derbyshire Dales.

In Derbyshire the percentage of working age people claiming work related benefits in February 2009 stood at 12.6%, the same as regionally but slightly below the national average of 12.9%. The former industrial north-east of the county has particularly high levels of people claiming out of work benefits, whilst the rural district of Derbyshire Dales has relatively low levels.

According to the 2007 Indices of Deprivation, 12.6% of Lower Super Output Areas (LSOAs) in Derbyshire fall within the most deprived fifth in England, lower than the regional figure of 16.8%. By district, Bolsover (31.3%) and Chesterfield (30.9%) have the greatest proportions of LSOAs falling in the most deprived 20.0% in England, and Derbyshire Dales (2.3%) and South Derbyshire (3.7%) the lowest.

9.3.7 Transport and infrastructure

The labour market in Derbyshire is not as self-contained as the other authorities within the region, possibly due to the close proximity to the cities of Derby, Sheffield, Nottingham, Manchester and Leicester. In 2007 it was estimated that 21.7% of Derbyshire's workforce resides outside of the county, and around 11.1% of Derbyshire's working residents are employed out of the county.

Focusing on business land use, Derbyshire has a different profile to that regionally and nationally, reflecting some of the differences in industrial structure already noted. Specifically, it has a greater proportion of factory space and a lower proportion of office space than the East Midlands and England. It also has a lower proportion of warehouse space than regionally, and a lower proportion of retail space than nationally.

April 2008 data highlighted that Derbyshire, at £38 per square metre, had a lower rateable value for business land than the East Midlands figure of £45 per square metre and the England figure of £66 per square metre.

9.3.8 Environment

In 2007, CO_2 emissions per capita in Derbyshire were higher than the East Midlands. The large proportion of manufacturing businesses in Derbyshire, the presence of power generation sites, the prevalence of solid walled housing, the presence of major road routes – such as the M1 – and higher average altitude within the county, are likely factors in the variation.

In 2008-2009 the amount of unrecycled household waste per household in Derbyshire was 622 kilograms. There are different approaches to recycling across the county and this is partly reflected in the variation of values by district. Chesterfield and South Derbyshire show the lowest levels of waste, and Bolsover the highest. Over the period 2002-2003 to 2008-2009, there has been a 10% decline in the amount of unrecycled waste at the county.

9.3.9 Health and crime

Mortality rates for Derbyshire in 2007 were 583.1 deaths per 100,000 population, similar to that in the East Midlands (585.0) but marginally higher than for England (579.4). Within the county, districts within the north-east, Bolsover, Chesterfield and Erewash have the highest mortality rates and Derbyshire Dales the lowest. Between 2001 and 2007, Bolsover has also shown the lowest rates of improvement. Chesterfield and Derbyshire Dales have shown the greatest.

In 2007-2008 crime rates in Derbyshire were significantly below those of both the East Midlands and England. Across the region, crime rates are greater in the more urban areas, and lower in the more rural. This is apparent within Derbyshire, where two of the most urban districts – Chesterfield and Erewash – show the highest rates, and the most rural – Derbyshire Dales – shows the lowest.

Key issues and challenges

- Whilst overall population growth in Derbyshire over the next 10 years is likely to be fairly modest, it will be important to continue to respond to the needs of an increasingly ageing population.

- Projected population growth across the county varies considerably. The challenge for Derbyshire is to ensure the sustainable development of all communities.

- Ensuring a supply of affordable housing is a key issue in parts of Derbyshire where house prices are considerably higher than the county average.

- The decline of traditional industries has left a concentration of areas in the county where there are higher levels of unemployment and deprivation. Continuing to support these areas will be a key priority for Derbyshire.

- The industrial structure of Derbyshire's economy remains heavily dependant upon the manufacturing sector. A key challenge for the future will be to support these businesses to embrace new industrial technologies and develop higher value added activity, enabling them to compete strongly in global markets.

- There is a need to improve the overall skills levels of Derbyshire's workforce in order to enhance economic performance and attract investment into the area.

9.4 Leicester and Leicestershire Sub-regional Profile

9.4.1 Introduction

This profile covers Leicester City and Leicestershire County. The sub-region has a Multi Area Agreement (MAA) reflecting the strong economic linkages between Leicester City and the surrounding county. Leicestershire County comprises seven district/borough councils: Blaby, Charnwood, Hinckley and Bosworth, Harborough, Melton, Oadby and Wigston and North West Leicestershire.

The sub-region enjoys a central UK location with good transport links and has three excellent universities and a strong further education sector. Leicestershire has a diverse, high quality natural environment with a range of attractive settlements and a significant rural economy. Leicester City sits at the heart of the sub-region and is a multi-cultural city, which has recently benefited from significant investment with the new High Cross Retail Centre, Curve Theatre, the New Business Quarter and the Cultural Quarter.

There is marked variability in economic and social conditions across the sub-region, which is highlighted in this profile.

9.4.2 Demography

Population estimates for 2008 show that the Leicester and Leicestershire sub-region has just over 21% of the population of the East Midlands, with 940,500 residents. Leicester City has over a third of the population of the MAA area (294,700). The built-up area of Leicester conurbation extends into Leicestershire, particularly into Oadby and Wigston, and parts of Blaby and Charnwood districts.

The rate of population growth between 1998 and 2008 is below the East Midlands average, at 6.4% compared to 7.3%, as is the projected growth over the period 2006-2016, at 9.9% compared to 10.5%. However the estimated annual population change indicates much higher growth rates for the years from 2003 onwards. Leicester City and Charnwood figures show a strong increase since 2003, which has influenced population projections. This reflects migration being an important contributor to change in these areas in recent years. However, in Leicester City the large school age group (accounting for 20.8% of residents in Leicester City compared to 18.4% of the population in the East Midlands) reflects the high birth rates in this area, and natural change is likely to be an increasingly important contributor to population growth in Leicester in the future. Leicester City has the youngest age profile of any Local Authority in the East Midlands.

The presence of diverse ethnic groups is a distinctive feature within the local economy. Some ethnic groups have been present for more than one generation, especially those of Indian origin. The area has also seen many new communities develop in recent years. The estimated proportion of ethnic minorities of Leicester City accounted for 37.1% of the total resident population in 2007, for Oadby & Wigston this figure is nearly 17.1% and in Charnwood district this is about 10.1%.

9.4.3 Housing

As the recent collapse of sub-prime lending in the USA has demonstrated, local housing markets, and fluctuations in local housing markets, rarely happen in isolation. Over the 11 years between 1997 and 2008, changes to house prices in Leicester and Leicestershire generally followed national and regional trends. Over this period, Leicestershire's housing market remained more competitive than that of Leicester City and the East Midlands as a whole, with house prices that have remained between 80% and 90% of the England average (compared to 70-80% in the East Midlands). In 2008, average house prices in Leicestershire were estimated at £184,400. The equivalent figure for Leicester City was much lower at £144,600 and for the East Midlands it was £163,300. Average house prices were highest in Harborough district, at £230,000 in 2008. This was the only district in the sub-region where average house prices exceeded the national average of £220,300.

The ratio of lower quartile house prices to lower quartile earnings is a useful proxy for gauging housing affordability. As with house prices, trends in house price affordability between 1997 and 2008 were consistent across national, regional, Leicester City and Leicestershire County scales. However, house prices for Leicestershire (with an affordability ratio of 7.3) can be regarded as less affordable than house prices in Leicester City (ratio of 6.6), the East Midlands (ratio of 6.6) and England (ratio of 6.9). Over the last 11 years, affordability ratios in Leicester City were consistently below the national levels.

9.4.4 Economy and productivity

The Leicester and Leicestershire sub-region has a diverse economy. The area has undergone considerable transformation in the latter quarter of the 20th century, away from the manufacture of textile products. However, by national standards, manufacturing remains relatively important to the sub-regional economy. High tech manufacturing is a significant feature of the Charnwood district economy. Although service sector employment has grown in recent years; the banking, finance and insurance sector is relatively under-represented compared to the national average, accounting for 18.8% of employment in Leicester and Leicestershire in 2008, compared to 22.9% in England. However, this proportion is level with the East Midlands average (18%).

Leicester City's economic structure is different to that of Leicestershire. In particular, Leicester City has a greater dependence on public sector jobs than Leicestershire. Furthermore, in terms of employment, Leicester's wholesale, retail and repairs sector is smaller than that of both Leicestershire and Great Britain. The official statistics do not yet reflect the impact of the new High Cross retail shopping centre in Leicester City.

On the major enterprise indicators – such as business birth rates per 10,000 population – the sub-region performs relatively well when compared with similar Local Authority areas, with a rate of 53.4 in Leicester City and 51.5 in Leicestershire compared to an East Midlands average of 46.7 in 2008. However, three year business survival rates in Leicester City fall behind those of Leicestershire. Poor business survival rates are not necessarily a bad thing, as they often suggest high levels of business churn, and so entrepreneurial activity. However, self-employment rates for Leicester City are low compared to overall start-up activity, which suggests that there is a challenge to be addressed in the future. Leicestershire County, and particularly Harborough district, performs better across all the enterprise indicators. The county, and particularly the district of North West Leicestershire, has enjoyed significant growth in its transport and communications sector, which by national and regional standards is overrepresented in terms of both jobs and businesses. This is linked to the presence of East Midlands Airport, employment land availability and proximity to the motorway network.

9.4.5 Labour market

Unemployment in Leicester is the highest in the East Midlands at 11.4%, whereas unemployment in Leicestershire County is relatively low at 4.8%. Blaby and Harborough districts have the lowest unemployment rates. Qualification levels in Leicester City fall considerably below national and regional average, although recent progression rates to Higher Education are good in the City.

On indicators of education and skills, 22.1% of Leicester residents have no qualifications, significantly higher than the national average of 11.9%. Those with no qualifications in the sub-region are more likely to be unemployed, in a

BME group, or over 50. With 30% of Leicester residents born outside the UK, this has a large impact on qualifications, particularly adults new to Leicester. Conversely, Leicestershire has a relatively low proportion of residents with no qualifications at 11.3%. This is lowest in Melton (7.3%).

In 2009 the workplace median earnings are similar in Leicester City (£456) and in Leicestershire (£457.40). Low wages in the City are likely to be due to the relatively low numbers of residents employed in knowledge-based sectors, such as financial and business services. In Leicestershire out of town business parks, the town of Loughborough and a number of market towns all make important contributions to the sub-regional economy.

9.4.6 Deprivation and economic inclusion

In 2008, 72.3% of Leicester residents are economically active, which is lower than national and regional averages, and Job Seekers' Allowance (JSA) claimant rates are amongst the highest in the region and have increased as the labour market effects of the recession have become apparent. The claimant rate for Leicester City in March 2010 was 6.7%, compared to 4.1% in the East Midlands overall. This represents an increase of 0.7 percentage points, or 1,432 additional claimants compared to the same month a year earlier. The county of Leicestershire, however, continues to have a relatively low proportion of the population claiming JSA, at 2.8% in March 2010. This proportion is lowest in Harborough, at 2%. In some areas of the City, such as the New Parks ward, a third of residents are claiming a work related benefit.

According to the 2007 Index of Deprivation, 46.6% of Lower Super Output Areas (LSOAs) in Leicester and 1.3% in Leicestershire are in the most deprived fifth of LSOAs in England. As a sub-region, 15.8% of LSOAs are within the most deprived quintile, which is lower than regional and national averages. However, two of the most deprived neighbourhoods in the entire country for both the Income domain and the Education domain of the ID2007 are within Leicester City.

9.4.7 Transport and infrastructure

When compared to the other Upper Tier Local Authorities in the East Midlands, Leicestershire seems relatively self-contained, ranking just behind Lincolnshire and Northamptonshire on its proportion of working residents who work locally (95%) and the proportion of its workforce who commute into the county (21%). By contrast, a higher proportion of Leicester City's workforce (47%) commute to the City. Interestingly, of the three cities in the East Midlands, Leicester is the most self-contained, with 79% of its residents working within the City.

In terms of access to public transport, Leicester City performs favourably when compared with other Upper Tier Authorities in the sub-region. Eighty five percent of its working age population can easily access public transport. The average for Leicestershire is 80.0% in 2008.

9.4.8 Environment

Between 2002-2003 and 2008-2009 levels of residual household waste per household in Leicester and Leicestershire have fallen. In 2008-2009 levels of residual waste per household were 642 kilograms in Leicester and 577 kilograms in Leicestershire. CO_2 emissions in 2007 were 6.6 tonnes per head in Leicester and 8.9 tonnes per head in Leicestershire, which is level with the regional average.

9.4.9 Health and crime

There is a clear distinction between mortality rates in Leicester City and Leicestershire. Between 2001 and 2007, mortality rates in Leicester City have been above the national average, roughly at around 684.3 per 100,000 people. Although rates improved year-on-year since 2003, they compare poorly with Leicestershire's mortality rates between 2001 and 2007, which ranged from around 550 and 620 deaths per 10,000 people. With the exception of Rutland, Leicestershire had the lowest mortality rates of all Upper Tier Authorities in the East Midlands, with Leicester, along with Nottingham, performing poorly by both regional and national standards.

Between 2003-2004 and 2008-2009, crime rates have fallen for all Upper Tier Local Authorities in the East Midlands. As might be expected, Leicestershire's crime rate remains relatively low (at 37.8 per 1,000 people in 2008-2009) whilst Leicester City's was 82.5 per 1,000 people in 2008-2009. It should be noted that this data is from the British Crime Survey comparator crimes and only represents around 60% of all reported crimes.

Key challenges and issues

- Maintaining a diverse economic structure, but increasing knowledge-based employment to increase wealth generation and improve earnings, especially in Leicester City. It will be important to support indigenous business growth and also attract high quality businesses to the sub-region.

- Maximising the opportunities arising from the current investment in the sub-region, especially in Leicester City, and the presence of three world class universities in the sub-region.

- Addressing the low levels of qualifications in Leicester City and ensuring that people throughout the sub-region have the relevant skills needed by employers both for now and in the future.

- Improving levels of business start-ups, survival rates and growth rates.

- Addressing the marked variability in economic and social conditions across the sub-region.

- Tackling the high levels of worklessness in some areas of the sub-region in the context of the current economic climate.

- Delivering housing growth of all types and tenures and addressing specific housing needs across the sub-region, including the regeneration areas of the City, the Principal Urban Area (PUA), sub-regional centres (Coalville, Melton, Hinckley, Loughborough and Market Harborough) and rural areas.

9.5 Lincolnshire Sub-regional Profile

9.5.1 Introduction

Lincolnshire offers a good quality of life for most of its residents, although there are pockets of severe deprivation in the county. Lincolnshire has also proved a popular destination for people from outside of the county to live, work and study because of characteristics that reflect a relatively high quality of life.

The extent and nature of population growth continue to present a number of challenges, particularly in terms of service provision and dependency ratios given the projected rate of growth in the population aged 65+, along with challenges in retaining younger people (and their skills).

Although Lincolnshire performs well on a number of ‘quality of life’ factors at a county level, this should not hide the fact that at lower geographical levels there are areas of lagging performance on a number of issues such as unemployment, crime, health, and air quality. Immediate opportunities to address some of these localised issues do exist in Lincolnshire, with the presence of the food processing and farming industries and tourism assets. Longer term, the over-arching issue for Lincolnshire is targeting the necessary resources to enable efficient service delivery in the right areas at the right time whilst maintaining the county’s quality of life.

9.5.2 Demography

Lincolnshire’s population, at 698,000 people in 2008, is the third largest in the region, and has increased by 11.5% since 1998 (the second largest rate of increase in the region behind Rutland, which has significantly smaller population) compared to 7.3% in the East Midlands overall.

At 5,921 sq. km (the fourth largest county in England), Lincolnshire still has only 118 people per sq km, compared to 284 in the East Midlands. Because of this sparsity, Lincolnshire is classified as one of the most rural counties in England by Defra. Of the seven Local Authority Districts within the county, four (East Lindsey, North Kesteven, South Holland and West Lindsey) are classified as “Rural-80” (the most rural category, where 80% of the population live in rural area settlement) with only Lincoln classified as being urban under "Other Urban", the smallest category of urban area.

Whilst birth rates have increased over the last few years, in-migration has continued to be the main driver of population growth in Lincolnshire. The profile of migrants into and out of the county are significantly altering its demography. Since 1998 older people (65+) have made up an increasingly larger proportion of our population, whilst the proportion of younger people (0-19) and those of working age has declined.

Population projections up to 2016 show that these trends are set to continue, with those aged 65+ making up a larger proportion of the population. The total population is projected to grow by 13% between 2006 and 2016, reaching approximately 775,500 people, which will mean planning for large changes in a relatively short time period.

Whilst this level of population growth is high compared to regional and national rates of growth (10.5% and 7.8% respectively), sparsity will remain an issue for the county into the future. In the year 2016 the population density will still be under half that of the current population density in the East Midlands overall.

Experimental statistics on ethnicity show that Lincolnshire's population has also become more ethnically diverse. In 2001, Black and Minority Ethnic groups made up only 1.9% of the total population. It is estimated that in 2007 this figure had increased to 2.7%. Given the nature of recent international migration, it is also important to note that people who would identify their ethnic group as 'White' include international migrants from both Portugal post 2001 and the eight Central and Eastern European Accession States countries post 2004. Analysis of National Insurance data shows that close to 26,000 people from EU Accession States entered the county between 2004 and 2008.[8]

9.5.3 Housing

In line with the projected population increases, the number of households is also projected to grow, by 18% from an estimated 295,300 in 2006 to approximately 349,000 households in 2016. That this growth in households is projected to be higher than that of the population in general would suggest a significant increase in single person households over this period, which can be associated with increasing numbers of older people.

Relatively cheap housing has acted as one of the catalysts for population growth in the county. Whilst Lincolnshire house prices are among the lowest in the region based on 2008 mean house price data, this does not necessarily make them affordable to all. Whilst the average house price is 2.3% lower in Lincolnshire than regionally, average weekly wages in the county (workplace based) are around 8% lower than regional levels. So whilst housing may

[8] Footnote: EU Accession States are the A8 and Romania, Bulgaria, Malta and Cyprus.

appear more affordable to those entering the county, for people living and working in the county, affordability is still an issue.

9.5.4 Economy and productivity

Rapid growth and change in the county population has also impacted on one of the key economic indicators of an area's prosperity, Gross Value Added (GVA) per head. Large numbers of those entering the county are of retirement age, so whilst increasing the population they do not contribute to the economy in a way which is recognised by this measure, the overall effect of which is to lower GVA per head. The effect has been that whilst data shows that the Lincolnshire economy has increased in value year-on-year since 1997, and is currently estimated to be worth approximately £9.7bn, it still lags behind the region and most of the UK in terms of per-head and per-worker comparisons.

It should be noted that GVA does not measure the income available to private households in an area. This means that pension income, social security benefits, and the incomes of people who live in an area but work outside of it (out-commute) are not counted. Therefore in Lincolnshire with its high proportion of older people and out-commuters, Gross Disposable Household Income (GDHI – which measures the amount of money that individuals have available for spending or saving) would arguably provide a more meaningful measure of local prosperity. Based on this measure the latest figures for 2007 show that Lincolnshire's GDHI stands at £13,221 per head, which is comparable to the regional average of £13,268 per head but less than the UK average of £14,334.

Lincolnshire's current position is also a result of its traditional industry make-up, which is in turn related to its geography and topography. Its coastline, combined with the amount and quality of historic and natural assets, has meant that a large part of the economy is reliant upon tourism. Similarly, one of Lincolnshire's most productive natural assets is its soil, with nearly half of all agricultural land in the county is classified as being of Grade 1 or 2. This has helped ensure the size and importance of the agricultural industry in the county, regionally and nationally, and to a lesser extent the food manufacturing industry.

As a result of this high proportion of lower skilled industries and jobs, Lincolnshire has a low percentage of residents employed in the upper tier occupational groups (professionals, associate professionals, and managers) – 36.5% compared to a regional average of 39%. This low figure is compounded by the fact that a number of these employees resident in the county will be commuting to higher skilled jobs elsewhere.

Whilst business start ups per 10,000 of the population in Lincolnshire are low when compared to the rest of the region, small businesses (employing 1-10 people) make up almost 90% of the total stock of county businesses and employ a quarter of the total workforce.

Lincolnshire also has one the highest percentages of businesses with fewer than 250 employees, yet approximately a fifth of the workforce is employed by businesses employing 250 plus (with around a quarter of these large businesses being in the public sector). The county economy is therefore vulnerable to the potential effects of losing large employers (both immediate in terms of job losses to the localised area, and knock on effects in terms of supply chains).

Similarly, Lincolnshire is more vulnerable to the loss of smaller firms and the subsequent impacts at a local level. The rural and sparse nature of the county means that a comparatively small job loss announcement (less than 20 redundancies) by a business in a small market town will still have a significant impact on the local community.

9.5.5 Labour market

Whilst a high proportion of employment is in lower skill, and thus lower paid activities, Lincolnshire has historically maintained stable and above average rates of employment.

According to the Annual Population Survey for the period January to December 2008, the employment rate of the resident working age population was 77%, close to the Government's aspirational target of 80%, and above the regional average of 75.9%.

With unemployment currently increasing in the county, reflecting the current economic climate, the claimant count unemployment rate in Lincolnshire has increased in line with regional and national rates and more importantly remains below them (3.7% compared to 4.0% in the East Midlands and nationally).

Whilst Lincolnshire has a low percentage of its working age population qualified to and equivalent of an NVQ Level 4 or above when compared to regional and national averages, it also has a low proportion of the working age population with no qualifications. However, it has relatively similar proportion of the 19-59 to 64 population without a Level 2 qualification compared to the regional average.

9.5.6 Deprivation and economic inclusion

According to data from the Annual Population Survey, just over 81.9% of Lincolnshire's working age population were economically active in 2008, one of the highest in the region and above regional and national rates.

A snapshot of DWP benefits data in February 2009 shows that the percentage of people claiming work-related benefits is lower in the county and is comparable to the overall regional rate at 12.2% compared to 12.5% and 12.9% for England. This figure though will be higher than normal for the year based on the seasonal nature of employment in the county, particularly in terms of the over representation, in employment terms, of the county tourism industry compared to the region.

With a number of factors including housing, income, skills, and employment, being used to measure deprivation, it is not surprising to learn that Lincolnshire has just over 10% of its lower super output areas (LSOAs) in the most deprived quintile in England. This proportion though is less than most other areas in the region apart from Leicestershire.

Potentially more significant is the pattern of deprivation in the county which shows a distinct east/west divide. Levels of deprivation in 2007 were highest in the more remote parts of the county i.e. on and around the east coast, with pockets in the more urbanised areas in the west. These areas of high deprivation in the county remain relatively unchanged from those identified in the 2004 Indices of Deprivation.

9.5.7 Transport and infrastructure

Moving goods and people around and through the county can be a problem. Although Lincolnshire does not suffer from the congestion that affects many other places, it is the sheer size of the county network with over 9,000 km of roads together with the nature of the network (which is in the main characterised by minor roads and very few trunk roads) which can reduce its effectiveness.

As a result of this relatively poor road infrastructure, Lincolnshire has experienced a number of major food producers, and main suppliers to supermarkets, move to areas just outside of the county in order to be able to deliver on a ‘just in time basis’. These issues, together with the dispersed population, also combine to make it difficult to deliver an all encompassing, inclusive and effective public transport system. This has resulted in above average car ownership in the county as people are unable to rely solely on public transport.

Results from the Annual Population Survey suggest that the out-commuting of workers is not such an issue for Lincolnshire, with only 2% of the workforce commuting to jobs outside of the county. Further data suggests that 11% of people working in the county commute in from areas outside the county.

In terms of its business property infrastructure, Lincolnshire has the third highest number of premises in the region, yet the square metres these premises cover is the lowest in the region amongst the county areas (440 sqm), suggesting that on average premises in the county tend to be smaller than anywhere else in the region (regional average 520 sqm). The rateable value per square metre of these county premises is the second lowest in the region at £39, against a regional average of £45.

9.5.8 Environment

The county's topographical nature i.e. mainly flat land with some areas below sea level, combined with its coast, increase the risk of flooding from severe storms and rainfall. As a result, the Environment Agency has highlighted Lincolnshire at particular risk to flooding.

The increased risk of coastal flooding which will be brought about by climate change, and the potential rises being forecast in sea levels, is of particular concern to those living and working in and around the coastal areas of the county.

One of the many positive aspects afforded Lincolnshire by the lack of industrial development and limited road network is good air quality. CO_2 emissions per capita in Lincolnshire were estimated to be 7.7 tonnes in 2007. This represents a 0.2 tonnage reduction in county emissions per capita compared to 2006. The fact that the figure for CO_2 emissions per person isn't lower is a result of the sheer size of the county and the need for motor vehicle transport to access most services.

Encouragingly, the county has achieved significant progress in recycling and waste reduction. This is demonstrated by the fact that Lincolnshire residents produced the lowest amount of residual waste per household (540 kg) in 2008-2009 of any area in the region.

9.5.9 Health and crime

Whilst health inequalities across the county persist, as a result of both demographic patterns and prevailing wage rates (which subsequently influence lifestyle), the all age all cause mortality rate per 100,000 population for Lincolnshire has actually fallen over time in line with trends across the region and is currently comparable to the regional and national averages (580.1 per 100,000 population in 2007 compared to 585.0 regionally and 579.4 nationally).

Lincolnshire's low crime rate has already been identified as a key component in the quality of life it offers. Based on the British Crime Survey 2008-2009 overall crime rate, Lincolnshire has the third lowest crime rate in the region (39.8 British Crime Survey key crimes per 1,000 population), with only Leicestershire and Rutland having lower crime rates (37.8 and 23.4 crimes per 1,000 population respectively). The crime rate in Lincolnshire is also much lower than regional and national averages (52.3 and 49.7 crimes per 1,000 population respectively), though there are crime hotspots in the more urban areas such as Lincoln (73.7 crimes per 1,000 population).

Key challenges and issues

- Managing demographic shifts towards an older population and the consequences of the spatial distribution of the population.
- Driving up GVA by driving businesses up the value chain.
- Breaking the low wage / low skills / low productivity cycle and addressing levels of deprivation exacerbated by remoteness.
- Mitigating the risks of flooding which could have a major impact on future development and other key drivers of economic growth.

9.6 Northamptonshire Sub-regional Profile

9.6.1 Introduction

This profile covers Northamptonshire County, which comprises seven districts: East Northamptonshire, Wellingborough, Kettering, Corby, Daventry, Northampton and South Northamptonshire.

Northamptonshire was designated as a Growth Area in 2003 under the Government's Sustainable Communities Plan and is part of the Milton Keynes South Midlands (MKSM) sub-region. It is the fastest growing County in England, and will be required to play a significant role in meeting the Government's national objectives towards increasing housing supply.

The overarching economic vision for the county is set out in the Sub-Regional Economic Strategy (SRES). Its vision is that by 2015, Northamptonshire will be one of the most successful and competitive sub-regions in Europe and will be recognised fully as such by visitors, employers, investors and residents. In order to achieve this vision, the SRES states that Northamptonshire will: raise levels of productivity, skills and investment; increase employment; ensure communities are able to overcome barriers to participation and reduce socio-economic deprivation; develop cross boundary relationships for effective partnership working; and develop and apply a strong, identifiable Northamptonshire brand.

9.6.2 Demography

The current population of Northamptonshire is approximately 776,500 (17.5% of the total population of the region). Between 1998 and 2008, the population has grown by 11.3%, which exceeds the average rate of growth experienced in the East Midlands, at 7.3%, and the average for England, at 5.4%.

This rate of increase has been driven by a combination of strong migration, both international and domestic, and natural change. Northamptonshire has a relatively young population and thus natural change is making an increasing impact on population growth. In 2008, 19.8% of the Northamptonshire population were in the school age group and 62.5% were in the working age group, compared to 18.4% and 61.9% in the East Midlands. Conversely, the county has a lower proportion of people in the pensionable age group. Population projections produced by the Office of National Statistics and independent forecasts produced by Northamptonshire County Council based on local housing trajectories suggest that the population of the county could rise to about 900,000 by 2026. The majority of this population growth could occur within a broad corridor, running approximately south-west (from Daventry and Towcester) to north east (Corby and Wellingborough/Rushden) with Northampton at the centre.

The projections indicate a significant possible increase in the population for Corby in particular. Initial projections indicate that Corby's population is set to rise to 66,600 by 2031 – a 17.0% increase from 2008 figures. Other areas of high growth are Northampton, Daventry, Kettering and Wellingborough, which are projected to experience a 21%-29% increase in their populations between 2008 and 2026.

9.6.3 Housing

In 2008, the mean house price in Northamptonshire was £178,600, 19% lower than the national average but slightly higher than the East Midlands mean house price (£163,300).

However this county figure hides the large disparities between Northamptonshire's seven districts. For example, in Corby the mean house price was £145,100, but in South Northamptonshire it was £252,900.

Between 2006 and 2016, Northamptonshire has the highest projected rate of growth in the number households in the East Midlands, at 19.9%. At a district level South Northamptonshire has the highest projected growth in the region, at 27.6%.

On the Government's preferred measure of affordability, the ratio of lower quartile house prices compared to lower quartile earnings, Northamptonshire is relatively unaffordable. In 2008, the ratio was 7.3, compared to 6.6 in the East Midlands overall. However, this masks very high ratios within the county, with the highest ratio in the region in South Northamptonshire, at 9.7.

9.6.4 Economy and productivity

The largest employment sector in Northamptonshire was distribution, hotels and restaurants, accounting for 76,000 jobs and for 24.1% of employment (compared to 23.5% in the East Midlands). Banking, finance and insurance and public administration, education and health also accounted for significant proportions of employment, around 21%-22% in each case.

As a whole, Northamptonshire has also seen a growth in the concentration of employment in the construction industry and, given the level of demand for construction in the area, there is an increasing drive to ensure this growth is sustained.[9]

Northamptonshire has the highest rate of business births per 10,000 population in the East Midlands, at 56.5 in 2008, compared to 46.7 in the East Midlands and 57.2 in England.

9.6.5 Labour market

Northamptonshire has one of the highest rates of employment in the region, at 79.5% of the resident population in 2008, compared to 75.9% in the East Midlands and 74.2% in England.

The county also has a higher proportion of employment in upper tier occupations (which combines managerial, professional and associate professional SOC occupational groups), at 40.1% compared to 39.0% in the East Midlands.

The skill profile of Northamptonshire suggests a more highly skilled workforce than elsewhere in the region. In 2008, 27.7% of the working age population (19 to retirement age) of Northamptonshire were qualified to at least an equivalent of an NVQ Level 4 compared to 27% in the East Midlands. However, there is a slightly higher proportion of residents in the county who have no qualifications, at 14.2% compared to 12.8% in the East Midlands. This could suggest a certain amount of skill polarisation, which could be due to a concentration of employment in lower skill logistics and construction activities, alongside the high skill service sector employment.

In 2009 the median workplace based gross weekly pay in Northamptonshire was £452.40. Wellingborough had the lowest median pay in Northamptonshire at £414.70 per week and South Northamptonshire the highest at £475.70. Between the districts, Kettering has the highest annual percentage increase in gross weekly pay at 12.6% between 2006 and 2009, whereas South Northamptonshire had the lowest annual percentage increase in pay of 2.9%.

9.6.6 Deprivation and economic inclusion

Economic activity rates in Northamptonshire are amongst the highest in the East Midlands, at 83.6% in 2008 compared to 80.8% in the East Midlands.

Claimant count unemployment has historically been low in Northamptonshire, but it has been increasing in recent months at a faster rate than the regional and national averages as a result of the labour market impacts of the recession. The proportion of working age residents in Northamptonshire

[9] Source: Draft Strategic Northamptonshire Economic Action Plan (SNEAP) consultation document, 2008.

claiming Job Seekers' Allowance (JSA) was 1.9% in March 2004, one of the lowest rates in the region. More recent data (December 2009) suggests this has risen to 3.9%, which is now close to the East Midlands average of 4%. This could be due to the impact of the collapse of the housing market and subsequent fall in demand for house building affecting employment in Northamptonshire disproportionately, given the importance of construction to employment in the county.

9.6.7 Transport and infrastructure

In line with the high population growth experienced in Northamptonshire, road traffic in the county increased by 20% between 1997 and 2006, the highest traffic growth of any county in England. This is compared to other East Midlands counties; Lincolnshire (17% growth between 1997 and 2006), Nottinghamshire (14%), Leicestershire (13%) and Derbyshire (10%).[10]

Detailed transport modelling work was undertaken to inform the Core Spatial Strategy for North Northamptonshire. This forecast that a 51% increase in the number of households between 2001 and 2021 will lead to a 58% increase in the demand for travel. With the continuation of existing transport policies and land use patterns it is forecast that this would increase car use by 79%. These forecasts suggest that by 2031 car use could be more than double what it was in 2001.

According to 2007 Annual Population Survey data, Northamptonshire has a high proportion of employed residents who work in the area. However within the county there is a high amount of variation – from 78% in Northampton and 74% in Corby to 42% in South Northamptonshire and 44% in East Northamptonshire. These figures indicate that travel to work journeys cross district boundaries, with Northampton and Corby attracting relatively high number of workers from outside their administrative areas.

9.6.8 Environment

In 2007, greenhouse gas emissions – measured in CO_2 equivalent per capita – were higher in Northamptonshire than in the region overall, at 9.2 tonnes per head compared to 8.9 tonnes in the East Midlands. This could be due to the contribution of road transport to emissions in Northamptonshire, given the major transport routes running through the county (e.g. the M1).

However, in Northamptonshire the amount of residual (i.e. non-recycled) waste was 627 kilograms per household, the third highest among the East Midlands' counties and Unitary Authorities.

[10] Source: House of Commons Publications (2008) Written Answers to Questions: Tuesday 15th January 2008. Data not provided for Unitary Authorities.

Key challenges and issues

- Ensure that the planned population and housing growth is jobs-led, and that the conditions for creating a 100,000 plus increase in jobs (2001-2021) is supported through a range of transformative economic development interventions. This must be accompanied with improvements in infrastructure and services.

- Provide and bring forward sufficient quality, quantity and distribution of employment land and premises to meet the needs of new and growing businesses, given high business birth rates, and support town centre regeneration.

- Increase the shift of the economy towards knowledge and technology intensive and low carbon sectors, which will support the increase in productivity levels and will in turn support the growth in new jobs, improving wage rates for employment based in the county.

- Improve basic and intermediate skills in the adult workforce, given the higher than average proportion of the workforce currently with no qualifications.

- Manage increasing levels of traffic congestion and thus reduce emissions related to road transport and reducing total per capita emissions.

- Reduce disparities between the districts. For example South Northamptonshire is one of the most affluent districts in the region, yet by comparison, Corby is one of the more disadvantaged.

9.7 Nottingham City Sub-regional Profile

9.7.1 Introduction

Nottingham City Unitary Authority is a densely populated local authority lying at the heart of the most populous conurbation in the East Midlands. The administrative boundaries of the Unitary Authority understate the physical extent of the conurbation, which extends southwards into Rushcliffe District, westwards into Broxtowe, and north and eastwards into Ashfield (especially Hucknall) and Gedling. For this reason, Nottingham City is described in terms of both the UA boundary itself and the wider Nottingham Core Housing Market Area (HMA). This also reflects policy realities on the ground: Nottingham City works with other authorities on a number of issues, particularly in the transport and planning fields.

9.7.2 Demography

In 2008 the population of Nottingham City was 292,400, 6.6% of the East Midlands total. Nottingham Core HMA had a population of 737,600, which is 16.6% of the total regional population.

Nottingham's population is characterised by the highest proportion of its population who are of working age of all the regional Unitary and County authorities, at 69.4%. Conversely it has a lower than average proportion of 0-15 year olds and older people (16.7% and 18.4% respectively). This is partly explained by geography, but also the draw of the two universities and work – an increase in university students and international migration have been key factors in the increase in the proportion of working age in recent years, from 64.1% in 2001.

Nottingham City has experienced a population growth of 15% between 1998 and 2008, and it is anticipated that growth from 2006 to 2016 could be higher if house building recovers and the expansion of the universities continues.[11]

9.7.3 Housing

Nottingham City has the lowest mean average house price of all the Unitary and County Authorities in the region, at £125,000. This is less than 60% of the average for England. The Nottingham Core HMA includes a wider range of communities by incorporating some of the more prosperous suburbs in Rushcliffe and Broxtowe, as well as large, more deprived housing estates on the outskirts of the conurbation. For this wider area the average price is £149,200, closer to but still below the regional average of £163,300.

Between 1996 and 2008 average house prices in Nottingham rose by 166%. Nottingham City is one of the more affordable locations in the East Midlands, as indicated by the ratio of lower quartile prices to lower quartile incomes. However, this has to be qualified – lower cost housing is still almost five times the average income of lower paid residents, indicating that extremely challenging housing market conditions persist for many.

9.7.4 Economy and productivity

Nottingham City has 10,220 local units (an indication of the business population) in 2009. Of these the largest proportions are in property and business services at 26.5%, and retailing with 14.3%. This is a similar picture

[11] Although the broad trends suggested by the Official Statistics are considered correct, it should be noted that growth between 1998 and 2008 is considered to be understated by the Mid-Year Estimates, due to an undercount in the 2001 Census, particularly amongst young adults in inner city areas. The 2006-2016 projections reflect the strong growth in the recent years driven by inward migration and record levels of house building which may not continue at the same pace.

to the other Unitary Authorities in the region. Public administration, education and health accounts for 13.1% of local units in Nottingham City – higher than the other Unitary Authorities in the region.

There are 181,400 jobs based in Nottingham City workplaces. This is equivalent to 55% of all workplace jobs in the Nottingham Core HMA, compared to just 39% of its population. Whilst it is recognised that the Nottingham Core is an over-simplification of commuting patterns, particularly to the west, it gives a crude indications as to the importance of Nottingham City as an employment destination (see also the transport and infrastructure section).

In Nottingham City, the greatest numbers of workplace jobs are found in two sectors, which account for nearly 30% each. According to the official figures banking, finance and insurance accounts for some 47,400 jobs, which accounts for 26.1% of all workplace jobs. The other significant sector is public administration, education and health, which accounts for 61,400 jobs, 33.8% of total employment. Together these categories includes some of the City's largest employers, including Capital One, Experian, Nottingham City Council, the two universities and the NHS hospital trust, as well as the regional offices of a number of Government departments and agencies. Health also includes a growing number of private sector biomedicine and healthcare companies, some of which are located at specialist premises, for example BioCity and Nottingham Science Park.

Only 6.8% of workplace employment within Nottingham City is in manufacturing, nearly seven percentage points lower than the next lowest of the regional Unitary and County Authorities in the East Midlands. In part this reflects the tight boundaries of the Unitary Authority vis-à-vis the physical extent of the conurbation (with production activity tending to be located on the outskirts), but this is not the sole reason. Manufacturing only accounts for 10.1% of employment across the Nottingham Core HMA, illustrating the decline of manufacturing and heavy industry and transformation of the economy over the past three decades.

Nottingham City has a lower rate of new enterprise formation than the regional average, at 38 per 10,000 population compared to 46.7. This rate is similar to other East Midlands Unitary Authorities, and represents a large jump from 41.3 per 10,000 in 2006.

Of the Unitary and County Authorities in the region, Nottingham City has the highest proportion of local units employing 250 or more employees. It has a relatively low proportion of enterprises that are less than two years old (16.6%) and a higher proportion of more mature enterprise. Enterprises of more than 10 years old account for 40.1% of the total. This may reflect previously low business formation rates, but recent significant improvements may mean a shift in the future.

9.5.5 Labour market

At 64.8%, the employment rate for Nottingham City is comparatively low in 2008. Whilst the rate is affected by the large university population this is not the sole reason, as unemployment in some neighbourhoods also remains high.

ILO unemployment across Nottingham City is 9.2% of the working age population – above the regional average of 6.0%.

Nottingham City has a relatively low proportion of residents with high level qualifications. At 24.6% this is 2.44 percentage points lower than the regional average. Across the Nottingham Core HMA the rate for is comparable with England, and higher than the regional average.

Within Nottingham City there is a high proportion of people with no qualifications. At 17.9% of the working age population this is higher than regional and national rates of 12.8% and 11.9% respectively. The rate without qualifications has shown significant improvement though, having fallen from 22.5% in 2001.

On average, jobs based in Nottingham City are higher paid than jobs held by City residents. Median workplace based pay in Nottingham City is £481.30 per week, higher than the East Midlands average (£456.60), although below the England level. By contrast Nottingham City residents earn below the regional median (£416.70 per week and £460.50 respectively).

Within Nottingham City 33.7% of employed residents are employed in upper tier occupations, 35.5% are employed in intermediate tier occupations and 30.4% are in lower tier occupations. The proportion of employment in upper tier occupations is below the regional average, but across Nottingham Core HMA the proportion is similar to the regional average at 41.4% and 39.0% respectively.

9.7.6 Deprivation and economic inclusion

In Nottingham City, 71.2% of the working age population are economically active in 2008. This is comparatively low, again this reflecting the presence of the two universities, but also high numbers on workless benefits such as Incapacity Benefit.

As with the other Unitary and County Authorities in the East Midlands, there has been a significant increase in the level of Job Seekers' Allowance claimants – from 3.6% in January 2008 to 6.2% in March 2010. By March 2010, 12,617 residents were claiming JSA, an increase of over 1,000 individuals in a 12 month period.

At 17.7%, Nottingham City has the second highest rate of working age people claiming work related benefits of all Unitary and County Authorities in the region in February 2009. More than half of them (8.5%) are claiming Employment and Support Allowance and Incapacity Benefits, and more than 5.0% are claiming Job Seekers' Allowance.

Using the 2007 Index of Deprivation, Nottingham ranks as the 13th most deprived authority nationally. Sixty percent of all Lower Super Output Areas fall within the most deprived quintile nationally. No LSOAs fall in the least deprived quintile.

9.7.7 Transport and infrastructure

Three quarters of Nottingham's working residents hold jobs based in the city, lower than the other County Authorities, but a similar proportion to the other two Unitary Authorities in the region. A relatively high proportion of Nottingham City's workforce is drawn from people living outside the area. At 57% this is the highest in the region and 10 percentage points above the next authority, demonstrating its importance as a commuting destination within the wider Nottingham economy.

Within Nottingham City the level of access to work by public transport is very good.

When looking at bulk premises, Nottingham City has the highest number of offices and greatest floorspace of the Unitary and County authorities in the region. It also has the greatest amount of retail floorspace. Nottingham City has the second lowest amount of factory floorspace, reflecting the low level of manufacturing jobs now based there.

The rateable value for retail premises is the highest in the region, indicating the high level of demand for retail space. The rateable value for office space is the second highest in the region, behind Northamptonshire.

9.7.8 Environment

Nottingham City has one of the lowest CO_2 emissions per capita in the region at 6.4 tonnes, compared to a regional average of 9.3 tonnes. The city also performs relatively well in terms of residual (non-recycled) waste per capita, at 613 kilograms per household in 2008-2009. Performance has improved – this figure represents a decrease of 42% on 2002-2003 levels.

Key challenges and issues

- A high proportion of working age residents have no qualifications in comparison to other areas. Improving the qualifications and skills of local residents will be critical to enable the economy to grow and modernise further, and to ensure local residents have access to the more sustainable, better paid employment on offer.

- Relatively high unemployment exists within Nottingham City and, as with elsewhere across the region, this has increased as the national economy has contracted. There is a challenge to provide a growing number of people and their families with the support they need following the recession, and to help them find work as is soon as possible.

- A comparatively high proportion of working age residents are economically inactive, and for many in this group they will experience multiple deprivation, presenting additional barriers to re-entering the workplace.

- Despite relatively low house prices compared to elsewhere in the region, house prices have risen dramatically over the last 10 years and, in the context of relatively low resident earnings, housing remains unaffordable for many.

- Nottingham City is not without opportunities. A large number of businesses and jobs are based within the authority, and it is a source of employment for people across a much wider area. This is demonstrated by the high proportion of Nottingham City's workforce drawn from beyond its boundaries. Access to work by public transport is also very good, enabling residents to access employment in a relatively sustainable manner.

- Enterprise formation is low, but had improved considerably prior to the recession. Whilst this is positive, many new businesses are finding the current economic climate testing.

9.8 Nottinghamshire Sub-regional Profile

9.8.1 Introduction

This profile covers the two-tier administrative area of Nottinghamshire, which comprises the County Council and seven district/borough councils. A separate profile covers the Unitary Authority area served by Nottingham City Council.

9.8.2 Demography

Whilst population growth between 1998 and 2008 and projected growth to 2016 in Nottinghamshire are both below the East Midlands average, the fact that the increases are based on a very large existing population of 776,500 means that the actual numbers involved will have a significant impact on the infrastructure of the county.

The mid-2008 population was 17.5% of the East Midlands total. Between 1998 and 2008, the county's population increased by 4.7% between 1998 and 2008, a much slower rate than the region as a whole (7.3%).

The population of Nottinghamshire is projected to increase by 8.7% between 2006 and 2016 compared to the East Midlands (10.5%). During this period, the district of Gedling is projected to grow at the slowest rate, at 5%, whilst Newark & Sherwood is projected to grow most, at 12.3%.

9.8.3 Housing

The data on house prices reveals significant variations between higher house prices in the south and east of the county, especially in those districts bordering Nottingham City, and lower prices in the north west of the county, in Ashfield, Mansfield and the western part of Bassetlaw. However this pattern may be changing with, for example, new higher specification housing being built along the Nottingham-to-Mansfield rail corridor, in places such as Hucknall and Kirkby-in-Ashfield.

In 2008 the mean house price in Nottinghamshire was £154,100, below both the regional mean of £163,300 and the national mean of £220,300. Mean prices in the districts ranged from £119,400 in Ashfield to £213,300 in Rushcliffe.

The ratio of lower quartile house prices to lower quartile incomes provides a guide to the affordability of property in an area. In 2008 the ratio was 6.2 in Nottinghamshire compared with 6.6 in the region and 7 in England, showing that property in Nottinghamshire is slightly more affordable than either the regional or the national averages. Within the districts, Mansfield had the most affordable property, with a ratio of 5.5, whilst Rushcliffe had the least affordable, with a ratio of 9.3.

9.8.4 Economy and productivity

Nottinghamshire underwent major sectoral change in the last quarter of the 20th century, with the decline of the mining and textile industries and the resulting job losses. The service sector has emerged as a major employer, sitting behind the public sector as the biggest employer.

- The largest industry groups in Nottinghamshire are finance, property and business services, with 6,260 local units, and accommodation, food and arts, entertainment and recreation, with 3,595 units.

- In employment terms, public administration, education and health provides the most jobs, at 76,700 in 2008, followed by distribution, hotels and restaurants, at 66,900.

The rate of births of new enterprises per 10,000 population in 2008 in Nottinghamshire was 41.7, lower than the regional and national rates of 46.7 and 57.2 respectively. Within the districts, Mansfield had the lowest rate, with 37.2, and Rushcliffe the highest, with 54.2.

9.8.5 Labour market

The spatial variation in employment rates and qualification levels correlates closely with other socio-economic indicators for the county, with higher levels of performance in the south of the county, and lower levels in the north and west. Qualification levels in the worst performing districts are significantly below the regional and national averages.

The employment rate in Nottinghamshire during 2008 was 75.9%, level with the East Midlands average and greater than in England overall (74.2%). Rates in the districts ranged from 73.8% in Newark and Sherwood to 78% in Rushcliffe.

Model based estimates of unemployment for 2008 show Nottinghamshire had an unemployment rate of 4.5%, with substantial differences in the districts, ranging from 2.7% in Rushcliffe to 5.2% in Ashfield.

The proportion of Nottinghamshire residents working in upper tier occupational groups in 2008 was 42.1%. This was above the East Midlands average of 39%, but below the England average of 43.7%. Proportions of employment in these occupations across the districts ranged from 29.9% in Ashfield to 60.1% in Rushcliffe.

The percentage of the working age population with qualifications equivalent to an NVQ Level 4+ in Nottinghamshire was 29.0% in 2008. This compared with 27.0% in the East Midlands and 30.5% in England. Rates in the districts ranged from 17.1% in Ashfield to 51.2% in Rushcliffe.

The percentage of the working age population with no qualifications during 2008 was 11.4% in Nottinghamshire, 12.8% in the East Midlands and 11.9% in England. In the districts, only 2.7% of working age residents in Rushcliffe had no qualifications, whilst 19.4% had no qualifications in Bassetlaw.

Median gross weekly pay for people working in Nottinghamshire was £446 in 2009, below both the regional and national medians of £456.60 and £488.70 respectively. Within the districts, pay ranged from £404.30 in Mansfield to £470.80 in Rushcliffe.

9.8.6 Deprivation and economic inclusion

In Nottinghamshire during 2008, 80.5% of the working age population were economically active, compared to 80% in the East Midlands and 78.9% in England. Within the districts, Bassetlaw had the lowest rate, at 78.2%, and Gedling had the highest, at 82.6%.

Claimant count unemployment in Nottinghamshire between December 2007 and December 2009 has followed a similar pattern to other areas in the region. Rates were fairly static until autumn of 2008, but there have been month-on-month increases since. In March 2010, Nottinghamshire had a claimant rate of 3.6%. In the region, only Leicestershire and Rutland have lower rates, at 2.8% and 1.7% respectively. The comparable rates for the East Midlands and the UK are 4.1% and 4.2% respectively.

In Nottinghamshire, during February 2009 12.6% of the working age population were claiming work related benefits. In the East Midlands the rate was 12.5% and in England it was 12.9%. In the districts the rate ranged from 6.6% in Rushcliffe to 18.0% in Mansfield.

The 2007 Indices of Deprivation reflect the spatial nature of deprivation across the county, with the greatest deprivation occurring in parts of the county that have experienced the effects of the decline of traditional manufacturing industries, whilst the least deprived are areas where people are employed in public administration and other service sectors. In Nottinghamshire 9.5% of Lower Super Output Areas (LSOAs) were in the most deprived quintile in England, compared to 16.8% for the East Midlands and 20.0% for England. Rushcliffe had the lowest proportion of LSOAs in this group, at 0%, whilst Mansfield had the highest, at 42.4%.

9.8.7 Transport and infrastructure

Almost 9 out of 10 Nottinghamshire residents in employment remain in the county for their work. Results from the Annual Population Survey show 88% of all residents of Nottinghamshire who were in employment were working in Nottinghamshire, while 79% of the workforce of Nottinghamshire lived in Nottinghamshire.

Accessibility to employment by public transport has slightly decreased in Nottinghamshire between 2005 and 2008, from 81.3% to 80%. Access to employment by public transport was higher in Nottingham, where 85% of the working age population had access to work by public transportation.

9.8.8 Environment

Per capita CO_2 emissions for 2007 show a figure of 7.6 tonnes in Nottinghamshire compared with 8.9 tonnes in the East Midlands. Districts range from 4.9 tonnes in Gedling to 10.1 tonnes in Newark & Sherwood.

In 2008-2009, residual waste in Nottinghamshire was 660 kilograms per household. There were substantial variations between the districts, from 455.0 kilograms per household of residual waste in Rushcliffe compared to 681.0 kilograms per household in Bassetlaw.

9.8.9 Health and crime

All age all causes mortality rates for Nottinghamshire between 2001 and 2007 follow a very similar pattern to those of the region and the country.

Overall crime rates for Nottinghamshire between 2003-2004 and 2008-2009 follow the same pattern as the East Midlands and England. Over this period it has fallen from 72.0 to 54.4. During 2008-2009 the rates in the districts ranged from 33.6 in Rushcliffe to 75.1 in Mansfield.

Key challenges and issues

- There is a need to respond to the implications of a growing population in the county.
- There is a clear socio-economic divide in the county that can be roughly characterised as a north-south split. There is a need to improve the worst performing areas to bring them closer to the best performing ones.
- Across the county there is a need to improve the overall skills and qualification levels of the population to improve the county's competitiveness.
- Responding to the recession offers the county an opportunity to develop emerging industries to give a diverse economy as well as offer opportunities to those communities and individuals who have been affected by the decline of traditional industries.
- Improving the quality of life across Nottinghamshire, ranging from the housing offer through to lower crime rates and better public transport will make it more attractive to potential new businesses and investors.

9.9 Rutland Sub-regional Profile

9.9.1 Introduction

Rutland is one of the smallest Local Authorities in the East Midlands, covering 382 square kilometres, 2.5% of the total surface area of the region. This is significantly smaller than the five county council areas, and smaller than many of their constituent Local Authority Districts. It has by far the smallest population of the nine Upper Tier Local Authority areas. However, Rutland is one of the most prosperous parts of the region. It has experienced significant population growth over recent years, and is forecast to continue growing at a similar rate in the future. As Rutland has the highest average house prices in the region, this increased demand could further exacerbate affordability problems in the area.

Rutland's largest town is Oakham, whilst Uppingham is also an important local centre. Stamford, which is just over Rutland's eastern border with Lincolnshire, also provides an important employment centre for the area. Tourism is an important activity in the local area. A key asset includes Rutland Water, one of the largest man made reservoirs in Europe, which provides two water sports centres (including Rutland Sailing Club, which is a Royal Yachting Association training centre and hosts several inland international sailing events), a nature reserve, and also a popular fishing centre.

Rutland is well connected, with good rail links from Oakham train station to Leicester and Peterborough, which are both in easy commuting distance for many of Rutland's residents. Moreover, the A1 runs across the eastern corner of Rutland, meaning that the Unitary Authority enjoys good links to London, the East of England and the South East.

9.9.2 Demography

With 39,200 residents in 2008, Rutland accounts for the smallest share of the East Midlands population of all the Upper Tier Authorities, at 0.9%. Rutland has experienced a growth rate of 6.6% over the decade 1998-2008. This is compared to the regional average of 7.3%.

Rutland is also projected to experience an above average rate of growth over the next decade, at 11.2% between 2006 and 2016. This compares to a rate of 10.5% for the East Midlands overall.

Rutland has experienced significant growth in the pensionable age population group, with the proportion of residents in this age group increasing from 19.3% of the total population in 1998 to 22.7% in 2008. This trend has been driven by significant in-migration of older people from elsewhere in the UK.

9.9.3 Housing

Rutland has the highest mean house prices in the region, at £285,800 in 2008. This compares to the regional mean of £163,300. House prices in Rutland are currently 130% on an index where the English average is equal to 100%. On the Government's preferred measure of affordability, which compares house prices in the lower quartile of all house prices in an area to earnings in the lower quartile of all earnings, Rutland is the least affordable Upper Tier Authority in the region. In 2008, Rutland had a lower quartile house prices to lower quartile earnings ratio of 8.9, compared to an East Midlands average of 6.6.

9.9.4 Economy and productivity

Rutland had 1,950 local business units registered for VAT or PAYE in 2009, which is 1.1% of the total business population in the region. The largest proportion of employment in 2008 was in public administration, education and health, at 33.9%, which exceeds the proportion employed in that sector in the East Midlands (26.9%). Distribution, hotels and restaurants is also an important employment sector in the area, employing 26.4% of Rutland's workforce compared to 23.5% in the East Midlands overall. Conversely, there is a lower proportion of employment in transport and communications in Rutland compared to the East Midlands (2.5% and 5.6% respectively) and banking, finance and insurance (13.5% compared to 18.0% in the East Midlands average).

Rutland has a business birth rate that is higher than the regional average, with 55 businesses registered per 10,000 population in 2008 compared to 46.7 in the East Midlands. However, this is still below the England average of 57.2.

9.9.5 Labour market

Rutland has historically had a very high rate of employment. In 2008, 78.4% of the working age population were in employment, compared to 75.9% in the East Midlands. This rate is lower than in 2007 and this reflects to the impact of the recession.

More recent data is available for the proportion of people claiming Job Seekers' Allowance (the unemployment 'claimant count'), which shows a small rise over the last year. The latest figure for March 2010 shows just under 400 people claiming unemployment benefits, which is 1.7% of the working age population of Rutland. This is up very slightly on the same time the previous year (by 0.1 percentage points). Rutland remains well below the average for the region (4.1% in March 2010) and has the lowest claimant count of the nine Upper Tier Authorities. However, as stated above, the public sector, which includes defence, is a major employer in the area. In December 2009, the Government announced the phased closure of RAF Cottesmore, which could have significant consequences for local businesses and employment.

Rutland has a relatively highly skilled workforce, with 32.5% of adults between 19 and retirement age qualified to an equivalent of an NVQ level 4 or higher, compared to a regional average of 27%. This is the highest proportion of the nine Upper Tier Authorities in the region. Rutland has a similarly high share of the resident workforce employed in upper tier occupations (managerial, professional and associate professional), at 49.5% compared to 39% in the East Midlands.

An outcome of this relatively highly skilled workforce and access to higher skill employment opportunities is an above average work based pay in Rutland, with a median weekly pay of £506.60 in 2009, compared to £456.60 in the East Midlands.

9.9.6 Deprivation and economic inclusion

There is a limited amount of deprivation in Rutland. Economic activity rates are amongst the highest in the region, at 81.7% in 2008, compared to a regional average of 80.8%. This is particularly high given the area's large number of retirees and also the presence of two large public schools, meaning that there are high proportions of younger people in full-time education and high proportions of older people having left the labour market.

Rutland has the lowest proportion of its working age population claiming out-of-work benefits or income support (Job Seekers' Allowance, Incapacity Benefits, Disability Living Allowance, etc.) at 5.2% in February 2009, compared to 12.5% in the region overall. On the 2007 Index of Multiple Deprivation Rutland has the lowest proportion of Lower Super Output Areas that fall within the most deprived fifth of LSOAs in England of the nine Upper Tier Authority areas, with no LSOAs in this band.

9.9.7 Transport and infrastructure

Accessibility to public transport is relatively low in Rutland, with 76.0% of working age residents having access to public transport in 2008. This is the lowest proportion of the nine Upper Tier Authority areas. There is a relatively high incidence of commuting out of the area: in 2007 some 61% of residents also worked in the area, which is again the lowest of the nine Upper Tier Authority areas (in Lincolnshire, also a relatively rural county, this proportion is 98%).

9.9.8 Environment

In 2007, emissions of Carbon Dioxide (CO_2) per capita were extremely high for Rutland, at 35.4 tonnes of CO_2 per resident, compared to a regional average of 8.9. The total amount of emissions in 2007 in Rutland was 1,357 tonnes of CO_2, which was only 3.5% of the East Midlands total.

Industry and commercial sources were the largest contributors towards CO_2 emissions within Rutland, producing 80.4% of Rutland's CO_2 emissions and resulting in per capita emissions from industrial and commercial sources that were seven times that of either the East Midlands or the UK.

Residual waste reduced dramatically in 2008-2009 following the introduction of a new kerbside recycling scheme throughout Rutland. The recycling rate increased from 28.8% in 2007-2008 to 52.9% in 2008-2009. This reduced the residual waste per household to 583kg.

Key challenges and issues

- Rutland has experienced rapid growth in the population of older people, which will have implications for future demand for social care and other infrastructure required to support this changing demographic balance.

- Car ownership in Rutland is very high and the proportion of homes with two or more cars is also one of the highest in the East Midlands. Higher fuel prices and the need to reduce carbon emissions, means that realistic alternatives to car use must be developed for the future. The rural nature of Rutland means that public transport is both a key problem and the potential solution. The key transport hubs of Oakham and Uppingham need to be developed with public transport links to connect outlying villages and neighbouring towns and nearby cities.

- There needs to be a better understanding of the skills gaps within the county through closer engagement with employers and with education providers.

- Broadband speeds across the county are slow, particularly in the more rural areas. In order to provide faster and more reliable services to both residents and businesses, investment must be made in the infrastructure for broadband and emerging technologies.