

Economic aspects

11 The Local Economy

The Local Economy in brief:

89% economic activity rate among the working age population, higher than Hampshire and the South East

Nearly 86% employment rate, one of the highest in the Region

85,600 Borough residents in work

Nearly 93% of males in employment work full-time

Over 60% of females in employment work full-time

3.5% unemployment among the economically active (new unemployment measure)

Job Seekers Allowance claimant count stands at 1.1% of the working age population

Economic Activity

- 11.1 People of working age can be categorised as “economically active” or “economically inactive”:
- those who are economically active are either in employment or seeking employment;
 - people who are economically inactive comprise those who are not in employment nor counted as unemployed, including those who are looking after a home/family those who are retired, and full-time students who do not have any form of employment.
- 11.2 A good indication of the economic status of Borough residents can be obtained from the Annual Population Survey (APS), which records the economic activity of people living in the Borough. The APS is the largest regular household survey in the United Kingdom.
- 11.3 The Annual Population Survey (APS) was introduced in 2004, comprising the annual Labour Force Survey (LFS) supplemented by an extra boost (the APS(B)), designed to obtain a sample of 500 economically active adults in each local authority district. As a cost saving measure, the APS(B) was scaled back in mid-2005 and was withdrawn from January 2006. The last APS period which contains APS(B) cases is that covering January to December 2005, and this was reported in A Profile of the Borough 2006.
- 11.4 The APS data used in A Profile of the Borough 2007 covers the period October 2005 to September 2006. The sample size for this period for Basingstoke and Deane was 433

(compared to 649 people in the January –December 2005 survey which was reported in the 2006 Profile).

- 11.5 Although a sample survey, and as such subject to sampling variability, it provides a good estimate of economic and employment activity in the Borough, and updates are reported in the Profile of the Borough series. For further information on the APS, economic activity and employment rates, and for the Office for National Statistics Guide to the Labour Market, follow the link to [Definitions](#).
- 11.6 Table 11.1 profiles the Borough`s economically active population: for people of working age (males aged 16-64 and females aged 16-59) and for the total population over the age of 16 which includes people over retirement age. **Percentages are based on the working age population, except the percentage of unemployed, which is based on the number of people economically active.** The sum of employees and self employed will not equal the “in employment” figure due to the inclusion of those on government supported training and employment programmes, and those doing unpaid family work, in the latter.
- 11.7 Table 11.1 shows that there are 89,100 people over the age of 16 classed as economically active living within the Borough. The economic activity rate takes the number of these who are of working age, 87,000, expressed as a percentage of the whole working age population (97,400). This equates to a working age economic activity rate of 89.4%. This exceeds the economic activity rates for Hampshire and the South East, and is considerably higher than the national average.

Table 11.1: Economic Activity

All people	Number of people aged 16 and over	Number of people - working age	% of the working age population:			
	Basingstoke and Deane		Basingstoke and Deane	Hampshire	South East	Great Britain
Economically active	89,100	87,000	89.4	84.6	82.2	78.4
In employment	85,600	83,600	85.9	81.7	78.6	74.1
Employees	75,700	74,900	76.9	71.7	67.9	64.5
Self employed	9,600	8,800	9.0	9.9	10.3	9.3
Unemployed (Model-based)	3,100	Not available from the model based methodology	3.5	3.2	4.3	5.2

Source: Annual Population Survey October 2005 – September 2006

- 11.8 Basingstoke and Deane records one of the highest economic activity rates in the South East in this release of the APS, rates ranging from 91.7% (West Oxfordshire) to 74.9% (Southampton). Within Hampshire, only Rushmoor exceeds the Borough rate with 91.1% of the working age population economically active. In neighbouring West Berkshire, 86% of the working age population are economically active.

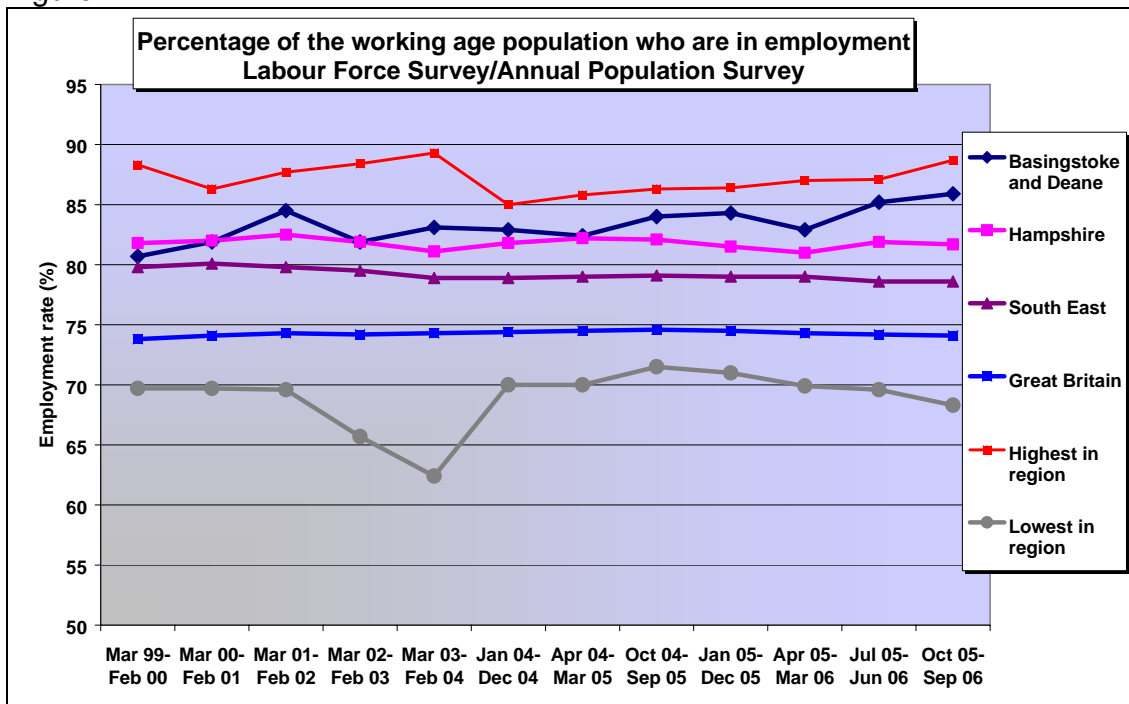
Unemployment rate

- 11.9 Unemployment in labour market terms has an internationally agreed definition which is recommended by the International Labour Organisation (ILO) – an agency of the United Nations. Unemployment in this context refers to people without a job, who want a job, who have actively sought work within the last four weeks and are available to start work in the next two weeks; it also refers to people who have found a job and are waiting to start in the next two weeks. The percentage of economically active people who are unemployed by this definition is now considered to provide a more realistic indication and measure of true unemployment levels than the very specific Job Seekers Allowance Count. People who are out of work but who do not meet the criteria of unemployment are classed as economically inactive.
- 11.10 As unemployed form a small percentage of the population, the APS estimates are based on very small samples and for many areas would be unreliable. To overcome this, the Office for National Statistics has developed a statistical model that provides better estimates of total unemployed for unitary authorities and local authority districts. The new “model based estimates” improve on this sample by “borrowing strength from the claimant count which strongly correlates with unemployment and, as an administrative count, is without sampling error”. Follow the link to [Definitions](#) for further details of the model based unemployment estimates measure and for two ONS publications which will help with interpretation of economic activity and unemployment data: “How exactly is unemployment measured?” and “Comparisons between unemployment and the Claimant Count”.
- 11.11 The 3.5% model based unemployment rate shown at Table 11.1 is typical of unemployment rates in the South East, which range from the lowest, 2.5% in Vale of White Horse, to the highest, Thanet, at 7%. Within Hampshire, rates range from 2.8% (Hart) to 4.9% (Havant). East Hampshire records a rate of 2.9%, Winchester and Test Valley 3%, New Forest 3.4%, Fareham and Eastleigh 3.5%, Gosport 3.8%, and Rushmoor 4.5%. Across the County boundary, Reading records a rate of 5.2% and West Berkshire 3.4%.
- 11.12 As a relatively new dataset, model based unemployed will now be regularly monitored through A Profile of the Borough. However, though it is too early to draw out trends, it is worth noting that the Borough average compares very favourably to that for the South East and GB; in addition, an unemployment rate of 3.5% still positions the Borough in line with many of the Hampshire districts, West Berkshire and across the South East, with local authorities such as Tunbridge Wells, Horsham, Guildford, Epsom and Ewell, Runnymede, Sevenoaks and Windsor and Maidenhead.
- 11.13 Job Seekers Allowance rates will continue to be reported and can be found at paragraph 11.30 later in this section.

Employment Rate

- 11.14 Basingstoke and Deane's employment rate, at 85.9% of the working age population, is higher than average for the County or region, and nearly 12 percentage points higher than that of GB. At nearly 86%, Basingstoke and Deane ranks third of all the Local Authority areas in the South East region for employment rates and is the highest of all the Hampshire districts. Other Hampshire districts range from 85.5% (Hart), 85% in Test Valley, 84.8% in Rushmoor, 83% in Havant, 80.7% in East Hampshire, 80.6% in Winchester, 80.2% in Fareham, 79.7% in Gosport, 78.4% in New Forest, and 76.1% in Eastleigh. Over the County boundary, West Berkshire also records a high employment rate (83.2%) and an economic activity rate of 86%.
- 11.15 Employment rates for the South East region range from the highest at 88.7% (West Oxfordshire) to the lowest at 68.3% (Thanet). It should be noted, however, that the APS is a sample survey, and so positions and rankings are likely to change for each release of data and depending on the size of the working age population against which the employment rate is calculated.
- 11.16 Releases of the LFS, and more recently the APS, over the last five years have recorded the employment rate for the Borough as between 80% and 85%. The latest APS employment rate of 85.9% is the highest recorded in the Borough since 2000 and continues the trend seen in Figure 11.1, where the employment rate for Basingstoke and Deane is in line with that for Hampshire or marginally higher. Figure 11.1 also compares the Borough and County with regional and national employment rates from 1999. To add regional context, the employment rate for the local authority with the highest and lowest employment rate in the South East have also been added for each survey release date.

Figure 11.1



Source: Labour Force Survey 1999-2003/Annual Population Survey 2004-2006

11.17 Further data from the APS (Table 11.2) shows that both the male and female employment rates in the Borough exceed those of Hampshire, the South East and GB. **Percentages are based on the number of working age males and the number of working age females.** The sample size is too small to give a reliable estimate of male and female unemployment or of the extent of female self-employment.

Table 11.2: Economic Activity for Males and Females

	Number of people aged 16 and over	Number of people – working age	% of the working age population			
			Basingstoke and Deane	Basingstoke and Deane	Hampshire	South East
Males						
Economically active	47,000	46,500	93.7	89.7	87.2	83.3
In employment	45,300	44,800	90.2	86.6	83.4	78.4
Employees	38,300	38,300	77.1	72.6	68.4	64.7
Self employed	6,800	6,500	13.1	13.9	14.6	13.3
Females						
Economically active	42,000	40,600	84.9	79.4	77.0	73.2
In employment	40,300	38,900	81.3	76.8	73.5	69.6
Employees	37,500	36,600	76.6	70.8	67.4	64.2
Self employed	Sample size too small	Sample size too small	Sample size too small	5.8	5.8	5.0

Source: Annual Population Survey October 2005 – September 2006

11.18 Self-employment contributes about 15% of all male jobs, and males clearly show a higher degree of self employment than females. The Borough's male self-employment rate is broadly in line with that for Hampshire and the South East; it is the employee rates which show marked differences.

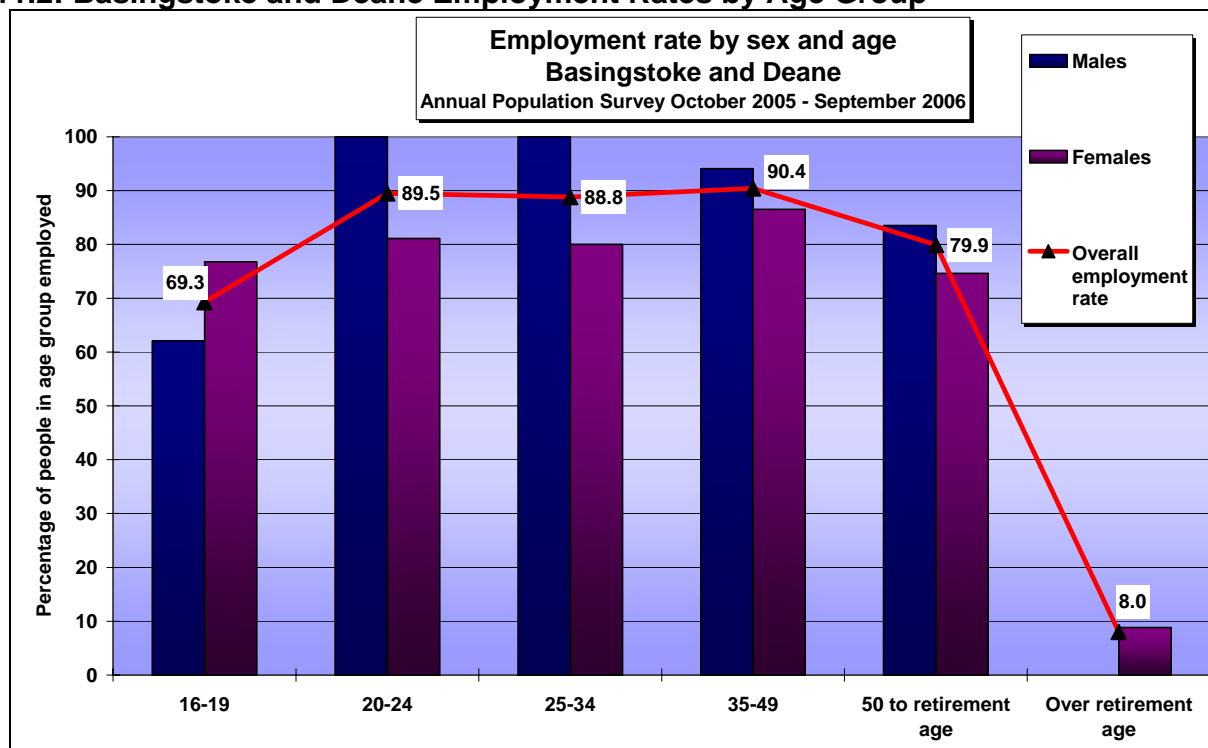
Employment Rate by Age Group

11.19 Figure 11.2 shows the Borough's employment rate for age group by sex. Percentages equate to the proportion of males and females in each age group who are working. Data labels shown on the graph relate to the overall employment rate. The employment rate is highest for males in the 20 to 24 and 25 to 34 age groups (both 100% employment according to this APS release) but peaks for females in the 35 to 49 age group at 86.5%. Apart from the post-retirement age group, the lowest employment rate for males clearly is the 16 to 19 age group (62.1%), whereas the lowest for females is at the upper age range in the 50 to retirement group where the employment rate is 74.6%. This very closely matches the employment rate for females aged 16 to 19 (76.8%), the indication being that female employment rates are more evenly spread than male across the whole working age range.

11.20 Note that in this release of the APS, the sample size for males in employment post retirement age was too small for a reliable estimate to be made. The 8% of people, seen below, who are post retirement age and who are also in employment relates to females

only. However, the total number of post retirement people in employment equates to roughly 2,000 people, bringing the total number of the Borough's residents in work to 85,600.

Figure 11.2: Basingstoke and Deane Employment Rates by Age Group

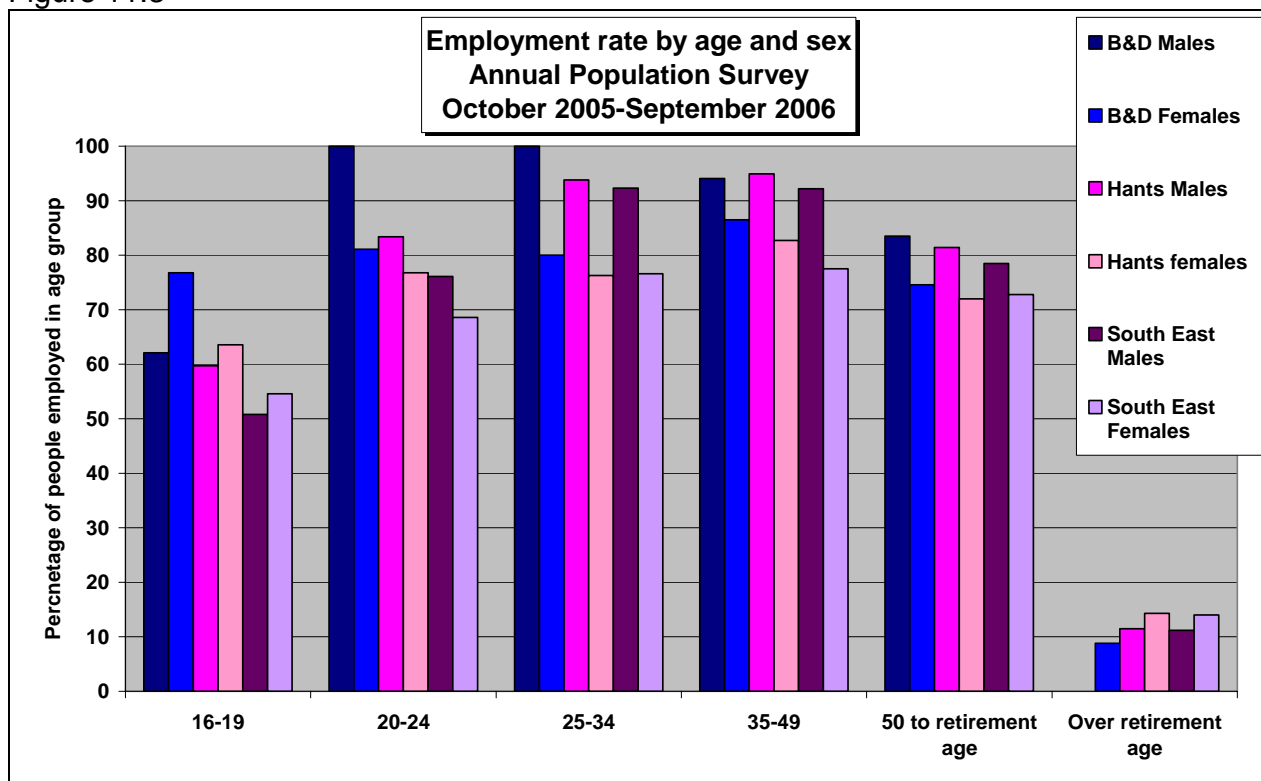


Source: Annual Population Survey: October 2005 – September 2006

11.21 Basingstoke and Deane's employment rates are compared with those of the County and the South East in Figure 11.3. This shows that employment rates in the Borough are higher than both Hampshire and South East for males in the age range 16 to 34. The 35 to 49 age group shows closest alignment across Borough, County and region for male employment rates. The female employment rate in the Borough is significantly higher than the County and South East in the 16 to 19 age group and up to retirement age are higher than or around the County and South East averages.

11.22 About 11% of males in the County and South East are working post retirement. This rises to more than 14% of County and South East females. Please note, as stated in paragraph 11.20 above, that in this release of the APS, the sample size for males in employment post retirement age was too small for a reliable estimate to be made. The employment rate for Basingstoke and Deane males post retirement age is, therefore, not shown on Figure 11.3.

Figure 11.3



Source: Annual Population Survey October 2005 to September 2006

11.23 Overall employment rates in Basingstoke and Deane are higher than Hampshire and the South East for each age group, the gap being narrowest in the 35 to 49 age group and the Borough only falling marginally behind in the post retirement age group. This can be seen in Table 11.3.

Table 11.3

Overall employment rate	Employment rate (percentage of people employed in each age group) for people aged:-					
	16-19	20-24	25-34	35-49	50 to retirement age	Over retirement age
Basingstoke and Deane	69.3	89.5	88.8	90.4	79.9	8.0
Hampshire	61.6	79.9	84.7	88.6	77.3	13.3
South East	52.7	72.3	84.0	84.7	76.1	13.0

Hours worked

- 11.24 The 2001 Census showed that 22% of those people in employment worked part time (30 hours a week or less). The highest proportion of people (61.4%) worked between 31 to 48 hours a week. Nearly 17% of people worked more than 49 hours a week, with 6% working over 60 hours.
- 11.25 There is considerable variation between male and female hours of employment. The 2001 Census recorded that the average (mean) hours per week worked for males was 42.7 and the average (mean) for females was 32 hours per week.
- 11.26 The Census shows that males in Basingstoke and Deane are more likely to work longer hours. 78% of all males in this area work for 38 hours a week or more, and fewer than 8% work part time hours. Females, on the other hand, are more likely to work part time hours and less likely to work longer hours of 49 or more a week. The proportions of females working mid range hours are more evenly spread than males. Table 11.4 shows a further breakdown of these Census statistics by sex and the number of hours worked.

Table 11.4: Hours worked

Hours worked by people aged 16-74 in employment							
	All people	Part-time: 1-5	Part-time: 6-15	Part-time: 16-30	Full-time: 31-37	Full-time: 38-48	Full-time: 49 or more
	Number	(%)	(%)	(%)	(%)	(%)	(%)
Males	45,600	0.4	2.9	3.9	14.2	53.6	25.0
Females	37,000	1.9	11.7	25.8	21.9	31.7	7.0

Source: Census 2001 Table KS10

- 11.27 The Annual Population Survey (October 2005 – September 2006) generally support the Census findings, with the highest proportion of males (90%) working over 35 hours a week and nearly 43% working more than 45 hours a week. Males are less likely to work part time: fewer than 10% working less than 34 hours a week. Females are more likely to work between 10 to 44 hours a week, with 43% working between 10 to 34 hours and 41% working between 35 to 44 hours. Only 12% of females work more than 44 hours a week. 4% of females work fewer than 10 hours a week. Table 11.5 shows how this compares to the Hampshire and South East averages.

Table 11.5

	Hours worked - males and females		
	Basingstoke and Deane	Hampshire	South East
Percentage of males in employment who work:	(%)	(%)	(%)
Under 10 hours	2.2	2.7	2.4
10-34 hours	7.7	9.3	10.4

35-44 hours	47.7	47.3	47.5
45 hours or more	42.5	40.7	39.7
Percentage of females in employment who work:	Basingstoke and Deane (%)	Hampshire (%)	South East (%)
Under 10 hours	4.0	7.2	7.0
10-34 hours	43.3	43.8	41.8
35-44 hours	41.1	36.9	37.6
45 hours or more	11.6	12.1	13.6

Source: Annual Population Survey October 2005 – September 2006

11.28 The Annual Population Survey produces more detailed data, analysing full time and part time working by age and sex. The APS uses the same categorisation as the Census when distinguishing between full time and part time hours: that full time is classed as 30 hours a week or more. Males and females in the youngest age group (16 to 19) are more likely to work part time (86.8% of males and 77.6% of females). Males over the age of 20 are more likely to work full time (100% aged 20 to 24, 97.7% aged 25 to 49 and 88.1% over the age of 50). There is a more even distribution between female full time/part time hours. Although 76.9% of females in the 20 to 24 age range work full time, this decreases to 57.4 % of females over the age of 25 in full time work and 52.8% of females over the age of 50. These features can also be seen in the equivalent Hampshire and South East data and were also identified in [A Profile of the Borough 2006](#).

Unemployment

11.29 As discussed in paragraph 11.9 above, the level of unemployment recorded in the Annual Population Survey (APS) is now generally considered to provide a more realistic indication of true unemployment levels than the Job Seekers Allowance (JSA) Claimant Count, which was used until recently. The difference arises mainly because many people who count as unemployed according to the APS, are not eligible for, or do not claim, JSA. There could be various reasons for this: follow the link to [Definitions](#) and see the Office for National Statistics publication “Comparisons between unemployment and the claimant count”.

11.30 Despite these differences, however, the JSA Claimant Count is useful for providing time-series data, as well as recording the number of people currently claiming Job Seekers Allowance, a key working age benefit. It also provides a more detailed profile of people who are unemployed at a very local (ward) level and with 100% coverage, an absolute count of claimants in different age groups and a count by duration of claim.

Job Seekers Allowance

11.31 According to the July 2007 Claimant Count, the Job Seekers Allowance claimant rate stood at 1.1% of the Borough’s working age population. This equates to 1,076 people receiving JSA in the Basingstoke and Deane area. Comparisons with Hampshire, the South East and GB show that the JSA claimant rate in the Borough mirrors that of Hampshire and is below the regional and national averages.

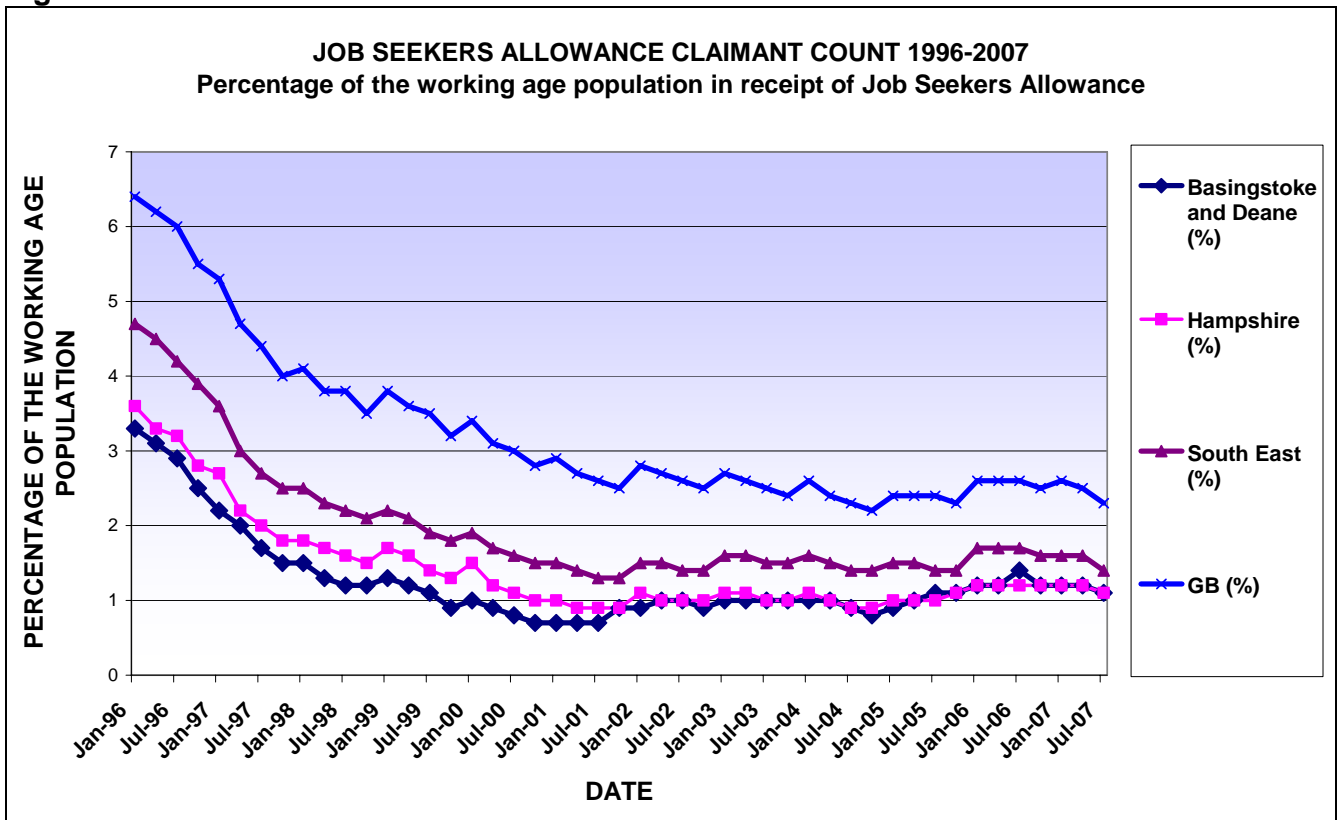
Table 11.6: Job Seekers Allowance Claimant Count

	Basingstoke and Deane	Basingstoke and Deane	Hampshire	South East	Great Britain
	(numbers)	(%)	(%)	(%)	(%)
All people	1,076	1.1	1.1	1.4	2.3
Males	736	1.4	1.4	1.9	3.2
Females	340	0.7	0.7	0.9	1.3

Source: ONS claimant count with rates and proportions July 2007

11.32 The past trend illustrated by Figure 11.4 below shows an overall decline in JSA claimant numbers over the past 10 years, with the proportion of JSA claimants in relation to the working age population generally falling throughout Great Britain as a whole, as well as in the South East, Hampshire and Basingstoke and Deane. The greatest reduction was seen from 1996 to 2000. At a national level, there has been a further, though more gradual, reduction since 2000, while rates for Basingstoke and Deane and Hampshire have fluctuated around 1% and have remained just below the South East average

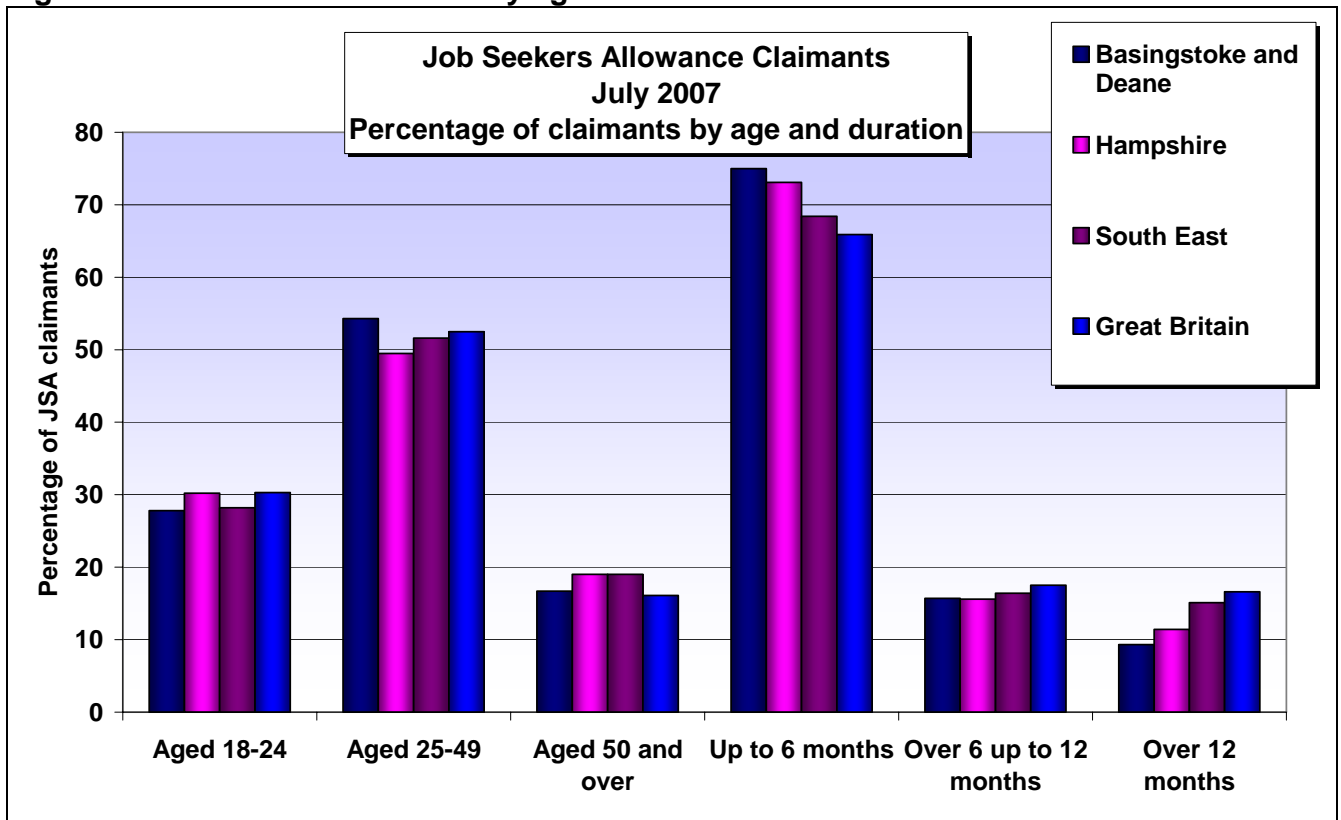
Figure 11.4: JSA Claimant Count : 1996-2007



Source: JSA Claimant Count

- 11.33 More recent trends over the last 12 months have shown a decrease in the JSA claimant rate from the 1.4% reported in [A Profile of the Borough 2006](#). It should be noted that areas with smaller populations, such as council districts, tend to show a greater degree of fluctuation than the county, region and nationally, where slight changes are masked by larger population denominators. When comparing the Hampshire districts with one another, therefore, any ranking can change month on month. The July 2007 count records JSA rates within the County ranging from 0.6% (Hart) to 2% (Havant). Outside Hampshire, West Berkshire records a rate of 0.9%.
- 11.34 Across the region, the JSA claimant count ranges from 0.6% (Hart, Elmbridge, Mole Valley, Vale of Wight Horse, West Oxfordshire and Wokingham) to 3.4% (Hastings). Cherwell, Chichester, Spelthorne and Woking also record a JSA count equivalent to that for Basingstoke and Deane's (1.1% of the working age population).
- 11.35 The claimant count is also analysed by age of claimant and duration of claim at Figure 11.5. The percentage figures represent the number of JSA claimants in a particular category as a percentage of all JSA claimants. The small number of claims that are paid clerically (that is – claims paid separately from the usual automated process) and claims to those people under 18 years of age, are not included in this analysis.

Figure 11.5: JSA claimant count by age and duration



Source: JSA claimant count

- 11.36 When compared to Hampshire and the South East, the Borough has fewer claimants in the younger and older age groups. Comparison with the national average shows the Borough with a lower proportion of people in the younger age group and a higher proportion of older claimants. The relative positions of Borough, County, region and GB compared to each other have remained broadly the same for a number of years.
- 11.37 These latest figures on age breakdown continue previous trends. Just over half (54%) are in the 25-49 age group. The proportion of people in this age group has remained the most stable over the last 10 years, ranging from 50% to 60% of the caseload. The youngest age group (18-24) represents between 25% and 30% of JSA claimants. Claimants in the 50+ age group make up 17% of all JSA claimants. Proportions of these two latter age groups have seen some change in relation to each other. From 1996 to 2003, proportions remained relatively stable and similar, both fluctuating around 20% of the caseload. From 2003, however, there has been a distinct upward trend in proportions of 18-24 year olds claiming JSA and a corresponding downward trend in the proportions of claimants aged over 50.
- 11.38 At July 2007, 75% of claimants have been claiming JSA for less than 6 months, typical of the continuing trend. At both Borough and County level, proportions of short term JSA claimants have been higher than the South East or GB averages for some years. Just over 15% of JSA claimants in both Borough and County have been claiming for the medium term (6 to 12 months). Due to the small numbers of claimants involved, there is some variation in this proportion but both Borough and County consistently maintain a

lower proportion of medium term claimants than regionally or nationally. This is also the case with the long term claimant group (9.3% in Basingstoke and Deane).

Economic Inactivity

11.39 As set out in paragraph 11.1 above, economically inactive people comprise those who are not in employment nor counted as unemployed, including those who are looking after a home/family those who are retired, and full-time students who do not have any form of employment. The Annual Population Survey categorises economically inactive people according to whether or not they want a job. Economically inactive people who want a job are not classed as unemployed because they have either not sought work in the last four weeks or are not available to start work. For more information on labour market definitions and economic inactivity, click on [Definitions](#) and follow the link to the Office for National Statistics Guide to the Labour Market.

11.40 The Borough rate for economic inactivity has remained relatively stable over the last 5 years. Table 11.7 provides a summary of economic inactivity rates for the Borough compared to County, Region and GB. Borough economic inactivity rates are relatively low compared to County, regional and national rates. Further data from the APS shows that there are more economically inactive females than males (3,100 males representing 6.3% of the male working age population and 7,200 females representing 15.1% of the female working age population). Economic inactivity rates among males increase to 10.3% in Hampshire, 12.8% in the South East and 16.7% nationally. Female economic inactivity rates increase to a Hampshire average of 20.6%, a South East average of 23% and the GB average nearly 11 percentage points higher than the Borough.

Table 11.7: Economically Inactive Population: Percentages of working age population

	Basingstoke and Deane	Basingstoke and Deane	Hampshire	South East	GB
	(numbers)	(%)	(%)	(%)	(%)
All people					
Economically inactive	10,300	10.6	15.4	17.8	21.6
Wanting a job	3,200	3.2	4.0	5.4	5.4
Not wanting a job	7,200	7.4	11.4	12.4	16.2

Source: Annual Population Survey October 2005 – September 2006

11.41 The 2001 Census categorises economically inactive people by economic status. Table 11.8 shows a profile of the economically inactive population of Basingstoke and Deane compared with profiles at County, regional and national level. As with the APS data, the Borough displays lower percentages of economically inactive people in every category when compared to Hampshire, the South East and GB. Retired people form the largest category of economically inactive people in all areas. It should be noted that students classed as economically inactive are those who do not have any form of employment during their period of study.

Table 11.8: Economically Inactive Population: Percentages of population aged 16-74

People aged 16-74 who are Economically Inactive	Basingstoke and Deane (%)	Hampshire (%)	South East (%)	England and Wales (%)
Retired	11.1	13.9	13.4	13.6
Student	2.2	2.7	4.2	4.7
Looking after home / family	6.0	6.2	6.6	6.5
Permanently sick / disabled	2.8	3.1	3.5	5.5
Other	1.9	2.0	2.4	3.1

Source: Census 2001

11.42 The APS supports the Census data, confirming the highest economic inactivity rates among people who are typically of student age (the rate being 18.9% of all 16 to 19 year olds), in the pre-retirement age group (the 50 to retirement age group recording 17.9% economic inactivity), and in the post retirement age group (92%). The lowest economic inactivity rates are in the 20 to 49 age groups.

12 Earnings

Earnings in brief:

Gross median earnings for people working in the Borough are higher than the Hampshire, South East and England/Wales averages at £520 a week, and third highest in the County

Gross median earnings for people living in the Borough are at or around Hampshire and South East averages at £480 per week

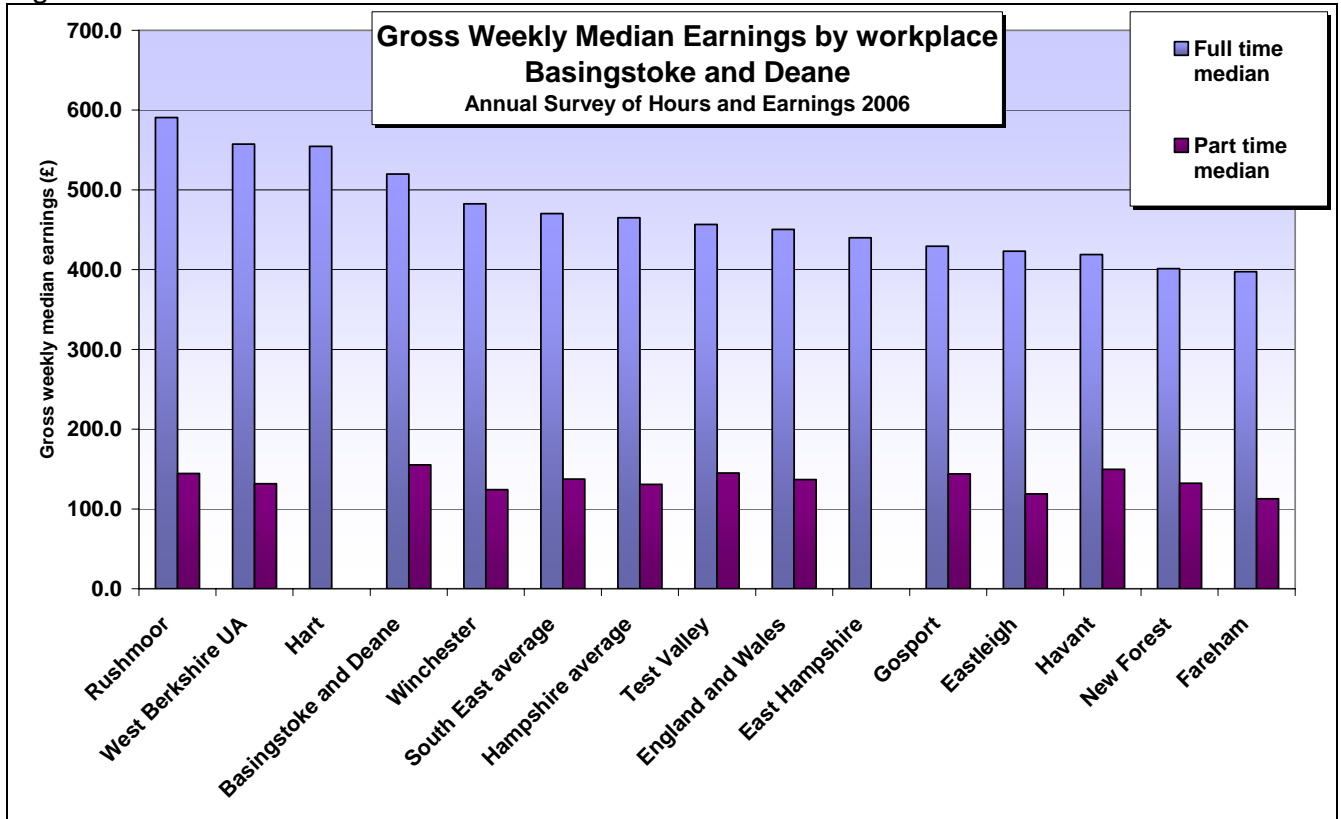
- 12.1 The Annual Survey of Hours and Earnings (ASHE) is a survey of businesses based on a 1% sample of employees supplemented by additional samples from the Inland Revenue PAYE register and Inter Departmental Business Register. The survey produces weighted estimates of earnings for people working within the Borough, including those who commute into the Borough to work but live elsewhere (earnings by workplace). Data is also given for people living in the Borough irrespective of where they work (earnings by residence).
- 12.2 The most recent ASHE data relates to 2006. It should be noted that at the time of the 2006 ASHE release, revisions were also made to ASHE data for 2004 and 2005, due primarily to changing the methodology, but also due to the results of further validation and late returns. Consequently, the 2006 data presented below is not continuous with the 2005 data presented in last year's Profile of the Borough. Despite the 2004/2005 revisions, however, the relative position of the Borough is unchanged when levels of pay are compared to the Hampshire districts, and County, Regional and national averages.
- 12.3 The full ASHE dataset is available either directly from the Office for National Statistics at: <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101> or from the Wizard Query facility on [NOMIS](#) through which selected variables and different geographies can be interrogated and compared. The NOMIS labour market summary for Basingstoke and Deane also shows the revised 2004 and 2005 data. Data for 2007 is due to be released shortly.
- 12.4 The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50 per cent of employees fall. It is preferred over the mean for earnings data as it is influenced less by extreme values and because of the skewed distribution of earnings data.

Earnings by place of work

- 12.5 In the Hampshire context, ASHE 2006 data shows that Basingstoke and Deane's workforce receive a higher median level of full time pay than most Hampshire districts, with the exception of Rushmoor and Hart. With a gross median earnings level of £520 a week, the Borough average also exceeds the averages for Hampshire (£465.10), the South East region (£470.10) and for England and Wales (£450.40). Part time earnings levels for people working in the Borough, at £155.30 a week, are higher than those for

the Hampshire districts according to the 2006 ASHE. However, the relatively low number of part time workers within the sample can cause this indicator to vary considerably year on year. Figure 12.1 shows how the Hampshire districts, and the County, Regional and England and Wales averages compare.

Figure 12.1



Source: Annual Survey of Hours and Earnings (ASHE) 2006

12.6 A summary of Basingstoke and Deane ASHE data for 2006 by workplace can be found below in Table 12.1. For further context, at a regional level, gross rates of median pay vary from £619 (Bracknell Forest) to £345 (Arun) a week. Neighbouring local authority districts West Berkshire and Reading record gross median weekly earnings of £557.20 and £516.40 respectively.

Table 12.1

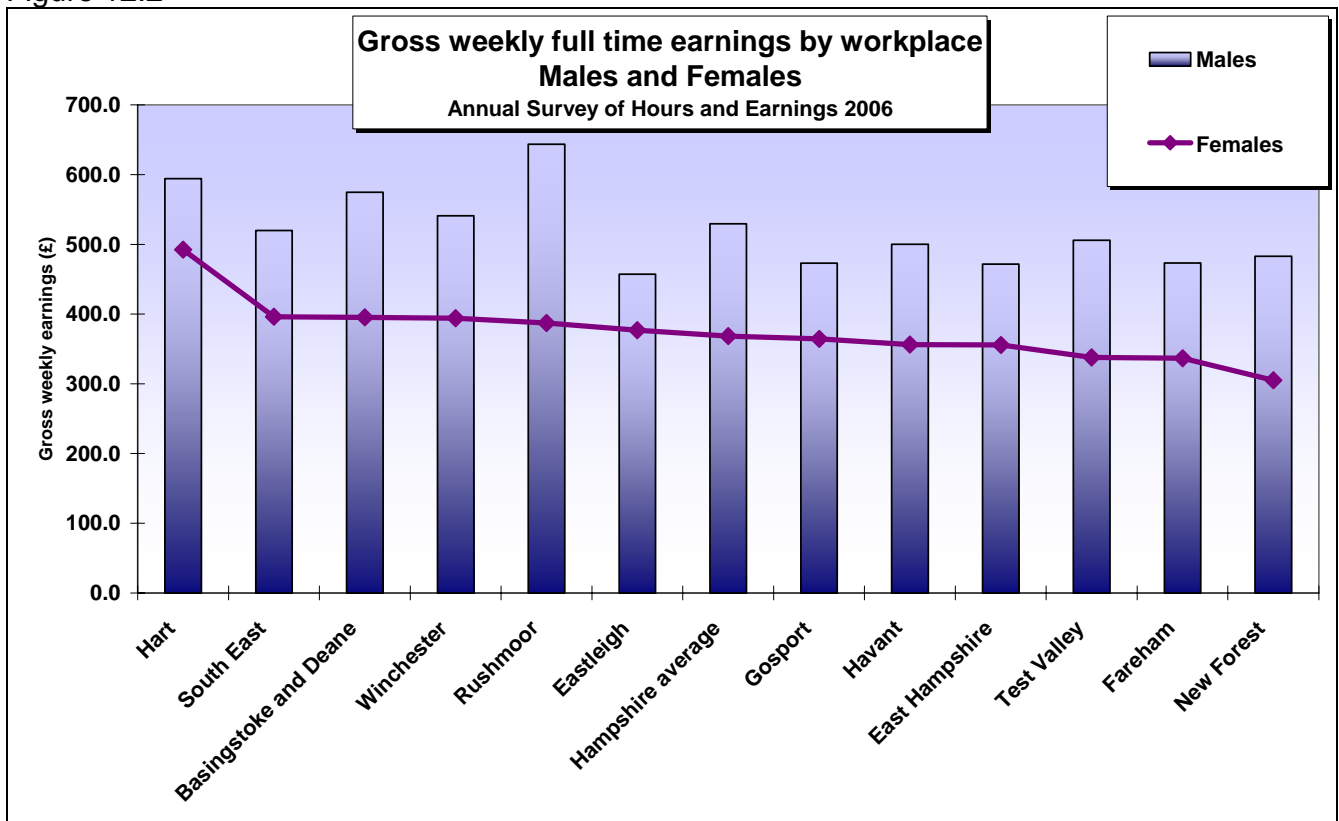
ANNUAL SURVEY OF HOURS AND EARNINGS				
Earnings by workplace 2006				
Weekly earnings for employees working in the area (£)	Basingstoke and Deane	Hampshire	South East	GB
Average (mean) gross pay				
Full time	611.6	553.6	567.1	539.3
Part time	192.5	166.0	171.8	171.0

Median gross pay				
Full time	520.0	465.1	470.1	448.6
Part time	155.3	130.8	137.4	136.8

Source: ASHE 2006

12.7 Figure 12.2 shows a comparison between male and female earnings for people who work in Basingstoke and Deane. The data is arranged in descending order by female earnings levels so that the difference between male and female earnings in each district may be seen more clearly. Note that the data relates to full time earnings only, so is not influenced by the higher proportion of females working part time. Recent confirmation from the Office for National Statistics has clarified that when generating the data for full time earnings, the number of hours worked by males and females is averaged out. The propensity for males to work longer full time hours than females (as has been explored in paragraph 11.26 above) is therefore not a factor in the higher earnings levels seen below.

Figure 12.2



Source: Annual Survey of Hours and Earnings (ASHE) 2006

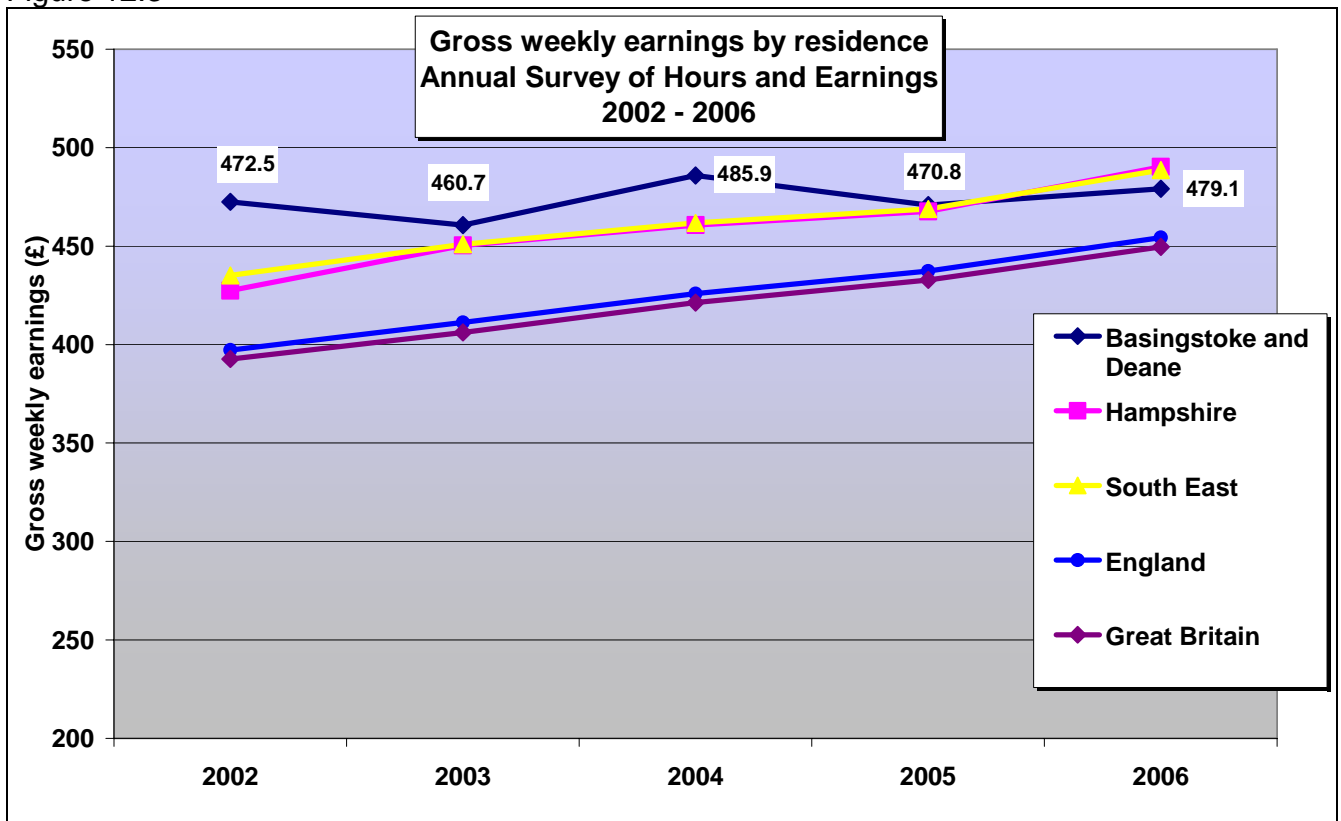
12.8 Full time earnings levels for females who work in Basingstoke and Deane are the second highest of all the Hampshire districts at £395.20 a week, Hart being the highest. The average earnings level of males who work in the Borough are the third highest of all the Hampshire districts behind Rushmoor and Hart and stand at £574.90 a week. In terms of direct comparison between male and female earnings, Basingstoke and Deane, New Forest and Test Valley have similar degrees of difference, with the greatest degree of difference seen in Rushmoor. Analysis of the revised 2004 and 2005 data, together with

that for 2006, shows very little change in the male/female comparison for the Borough over that time period.

Earnings by residence

12.9 Full time median earnings levels for people who live within the Borough have remained relatively stable according to the newly revised 2004 and 2005 data and the latest data for 2006. Despite the issue of discontinuity explained in paragraph 12.2 above, the Office for National Statistics has applied ASHE methodology to the earlier New Earnings Survey datasets to give 5 years worth of local earnings data by residence back to 2002. Figure 12.3 shows this timeline with Basingstoke and Deane set in context with averages for Hampshire, the South East, England and Great Britain.

Figure 12.3

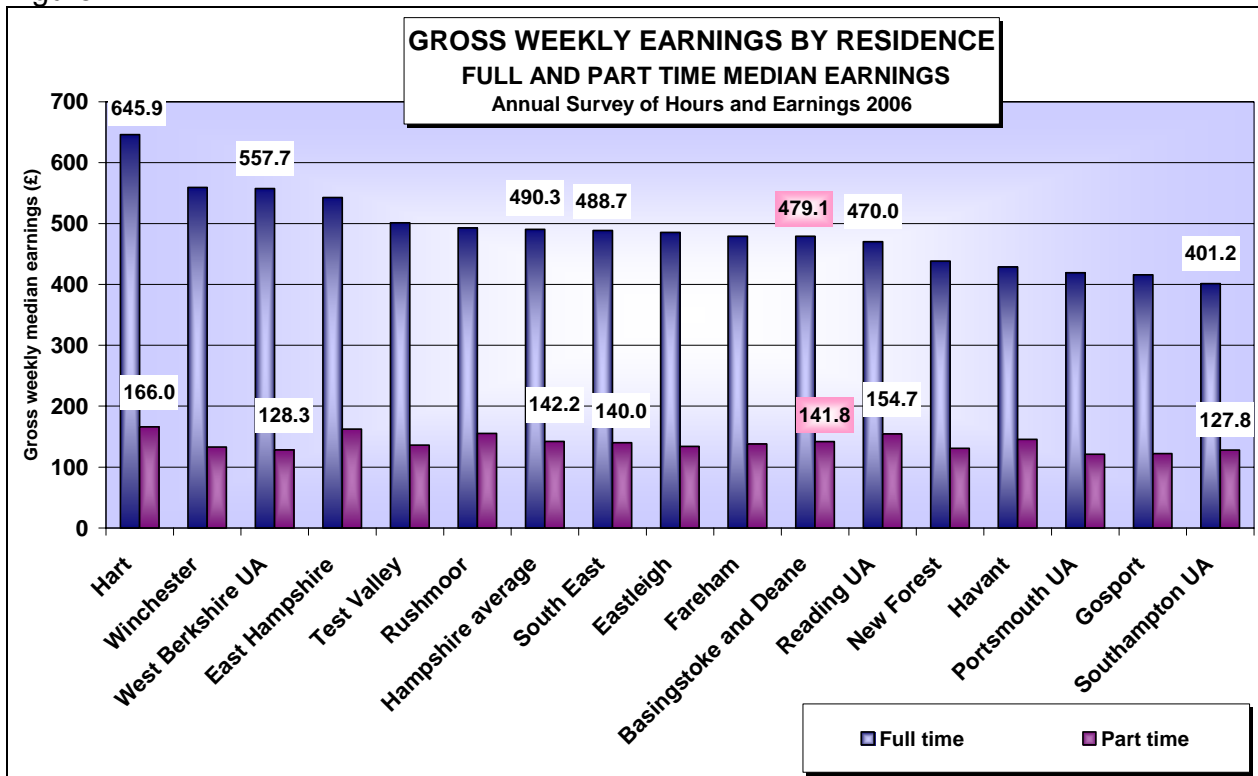


Source: ASHE/NOMIS

12.10 Figure 12.4 above shows the Borough average at or around the County and regional averages in 2005 and 2006. Figure 12.4 below shows the latest 2006 data for Basingstoke and Deane in context with the other Hampshire Districts, Hampshire and South East averages and also the neighbouring local authority areas of West Berkshire and Reading, presented in descending order of full time median earnings. Part time median earnings levels in the Borough are shown to rank midway when compared to all Hampshire districts. The level of full time median earnings in the Borough can be seen to be placed within the mid-range group of all the Hampshire Districts: noting that ASHE is based on a 1% sample of employees and, that due to sampling variability, the relative

position of the Districts in this middle band (where earnings levels are generally closer to one another than the upper and lower rankings) is more likely to change each year.

Figure 12.4



Source: ASHE 2006

12.11 Table 12.2 presents a summary of the full time and part time gross weekly median and mean pay levels for the Borough, County, Region and nationally. This further illustrates how the Borough and County record comparable levels of full time and part time pay, how Regional part time and median pay closely compare with the Borough, and even that mean average full time pay for Basingstoke and Deane is not significantly different when compared to the South East.

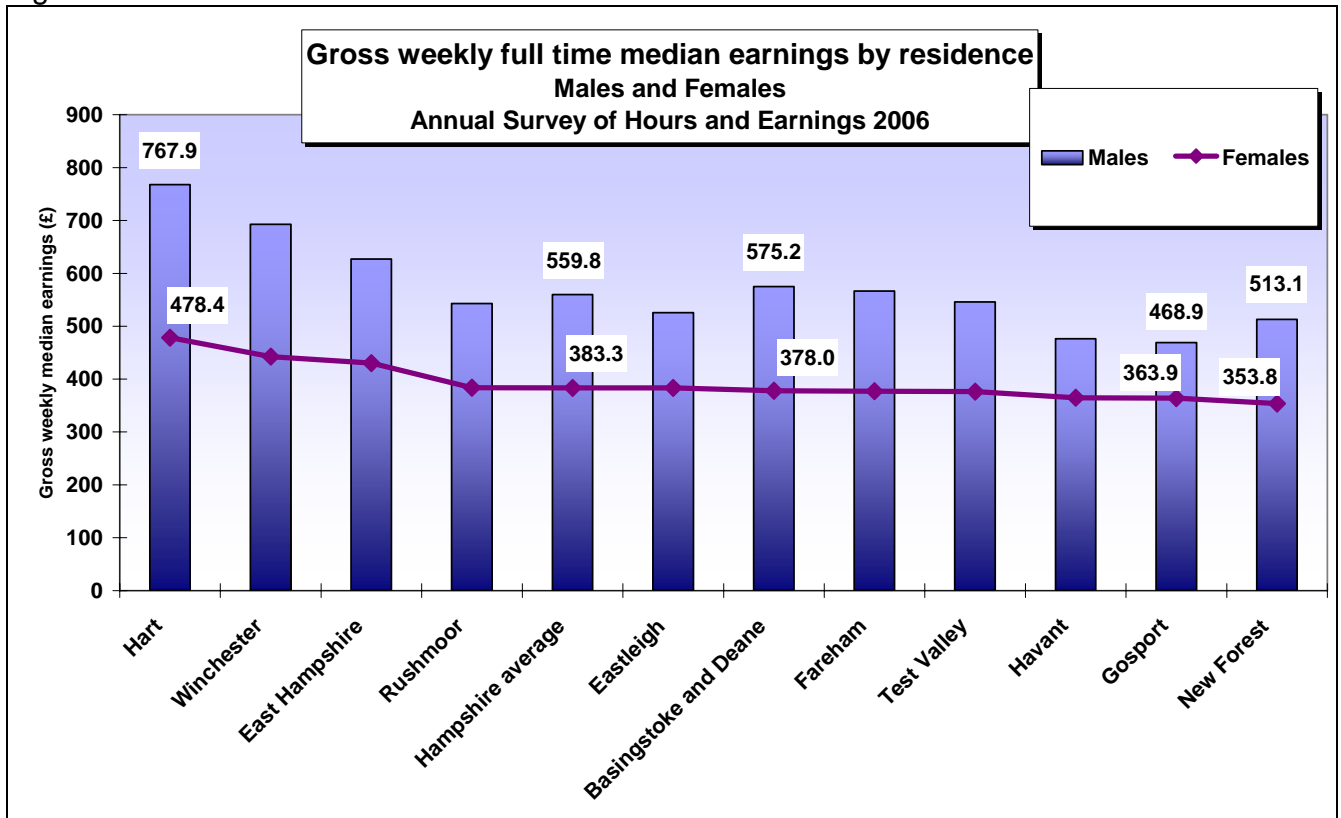
Table 12.2

ANNUAL SURVEY OF HOURS AND EARNINGS				
Earnings by Residence 2006				
Weekly earnings for employees living in the area (£)	Basingstoke and Deane	Hampshire	South East	GB
Average (mean) gross pay				
Full time	578.0	581.7	598.5	540.5
Part time	183.8	182.4	181.6	171.9
Median gross pay				
Full time	479.1	490.3	488.7	449.6
Part time	141.8	142.2	140.0	137.6

12.12 Across the South East, Elmbridge records the highest level of median earnings by residence with an average gross weekly pay of £682. Adur records the lowest levels of median earnings by residence at £355.60 per week.

12.13 Figure 12.5 shows a comparison between male and female earnings for people who live in the Borough. It is arranged in descending order according to female earnings levels so that the difference between male and female earnings in each district may be seen more clearly. The ASHE principles outlined in paragraph 12.7 above, concerning part time hours, also apply here.

Figure 12.5



12.14 Both male and female earnings levels in Hart exceed those for all the Hampshire districts, and also show the greatest variation between the two at £289.50 a week. Male earnings levels are lowest in Gosport, and female earnings levels are lowest in New Forest, Gosport also recording the lowest difference between male and female earnings at £105 a week. Male earnings levels in Basingstoke and Deane are the fourth highest of all the Hampshire districts, the Borough placed about mid way for female earnings and the third highest in terms of the difference between male and female pay at £197.20 per week.

13 Commuting

Commuting in brief:

At the 2001 Census, the Borough provided jobs for 67% of its resident workforce, the highest proportion of any Hampshire district

27,000 people commuted out of the Borough to work elsewhere

24,000 people commuted into the borough to work

The principal origins of in-commuters are Hart, Test Valley, Surrey and West Berkshire

West Berkshire, London, Hart, Reading and Surrey are the principal destinations of out-commuters

- 13.1 The 2001 Census provides detailed information on commuting patterns throughout the country. Basingstoke and Deane was the most self-contained district in Hampshire, providing jobs for 67% of its resident workforce within the area. This represents a higher “self containment” ratio than any other Hampshire district, even exceeding that of the City of Southampton.
- 13.2 Table 13.1 shows the total numbers of people commuting in and out of the Borough to their place of work according to the 2001 Census. Basingstoke and Deane is a net exporter of labour, with 27,000 people commuting out of the Borough to work and 24,000 commuting in.

Table 13.1: Commuting Summary

Commuting Summary – Basingstoke and Deane	
Total resident workers	82,668
Live and work in district	55,353
Total in-commuters	24,259
Total out-commuters	27,315
Total employment	79,612
Total gross commuting flows	51,574
Total net commuting flows	-3,056

Source: Census 2001

- 13.3 Table 13.2 shows the principal origins of in-commuters, who live outside the Borough but commute into it to work. It also shows the proportions of these commuters in relation to all in-commuters, and to the Borough’s workforce as a whole. In addition to these

principal origins, the Borough's workforce consists of people from all of the Hampshire districts, Dorset, Wiltshire, West and East Sussex, Oxfordshire, Kent and Buckinghamshire, and 2,600 people from the other former Berkshire authorities. This illustrates the wide and diverse area from which the Borough's workforce is attracted.

Table 13.2: Basingstoke and Deane In-commuting profile

In Commuting – Basingstoke and Deane			
Principal origins of in-commuters	Number of people commuting	% of total employment	% of total in-commuting
Hart	2495	3.1	10.3
Test Valley	2233	2.8	9.2
Surrey	2155	2.7	8.9
West Berkshire	2066	2.6	8.5
Winchester	1773	2.2	7.3
London	1586	2.0	6.5
East Hants	1400	1.8	5.8

Source: Census 2001

- 13.4 Table 13.3 shows the destinations of out-commuters, who live in Basingstoke and Deane but travel to a workplace outside the Borough. It also shows the relative proportions of these people in terms of all out-commuter destinations and as a proportion of the total resident workforce.

Table 13.3: Basingstoke and Deane Out-commuting profile

Out Commuting – Basingstoke and Deane			
Principal destinations of out-commuters	Number of people commuting	% of total resident workers	% of total out-commuting
West Berkshire	7395	8.9	27.1
London	3563	4.3	13.0
Hart	2475	3.0	9.1
Reading	2442	3.0	8.9
Surrey	2071	2.5	7.6
Wokingham	1141	1.4	4.2
Test Valley	1125	1.4	4.1
Winchester	1059	1.3	3.9
Rushmoor	1052	1.3	3.9

Source: Census 2001

14 Jobs and Industry

Jobs and Industry in brief:

Relatively high proportions of Borough residents work in:

*Manufacturing;
Finance, real estate, IT and business support;
Transport, storage and communication;
Financial intermediation*

Relatively high proportions of Borough residents work in a managerial or professional capacity

VAT registrations exceed de-registrations

People who live in the Borough

- 14.1 Table 14.1 profiles the types of industry in which people who live in the Borough are employed, across a wide range of employment sectors, at the time of the 2001 Census. Equivalent data for each of the wards in the Borough can be found at: <http://www.basingstoke.gov.uk/community/facts/wards/>

Table 14.1: Industry of Employment

Percentage of resident workforce in the following sectors:-					
	Basingstoke and Deane (Number)	Basingstoke and Deane (%)	Hampshire (%)	South East (%)	England & Wales (%)
Agriculture; hunting and forestry	1267	1.5	1.5	1.5	1.5
Mining and quarrying	89	0.1	0.1	0.2	0.3
Manufacturing	12502	15.1	13.9	12.1	14.9
Electricity; gas and water supply	879	1.1	0.7	0.7	0.7
Construction	5656	6.9	7.2	7.1	6.8
Wholesale & retail trade	13397	16.2	15.9	16.4	16.8
Hotels and catering	2957	3.6	4.1	4.3	4.8
Transport, storage & communication	6910	8.3	6.9	8.1	7.0
Financial intermediation	4857	5.9	4.6	5.1	4.7

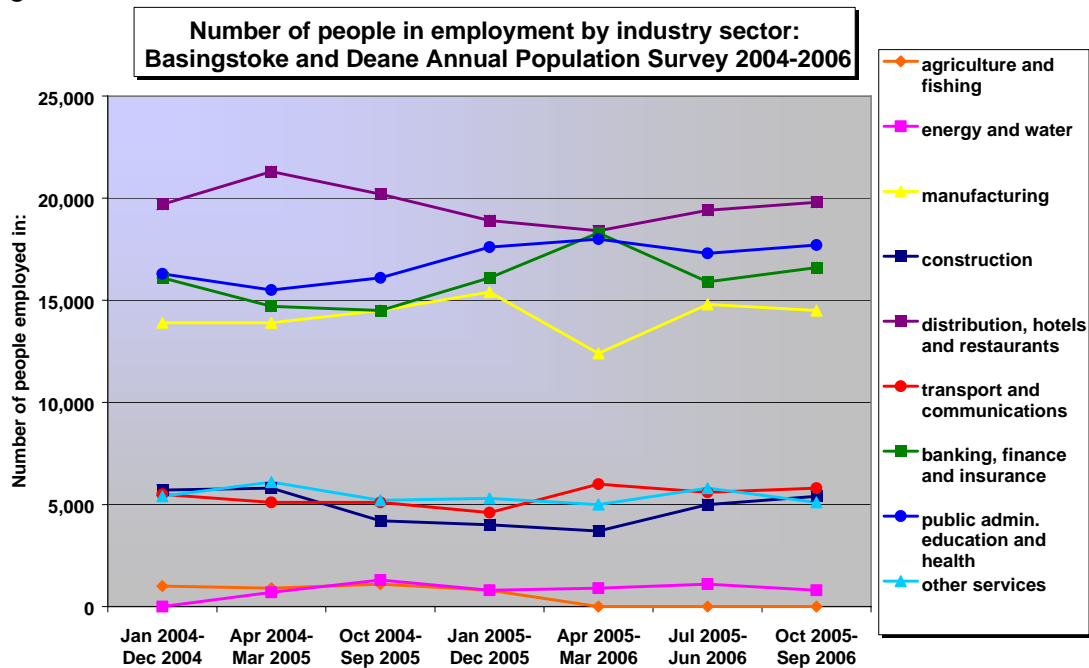
Percentage of resident workforce in the following sectors:-					
	Basingstoke and Deane (Number)	Basingstoke and Deane (%)	Hampshire (%)	South East (%)	England & Wales (%)
Real estate; renting and business activities	14607	17.7	15.4	15.6	13.0
Public administration and defence	4280	5.2	8.3	5.9	5.7
Education	4906	5.9	7.3	7.9	7.8
Health and social work	6434	7.8	9.3	9.8	10.8
Other	3872	4.7	4.8	5.3	5.2

Source: 2001 Census: Table KS11A

- 14.2 The most notable figures from this profile are the relatively high proportions of Borough residents working in manufacturing (over 15%); real estate, renting and business activities (nearly 18%); transport, storage and communication (8.3%); and financial intermediation, which includes insurance and pension funding (nearly 6%). Conversely, relatively low proportions of Borough residents are employed in public administration and defence; education; health and social work; and hotels and catering.
- 14.3 The Annual Population Survey (APS) also records data on the industry sectors in which the Borough's residents work. The APS groups the industry sectors into 9 broad headings, combining some of the more detailed Census categories. The correlation between Census and APS categories can be found on the [Definitions](#) page of the Facts and Figures website. Financial intermediation, real estate, renting and business activities are grouped together in the APS category of banking, finance and insurance. The Census categories of wholesale/retail and hotels and catering are included within the APS category of distribution, hotels and restaurants.
- 14.4 The Census findings do generally correspond with the APS when aggregated according to the broader APS headings, maintaining a high degree of correlation between the APS and Census. Looking at the past 3 years of APS releases, the relatively stable proportions of employment numbers per industry sector can be seen at Figure 14.1 below. Within its broad industry sector groups, the October 2005 to September 2006 APS shows that the majority of the Borough's residents work in the service sectors of distribution, hotels and restaurants (19,800 people or 23.2% of all those employed), banking finance and insurance (19.4% or 16,600 people), and 17,700 people work in the combined category of public administration, education and health (20.7%). The APS also records a high proportion working in the manufacturing industry at 16.9% of all people in work, equating to 14,500 people. This can be seen at Figure 14.2.
- 14.5 Further data from the APS can be found through the "Wizard query" or the local authority labour market profile at: <https://www.nomisweb.co.uk/Default.asp>. It should be noted that the APS is a sample survey, and with a relatively small sample (375,000 people

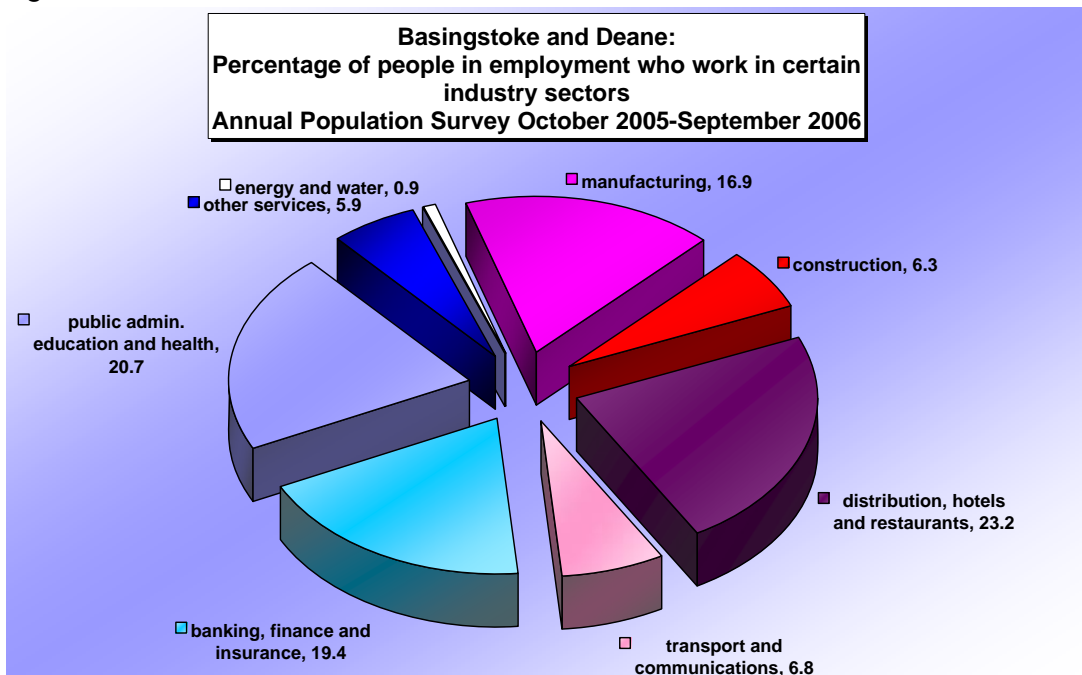
nationally) is subject to sampling variability. Comparisons with the Census results should only be general and APS percentages will vary with each release of data. That being the case, the APS remains a recent and frequently published source for data on the Borough's resident workforce.

Figure 14.1



Source: Annual Population Survey 2004-2006

Figure 14.2



Source: Annual Population Survey October 2005-September 2006

People who work in the Borough

- 14.6 The number of firms and jobs provided by the local area is an important factor contributing to an area's competitiveness. Information about jobs and businesses is collected as part of the Annual Business Inquiry (ABI), an annual employer survey conducted from a stratified sample of employers in each area, about 78,000 businesses nationally. Unlike the APS which is resident based, the ABI is workplace based, recording the number of jobs located within the Borough boundary, regardless of where the employees live.
- 14.7 Like the Annual Population Survey, the ABI is a survey, not a census, so the information it provides on the number of jobs in an area is estimated from the sample and comparisons with the Census and APS should only be made in general terms. However, it does broadly show the proportion of jobs in the different employment sectors at the time of the survey, and how this compares to other areas. For more information about the ABI, including a link to the Office for National Statistics guide to the ABI, follow the link to [Definitions](#) or go direction to the ABI guide at: <http://www.statistics.gov.uk/about/data/guides/LabourMarket/sources/business/busingquiry.asp>. Further data from the ABI can be found through the "Wizard query" or the local authority labour market profile at: <https://www.nomisweb.co.uk/Default.asp>
- 14.8 Table 14.2 shows the range of jobs across different types of industry within the Borough based on the ABI sample. It also distinguishes between full-time and part-time jobs, the latter being defined as 30 hours, or fewer, per week.
- 14.9 Even allowing for some sampling variability, the spread of jobs across sectors has remained relatively stable locally with no significant change in the proportion of different jobs in the last 5 years.

Table 14.2: Employee Analysis: Percentages of total employee jobs

	Basingstoke and Deane	Basingstoke and Deane	Hampshire	South East	Great Britain
	(employee jobs)	(%)	(%)	(%)	(%)
Employee jobs					
Full-time	54,800	68.3	66.6	67.1	67.9
Part-time	25,500	31.7	33.4	32.9	32.1
Employee jobs by industry					
Manufacturing	10,100	12.6	11.0	8.8	11.1
Construction	4,300	5.4	6.1	4.4	4.6
Services	63,700	79.4	81.8	85.3	82.9
Distribution, hotels & restaurants	20,500	25.6	25.4	25.6	24.1
Transport & communications	3,800	4.8	5.3	6.1	6.0
Finance, IT,	19,700	24.6	24.0	23.8	20.7

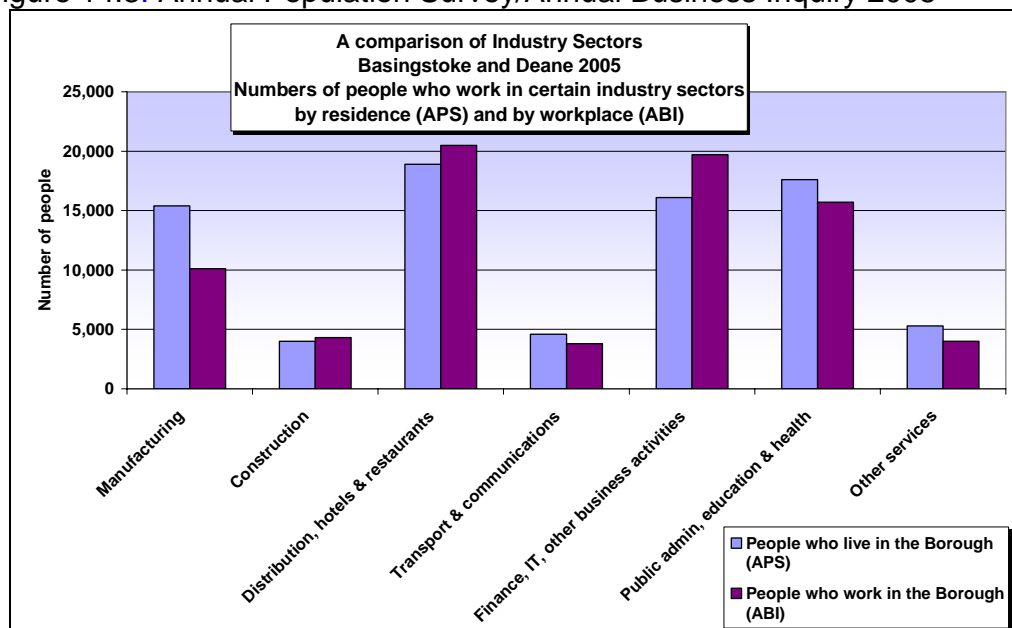
other business activities					
Public admin, education & health	15,700	19.6	22.2	24.6	26.9
Other services	4,000	5.0	4.8	5.2	5.2
Tourism-related	4,400	5.5	7.6	8.0	8.1

Source: Annual Business Inquiry employee analysis 2005

14.10 The 2005 ABI continues the patterns reported in the 2003 ABI data (see 'A Profile of the Borough 2005') in relation to how the Borough compares to Hampshire, the South East and GB. Basingstoke and Deane records a higher proportion of full time jobs - 4% more than Hampshire and the South East, a higher proportion of jobs in manufacturing (especially when compared to the South East which is 4.7% lower than the Borough), and at over 26%, a higher proportion of jobs in the finance and IT sector especially when compared to Hampshire and GB. The proportion of jobs in the public administration, education and health sector is considerably lower than County, Region and over 10% lower than the national average. Compared to each of the County districts, the 2005 ABI records that the Borough has one of the lowest proportions of part time jobs and consequently, one of the highest rates of full time jobs.

14.11 Further analysis of the APS and ABI (Figure 14.3) show how the number of jobs available in the Borough relates to the jobs carried out by the Borough's residents. Consequently, this may indicate which industry sectors in the Borough may have to import labour from outside the Borough to fill the jobs available. Conversely, it may indicate where the number of the Borough's residents employed in a sector exceeds the number of local jobs, indicating possible out-commuting. It should be noted that both the APS and ABI are sample surveys and subject to sampling variability year on year, however, this analysis will be monitored in the longer term so that any trends can be identified.

Figure 14.3: Annual Population Survey/Annual Business Inquiry 2005



Source: NOMIS

Occupations

- 14.12 Table 14.3 describes the occupations of the resident workforce. This table relates to those people who live in Basingstoke and Deane but who may travel to work elsewhere. It therefore profiles the jobs of the Borough's residents, but not necessarily the jobs that the area provides. Follow the link to [Definitions](#) for further information on the occupation group categories.
- 14.13 Table 14.3 indicates that relatively high proportions of Borough residents work in a managerial capacity, and in professional occupations, such as chemists, civil engineers, software professionals, dental practitioners, solicitors and architects; a high proportion also work in administration and secretarial jobs.

Table 14.3: Occupations

Percentage of People aged 16 - 74 in the following occupations:				
	Basingstoke and Deane (%)	Hampshire (%)	South East (%)	England and Wales (%)
Managers and senior officials	18.0	17.1	17.5	15.1
Professional	12.3	11.7	12.1	11.2
Associate professional and technical	14.0	15.0	14.6	13.8
Admin and secretarial	15.1	14.1	13.8	13.3
Skilled trades	10.4	11.6	11.0	11.6
Personal service	5.8	6.6	6.9	6.9
Sales and customer service	6.7	7.0	7.3	7.7
Process, plant and machine operatives	6.6	6.5	6.3	8.5
Elementary occupations	11.1	10.4	10.5	11.9

Source: 2001 Census

- 14.14 Conversely, relatively low proportions of Borough residents work in personal service, which includes dental and nursery nurses, care assistants, and sports and leisure

assistants; in sales and customer service; and in skilled trades, such as farmers, motor mechanics, electricians, plumbers, plasterers and chefs.

- 14.15 The percentage of Borough residents working in other occupations tends to fall between the County, regional and/or national averages. These categories cover associate professional and technical occupations; process, plant and machine operatives; and occupations which are referred to in the Census as “elementary occupations” - these include farm workers, labourers, kitchen assistants and bar staff.
- 14.16 The Annual Population Survey (January 2005 to December 2005) broadly supports the Census findings, the highest categories of occupation being “managers and senior officials” at 18% and “associate professional and technical” at 19%. The occupation groups with the smallest representation in the Borough are “personal service” staff (4.2%) and “process, plant and machine operatives” (5.9%). This is quite consistent with the findings of the April 2004 to March 2005 APS reported in the Spring 2006 Newsletter which reported the same categories as being most and least represented.
- 14.17 Out of the total 84,400 people counted as employed in the January to December 2005 APS, a further 9.6% were working in professional occupations, 10.8% in administrative and secretarial positions, 12% in skilled trades, 8% in sales and customer service occupations and 11.4% in elementary occupations.

Businesses

Business start ups and closure

- 14.18 VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population. As such they are used widely in regional and local economic planning.
- 14.19 These figures do not, however, give the complete picture of start-ups and closures activity in the economy. Coverage of the statistics is complete in all parts of the economy except a few VAT exempt sectors and the smallest one person businesses operating below the threshold for VAT registration. At the start of 2005, the year to which the data below relate, the VAT threshold was an annual turnover of 58,000, and 1.8 million of the estimated 4.3 million enterprises in the UK were VAT-registered. However, some businesses do voluntarily register for VAT even though their turnover is below the threshold. Data for 2005 show that around a fifth of all registrations have turnover below the VAT threshold. The April 2007 limit for registration is an annual turnover of £64,000 or more.
- 14.20 Table 14.4 shows VAT registrations and de-registrations for Borough businesses each year from 1995 to 2005. Please note that the new data for 2005 was released alongside revisions for the previous years as registrations and de-registrations continue to be processed retrospectively. Data for 1995 to 2004 presented below reflects this revision. Comparisons with the data presented in A Profile of the Borough 2006 show that the

revisions were relatively minor. More information on VAT registrations and de-registrations, and a guide to the methodology and accuracy of the 1994-2005 series, can be found at: <http://stats.berr.gov.uk/ed/vat/>

14.21 To set the latest data in context, Basingstoke and Deane's registrations for 2005 (540) represented about 13% of all those for Hampshire (the total for Hampshire being 4,085) and 1.9% of all those in the South East region (the total South East registrations being 27,695). Hampshire itself contributed nearly 15% of the South East total.

Table 14.4: VAT registrations and de-registrations

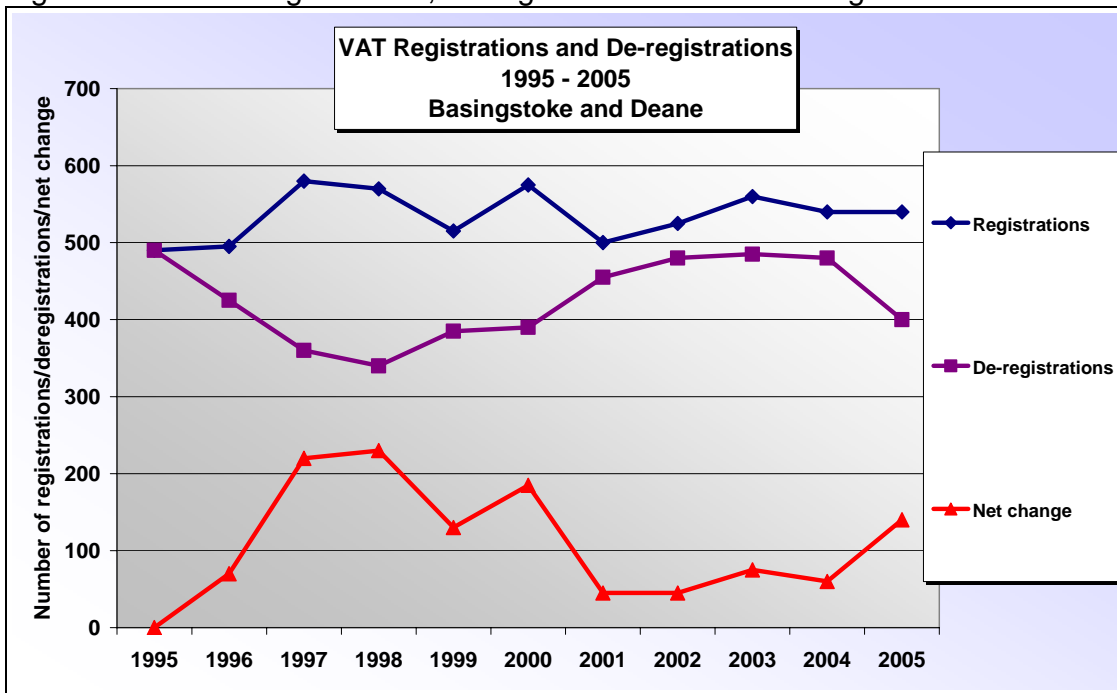
Basingstoke and Deane			
Date	Registrations	De-registrations	Net Change
1995	490	490	0
1996	495	425	70
1997	580	360	220
1998	570	340	230
1999	515	385	130
2000	575	390	185
2001	500	455	45
2002	525	480	45
2003	560	485	75
2004	540	480	60
2005	540	400	140

Source: NOMIS VAT registrations and de-registrations

14.22 This timeline, including the net change per year (registrations less de-registrations) can be seen below at Figure 14.4. It should be noted that deregistration is not necessarily an indication of business "failure". Some businesses will have closed for other reasons – retirement of the owner, the business sold to or taken over by another company, it may have fully exploited its intended and available market or have reached the end of the time limited task for which it was originally formed.

14.23 Figure 14.4 shows that over the last 10 years, registrations have exceeded de-registrations resulting in a positive net change each year. The time series reveals the most significant net change occurred in the latter part of the 1990's when registrations were high and there were fewer de-registrations. The latest year, 2005, has also seen a higher net change caused by fewer de-registrations while the number of registrations remained the similar to previous years.

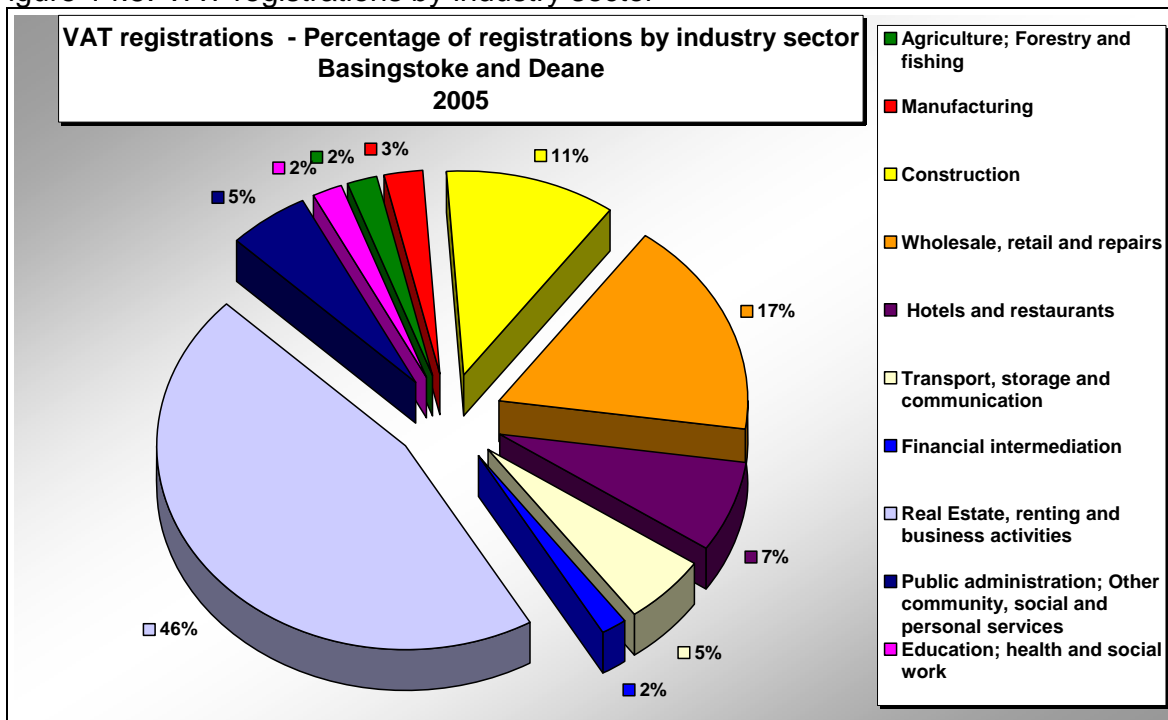
Figure 14.4: VAT registrations, de-registrations and net change 1999-2005



Source: NOMIS VAT registrations and de-registrations

14.24 Figures 14.5 and 14.6 show registrations and de-registrations by industry sector; each industry sector expressed as a percentage of all registrations/de-registrations. The proportions shown below for 2005 reflect a position that has changed little over the past few years.

Figure 14.5: VAT registrations by industry sector

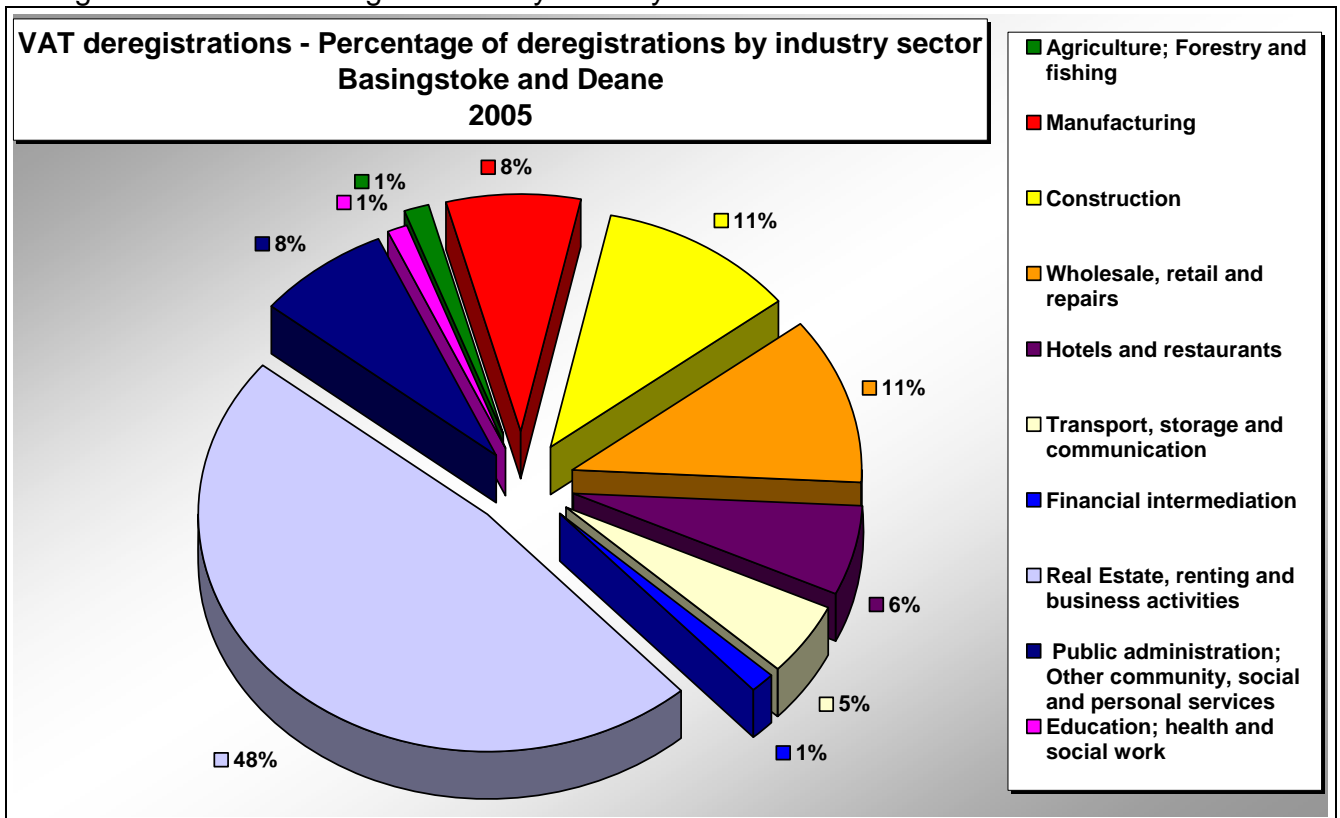


Source: NOMIS VAT registrations

14.25 Figure 14.5 shows that the real estate, renting and business activities sector records the highest percentage of VAT registrations in the Borough. This is similarly true of both Hampshire and the South East region. Figure 14.6 below, which shows proportions of VAT de-registrations. Comparison of Figure 14.5 and 14.6 indicates that, in general, there is marginal difference between the sectors when it comes to businesses registering or de-registering for VAT. Any variation in terms of the proportions can be seen as a continuation of a usual fluctuation in numbers. The exception, perhaps, is in the real estate, renting and business activities sector. Although new registrations in this sector have been consistent, there have been varying numbers of de-registrations. 2005 has also seen twice as many registrations than de-registrations in the wholesale, retail and repairs sector.

14.26 The real estate, renting and business sector makes up the largest proportion of the registration and de-registration share, but this is a more diverse sector than its formal Office for National Statistics title suggests. In addition to property and land management, buying and selling, it includes renting/hire of technical, office, agricultural and personal machinery and equipment, computer hardware and software consultancy and supply, and a wide range of business support activities including recruitment, accountancy, sales/marketing, and advertising services. A full set of detailed activities can be found at: http://www.statistics.gov.uk/abi/sic92_desc.asp.

Figure 14.6: VAT de-registrations by industry sector



Source: NOMIS VAT de-registrations

VAT registered businesses stock

14.27 VAT registrations and de-registrations are an indication of business start ups and closures so these proportions will not necessarily reflect the spread of sectors in the Borough at any one time. The [Annual Business Inquiry](#), the [Annual Population Survey](#) and stock count at the end of each year give an indication of the size and spread of business sectors throughout the Borough.

14.28 Table 14.5 shows the number of businesses at the end of each year by broad industry group since 2000, showing growth or a generally stable position maintained in all industry sectors when comparing the beginning and the end of this period.

Table 14.5: VAT registered businesses by Industry

Basingstoke and Deane VAT registered businesses by industry						
Date	2000	2001	2002	2003	2004	2005
Agriculture; Forestry and fishing	265	265	265	265	260	260
Manufacturing	395	395	405	395	390	375
Construction	645	640	655	685	690	710
Wholesale, retail and repairs	760	755	750	780	795	845
Hotels and restaurants	190	200	200	205	210	225
Transport, storage and communication	210	210	205	205	225	230
Financial intermediation	65	70	70	65	60	65
Real Estate, renting and business activities	2,105	2,120	2,145	2,160	2,190	2,255
Public administration; Other community, social and personal services	430	445	455	460	450	450
Education; health and social work	65	70	75	70	70	75
Total	5,130	5,170	5,225	5,290	5,340	5,490

Source: NOMIS VAT stock at end of year

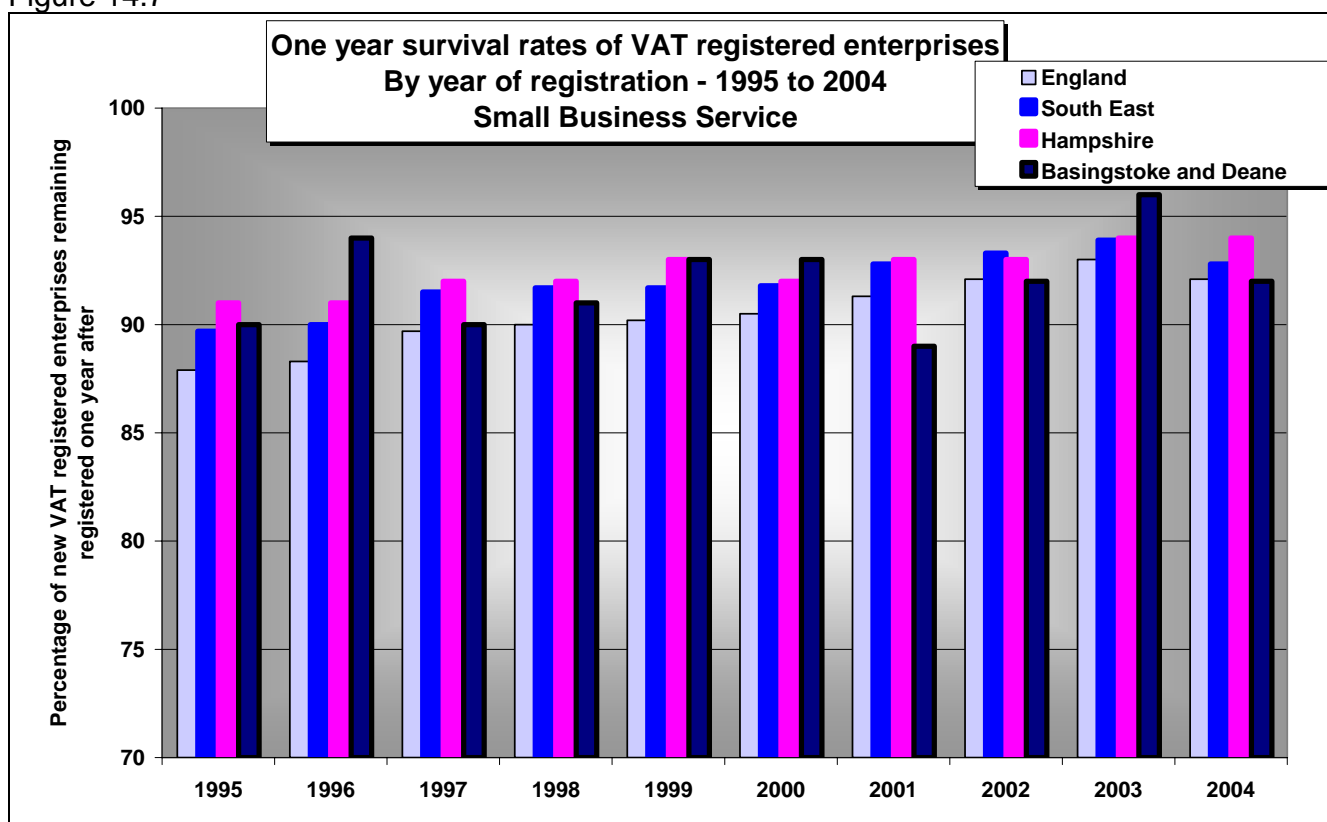
Survival rates of VAT registered enterprises

14.29 The Small Business Service has, in recent years, published annual or biennial estimates of the survival rates of new businesses, based on VAT registrations and subsequent de-registrations. The series is based on data taken from the Inter Departmental Business Register (IDBR). Enterprises registering for VAT are not necessarily new businesses, as enterprises are unlikely to register if their turnover falls below the compulsory VAT threshold. Similarly, enterprises that de-register may not necessarily have closed. The estimates for survival rates therefore exclude a large proportion of the very smallest businesses: VAT registrations and de-registrations are, however, used as a proxy for business start-ups and closures.

14.30 A time series has now been developed from 1995 to 2004. Data have been adjusted to take into account time lags in reporting registrations and de-registrations. An extract is taken from the IDBR listing new VAT registrations in each year from 1995 to 2004 for each local authority; the number of these enterprises that de-registered within each three-monthly interval after registration is also listed. Survival rates are calculated by dividing the number remaining at each three-monthly interval by the original number of registrations. Estimates are produced showing the percentage of VAT registered enterprises that remain registered at one year and three years following their year of registration.

14.31 Figure 14.7 shows the percentage of VAT registered businesses, by year of registration, that had remained registered one year following that registration. It compares the Borough's one year survival rate with that for Hampshire, the South East and England. This shows the one year survival rate of enterprises in the Borough consistently around 90% or higher, within a range of 89% (in 2001) to 96% (2003). 2004 data records all the Hampshire districts, Reading, West Berkshire and the Hampshire and South East averages as between 91% (Gosport) and 95% (Fareham, Hart, Havant and New Forest) with Basingstoke and Deane as 92%.

Figure 14.7

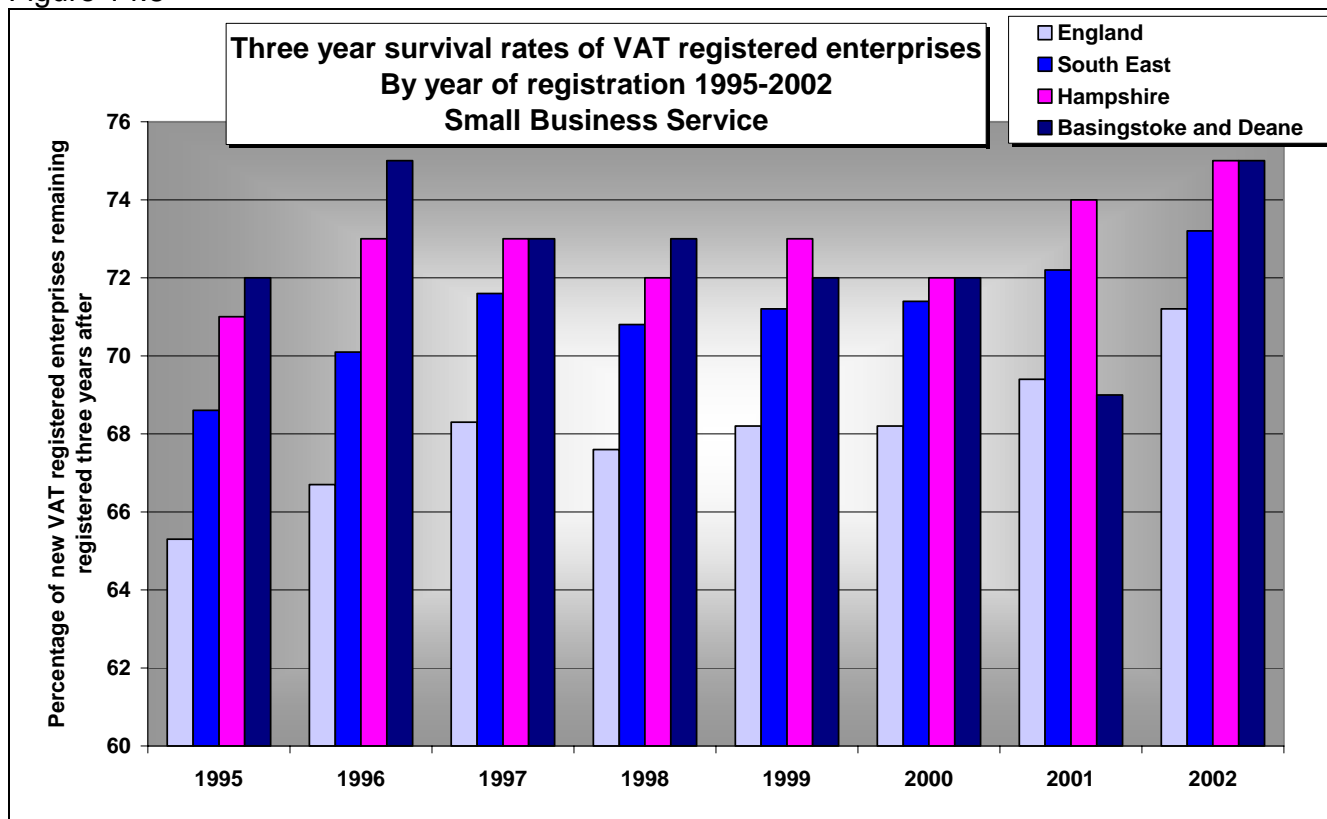


Source: Small Business Service

14.32 Figure 14.8 shows the percentage of VAT registered businesses, by year of registration, that had remained registered three years following that registration. As with Figure 7, it compares the Borough's three year survival rate with that for Hampshire, the South East

and England. This shows the one year survival rate of enterprises in the Borough consistently around 70% or higher which compares favourably with averages for County, Region and for England as a whole. In the 8 year period from 1995, the Borough rate has ranged from 69% in 2001 to 75% in 1996 and 2002. 2002 data records all the Hampshire districts, Reading, West Berkshire and the Hampshire and South East averages as between 70% (Gosport) and 77% (East Hampshire and Test Valley).

Figure 14.8



Source: Small Business Service

Enterprise and local units

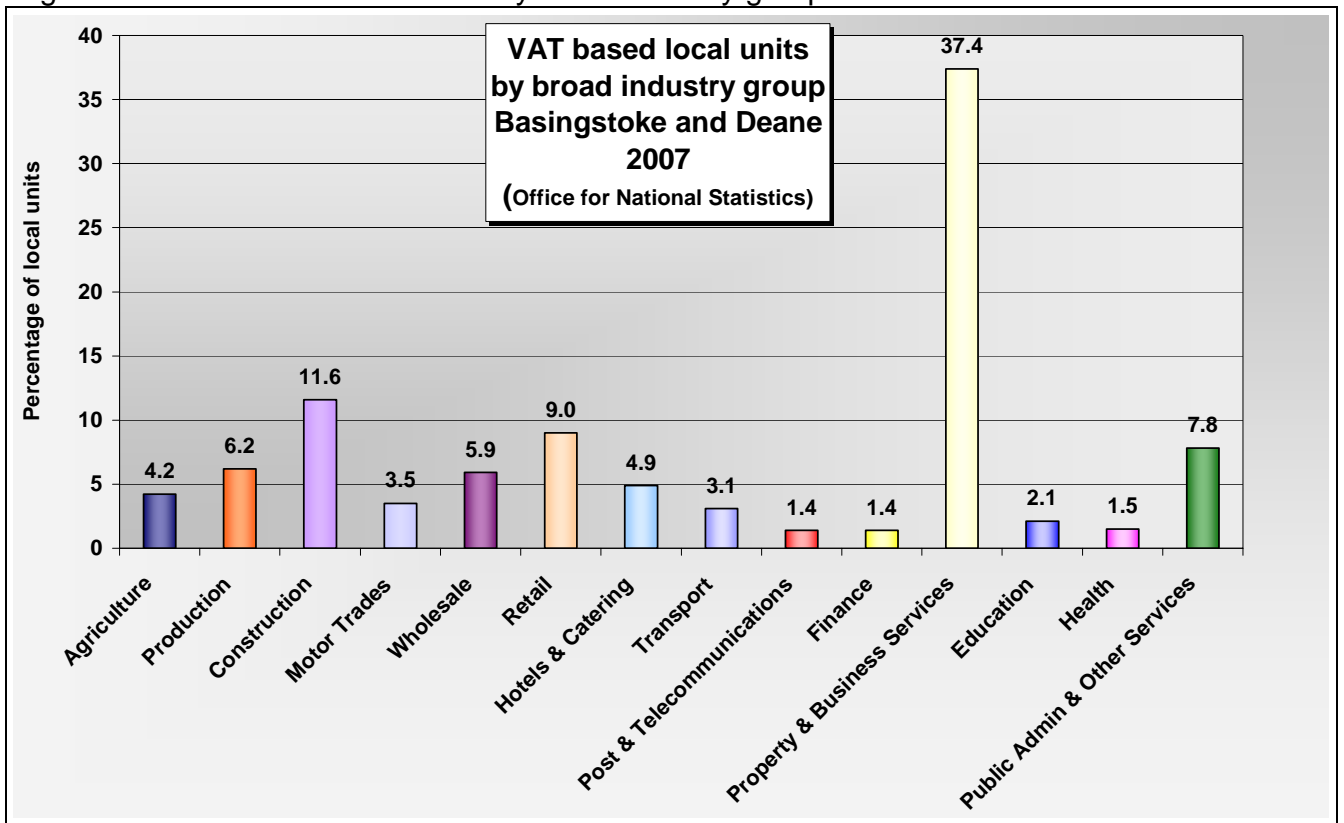
- 14.33 The Office for National Statistics has produced a number of tables of counts of businesses for England and Wales. These tables are produced from a snapshot of the Inter-Departmental Business Register (IDBR). The IDBR is the comprehensive list of UK businesses that is used by the government for statistical purposes. It provides a sampling frame for surveys of businesses carried out by the ONS and by other government departments. It is also a key source for analyses of business activity.
- 14.34 The IDBR is based on inputs from three administrative sources; traders registering for VAT purposes with HMRC (HM Revenue and Customs); employers operating a Pay As You Earn (PAYE) scheme registered with HMRC; and incorporated businesses registered at Companies House. The ONS Business Register Survey and other surveys supplement these administrative sources, identifying and maintaining the business

structures necessary to produce detailed industry and small area statistics. More information about the IDBR can be found at by following the link to [Definitions](#) or by going direct to the IDBR guide at:

<http://www.statistics.gov.uk/about/data/guides/LabourMarket/sources/business/businessregister.asp>

- 14.35 The tables below are produced only for VAT-based enterprises and local units and are taken from a snapshot of the IDBR at 17th March 2007. Enterprises/local units based only on PAYE employers are not included due to the potential for duplication. An “enterprise unit” is essentially a business, whether independent, or part of an enterprise group bound together by legal and/or financial links, but with some degree of autonomy or control and usually located at the main operating site or head office. A “local unit” is an individual site situated in a geographically identified place (ie: a shop, factory etc). For example, in the case of larger businesses, like a supermarket chain with several hundred shops in the UK, the head office (enterprise unit) is likely to be in one location, and the operational units (local units) will be at numerous addresses throughout the country.
- 14.36 To give an overall picture of business activity in the Borough, “local unit” data is reported here. Data on “enterprise units”, and more data on local units, can be found by following the link to [Neighbourhood Statistics](#).
- 14.37 Of the 6,210 units included in the March 2007 snapshot, the majority of businesses (70%) employ 4 people or fewer. Larger businesses, employing 20 people or more, form nearly 10% of the local units count. This count does not give information about the numbers of people, or the percentage of the workforce, which these smaller or larger businesses employ. Hampshire County Council, however, in [A Profile of Hampshire 2005](#) produced data relating to 2003 which showed that 73% of firms in the Borough employed less than 5 people and together provided jobs for 10% of the total employees who work here. The 2% of firms in the Borough with 100 or more employees, provided jobs for nearly 45% of total employees who work here.
- 14.38 The proportion of local units by industry sector can be seen at Figure 9. As this is based on the number of business units or premises in the Borough, it cannot be compared to the Annual Business Inquiry or the Annual Population Survey which analyses the spread of employee jobs. Comparisons to the VAT registered businesses stock count should also be treated with caution as one VAT registered business may operate more than one premises. Figure 14.9 clearly shows the property and business services sector as having the highest proportion of local units in the Borough. It is worth noting that although the finance sector appears under represented, this may be because many of the companies in this sector in the Borough tend to be larger businesses employing significant numbers of people.
- 14.39 The Hampshire Economic Development Office has produced a list of the largest public and private sector employers in Hampshire, by number of employees, sales and pre-tax profits. This can be found on the Hampshire County Council website at: <http://www3.hants.gov.uk/planning/factsandfigures/othertopics.htm#majoremp>

Figure 14.9: VAT based local units by broad industry group 2007



Source: ONS

Employment land

14.40 Basingstoke and Deane's Annual Monitoring Report (AMR) contains data on employment land and retail and leisure development. The AMR covers indicators relating to the availability of employment land and retail/leisure sites including developments on previously developed land, recognising development as an important feature of both economic growth and environmental issues. The latest AMR which reported in December 2007 can be found on the Basingstoke and Deane Borough Council website at: <http://www.basingstoke.gov.uk/planning/ldf/amr.htm>