APPENDIX E

Economic Profile

E. ECONOMIC PROFILE

E.1 Introduction

This section provides a profile of the prevailing socio-economic conditions in the district of Staffordshire Moorlands. It aims to provide the economic context which shapes employment land demand and supply factors in the District. It provides an important input to understanding economic demand / need in the District, within the context of the wider regional and national economies.

Throughout this report Staffordshire Moorlands is benchmarked against Staffordshire, the West Midlands and England and Wales. The list below defines all areas by their relevant 2003 definitions.

- Staffordshire Moorlands — Staffordshire Moorlands Local Authority District
- Staffordshire — Local Authority County
- West Midlands — Government Office Region
- England and Wales — Country

In this appendix we have set out our analysis as follows:

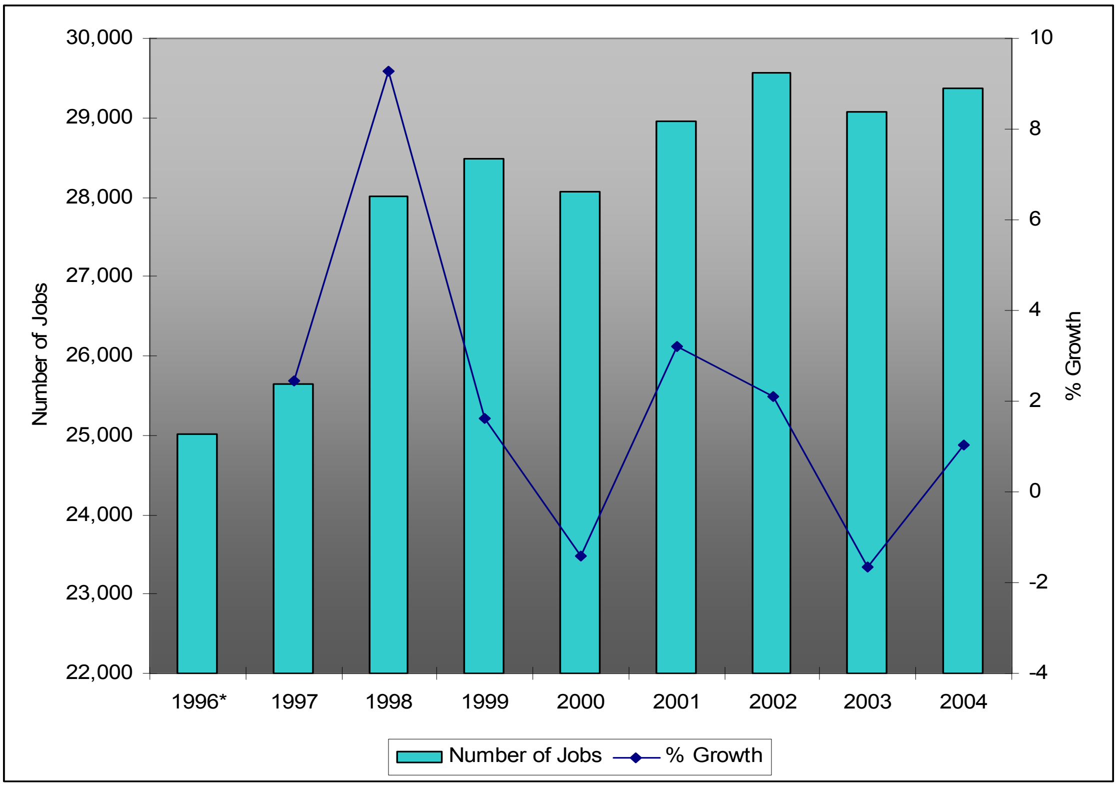
- E2 Employment Structure
- E3 Business Structure
- E4 Business Size
- E5 Enterprise
- E6 Population and Labour Market
- E7Travel to Work Patterns

E.2 Employment Structure

E.2.1 Total Employment

The level of total employment in Staffordshire Moorlands has fluctuated between 25,000 and 29,000 persons over the last eight years. Employment in the District stood at 29,374 persons in 2004, an expansion of 1 per cent on the 2003 level. Total employment increased by 17.5 per cent between 1996 and 2004, which gives an average growth rate of 2 per cent per annum over the eight year period. Figure E.1 demonstrates that total employment has generally increased but not consistently over the period.

Figure E.1 - Total Employment in Staffordshire Moorlands



Source: Annual Business Inquiry, NOMIS, 2004
**This figure is an aggregate from which agriculture class 0100 (1992 SIC) has been excluded. It is therefore under-estimated.*

E.2.2 Broad Sector Analysis

Employment in Staffordshire Moorlands in 2004 was highest in public administration, education & health, distribution, hotels & restaurants and manufacturing. However manufacturing has fallen dramatically in importance since 1996, with a negative average annual growth rate of -3.5 per cent, whilst the other two sectors have increased their relative share of total employment, with rates of 4.7 and 4.9 respectively.

Table E.1 - Staffordshire Moorlands Employment by Broad Sector

Broad Sector	1996		2000		2004		Mean annual % growth
	Level	% of total	Level	% of total	Level	% of total	
Agriculture and fishing	n/a	n/a	597	2.1	535	1.8	-9.1
Energy and water	385	1.5	331	1.2	191	0.7	-8.4
Manufacturing	6,956	27.8	6,830	24.3	5214	17.8	-3.5
Construction	770	3.1	1,247	4.4	1192	4.1	5.6
Distribution, hotels & restaurants	4,550	18.2	6,338	22.6	6679	22.7	4.9
Transport & communications	1,091	4.4	1,468	5.2	1308	4.5	2.3
Banking, finance & insurance, etc	2,761	11	2,817	10.0	3742	12.7	3.9
Public admin, education & health	5,818	23.3	6,949	24.8	8377	28.5	4.7
Other services	2,667	10.7	1,489	5.3	2137	7.3	-2.7
TOTAL*	24,998	100	28,066	100	29374	100	2.00

Source: Annual Business Inquiry, NOMIS
** This figure is an aggregate from which agriculture class 0100 (1992 SIC) has been excluded. It is therefore under-estimated. The true level of average annual growth is likely to be slightly less than 2.2%*

The banking, finance & insurance sector is the next largest sector in employment terms and has increased on average by 3.9 per cent per annum throughout the period. However this sector is still small by national standards, representing only 12.7 per cent of employment compared to 20.1 per cent in England and Wales. It is also important to look at broad sector employment growth compared to the other areas, as displayed in the table below.

Table E.2 - Employment growth (average annual % growth between 1996 and 2004)

	Staffordshire Moorlands	Staffordshire	West Midlands	England & Wales
Agriculture & fishing	-9.1	n/a	-6.6	-7.7
Energy & water	-8.4	7.0	-3.4	-5.2
Manufacturing	-3.5	0.1	-4.5	-3.3
Construction	5.6	-1.4	3.6	4.5
Distribution, hotels & restaurants	4.9	1.2	3.1	3.3
Transport & communications	2.3	0.4	2.3	2.1
Banking, finance & insurance, etc	3.9	1.7	3.2	3.4
Public administration, education & health	4.7	0.3	3.1	2.7
Other services	-2.7	-0.4	3.3	3.0
Total	2.0	2.5	1.5	2.1

Source: Annual Business Inquiry, NOMIS

At an average of 2 per cent per annum, employment growth in Staffordshire Moorlands has been strong, only just behind the national rate (2.1 per cent) and significantly above the regional rate (2.5 per cent).

The relatively strong performance against the region appears to be due to the following reasons:

- the manufacturing sector is declining less rapidly than in the West Midlands at -3.5 per cent average per annum against -4.5 per cent in the region. However the consistent decline of this sector is still a great area of concern; and,
- the distribution, hotels & restaurants, public administration, education & health, banking, finance & insurance and construction sectors have increased faster on average than in the West Midlands. Indeed these sectors have enjoyed growth rates much higher than nationally and at the county level over the period also.

Table E.3 shows the employment location quotients for Staffordshire Moorlands in respect to Staffordshire, the West Midlands and England and Wales. An employment location quotient of less than 1.00 indicates that employment in the sector is under-represented in Staffordshire Moorlands compared to the wider area. A quotient of more than 1.00 implies that employment in the sector is over-represented.

Table E.3 - Employment location quotients

	Staffordshire Moorlands: Staffordshire			Staffordshire Moorlands: West Midlands			Staffordshire Moorlands: England and Wales		
Sector	1996	2000	2004	1996	2000	2004	1996	2000	2004
Agriculture & fishing	0.36*	9.55	7.38	0.07*	2.43	2.16	0.07*	2.38	2.20
Energy & water	1.45	3.22	2.76	1.97	1.23	1.22	1.73	1.66	1.31
Manufacturing	1.06	1.10	1.07	1.05	1.13	1.07	1.51	1.61	1.47
Construction	0.80	0.89	0.90	0.85	1.12	0.94	0.84	1.02	0.91
Distribution, hotels & restaurants	0.75	0.88	0.86	0.84	0.96	0.92	0.81	0.93	0.92
Transport & communications	0.92	0.89	0.62	0.87	0.93	0.83	0.73	0.85	0.74
Banking, finance & insurance, etc	1.00	0.83	0.92	0.74	0.65	0.74	0.61	0.50	0.63
Public administration, education & health	0.96	1.04	1.11	1.03	1.05	1.11	0.94	1.04	1.09
Other services	2.44	1.09	1.40	2.75	1.17	1.60	2.26	1.07	1.42
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Annual Business Inquiry, NOMIS
**The Location quotients are very low for 1996 because agriculture class 0100 (1992 SIC) has been excluded, which means the figures are underestimated.*

This analysis implies that whilst the distribution, hotels & restaurants and banking, finance & insurance sectors have grown impressively over the period in absolute terms these sectors represent less employment than at the county, regional and national levels, with LQs below 1.00 against all three benchmark areas.

The sectors with high LQs against the county, region and England and Wales are manufacturing and public, administration & health. However whilst the LQ in manufacturing has been falling the LQ in public administration has steadily increased throughout the period.

In addition the Agriculture & fishing and Energy & water sectors have high LQs, especially the former; however, they are in absolute terms small employers in the Staffordshire Moorlands economy.

Figures E2 to E4 show the employment location quotients for Staffordshire Moorlands with respect to Staffordshire, the West Midlands and England and Wales respectively set against sectoral growth in each of the three areas. The size of the circle representing each sector is in proportion to the amount of total employment that each accounts for in Staffordshire Moorlands. Sectors identified in the upper right quadrant of each graph are those which are well represented in Staffordshire Moorlands and have experienced growth in the wider economy. The lower left hand quadrant contains those sectors that are under-represented in Staffordshire Moorlands and are in decline in the wider economy. The upper left quadrant contains those that are under-represented in Staffordshire Moorlands and are growing in the wider economy. The lower right quadrant contains those that are under-represented in Staffordshire Moorlands and are declining in the wider economy.

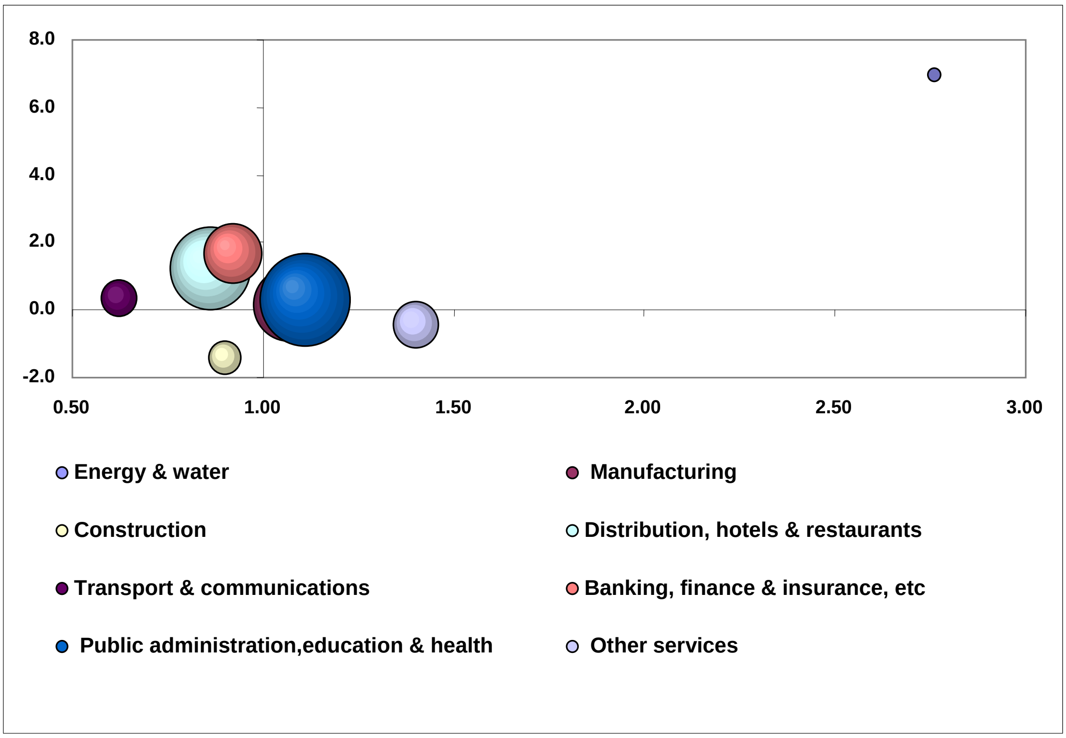
All three figures show that the manufacturing sector is declining, especially at the regional and national levels. They also demonstrate that Staffordshire Moorlands is over-represented in the sector and the continual demise of this industry must be managed. In addition the energy & water and agriculture & fishing industries are also in decline in the national and regional economies but have LQs above 1, however, these sectors do account for a small proportion of employment overall.

Two major sectors in terms of employment appear to be performing well overall. Public administration, education & health is over-represented in comparison to all study areas and is growing in the wider economies. Similarly distribution, hotels & restaurants is only slightly underrepresented and growing in all the wider economies.

The only other significant employment sector that appears in the top right quadrant besides public administration is Other Services, which is over-represented at both the regional and national levels and is growing in the wider economy.

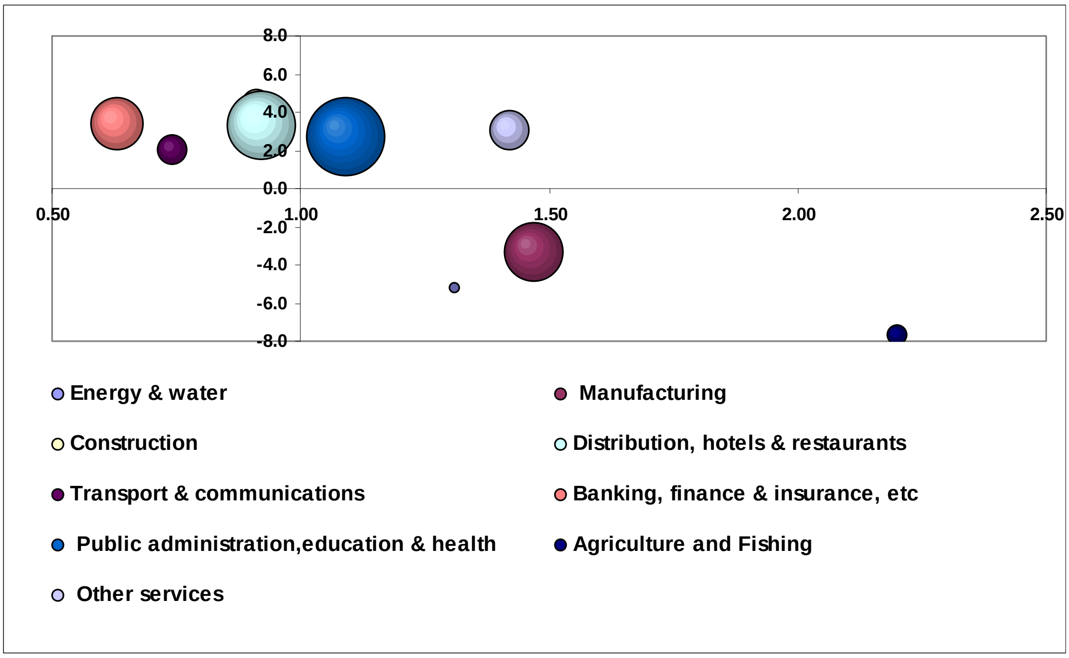
Two key sectors are banking, finance & insurance and transport & communications. Both of these are strong growth sectors in the wider economies, particularly the banking, finance & insurance sector, but Staffordshire Moorlands is under-represented in both of them. The district is not achieving the same benefits as other parts of the country from these growth sectors.

Figure E.2 - Staffordshire Moorlands: Staffordshire employment location quotients (2004) against sectoral growth in Staffordshire



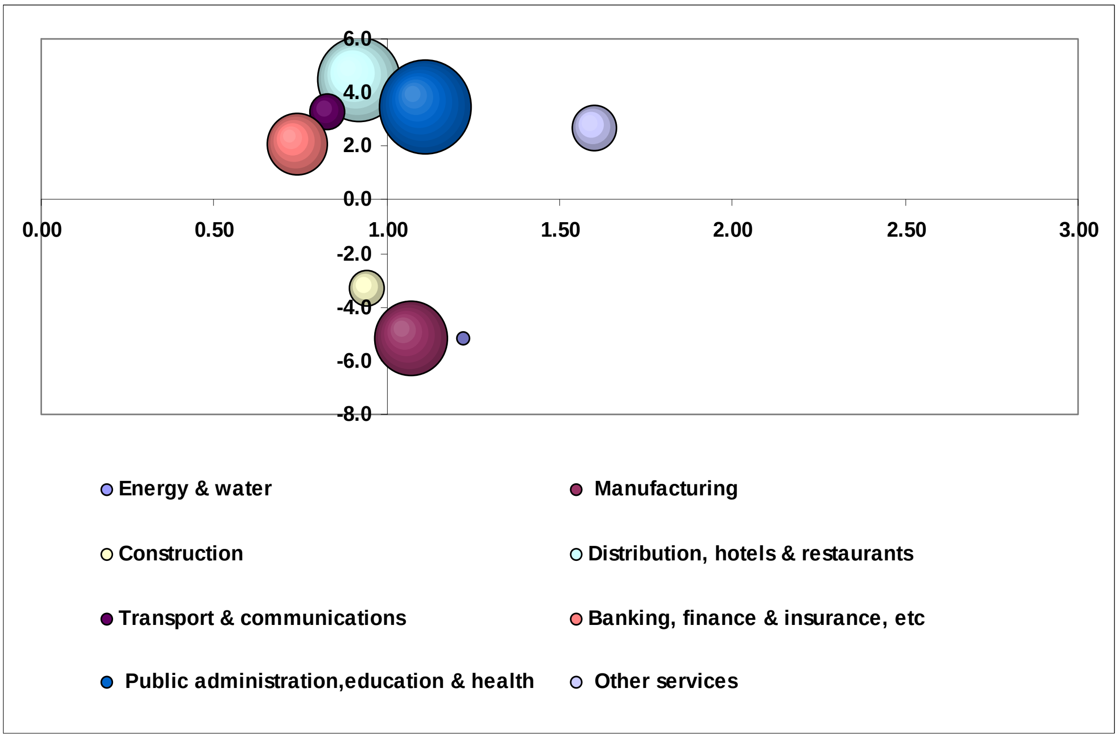
Source: Annual Business Inquiry, NOMIS

Figure E.3 - Staffordshire Moorlands: West Midlands employment location quotients (2004) against sectoral growth in the West Midlands



Source: Annual Business Inquiry, NOMIS

Figure E.4 - Staffordshire Moorlands: England & Wales employment location quotients (2004) against sectoral growth in England and Wales



Source: Annual Business Inquiry, NOMIS

E.2.3 Detailed 2-Digit SIC Analysis.

In understanding the dynamics of the local economy it is useful to examine changes in employment by 2-digit SIC code. Table E.4 shows the main sub-sectors in Staffordshire Moorlands in terms of their share of total employment (those accounting for 2 per cent or more in 2004). The top two sub-sectors are both public sector orientated, highlighting the importance of the public sector in the Staffordshire Moorlands economy.

The importance of the distribution, hotels & restaurants sector is also highlighted, for instance annual average growth has been very strong in the hotels and restaurants sub-sector at 8.8 per cent.

The importance of the manufacturing sector is prominent. Encouragingly manufacture of machinery and equipment not elsewhere classified appears to be a competitive sub-sector, experiencing average annual growth of 8.9 per cent, which is clearly out of line with the sector as a whole. This is likely to represent the importance of the JCB plants around Cheadle and associated supply chain businesses.

This analysis reinforces that the banking, finance and insurance sector has been experiencing steady growth. There are few financial services listed amongst the principle sub sectors than would be expected in the comparator areas whilst the pace of growth has been slower than the other sectors. This implies the sector is not achieving its true growth potential.

The recreational, cultural and sporting activities sub-sector links into the cultural and tourism offer of Staffordshire Moorlands. However this sub-sector is clearly very vulnerable to outside trends and influences and employment has fluctuated between 2,225 and 593 persons over the period, giving a very negative average annual decline of 7.9 per cent.

The construction sub-sector has become increasingly important, representing 4.1 per cent of total employment in 2004

Table E.4 - Employment in Staffordshire Moorlands by principle sub-sectors

	1996		2000		2004		Average annual growth
	No	%	No	%	No	%	
Health and social work	2,877	11.5	2,986	10.6	3,283	11.2	1.7
Education	2,413	9.6	2,836	10.1	3,181	10.8	3.5
Hotels and restaurants	1,386	5.5	2,334	8.3	2,719	9.3	8.8
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	1,730	6.9	2,567	9.1	2,320	7.9	3.7
Public administration and defence; compulsory social security	529	2.1	1,127	4.0	1,913	6.5	17.4
Financial intermediation, except insurance and pension funding	1,531	6.1	1,339	4.8	1,876	6.4	2.6
Manufacture of machinery and equipment not elsewhere classified	605	2.4	1,220	4.3	1,193	4.1	8.9
Construction	770	3.1	1,247	4.4	1,192	4.1	5.6
Other business activities	753	3.0	937	3.3	1,203	4.1	6.0
Wholesale trade and commission trade, except of motor vehicles and motorcycles	738	2.9	894	3.2	1,147	3.9	5.7
Recreational, cultural and sporting activities	2,202	8.8	912	3.3	1,141	3.9	-7.9
Manufacture of fabricated metal products, except machinery and equipment	1,198	4.8	903	3.2	833	2.8	-4.4
Land transport; transport via pipelines	760	3.0	963	3.4	820	2.8	1.0

Source: Annual Business Inquiry, NOMIS

Table E.5 below further demonstrates that the key growth sub-sectors in Staffordshire Moorlands have been in the distribution sector and public administration. For instance public administration and defence and the hotels & restaurants sub-sectors had respective annual growth rates of 12 per cent and 8.8 per cent respectively.

Growth in banking and financial intermediation services has been less impressive. This analysis reiterates the importance of the manufacturing sub sector- manufacture of machinery and equipment not elsewhere classified.

Table E.5 - Staffordshire Moorlands key growth sub-sectors

	No	%	No	%	Absolute Change	Average annual growth
Health and social work	2877	11.5	2986	10.6	3,283	1.7
Education	2413	9.6	2836	10.1	3,181	3.5
Hotels and restaurants	1,386	5.5	2,334	8.3	2,719	8.8
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	1,730	6.9	2,567	9.1	2,320	3.7
Public administration and defence; compulsory social security	529	2.1	1,127	4.0	1,913	17.4
Financial intermediation, except insurance and pension funding	1,531	6.1	1,339	4.8	1,876	2.6
Other business activities	753	3.0	937	3.3	1,203	6.0
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Manufacture of fabricated metal products, except machinery and equipment	1,198	4.8	903	3.2	833	-4.4
Land transport; transport via pipelines	760	3.0	963	3.4	820	1.0

Source: Annual Business Inquiry, NOMIS

Table E.6 below looks at sub-sectors that have been in decline in Staffordshire Moorlands in order of the absolute number of job reductions. This analysis reiterates the importance but the continuing demise of primary sector activities in the district, 12 of the 18 mentioned sub-sectors lie within traditional industries. The sub-sector to have declined the most was recreational, cultural and sporting activities but as mentioned above this sector appears as part of the tourism sector in the district and has fluctuated widely between 1996 and 2004.

Table E.6 - Staffordshire Moorlands key sub-sectors in decline

	1996	%	2004	%	Absolute Change	Annual average growth
Recreational, cultural and sporting activities	2,202	8.8	1,141	3.9	-1,061	-7.9
Manufacture of textiles	1,340	5.4	396	1.3	-944	-14.1
Manufacture of wearing apparel; dressing and dyeing of fur	644	2.6	114	0.4	-530	-19.5
Manufacture of fabricated metal products, except machinery and equipment	1,198	4.8	833	2.8	-365	-4.4
Manufacturing of food and beverages	596	2.4	356	1.2	-240	-6.2
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	695	2.8	493	1.7	-202	-4.2
Other mining and quarry	346	1.4	173	0.6	-173	-8.3
Manufacture of furniture; manufacturing not elsewhere classified	351	1.4	193	0.7	-158	-7.2
Publishing, printing and reproduction of recorded media	273	1.1	131	0.4	-142	-8.8
Manufacture of chemicals and chemical products	542	2.2	413	1.4	-129	-3.3
Manufacture of electrical machinery and apparatus not elsewhere classified	98	0.4	24	0.1	-74	-16.1
Manufacture of other non-metallic mineral products	463	1.8	419	1.4	-44	-1.2
Manufacture of pulp, paper and paper products	86	0.3	42	0.1	-44	-8.6
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	150	0.6	118	0.4	-32	-3.0
Sewage and refuse disposal, sanitation and similar activities	153	0.6	127	0.4	-26	-2.3
Collection, purification and distribution of water	40	0.2	17	0.1	-23	-10.1
Research and development	27	0.1	4	0.0	-23	-21.2
Manufacture of medical, precision and optical instruments, watches and clocks	75	0.3	58	0.2	-17	-3.2

Source: Annual Business Inquiry, NOMIS

E.2.4 B-Use Class Employment

Most 'employment' policies contained in development plans relate to jobs associated with premises which accommodate business and industrial activities categorised under the B-Use Class (B1a, B1b, B1c, B2 and B8). Although an important component of total employment is generated by activities not classified as B-use, it is important for our analysis to consider separately activities traditionally the subject of employment policies in development plans.

Table E.7 shows the level of B-use employment in Staffordshire Moorlands. B-use employment has been estimated using an in-house modelling technique. In 2004 there were approximately 14,700 B-use class jobs in Staffordshire Moorlands, accounting for 50.1 per cent of total employment in the district. This is marginally lower than the proportion it accounts for in Staffordshire (52.7 per cent), the West Midlands (54.2 per cent) and England and Wales (52.9 per cent). Clearly most B-use employment is in manufacturing and banking, finance and insurance activities. However at the national level the latter represented 20.2 per cent compared to 12.7 per cent in the district, whilst manufacturing only represented 12.1 per cent of B-use employment compared to 17.8 per cent in the district.

Table E.7 - B-use employment in Staffordshire Moorlands

B-use Sector	Level	% of total	Level	% of total	Level	% of total	Average annual % growth
B-Use Banking, Finance and Insurance	2,761	11.0	2,817	10.0	3,742	12.7	3.9
B-Use Construction	770	3.1	1,247	4.4	1,192	4.1	5.6
B-Use Distribution and Wholesale	1,433	5.7	1,436	5.1	1,640	5.6	1.7
B-Use Manufacturing	6,956	27.8	6,830	24.3	5,214	17.8	-3.5
B-Use Other Services	2,486	9.9	1,182	4.2	1,612	5.5	-5.3
B-Use Transport and Communications	1,091	4.4	1,468	5.2	1,308	4.5	2.3
TOTAL	15,497	61.9	14,979	53.4	14,707	50.1	-0.7

Source: Atkins, Annual Business Inquiry, NOMIS

As shown in table E.8 Staffordshire Moorlands has seen a slight fall in B-use employment over the period 1996-2004, averaging -0.7 per cent. This was higher than the decline regionally whilst there was growth at the county and national level. The primary reason for this disparity has been the decline of other services in Staffordshire Moorlands, which appears to have been due to the decline of recreational, cultural and sporting activities mentioned above.

Table E.8 - B-use employment growth (average annual % growth from 1996 – 2004)

B-Use Sector	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
B-Use Banking, Finance and Insurance	3.9	4.8	3.2	3.4
B-Use Construction	5.6	3.8	3.6	4.5
B-Use Distribution and Wholesale	1.7	-1.2	0.5	0.8
B-Use Manufacturing	-3.5	-3.8	-4.5	-3.3
B-Use Other Services	-5.3	1.7	2.7	2.6
B-Use Transport and Communications	2.3	7.3	2.3	2.1
TOTAL	-0.7	0.6	-0.2	1.1

Source: Annual Business Inquiry, NOMIS

Industrial and Warehouse Employment

Tables E.9 and E.10 set out the level of industrial and warehousing related employment in Staffordshire Moorlands. It also sets out location quotients for the activities which provide a measure of the extent to which employment in each activity compares to the West Midlands benchmark.

Manufacturing activities account for the vast majority of industrial sector employment in Staffordshire Moorlands. However the sector is in decline and is expected to continue along this trend in the near future. It is therefore also likely that total industrial sector employment will also continue to decline. However it is important for employment policies to recognise that industrial land use is not uniquely required by manufacturers and there are areas of the economy where there may be demand for industrial land.

However Some Construction activities is the only area currently providing any industrial sector growth. There will also be aspects of the manufacturing sector that continue to grow in the district, as seen in the 2-digit SIC analysis earlier in this section.

Table E.9 - Industrial sector employment in Staffordshire Moorlands

	1996		2004		Annual Average growth
	No	% of total	No	% of total	
Manufacturing	6,901	91.7	5,162	89.4	-3.6
Motor vehicle activities	249	3.3	103	1.8	-10.4
Sewage & refuse disposal	153	2.0	*	*	-2.3
Some construction	221	2.9	382	6.6	7.1
Total	7,524	100	5,774	100.0	-3.3
* Confidential Figures					

Source: Annual Business Inquiry, NOMIS

The warehouse sector (see Table E.10) is marginally under-represented in Staffordshire Moorlands with respect to the West Midlands economy, shown by an employment location quotient of 0.9. The sector has seen employment increase at an annual average rate of 3.3 per cent, driven by increases in Wholesale, Freight transport by road and Post & Courier Activities.

Table E.10 - Warehouse sector employment in Staffordshire Moorlands

	1996		2004			
	No	% of total	No	% of total	Annual Average growth	Location Quotient with West Midlands (2004)
Freight transport by road	647	39.3	667	31.1	0.4	1.9
Cargo handling	0	0.0	0	0.0	0.0	0.0
Storage and warehousing	63	3.8	*	*	-0.4	0.4
Other supporting land transport activities	1	0.1	*	*	62.5	0.1
Post & Courier Activities	196	11.9	265	12.3	4.4	0.8
Wholesale	738	44.9	1,147	53.4	6.9	0.8
TOTAL	1,645	100.0	2,079	100	3.3	0.9

Source: Annual Business Inquiry, NOMIS

E.2.5 The Manufacturing Sector

This section examines the declining manufacturing sector in more detail using finer SIC code definitions as provided by "UK Standard Industrial Classification of Economic Activities 2003", SIC (2003). Table E.11 looks at the size of the manufacturing sub-sectors.

Table E.11 - Manufacturing activities by 2 digit SIC Code

	Staffordshire Moorlands	West Midlands	England and Wales
Manufacturing total	5,214	387,955	2,856,152
Sub-Sectors (2 digit level)			
Manufacturing of food and beverages	6.8	8.9	12.9
Manufacture of tobacco products	0.0	0.0	0.1
Manufacture of textiles	7.6	1.4	2.7
Manufacture of wearing apparel; dressing and dyeing of fur	2.2	0.9	1.4
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	0.0	0.3	0.4
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	2.3	2.0	2.4
Manufacture of pulp, paper and paper products	0.8	1.3	2.5
Publishing, printing and reproduction of recorded media	2.5	4.7	10.6
Manufacture of coke, refined petroleum products and nuclear fuel	0.0	0.2	0.8
Manufacture of chemicals and chemical products	7.9	2.4	6.5
Manufacture of rubber and plastic products	5.2	6.9	6.6
Manufacture of other non-metallic mineral products	8.0	6.0	3.6
Manufacture basic metals	5.3	4.9	2.5
Manufacture of fabricated metal products, except machinery and equipment	16.0	18.5	10.5
Manufacture of machinery and equipment not elsewhere classified	22.9	11.0	9.2
Manufacture of office machinery and computers	0.0	0.9	0.7
Manufacture of electrical machinery and apparatus not elsewhere classified	0.5	3.5	4.0
Manufacture of radio, television and communication equipment and apparatus	0.4	1.5	2.1
Manufacture of medical, precision and optical instruments, watches and clocks	1.1	2.4	3.6
Manufacture of motor vehicles, trailers and semi-trailers	4.9	14.5	6.4
Manufacture of transport equipment	0.8	2.3	4.4
Manufacture of furniture; manufacturing not elsewhere classified	3.7	5.0	5.6
Recycling	1.1	0.5	0.6
TOTAL	100.0	100.0	100.0

Source: Annual Business Inquiry, NOMIS

Manufacturing is very high in two principle sub-sectors, manufacture of machinery and equipment not elsewhere modified (as mentioned earlier) and manufacture of fabricated metal products, which accounted for 22.9 per cent and 16 per cent of manufacturing respectively. This was particularly high in the former which accounted for only 11 per cent and 9.2 per cent of total manufacturing in the West Midlands. The majority of employment within this sector is situated in the sub-sector (4 digit level) machinery for mining, quarrying and construction, which is likely to be JCB operations and the associated supply chain. In addition the manufacture of chemicals and chemical products is fairly high at 7.9 per cent compared to 2.4 per cent regionally. The textiles industry is also still significant accounting for 7.6 per cent of all manufacturing compared to 1.4 per cent regionally.

More modern and specialist manufacturing sub-sectors such as publishing, print and reproduction of recorded media, radio, television and communications, and manufacture of medical, precision and optical instruments comparatively accounted for a fairly low proportion of manufacturing employment.

Table E.12 below examines these sub-sectors in terms of growth.

Table E.12 - Manufacturing growth by 2 Digit SIC Code

	1998	%	2004	%	Absolute Change	Average Annual Growth rate
Manufacture basic metals	15	0.2	275	5.3	260	62.4
Manufacture of rubber & plastic products	78	1.0	270	5.2	192	23.0
Manufacture of machinery & equipment not elsewhere classified	1004	13.3	1193	22.9	189	2.9
Recycling	0	0.0	56	1.1	56	16.7
Manufacture of radio, television & communication equipment & apparatus	6	0.1	19	0.4	13	21.2
Manufacture of electrical machinery & apparatus not elsewhere classified	13	0.2	24	0.5	11	10.8
Manufacture of office machinery & computers	0	0.0	2	0.0	2	16.7
Manufacture of tobacco products	0	0.0	0	0.0	0	0.0
Manucature of coke, refined petroleum products & nuclear fuel	2	0.0	0	0.0	-2	-100.0
Manufacture of fabricated metal products, except machinery & equipment	835	11.1	833	16.0	-2	0.0
Tanning & dressing of leather; manufacture of luggage, & footwear	8	0.1	1	0.0	-7	-29.3
Manufacture of transport equipment	70	0.9	41	0.8	-29	-8.5
Manufacture of medical, precision & optical instruments	94	1.2	58	1.1	-36	-7.7
Manufacture of wood & products of wood & cork, except furniture;	161	2.1	118	2.3	-43	-5.0
Manufacture of furniture; manufacturing not elsewhere classified	292	3.9	193	3.7	-99	-6.7
Manufacture of pulp, paper & paper products	179	2.4	42	0.8	-137	-21.5
Publishing, printing & reproduction of recorded media	287	3.8	131	2.5	-156	-12.3
Manufacture of other non-metallic mineral products	615	8.2	419	8.0	-196	-6.2
Manufacture of motor vehicles &-trailers	484	6.4	258	4.9	-226	-10.0
Manufacture of chemicals & chemical products	666	8.8	413	7.9	-253	-7.7
Manufacturing of food & beverages	648	8.6	356	6.8	-292	-9.5
Manufacture of wearing apparel; dressing &dyeing	760	10.1	114	2.2	-646	-27.1
Manufacture of textiles	1311	17.4	396	7.6	-915	-18.1

Source: Annual Business Inquiry, NOMIS

Of those sub-sectors accounting for a significant proportion of manufacturing the manufacture of basic metals, rubber and plastic products and manufacture of equipment not classified elsewhere accounted for the highest degree of growth. The other sectors accounting for a significant proportion of employment are in significant decline including manufacture of textiles, chemicals and chemical products and other non-metallic mineral products.

E.2.6 Banking, Finance and Insurance Sector

This section examines the banking, finance and insurance sector in more detail using finer SIC code definitions as provided by "UK Standard Industrial Classification of Economic Activities 2003", SIC (2003).

Table E.13 - Banking, Finance and Insurance by 2 digit SIC code

	Staffordshire Moorlands	West Midlands	England and Wales
Banking, Finance and Insurance total	3,742	404,537	4,774,525
Sub-Sectors (2 digit level)			
Financial intermediation, except insurance and pension funding	50.1	11.1	11.2
Insurance and pension funding, except compulsory social security	0.1	3.1	3.4
Activities auxiliary to financial intermediation	4.3	3.4	5.3
Real estate activities	6.0	8.3	8.2
Renting of machinery and equipment without operator and of personal and household goods	3.2	3.6	2.9
Computer and related activities	4.0	9.2	9.5
Research and development	0.1	1.7	1.9
Other business activities	32.1	59.6	57.5

Source: Annual Business Inquiry, NOMIS

Cleary most activity within this broad sector is in financial intermediation, except insurance and pension funding, which accounted for 50 per cent of all activity in 2004. This contrasted to only approximately 11 per cent nationally and regionally. This is likely to reflect the presence of two large building societies in the district-Britannia and Leek; especially since the majority of this employment was within 4 digits SIC code 65.12 other monetary intermediation (which includes banks and building societies). In comparison activity in insurance and pension funding, real estate activities, computer and related activities, research and development and especially business activities were all under-represented. This suggests that the banking, finance and insurance sector in the district is not as widely developed and nor are activities within it of the higher value added kind (e.g. insurance and pension funding, research and development and computer and related activities).

Table E.14 - Banking, Finance and Insurance growth by 2 Digit SIC Code

	1998	%	2004	%	Absolute Change	Annual Growth rate
Financial intermediation, except insurance and pension funding	1,131	45.8	1,876	50.1	745	8.8
Other business activities	763	30.9	1,203	32.1	440	7.9
Activities auxiliary to financial intermediation	81	3.3	160	4.3	79	12.0
Renting of machinery and equipment without operator and of personal and household goods	95	3.8	119	3.2	24	3.8
Computer and related activities	127	5.1	148	4.0	21	2.6
Real estate activities	216	8.8	226	6.0	10	0.8
Insurance and pension funding, except compulsory social security	16	0.6	5	0.1	-11	-17.6
Research and development	39	1.6	4	0.1	-35	-31.6

Source: Annual Business Inquiry, NOMIS

Since 1998 the financial intermediation sector has also experienced the highest absolute growth (745 persons). However other business activities and activities auxiliary to financial intermediation have experienced significant annual growth rates of 7.9 per cent and 12 per cent. The insurance and pension funding and research and development sectors have however experienced negative growth of 17.6 per cent and 31.6 per cent respectively.

E.2.7 Distribution, Hotels and Restaurants Sector

This section examines the distribution, hotels and manufacturing sector in more detail using finer SIC code definitions as provided by “UK Standard Industrial Classification of Economic Activities 2003”, SIC (2003).

Table E.15 - Distribution, Hotels and Restaurants by 2 digit SIC code

	Staffordshire Moorlands	West Midlands	England and Wales
Distribution, hotels and restaurants	3,742	404,537	4,774,525
Sub-Sectors (2 digit level)			
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	7.4	10.0	8.4
Wholesale trade and commission trade, except of motor vehicles and motorcycles	17.2	19.9	17.5
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	34.7	44.9	46.9
Hotels and restaurants	40.7	25.1	27.3

Source: Annual Business Inquiry, NOMIS

The highest proportion of employment within this broad sector is concentrated in hotels and restaurants, 40.7% compared only 25.1% in the West Midlands and 27.3% in England and Wales. This is likely to reflect the rural nature and the importance of tourism in the district. In contrast retail trade and the other two sub-sectors account for less employment in this sector compared to the two benchmarks.

Table E.16 - Distribution, Hotels and Restaurants growth by 2 Digit SIC Code

	1998	%	2004	%	Absolute Change	Average Annual Growth rate
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	717	12.2	493	7.4	-224	-6.1
Wholesale trade and commission trade, except of motor vehicles and motorcycles	1,072	18.3	1,147	17.2	75	1.1
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	2,308	39.3	2,320	34.7	12	0.1
Hotels and restaurants	1,771	30.2	2,719	40.7	948	7.4

Source: Annual Business Inquiry, NOMIS

The hotels and restaurants sector has also experienced significant growth since 1998, an annual growth rate of 7.4 per cent. This contrasts to very low or negative growth in the remaining three sub-sectors. Within the hotels and restaurants sector employment at 4 digit level was highest in bars (56 per cent), restaurants (19 per cent) and hotels (19 per cent). The SIC analysis here is inconclusive as the majority of employment within this sub-sector was in bars, which at 56 per cent was 17.6 percentage points above the regional figure whilst hotels was only slightly higher (2.9 percentage points) and employment in restaurants was much lower (10.9 percentage points) than regionally.

E.2.8 The Effect of Major Employers

This section attempts to isolate the effect of major employers in the district, drawing on the sector analysis above. JCB and the associated supply chain activities and the two building societies – Britannia and Leek- are both very significant employers who are isolated here to assess their effect on the overall employment level. Please note that the analysis above for hotels and restaurants was not conclusive[1] and has been omitted here.

Table E.17 - Total employment and total employment without high dependency sectors.

Employment	Number
Total Employment 2004	29,374
2952 : Manufacture of machinery for mining, quarrying and construction	1,011
6512 : Other monetary intermediation[2]	1,801
Employment in high dependency sectors	2,812
Total Employment without high dependency sectors	26,562

Source: Annual Business Inquiry, NOMIS

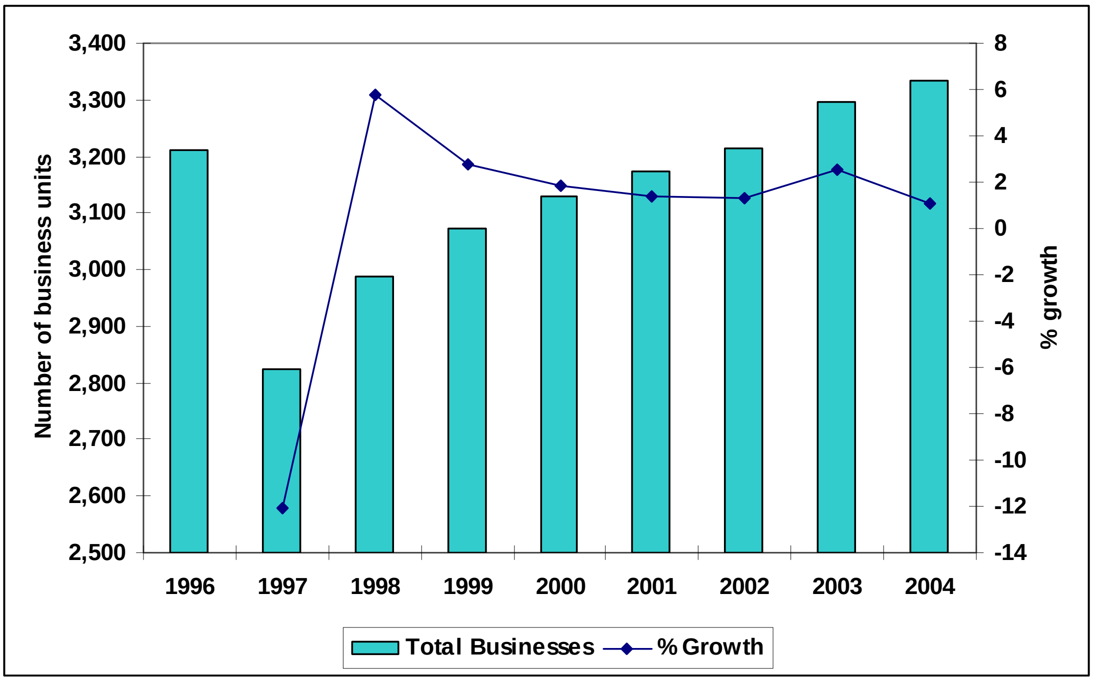
Clearly these two 4 digit SIC codes do constitute a significant amount of employment, 9.6 per cent of total employment. This implies that almost 1 in ten jobs are within these sub-sectors, which makes it imperative that the district remains a competitive location for those businesses within these sectors. This also makes it important for economic development policies to support efforts to diversify the economic base. In addition this dependency on large companies makes it vital to look at schemes to support SMEs.

[1] For instance it was expected that the Alton Towers Hotel in Staffordshire Moorlands would affect these figures but most employment was based in bars rather than hotels.
[2] Please note that this SIC code comprises Banks and Building Societies but it is not possible to isolate these two components from ABI.

E.3 Business Structure

The total number of business units in Staffordshire Moorlands reached over 3,300 in 2004. Figure E.5 below shows the trend since 1996, over which average growth has averaged 0.5 per cent per annum, including an unbroken run growth for seven years between 1996 and 2004. The district has underperformed compared to the wider areas with average growth half that in England and Wales and less than the West Midlands (0.7 per cent).

Figure E.5 - Total business units in Staffordshire Moorlands



Source: Annual Business Inquiry, NOMIS
N.B the data for 1996 and 1997 is from the discontinued Annual Employment Survey analysis, data from 1998 onwards originated from the Annual Business Inquiry workplace analysis. These are not directly comparable, which makes the trend since 1998 more statistically reliable.

E.3.1 Broad Sector Analysis

Table E.18 shows that in terms of business units, Staffordshire Moorlands is dominated by distribution, hotels & restaurants and banking, finance & insurance accounting for 29.8 per cent and 20.1 per cent of all businesses respectively. The growth in the number of businesses has been particularly significant in the banking sector at 6 per cent on average per annum but negative in distribution at 1.7 per cent.

The construction, public administration and other services sectors also accounted for a fairly large proportion of total businesses and reported robust growth rates. The manufacturing and transport and communications sectors although accounting for a fairly large proportion had negative average annual growth rates.

However the manufacturing sector appears to have a stable number of businesses, around 360, which indicates that those in difficulties have now left the sector.

Table E.18 - Business units in Staffordshire Moorlands by broad sector

	1996		2000		2004		Average annual per cent growth
	Level	% of total	Level	% of total	Level	% of total	
Agriculture and fishing	13	0.4	14	0.4	14	0.4	0.9
Energy and water	16	0.5	20	0.6	12	0.4	-3.5
Manufacturing	369	11.5	358	11.4	363	10.9	-0.2
Construction	408	12.7	402	12.8	440	13.2	0.9
Distribution, hotels and restaurants	1,152	35.9	1,038	33.2	994	29.8	-1.8
Transport and communications	327	10.2	307	9.8	287	8.6	-1.6
Banking, finance and insurance, etc	454	14.1	521	16.7	671	20.1	5.0
Public administration, education & health	238	7.4	242	7.7	291	8.7	2.5
Other services	235	7.3	227	7.3	261	7.8	1.3
TOTAL	3,212	100.0	3,129	100.0	3,333	100.0	0.5

Source: Annual Business Inquiry, NOMIS

Table E.19 looks at the growth rate of business units by sector across the four areas. Staffordshire Moorlands had a stronger growth rate than regionally and nationally in the banking, finance & insurance sector, however, the sector does account for a much smaller degree of businesses at 20.1 per cent (for instance in England and Wales this sector accounts for over one third of total businesses).

Table E.19 – Business unit growth by sector (average annual growth 1996 – 2004)

	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
Agriculture and fishing	0.9	-0.2	-0.2	-0.9
Energy and water	-3.5	-4.3	-2.3	-3.8
Manufacturing	-0.2	-1.0	-2.2	-1.6
Construction	0.9	1.4	0.5	1.1
Distribution, hotels and restaurants	-1.8	-0.5	-0.6	-0.5
Transport and communications	-1.6	1.0	1.1	0.2
Banking, finance and insurance, etc	5.0	5.1	4.7	4.1
Public administration, education & health	2.5	1.9	0.6	1.2
Other services	1.3	-0.2	-0.7	-0.2
TOTAL	0.5	1.2	0.7	1.0

Source: Annual Business Inquiry, NOMIS

Public administration, Construction, Other services and Agriculture & fishing also experienced impressive growth in comparison with the wider areas. Although the growth rate in manufacturing was negative overall the decline was much less severe than the benchmark areas.

Table E.20 shows the business unit location quotients for Staffordshire Moorlands with respect to Staffordshire, the West Midlands and England and Wales. A business location quotient of less than 1.00 indicates that the sector is under-represented in Staffordshire Moorlands compared to the wider area. A quotient of greater than 1.00 indicates that the sector is over-represented.

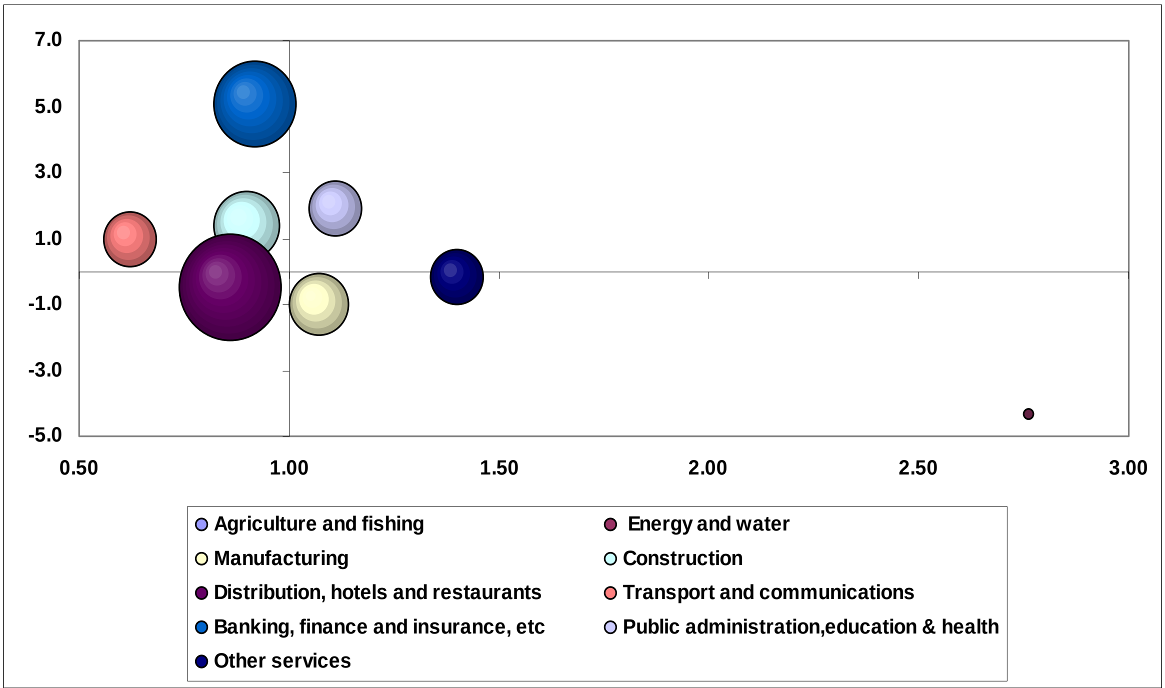
Figures E.6, E.7 and E.8 show the business unit location quotients in 2004 for Staffordshire Moorlands with respect to Staffordshire, the West Midlands and England and Wales respectively against sectoral growth in Staffordshire, the West Midlands and England and Wales since 1996. The size of the circle representing each sector is in proportion to the amount of total business units that each accounts for in Staffordshire Moorlands. Sectors identified in the upper right quadrant of each graph are those which are well or over-represented in Staffordshire Moorlands and have experienced growth in the wider economy. The lower left hand quadrant contains those sectors that are under-represented in Staffordshire Moorlands and are in decline in the wider economy. The upper left quadrant contains those that are under-represented in Staffordshire Moorlands and are growing in the wider economy and the lower right quadrant contains those that are over-represented in Staffordshire Moorlands but are declining in the wider economy.

Table E.20 - Business unit location quotients

	Staffordshire Moorlands: Staffordshire			Staffordshire Moorlands: West Midlands			Staffordshire Moorlands: England & Wales		
	1996	2000	2004	1996	2000	2004	1996	2000	2004
Agriculture and fishing	0.99	9.55	7.38	1.15	2.43	2.16	0.85	2.38	2.20
Energy and water	1.48	3.22	2.76	2.25	1.23	1.22	1.85	1.66	1.31
Manufacturing	1.03	1.10	1.07	0.89	1.13	1.07	1.21	1.61	1.47
Construction	1.07	0.89	0.90	1.29	1.12	0.94	1.36	1.02	0.91
Distribution, hotels and restaurants	1.05	0.88	0.86	1.05	0.96	0.92	1.09	0.93	0.92
Transport and communications	1.76	0.89	0.62	2.17	0.93	0.83	2.14	0.85	0.74
Banking, finance and insurance, etc	0.74	0.83	0.92	0.69	0.65	0.74	0.57	0.50	0.63
Public admin. education & health	0.91	1.04	1.11	0.86	1.05	1.11	0.87	1.04	1.09
Other services	0.82	1.09	1.40	0.84	1.17	1.60	0.76	1.07	1.42
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

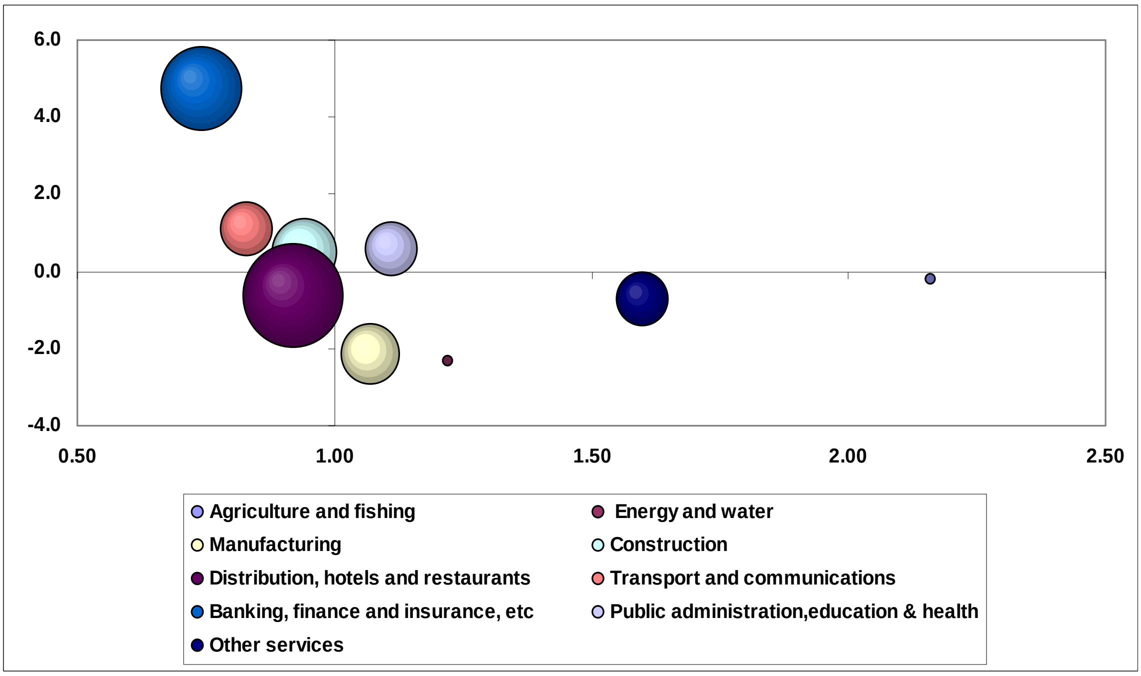
Source: Annual Business Inquiry, NOMIS

Figure E.6 - Staffordshire Moorlands: Staffordshire business locations against sectoral growth in Staffordshire



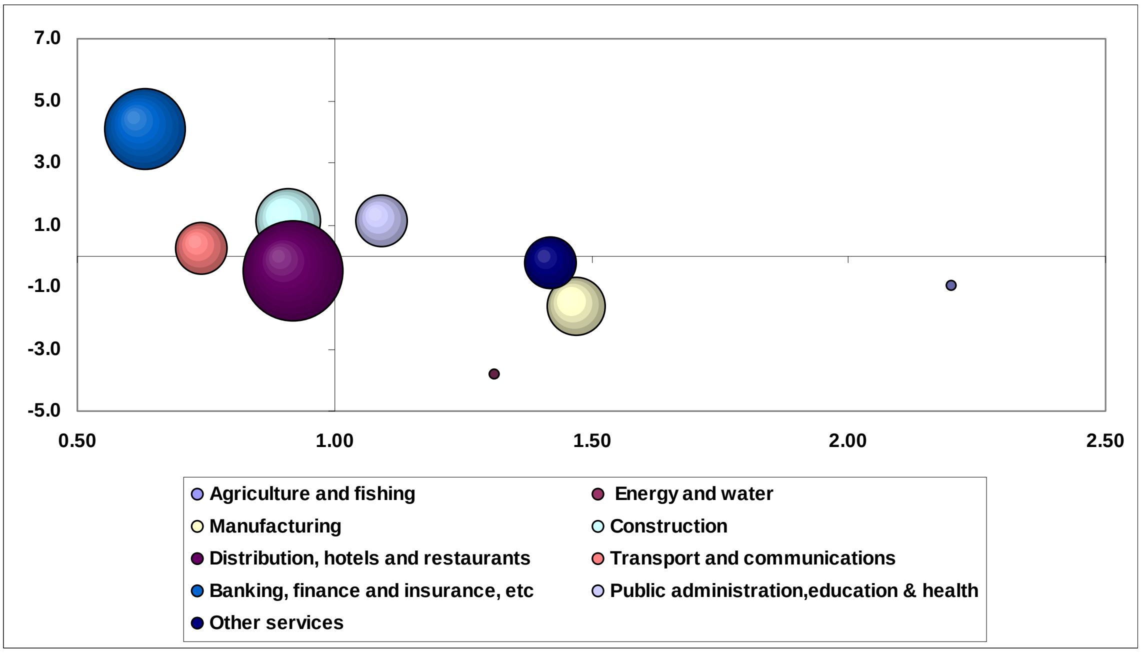
Source: Annual Business Inquiry, NOMIS

Figure E.7 - Staffordshire Moorlands: West Midlands business location quotients (2004) against sectoral growth in West Midlands (1996-2004)



Source: Annual Business Inquiry, NOMIS

Figure E.8 - Staffordshire Moorlands: England and Wales business location quotients (2004) against sectoral growth in England and Wales



Source: Annual Business Inquiry, NOMIS

Public administration, education & health is the only sector that Staffordshire Moorlands is specialist in and that is growing in the wider economy, appearing in the upper right quadrant in all figures.

However the other strong growth sectors in the wider economy are under-represented in Staffordshire Moorlands, particularly the Banking, Finance & Insurance sector. Although this sector contains a relative high proportion of businesses overall compared to the other sectors within the district it has the low LQ against all three benchmarks (0.63 against England and Wales). Construction and transport and communications are also growing significantly in the wider economies but are under-represented in the district.

Despite distribution, hotels & restaurants accounting for the highest proportion of businesses in 2004 the sector is under-represented in Staffordshire Moorlands and declining in the wider economies. The manufacturing, other services, agriculture and fishing and energy and water sectors are all over-represented in Staffordshire Moorlands and declining in the wider economies, although only the first of these accounts for a significant proportion of businesses.

E.3.2 B-Use Class Business Units

Most ‘employment’ policies contained in development plans relate to jobs associated with premises which accommodate business and industrial activities categorised under the B-Use Class (B1a, B1b, B2 and B8). Although an important component of total employment is generated by activities not classified as B-use, it is important for our analysis to consider separately activities traditionally the subject of employment policies in development plans.

B-use business units account for 66.5 per cent of the total in Staffordshire Moorlands and this proportion has increased from 64 per cent in 1996. This was on par with the West Midlands but lower level than the level in England & Wales where the proportion of business units accounted for by B-use sectors was 66.5 per cent in 2004. This is demonstrated in Table E.21 through the business unit location quotient of 1 for B-use units in Staffordshire Moorlands with respect to the West Midlands.

The banking, finance & insurance sector is the largest occupier of B-use business units, accounting for 30.3 per cent of the total, which has increased significantly since 1996.

The only other B-use sector to have experienced positive annual growth is construction at 1 per cent.

Table E.21 - B-use business units in Staffordshire Moorlands

B-Use Sector	1996 Level	1996 % of total	2004 Level	2004 % of total	Average annual growth rate	Location quotient with the West Midlands (2004)
B-Use Banking, Finance and Insurance	454	22.1	671	30.3	5.0	0.72
B-Use Construction	408	19.8	440	19.8	0.9	1.37
B-Use Distribution and Wholesale	371	18.0	328	14.8	-1.5	0.95
B-Use Manufacturing	369	17.9	363	16.4	-0.2	1.06
B-Use Other Services	127	6.2	128	5.8	0.1	0.98
B-Use Transport and Communications	327	15.9	287	12.9	-1.6	1.78
	2,056	100.0	2,217	100.0	0.9	1.00

Source: Annual Business Inquiry, NOMIS

E.3.3 Industrial and Warehouse Business Units

Tables E.22 and E.23 set out the number of industrial and warehousing related business units in Staffordshire Moorlands. They also set out location quotients for the activities which provide a measure of the extent to which business units in each activity and overall compare to the wider areas. The sectors follow the same definitions used earlier.

The industrial sector is reasonably well represented in Staffordshire Moorlands, with a business unit location quotient of 1.1. The number of industrial units has increased at an average rate of 0.9 per cent per annum between 1996 and 2004 and they now account for 17.8 per cent of total businesses.

Manufacturing is the key industrial sector, accounting for 59.3 per cent of all units. The sector did experience a decline of 0.3 per cent although this is not as severe as the sector's performance at a national level. The proportion has fallen from 65.6 per cent in 1996. Motor vehicle activities and some construction have both experienced positive growth rates but only the latter accounts for a fairly high proportion of industrial units.

Table E.22 - Industrial business units in Staffordshire Moorlands

Industrial Sector Activities	1996 Level	1996 % of total	2004 Level	2004 % of total	Average annual % growth	Location quotient with West Midlands
Manufacturing	360	65.6	351	59.3	-0.3	1.06
Industrial sectors: Motor vehicle activities	45	8.2	52	8.8	1.8	0.88
Sewage & refuse disposal	*	*	*	*	-3.0	1.55
Some Construction	130	23.7	167	28.2	3.2	1.31
Total	549	100.0	592	100	0.9	1.11
* confidential data						

Source: Annual Business Inquiry, NOMIS

The number of business units in warehouse-related sectors has declined at an average annual rate of 1.6 per cent between 1996 and 2004. However warehouse sector activities are still over represented compared to the West Midlands, with a location quotient of 1.3. Freight transport by road and wholesale activities account for the majority and the highest proportions of warehouse business units at 50 per cent and 41.9 per cent respectively.

Table E.23 - Warehouse business units in Staffordshire Moorlands

Warehouse Sector Activities	1996 Level	1996 % of total	2004 Level	2004 % of total	Average annual % growth	Location quotient with West Midlands
Freight transport by road	246	52.8	204	50.0	-2.3	3.01
Cargo handling	0	0.0	0	0.0	0.0	0.00
Storage and warehousing	8	1.7	4	1.0	-8.3	0.47
Other supporting land transport activities	1	0.2	3	0.7	14.7	1.18
Post & Courier Activities	23	4.9	26	6.4	1.5	0.90
Wholesale	188	40.3	171	41.9	-1.2	0.83
Total	466	100	408	100.0	-1.6	1.30

Source: Annual Business Inquiry, NOMIS

E.4 Business Size

The business structure of Staffordshire Moorlands is dominated by micro businesses of between 1 and 10 employees. In 2004 they accounted for 85.6 per cent of all business units, which was less than the 1996 level of 90 per cent. In particular the district is dominated by those of up to 5 employees, which account for 85.4 per cent of the total number of micro-businesses.

Table E.24 - Business unit size in Staffordshire Moorlands

Business unit size	1996		2000		2004		Average annual % growth
	Level	% of total	Level	% of total	Level	% of total	
Micro (1-10 employees)	2,815	90.0	2,681	85.7	2,854	85.6	0.2
Small (11-49 employees)	314	10.0	363	11.6	388	11.6	2.7
Medium (50-199 employees)	71	2.3	72	2.3	78	2.3	1.2
Large (200+ employees)	12	0.4	13	0.4	13	0.4	1.0
TOTAL	3,129	100	3,129	100	3,333	100.0	0.8
Micro A (1-5 employees)	2,476	79.1	2,227	71.2	2,437	85.4	-0.2
Micro B (6-10 employees)	339	10.8	454	14.5	417	14.6	2.6
Total Micro	2,815	90.0	2,681	85.7	2,854	100.0	0.2

Source: Annual Business Inquiry, NOMIS

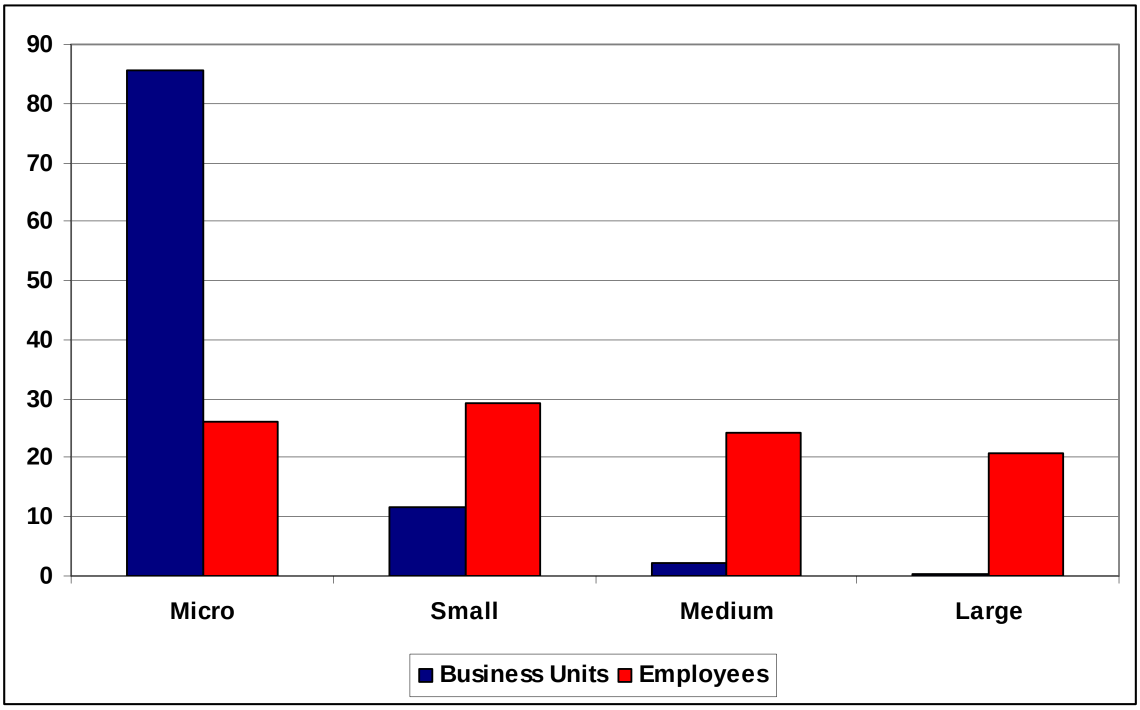
Table E.25 - Business unit growth by size (Average annual growth 1996 – 2004)

	Staffordshire Moorlands	Staffordshire	West Midlands	England & Wales
Micro (1-10 employees)	0.2	1.0	0.7	0.9
Small (11-49 employees)	2.7	2.2	0.9	1.7
Medium (50-199 employees)	1.2	3.0	2.1	2.7
Large (200+ employees)	1.0	1.8	1.1	1.9
TOTAL	0.5	1.2	0.7	1.0
Micro A (1-5 employees)	-0.2	3.7	0.4	0.5
Micro B (6-10 employees)	2.6	1.2	2.1	2.5
Total Micro	0.2	1.0	0.7	0.9

Source: Annual Business Inquiry, NOMIS

Figure E.9 shows the proportion of total employment and the proportion of business units that each business size accounts for. Despite the small proportion of total business units that they make up, medium and large businesses are still significant when looked at in terms of the number of people employed, accounting for 45 per cent in total of all employment. There appears to be a fairly even distribution amongst different size businesses with micro and small businesses accounting for 26 per cent and 29 per cent respectively.

Figure E.9 - Employment and business unit structure comparison for Staffordshire Moorlands



Source: Annual Business Inquiry, NOMIS

Table E.26 looks at the business unit structure in Staffordshire Moorlands by sector. It clearly shows that the majority of service sectors are dominated by micro businesses. However the public administration, education & health, manufacturing and energy and water sectors are more geared towards larger businesses. Distribution, hotels & restaurants also appears slightly less dominated by micro businesses with small businesses making up 12.5 per cent of the total number within this sector.

Table E.26 - Broad sectors by business unit size for Staffordshire Moorlands (2004)

	Micro % of the total	Small % of the total	Medium % of the total	Large % of total	TOTAL % of the total
Agriculture and fishing	92.9	7.1	0.0	0.0	100
Energy and water	66.7	16.7	16.7	0.0	100
Manufacturing	78.0	15.4	6.1	0.6	100
Construction	96.1	3.4	0.5	0.0	100
Distribution, hotels and restaurants	86.4	12.5	0.8	0.3	100
Transport and communications	90.9	7.7	1.4	0.0	100
Banking, finance and insurance, etc	95.2	3.9	0.7	0.1	100
Public administration, education & health	46.7	40.2	11.3	1.7	100
Other services	88.9	9.6	0.8	0.8	100

Source: Annual Business Inquiry, NOMIS

Table E.27 - Average business unit size in Staffordshire Moorlands (number of employees)

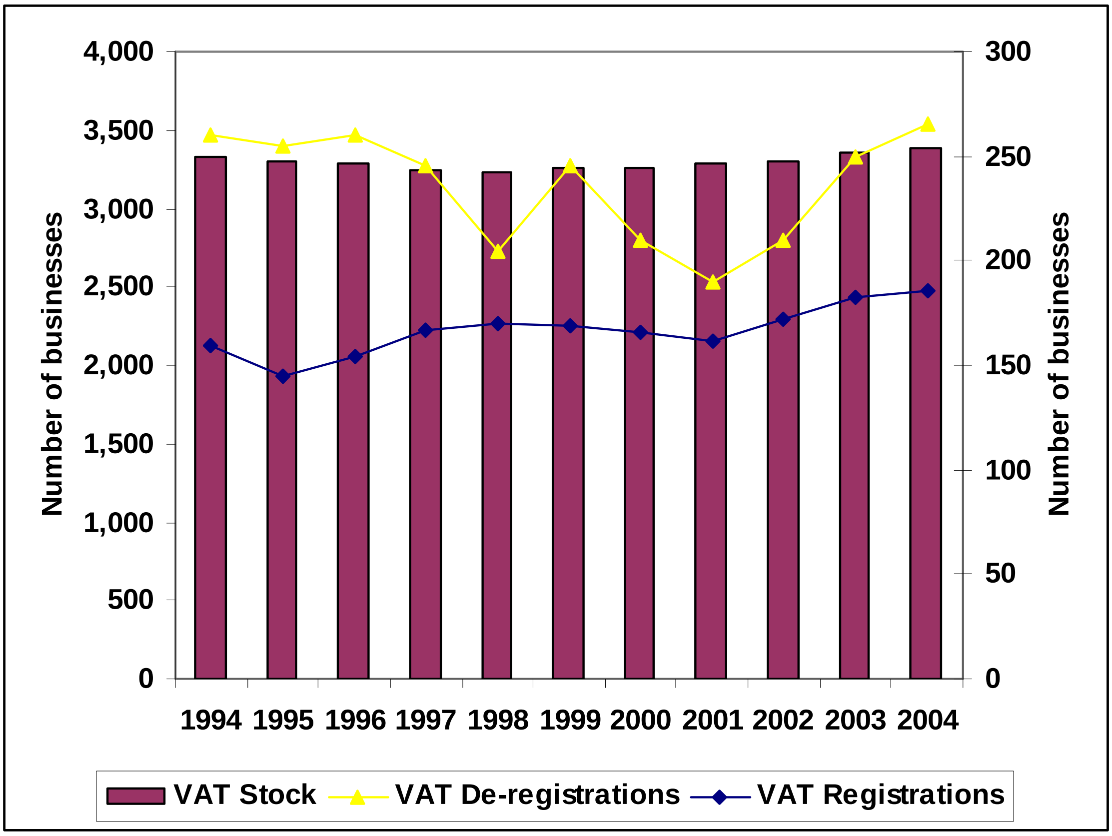
	1996	2004
Agriculture and fishing	n/a	38
Energy and water	24	16
Manufacturing	19	14
Construction	2	3
Distribution, hotels & restaurants	4	7
Transport & communications	3	5
Banking, finance & insurance, etc	6	6
Public admin, education & health	24	29
Other services	11	8
TOTAL	8	9

Source: Atkins estimate based on Annual Business Inquiry, NOMIS

E.5 Enterprise

VAT registrations and de-registrations can be used as a proxy for measuring enterprise activity and business survival rates. Figure E.10 and Tables E.28- 31 detail VAT activity in Staffordshire Moorlands.

Figure E.10 - VAT registered businesses in Staffordshire Moorlands



Source: Registrations & Stocks, Small Business Service

Since 1994 the stock of VAT businesses in Staffordshire Moorlands has remained fairly similar fluctuating between approximately 3,200 and 3,400 businesses throughout the period. Overall the stock of VAT businesses has increased by 2 per cent since 1994. This contrasts to strong total growth regionally and nationally of 10.4 per cent and 12.9 per cent respectively.

In 2004 the real estate sector had the highest levels of business activity accounting for 20.8 per cent of VAT registrations (see Table E.28). The construction, wholesale and hotels and restaurants sectors also accounted for fairly high proportions of VAT registrations in 2004.

Table E.31 demonstrates the net change in VAT stock by sector in Staffordshire Moorlands. The construction, real estate, and hotels and restaurant sectors according to this data have experienced the greatest positive net changes to their business stock whilst the traditional industries and wholesale have experienced consistent negative net changes.

Table E.28 - VAT registrations in Staffordshire Moorlands

	1994	1996	1998	2000	2002	2004
Agriculture; Forestry and fishing	15	15	15	20	15	15
Mining and quarrying; Electricity, gas and water supply	0	0	0	0	0	0
Manufacturing	20	20	30	20	25	20
Construction	35	25	30	20	35	45
Wholesale, retail and repairs	75	50	50	45	45	45
Hotels and restaurants	25	20	25	25	40	50
Transport, storage and communication	15	15	15	20	25	15
Financial intermediation	0	0	0	0	5	5
Real estate, renting and business activities	25	50	50	75	70	55
Public administration; Other community, social and personal services	25	15	15	10	15	10
Education; Health and social work	0	5	0	5	0	5
TOTAL	240	215	230	235	275	265

Table E.29 - VAT deregistrations in Staffordshire Moorlands

	1994	1996	1998	2000	2002	2004
Agriculture; Forestry and fishing	25	30	30	30	15	40
Mining and quarrying; Electricity, gas and water supply	0	0	0	0	0	0
Manufacturing	20	25	25	30	20	25
Construction	35	25	20	15	20	25
Wholesale, retail and repairs	100	90	40	60	50	55
Hotels and restaurants	35	30	30	20	15	40
Transport, storage and communication	15	15	15	15	20	25
Financial intermediation	0	0	0	0	0	0
Real estate, renting and business activities	15	25	25	30	45	45
Public administration; Other community, social and personal services	10	15	15	10	15	10
Education; Health and social work	5	5	0	0	0	5
TOTAL	260	260	205	210	210	265

Table E.30 - VAT stock (at year end) in Staffordshire Moorlands

	1994	1996	1998	2000	2002	2004
Agriculture; Forestry and fishing	865	845	830	795	775	765
Mining and quarrying; Electricity, gas and water supply	0	0	0	0	0	0
Manufacturing	310	320	320	330	310	320
Construction	365	355	350	370	375	405
Wholesale, retail and repairs	820	775	695	690	660	640
Hotels and restaurants	195	195	195	195	200	225
Transport, storage and communication	295	290	285	275	270	275
Financial intermediation	5	10	10	10	10	10
Real estate, renting and business activities	280	310	355	410	485	530
Public administration; Other community, social and personal services	145	150	155	160	165	170
Education; Health and social work	40	35	35	30	40	40
TOTAL	3,330	3,290	3,235	3,265	3,300	3,385

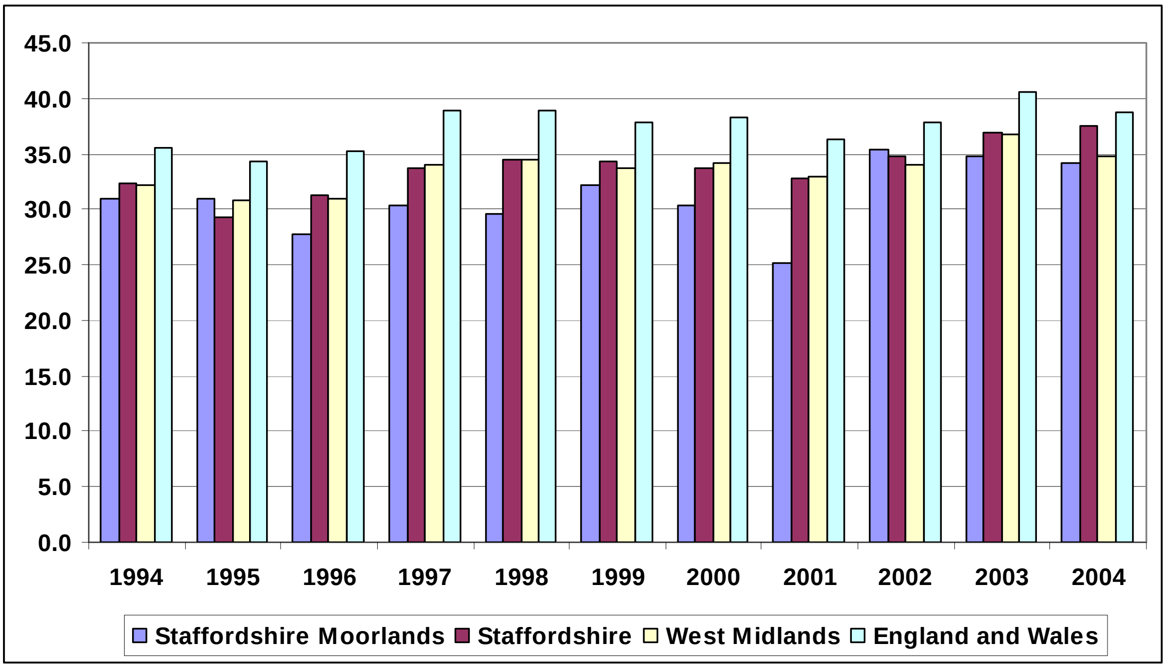
Table E.31 - Net change in VAT stock in Staffordshire Moorlands

	1994	1996	1998	2000	2002	2004
Agriculture; Forestry and fishing	-10	-15	-15	-10	0	-25
Mining and quarrying; Electricity, gas and water supply	0	0	0	0	0	0
Manufacturing	0	0	5	-10	0	-5
Construction	-5	0	5	5	10	20
Wholesale, retail and repairs	-25	-40	10	-15	-5	-10
Hotels and restaurants	-10	-15	0	5	25	10
Transport, storage and communication	0	0	0	5	5	-10
Financial intermediation	0	0	0	0	0	5
Real estate, renting and business activities	10	20	25	40	30	10
Public administration; Other community, social and personal services	15	0	0	0	0	0
Education; Health and social work	0	0	0	5	0	5
TOTAL	-25	-45	25	25	65	-5

Source: All VAT Registrations & Stocks, NOMIS

Figures E.11 looks at VAT registrations per 10,000 resident adults in Staffordshire Moorlands and the benchmark areas. This produces comparable levels of enterprise for each area as it takes account of the number of people living within each area.

Figure E.11 - VAT registrations per 10,000 population



Source: VAT Registrations & Stocks, NOMIS; Population Estimates, NOMIS

Figure E.11 indicates that entrepreneurial activity is very low in Staffordshire Moorlands in comparison to the wider areas. In 2004 at 34.1 per 10,000 population the rate was much lower than all benchmarks, for instance 4.6 below the national average. Furthermore this appears to be a long term trend with the rate consistently lower than all other areas since 1994 (with exception of 1995 and 2002). The rate has been higher in the last few years but still very poor relatively.

Table E.32 below looks at VAT registrations per 10,000 population by sector for Staffordshire Moorlands and the comparator areas.

Table E.32 - VAT registrations per 10,000 population by sector (2004)

	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
Agriculture; Forestry and fishing	2	1	1	1
Mining and quarrying; Electricity, gas and water supply	0	0	0	0
Manufacturing	3	3	2	2
Construction	6	6	4	5
Wholesale, retail and repairs	6	8	8	8
Hotels and restaurants	6	4	4	4
Transport, storage and communication	2	3	2	2
Financial intermediation	1	0	0	0
Real estate, renting and business activities	7	11	11	14
Public administration; Other community, social and personal services	1	2	2	2
Education; Health and social work	1	1	0	0
TOTAL	34	38	35	39

Source: VAT Registrations & Stocks, NOMIS; Population Estimates, NOMIS

In terms of registrations per 10,000 population by sector there are more registrations in hotels and restaurants in Staffordshire Moorlands, 6 per 10,000 compared to 4 per 10,000 in all other areas. However despite Real Estate having the highest level of registrations per 10,000 population the level is still half the national level. Wholesale and manufacturing registrations are on a par with the regional and national figures.

Another useful indicator of enterprise activity is the level of self-employment in an area. Table E.33 shows the proportion of the working age population that were self-employed in Staffordshire Moorlands and the other areas between 1999 and 2004.

Table E.33 - Self employment 1999-2004

	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
1999	15.8	12.6	10.2	11.8
2000	14.5	10.9	10.3	11.8
2001	*	10.2	10.2	11.8
2002	*	9.3	10.0	11.8
2003	8.2	9.4	10.7	12.4
2004*	13.4	11.3	11.2	12.4
** These figures are suppressed as statistically unreliable*				
The 2004 figure is taken from the annual population survey and is not directly comparable				

Source: Local Area Labour Force and Annual Population Survey, NOMIS, 1999-2004

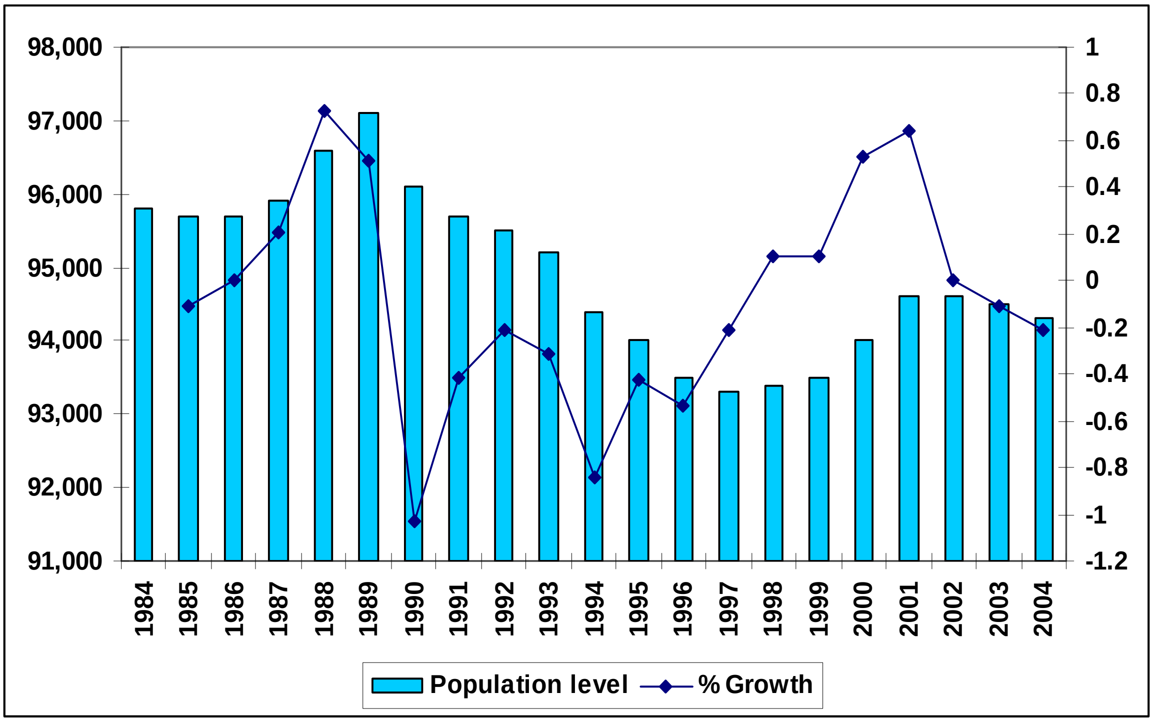
Although the data displayed is incomplete due to statistical discrepancies with the Local Area Labour Force Survey the level of self employment in the district looks to have been historically high compared to the comparator areas. For instance, in 2004 the rate at 13.4 was 1 and 2.2 percentage points higher the national and regional rates respectively.

E.6 Population and Labour Market

E.6.1 Population

In 2004 the population of Staffordshire Moorlands was approximately 93,300, which had fallen from 95,800 in 1984. Growth has been inconsistent over the period but in the majority of cases negative. Overall the population has fallen by -1.6 per cent over the period since 1984. This contrasts starkly to the population growth in the wider areas, as recorded in Table E.34.

Figure E.12 - Staffordshire Moorlands total population



Source: Mid-year Population Estimates, NOMIS

Table E.34 - Population growth rates

	1984-1994	1994-2004	1984-2004
Staffordshire Moorlands	-1.5	-0.1	-1.6
Staffordshire	3.7	2.2	5.9
West Midlands	1.5	1.6	3.1
England and Wales	2.8	3.8	6.7

Source: Mid-year Population Estimates, NOMIS

It is clear from table E.35 that Staffordshire Moorlands has a declining and ageing population. The under 15 age group has experienced significant decline from 18 per cent to 16.4 per cent, which is far lower than the national equivalent of 18.2 per cent. The proportion of the population aged 0-29 is very low at 31.4 per cent, 5.8 percentage points below the national average. The only age groups to be increasing in numbers are the older ones- 50-64 and 65+.

Table E.35 - Population of Staffordshire Moorlands by age band

Age band	1992 % of total population	1996 Cumulative %	2000 % of total population	2004 cumulative %	1992 % of total population
0-14	18.0	18.0	17.6	17.6	17.1
15-29	19.2	37.2	17.3	35.0	16.1
30-49	29.5	66.7	29.4	64.4	28.3
50-64	17.4	84.1	19.0	83.4	21.3
65+	15.9	100	16.6	100	17.2

Source: Mid-year Population Estimates, NOMIS

E.6.2 Working Age Population

The trend in the younger age groups observed above has direct ramifications for the working age population of Staffordshire Moorlands. As table E.36 demonstrates the working age population declined by 1 per cent between 1994 and 2004. As above this contrasts starkly to trends in the region and nationally where the segment increased by 2.6 per cent and 5.7 per cent. The current proportion of working age persons at 65.2 per cent is not far behind the national figure; however, given the current trends this figure is set to continue falling.

Table E.36 - Working age population

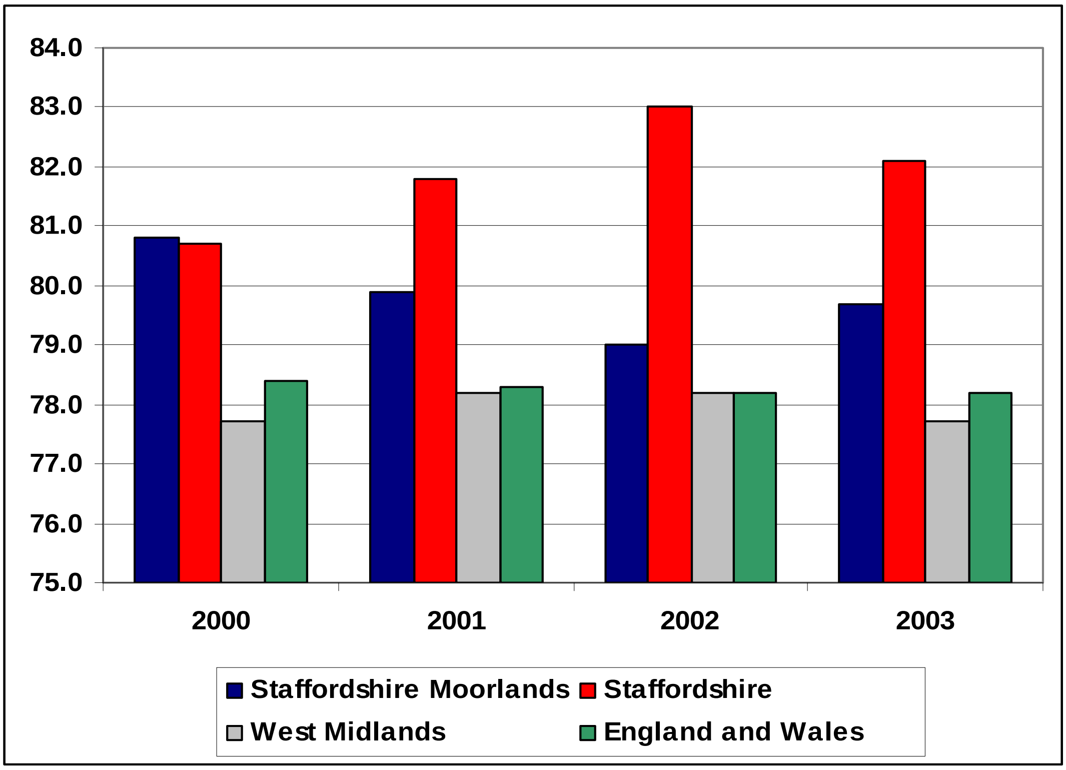
	1994 Number of people	% of total	2004 Number of people	% of total	% Change 1994-2004
Staffordshire Moorlands	62,100	65.9	61,500	65.2	-1.0
Staffordshire	526,600	66.2	535,200	65.9	1.6
West Midlands	3,382,400	64.4	3,469,800	65.1	2.6
England and Wales	33,022,700	64.6	34,888,500	65.8	5.7

Source: Census 1991 & 2001, NOMIS

E.6.3 Economic Activity

The level of economic activity, often referred to as the available workforce, is the sum of working age population who are either in employment, or registered as unemployed. The economic activity rate is calculated by the quotient of workforce to working age population, and can be registered as a measure of economic participation. Figure E.13 details economic activity levels and rates for Staffordshire Moorlands and the wider areas.

Figure E.13 - Economic activity



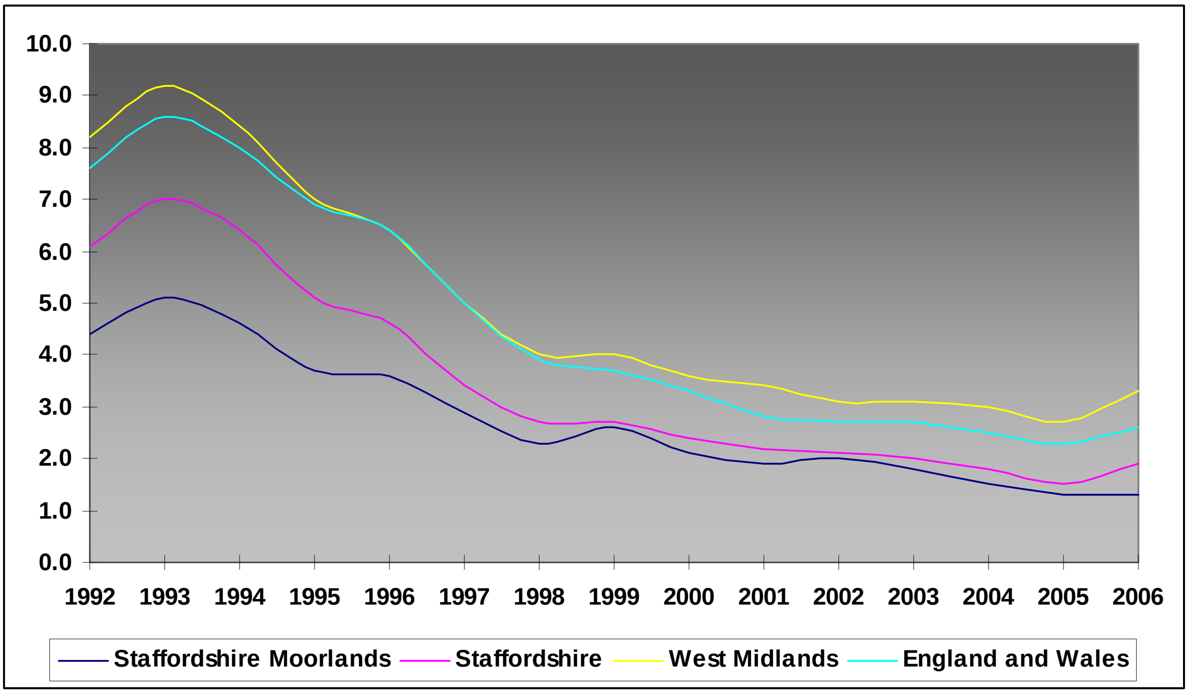
Source: Local Labour Force Survey, 2003, NOMIS

Staffordshire Moorlands has had very high economic activity rates since 2000 consistently above the West Midlands and England and Wales. They peaked at 80.8 in 2000, which was 3.1 points higher than the regional figure. However they have fallen marginally over the period and rates in Staffordshire have become slightly higher.

E.6.4 Unemployment

Figure E.14 shows unemployment through the claimant count measure, which looks at the percentage of the working age population claiming unemployment benefit. Clearly unemployment in Staffordshire Moorlands has been consistently lower than all the wider areas and has fallen throughout the period from around 4.4 per cent to 1.3 per cent of the working age population between 1992 and 2006.

Figure E.14 - Claimant count rate



Source: Claimant Count, NOMIS

The low rate of unemployment and high economic activity rates indicates that the labour market is running at close to full capacity.

E.6.5 Wages

Table E.37 shows the median level of weekly pay in Staffordshire Moorlands and the wider areas. It shows that in 2005 the residence-based weekly pay in Staffordshire Moorlands was £421 (that is, the weekly pay for those living in Staffordshire Moorlands but not necessarily working there), below England and Wales (£435) but significantly higher than the region (£405). In line with the national trend the level has been steadily rising since 2002. Looking at workplace-based pay (that is, for people working in Staffordshire Moorlands) the level has been steadily increasing but still remains some way below that of the region and England and Wales. This indicates that there is a strong pattern of out-commuting by Staffordshire Moorlands residents to better-paid jobs.

Table E.37 - Weekly pay (median, full-time workers)

	Staffordshire Moorlands		Staffordshire		West Midlands		England and Wales	
	Residence Based	Workplace Based	Residence Based	Workplace Based	Residence Based	Workplace Based	Residence Based	Workplace Based
2002	392	359	385	360	366	367	395	394
2003	386	358	389	357	379	378	409	408
2004	400	362	405	388	393	392	424	423
2005	421	394	422	395	405	403	435	434

Source: Annual Population Survey, NOMIS, 2003

E.6.6 Occupational Profile

Table E.38 shows the occupational profile for Staffordshire Moorlands and the wider area for 2004.

Table E.38 - Occupational profile, 2004 (% employed as)

	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
SOC 2000 Major Group 1-3	**31**	**37**	**37.4**	**41.8**
1.managers and senior officials	11.6	14.0	13.6	15.2
2.professional occupations	7.6	10.1	11.5	12.6
3.associate prof & tech occupations	11.8	12.9	12.3	14.0
SOC 2000 Major Group 4-5	33.6	26.3	25	23.8
4.administrative & secretarial occupations	16.6	12.7	12.5	12.6
5.skilled trades occupations	17.0	13.6	12.5	11.2
SOC 2000 Major Group 6-7	**12**	**14.9**	**15.1**	**15.4**
6.personal service occupations	7.2	7.3	7.3	7.6
7.sales and customer service occupations	4.8	7.6	7.8	7.8
SOC 2000 Major Group 8-9	**23.4**	**21.9**	**22.5**	**19.0**
8.process, plant and machine operatives	10.3	9.1	9.6	7.5
9.elementary occupations	13.1	12.8	12.9	11.5
TOTAL	100.0	100.0	100.0	100.0

Source: Annual Population Survey, NOMIS, 2004

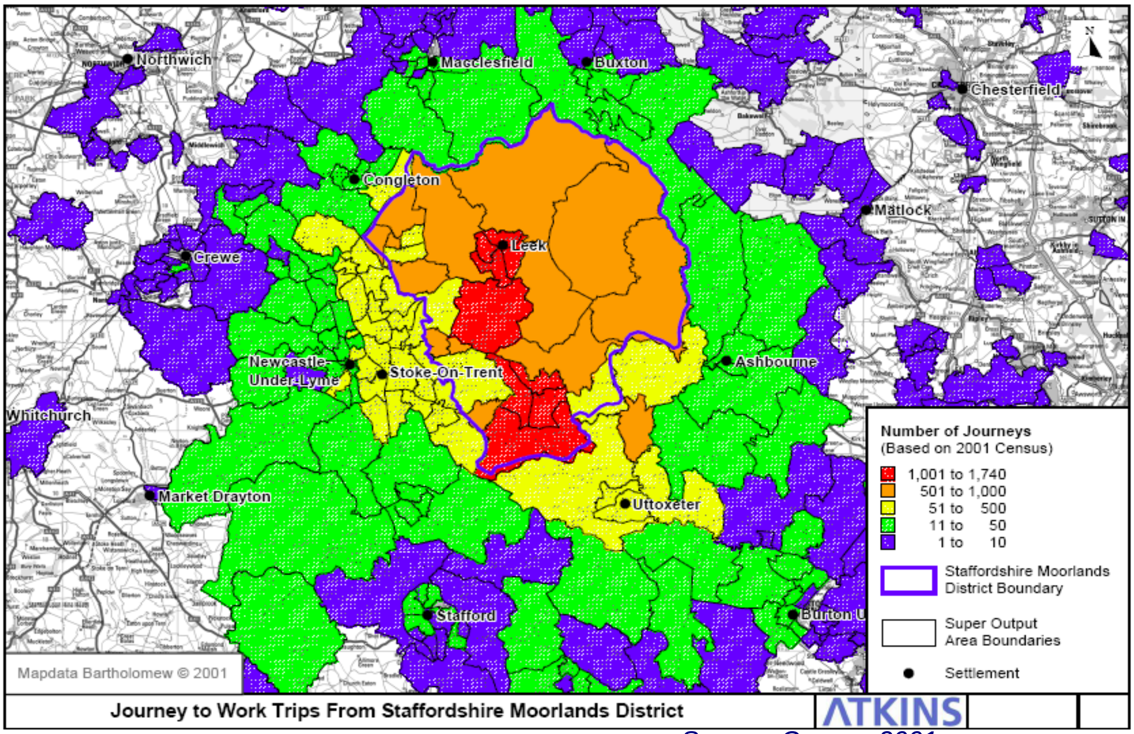
There is a low proportion of persons employed in higher skilled occupations, for instance only 31 per cent of persons were in groups 1-3, which was 10.8 per cent lower than the national figure. There was also a very low proportion of persons employed in service occupations (groups 6-7), at 12 per cent the level was 3.4 percentage points below the national figure.

In line with this there was a higher proportion of persons employed in administration and skilled trade occupations compared to the wider areas. Also in line with the dominance of manufacturing in the area there was a higher proportion of persons in lower skilled occupations.

E.7 Travel to work patterns

A crucial element in the dynamics of any economy is the travel to work patterns; for instance if there is a high degree of out commuting potentially there are insufficient employment opportunities within the district. Figures E15 and E16 below illustrate journeys to work into and from the Staffordshire Moorlands district.

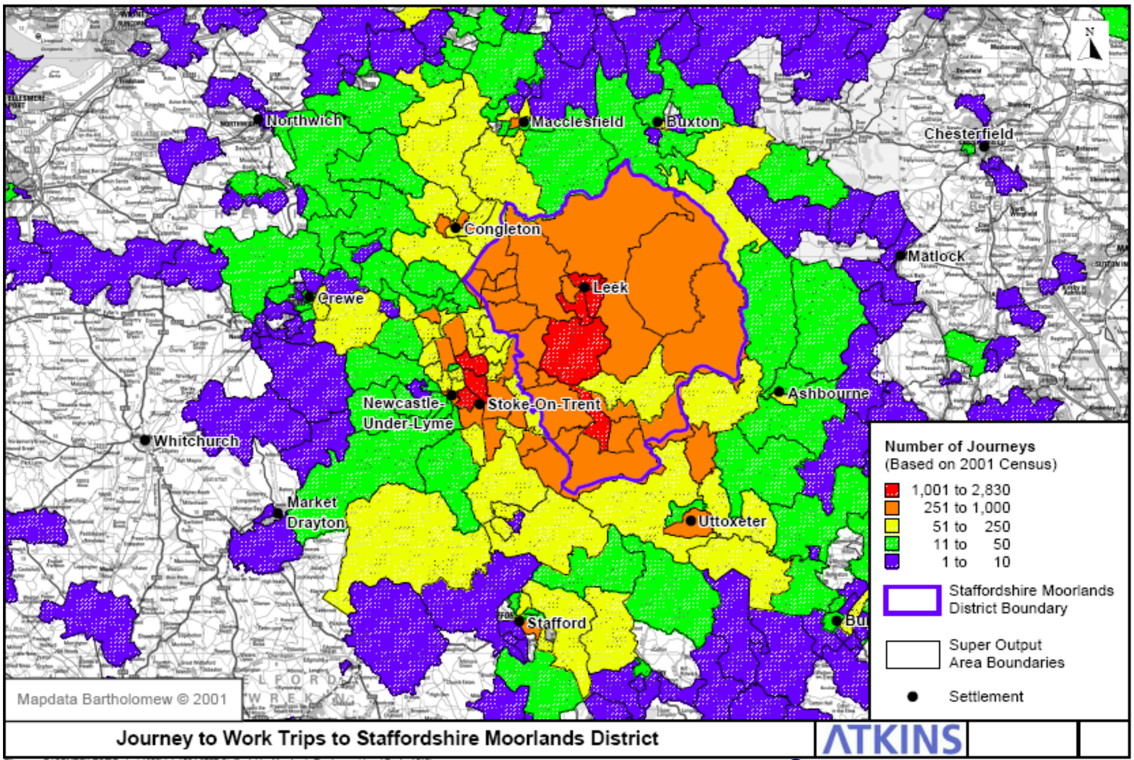
Figure E.15 - Journeys to Work from Staffordshire Moorlands



Source: Census 2001

There was total of 45,257 trips from Staffordshire Moorlands to other wards, of these 23,403 are to wards within the Staffordshire Moorlands district. Clearly more journeys were made around Leek and towards the south of the district. Journeys from Staffordshire Moorlands outside the district were high around Stoke-on-Trent and Uttoxeter, areas to the West and South of the district. However what is clear from the analysis above is that there is a lot of out commuting from the district which is not strictly confined to the West Midlands itself but also includes destinations such as Macclesfield, Northwich and Manchester in the North West and numerous places in the East Midlands.

Figure E.16 - Journeys to Work to Staffordshire Moorlands.



Source: Census 2001

There is a total of 33,242 trips to Staffordshire Moorlands from other wards, of these 23,403 are from wards within the Staffordshire Moorlands district. Areas around Stafford, Stoke-on-Trent and Uttoxeter accounted for a significant proportion of journeys.

The analysis above confirms that the district experiences a greater flow of out commuting than in-commuting.

E.7.1 Qualifications

Table E.39 looks at the qualification levels of Staffordshire Moorlands residents compared to the wider areas. The district's workforce on average is less well qualified than the comparator areas. For instance 18.6 per cent have no qualifications compared to only 15 per cent nationally, although this figure is in line with the regional average of 18.7 per cent. Similarly only 18.1 per cent are qualified to level 4+ compared to 21.1 per cent and 24.9 per cent in the West Midlands and England and Wales respectively.

The district does however have more people qualified to level 3 (19.4 per cent) than the other areas and more with trade apprenticeships (17.8 per cent) which perhaps reflects the historical importance of manufacturing.

Table E.39 - Qualifications as a percentage of the resident working age population in Staffordshire Moorlands (2003)

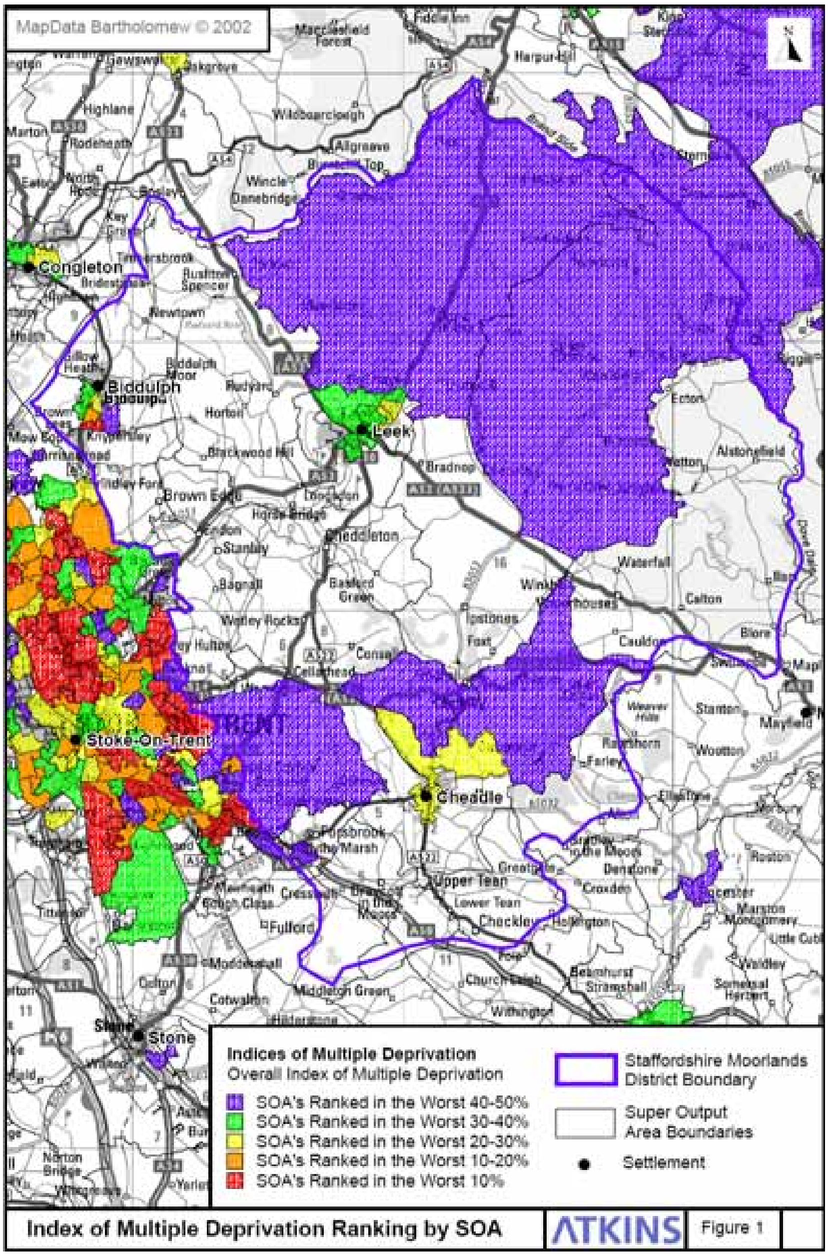
	Staffordshire Moorlands	Staffordshire	West Midlands	England and Wales
% with NVQ4+ - working age	18.1	21.6	21.1	24.9
% with NVQ3 - working age	19.9	14.9	14.6	14.7
% with trade apprenticeships - working age	7.8	7.1	6.1	6.2
% with NVQ2 - working age	14.3	15.6	15.1	15.4
% with NVQ1 - working age	15.8	16.2	15.7	14.9
% with other qualifications - working age	5.5	8.8	8.6	9.0
% with no qualifications - working age	18.6	15.8	18.7	15.0

Source: Local Area Labour Force Survey, 2003, NOMIS

E.7.2 Deprivation

The ODPM indices of multiple deprivation are made up of a range of deprivation indicators including income and employment deprivation. This latest version of the IMD produces rankings based on Super Output Areas (SOAs), with each SOA being analysed and ranked within a number of domains and against all other SOAs in England. This information is displayed in Figures E.17-E.19

Figure E.17 - Overall deprivation in Staffordshire Moorlands

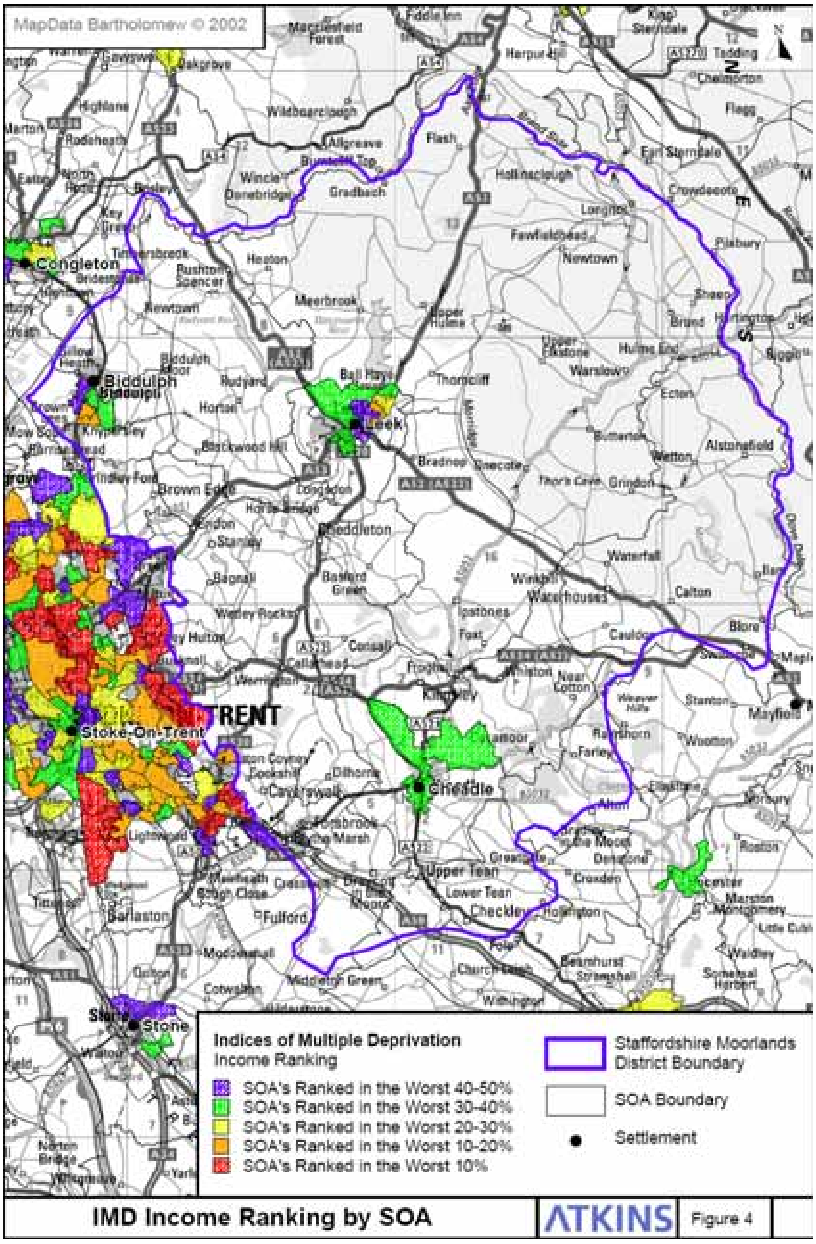


Source: ODPM

Overall the district is not severely deprived and is ranked 182 out of 355 districts (where 1 is the most deprived). There is some deprivation within the 59 Super Output Areas making up the district but this tends to be quite specific. Only 3 per cent of these SOAs were within 20 per cent (and none within 10 per cent) of the most deprived SOA in England. This is clearly shown in Figure E.16 above where the predominant colours within the district boundary are white (SOAs not within 50 per cent of the most deprived SOAs) and purple (within 40-50 per cent). In contrast there is significant deprivation outside the boundary around Stoke-on-Trent.

Income deprivation as shown in Figure E.18 is very low in Staffordshire Moorlands. Overall income deprivation in the region appears to never fall within 50 per cent of the most deprived SOA in England, however, there are a few cases of significant income deprivation (within 20 per cent of the most deprived SOA in England) in SOAs around Leek and Biddulph.

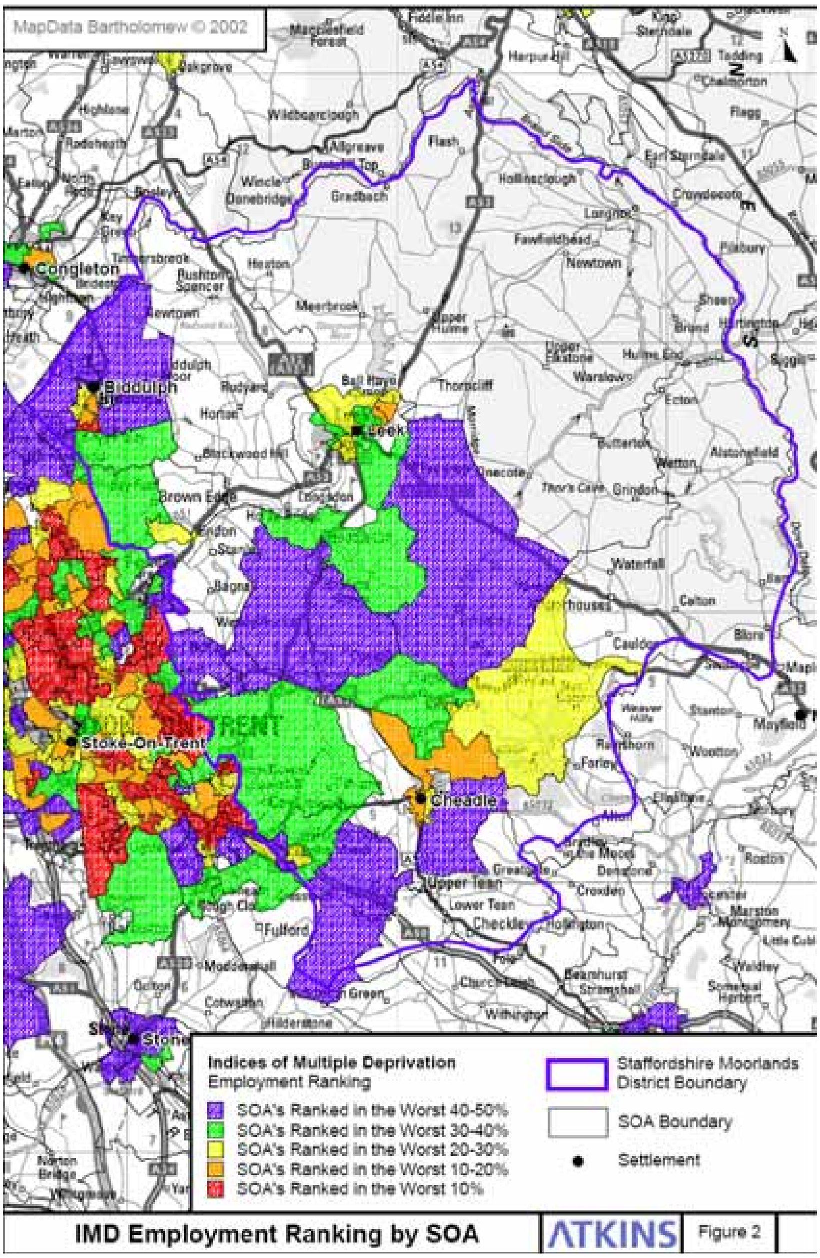
Figure E.18 - Income Deprivation in Staffordshire Moorlands



Source: ODPM

Figure E.19 demonstrates that in general there is also little employment deprivation in Staffordshire Moorlands, however, there are some incidences around Cheadle, Leek and Biddulph.

Figure E.19 - Employment deprivation in Staffordshire Moorlands.



Source: ODPM