

Cambridgeshire's Economic Assessment Supplementary Documents

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Cambridgeshire's Economic Assessment

Executive Summary

Introduction

As a shared evidence base, the economic assessment highlights the most important economic issues facing the county and districts.

The economic assessment offers a comprehensive view of the economy and is organised into four main chapters:

- Business (including levels of productivity and sectoral strengths);
- People (including skills levels and patterns of deprivation) and;
- Place (including employment land provision and the impact of climate change).
- Worklessness (nature and scale of unemployment and economic inactivity)

Seven district profiles (four Cambridgeshire districts, Cambridge City, plus St Edmundsbury and Forest Heath) draw together information from across the four chapters above into a summary analysis of the economy of each district.

Cambridgeshire's functional economic area

Cambridgeshire's labour market is relatively self contained, with 80% of Cambridgeshire's residents working in the county, and 81% of Cambridgeshire's workers living in the county. These figures have not changed significantly since 2001, however there has been a slight increase in the number of residents commuting to London, mainly from South Cambridgeshire and Huntingdonshire.

Cambridge acts as a regional centre of employment. Commuting patterns into Cambridge stretch across the Cambridgeshire local authority boundary into the surrounding districts of St Edmundsbury, Forest Heath and Uttlesford. These patterns overlap significantly with those of Peterborough.

Analysis has therefore been undertaken at the level of the functional economic area (Greater Cambridge), county and district with comparisons taken at regional and national level. Neighbouring authorities are being consulted with on the findings of the assessment to identify shared priorities and opportunities for joint activities.

Overview of Cambridgeshire's economy

The economic assessment shows Cambridgeshire to have a diverse, relatively resilient economy with nationally significant strengths in research and development, higher education, software consultancy, high value engineering and manufacturing, creative industries, pharmaceuticals, agriculture, processing and tourism. Many of these sectors are recognised to have significant growth potential which bodes well for the future health of the economy.

Much of the resident population is highly skilled, levels of economic activity are high, crime levels are low and generally residents are satisfied with the area as a place to live.

However, the gap in prosperity and skills between the north of the county and the south of the county is growing, women earn significantly less than men and transport congestion costs businesses millions in lost productivity. Low housing affordability and inadequate broadband access may severely restrict the capacity of the economy to grow and high carbon emissions will increase the vulnerability of business and residents to future hikes in energy prices.

The recession

Although the assessment used the latest available data, many data sources are only updated on an annual basis and the latest data in some instances was from 2008. Where possible we used trend data to gain an impression of direction of travel rather than rely on a snapshot in time, however it is important to recognise that the UK was still in recession in 2008 and over late 2009 and 2010 was only just beginning its slow recovery.

The full impact of the recession is therefore unlikely to be identified in this assessment, although some impacts, such as a widening gap between stronger and weaker economies, can already be seen. Various organisations have modelled the longer term impact of the recession and recovery and their findings include the following:

- The recovery may make the gap between stronger and weaker economies even worse as it is anticipated that growth over the next ten years will be driven by knowledge-based industries such as:
 - The creative industries
 - Manu-services
 - Low carbon industries
 - High-tech and high-value added services.

This would imply that the gap we already see, particularly between the north and south of our functional economic area, is likely to widen.¹

- Cities whose economies are dominated by the public sector are expected to face challenges across all sectors, public and private. The Work Foundation argue that although Cambridge has a high proportion of public sector jobs, the higher value nature of that employment (high value higher education, teaching hospitals, other research led public sector bodies) means that the city is still likely to have robust growth in the future. However, Cambridge will not emerge unscathed. The Local Futures Group estimate that around 3500 to 4000 jobs will be lost from the public sector between 2010 and 2016. The high level of commuting into Cambridge from surrounding districts means that the impact of these job losses will be felt across the wider geography.
- Furthermore, the multiplier effect of reduced employment in public services will spread out to the wider local economies. Public sector contracts will reduce in value or dry up completely, while demand for locally produced goods and services, both from the public sector itself and public sector workers via consumption economies, will be affected². Research by Oxford Economics shows that at least 2.3m private sector jobs will be at risk, as a result of the spending cuts. This comprises 1.2m jobs directly supported by the sector and a further 1.1m jobs that depend on the supply chain of these companies.
- Cambridge start ups have traditionally attracted a large proportion of the UK's venture capital funding, however the availability of that funding has significantly reduced during the course of the recession, with many venture capitalists moving out of the relatively risky early stage market. The impact of this can be seen on 2008 start up figures, whether this trend continues remains to be seen.

The following pages draw together the key findings of the economic assessment into an analysis of Strengths, Weaknesses, Opportunities and Threats, while taking into consideration what further impacts of the recession we might see on the local economy.

¹ The Work Foundation, 2010

² The Local Futures Group, 2010

Strengths of the economy

- Generally high levels of resident satisfaction in their local area as a place to live based on the results of the '2008 place survey'
- Crime levels are generally decreasing across the county – businesses rate risk of crime as a significant factor determining their choice of location.
- Retail growth in all district town centres (apart from Fenland) both provides an important source of employment and could help support the vitality of the broader market town business base.
- Steady increase in renewable energy capacity both increases energy security and opens up supply chain opportunities for local business.
- Generally high business density across most of the functional economic area, with most districts seeing an increase in business density between 2001 and 2008 (apart from Forest Heath)
- An internationally significant hi-tech sector, with evidence of an increase in hi-tech firm size between 2006 and 2008
- Jobs growth across the economy broadly matches the national rate in all five Cambridgeshire districts, with the overall rate of increase highest in East Cambridgeshire. Continued employment growth forecast in all districts.
- GVA per capita (measure of general prosperity) above regional and national average.
- The pharmaceutical industry is an important source of high value exports.
- High proportion of residents employed in high value occupations throughout commuter belt
- Generally high skills levels in the south and west of the county, particularly at level 4+ (degree level); generally recognised as the skill level required to drive innovation and leadership within an economy and to enable businesses to compete globally.
- A relatively resilient and diverse economy; on average, unemployment claimants have increased at a rate equally to or lower than the national average since the onset of the recession.
- The economy has particular strengths in
 - Higher education
 - Research and Development
 - Software consultancy and electronics engineering
 - High value manufacturing including pharmaceuticals and chemicals, aircraft, advanced materials and scientific instruments.
 - Lower value manufacturing and processing, particularly food processing.
 - Tourism

Weaknesses of the economy

- There are very large disparities in prosperity and skills between the north and south of the area. Average productivity and prosperity levels are driven up by the economy in and around Cambridge drawing in workers from the surrounding districts. Further north and east, productivity, business density and prosperity levels are much lower. Some of Fenland wards among most deprived in the country.
- Relatively low levels of resident satisfaction in Fenland and Forest Heath and low levels of prosperity in these districts.
- In the majority of wards across the sub-region, housing is less affordable than across the East of England as a whole and in the south of the county is 10-16 times income. This is a significant constraint for people wishing to move into the area to work or set up a business.
- Accessibility of employment, education and training by means other than car is relatively low across all rural districts
- Transport infrastructure and transport congestion both on rural and urban roads costs millions in lost business productivity, reduces road safety and impacts on attractiveness as a business locality and the area's ability to attract investment
- Low turnover and employment per enterprise across the county and evidence showing a number of small businesses are not growing above VAT/PAYE threshold
- An average pay gap of about 30% between men and women across most of Greater Cambridge, significantly higher than the national gap of 20%.
- High (and rising) levels of disability and Incapacity Benefit (ESA/IB) claimants in Fenland and pockets of long term claimants in Cambridge City.
- Minority groups (including Travellers) face significant barriers to work and learning, their economic potential is not realized. Growing ethnic minority groups are over-represented in the unemployed population
- The pay gap is increasing among residents in the north and south of the county and currently stands at about 50%.
- Basic and intermediate skills levels are very poor in Fenland and Forest Heath and very few residents are qualified to degree level. Pockets of significant education deprivation exist in Huntingdon, St Neots and Cambridge.
- Increasing employment inequalities: Fenland, Huntingdon North, Kings Hedges, St Neots, Littleport hit hardest by recession. Furthermore there is an over-representation of 18-24 year olds among the unemployed, particularly in Fenland

Opportunities for the economy

- There has been a significant recent increase in the proportion of new dwellings built that are affordable. This should help to open the market up to more first time buyers and people wishing to move into the area, thus increasing the labour supply for many local businesses.
- A number of housing developments are in the pipeline, increasing the potential supply of affordable housing in the future
- Growth of micro-generation and increasing renewable energy capacity can open up new supply chain opportunities, increase energy security and has the potential to alleviate fuel poverty
- A focus on improving green infrastructure, sports facilities and arts and culture provision will improve quality of life and support the area in attracting and retaining the best talent and business
- Higher skilled workers are commuting into Fenland to work, suggesting the opportunity exists to up-skill residents to compete for these higher skilled roles.
- The high-tech sector is generating national strengths in creative industries and clean technologies, important growth sectors in their own right.
- Targeted managerial training for potential high growth companies may support higher rates of business growth in small businesses.
- There may be opportunities for the workless to access jobs due to decreasing competition from an ageing population
- Potential of labour market supply (36,000 workless individuals in addition to high skilled graduates) not fully realised in the north or south of the county.
- There has been a recent increase in further education/apprenticeship take up of engineering, science and technology subjects, however apprenticeship numbers are decreasing.
- Short/Medium term skills demand in health, retail, business services. Longer term demand in health, creative industries, agriculture, manufacturing.
- Research conducted on the resilience of the economy suggests that Greater Cambridge has a strong culture of collaborative working. Numerous structures are in place that have allowed the interaction of the public, private and social sectors and have been important in the development of pronounced public and social capital. There are opportunities to build on these structures to maximise the potential of the economy, particularly building links between the private and social sectors.

Threats to long term economic growth and prosperity

- Fenland and Forest Heath have particularly low attainment and attendance levels of young people in education, and accessibility of education, particularly in Fenland, is low. The gap in attainment levels between deprived and non deprived students in Cambridgeshire, is one of the highest in the country.
- A high dependence on high skilled migrant workers in the high tech and health sectors could cause problems within increasingly tight visa restrictions. Equally, there are signs that lower skilled migrant workers are returning to their country of origin, which again could cause significant recruitment problems for industries such as agriculture and horticulture which are highly dependent on migrant labour.
- Each district in Cambridgeshire has a lower than average proportion of its population holding level 3 as their highest qualification. This raises the likelihood of a chronic intermediate level skills shortage, particularly in technical and skilled trade occupations.
- Managerial and commercial skills are also reported to be in short supply both across the ICT sector and the agri-food industry and may restrict future business growth.
- The reduction of occupied office space in town centres (and the high cost of land in the south), will reduce the business diversity within market towns and in the case of Cambridge, could have implications for the future growth of knowledge based industries.
- Lack of venture capital availability could continue to constrain the birth and growth of high value, high technology businesses.
- CO2 emissions per head are generally higher than average across most of Greater Cambridge which could cause problems for residents and businesses as fuel prices continue to increase.
- Food and farming and transport industries are particularly susceptible to the negative impacts of climate change
- High public sector employment in Cambridge City, with high levels of in-commuting, means that public sector redundancies could have a significant negative impact across the wider economy.
- East Cambridgeshire, Fenland, St Edmundsbury and Forest Heath economies lack diversity and business 'churn' and are very dependent on lower value manufacturing and processing industries. Birth rates of new enterprises are relatively low across most districts – and rates decreased significantly in 2008. A low birth rate of new enterprises can reduce competition and restrict the business innovation that drives productivity.
- Low availability of affordable detached and semi-detached housing in Cambridge City may impact negatively on inward investors who to move to the city with existing staff and families
- Generally the area has a strong innovation performance, particularly in the south, but this is constrained by 'linkages', particularly transport and the cost of finance. Furthermore, innovation strengths are concentrated within the University of Cambridge and a small number of global companies – a situation that may not be resilient in the longer term.
- Forecast patterns of future population growth are likely to compound differences in economic prosperity between the south and north of county
- The condition of housing stock is relatively poor in areas such as Littleport, St Ives, areas of Forest Heath and Wisbech. This reduces the attractiveness of these areas as somewhere to live and invest and can contribute to fuel poverty.
- Low likelihood of next generation broadband access across much of the county is likely to affect future business productivity, the ability of residents to work from home and the attractiveness of the area as a location for inward investment

Implications for future strategy

Target training and skills support for business

- Managerial training
- Apprenticeships and Group Training Associations

Maximise labor market potential

- Aspirations and skills levels of the long term workless population and deprived communities
- Availability, accessibility and quality of education for 14-19 and adults in rural areas
- Links between high skilled graduates and the local business community
- Links between schools and local business community
- Disparity in earnings between men and women, particularly in South Cambridgeshire
- Re-training for public sector workers

Improve strategic and local transport links, broadband infrastructure, housing affordability and enhance quality of life

- Alternative funding streams and approaches to infrastructure improvements
- Affordable housing, in all districts, of all sizes.
- Resource efficiency, particularly in housing to help tackle fuel poverty
- Traffic congestion

Maintain and build strengths in growth sectors

- Inward investment to strengthen supply chains in high growth sectors
- Export potential
- Adequate provision of appropriately placed land and quality business accommodation
- Funding availability
- Investment in innovation
- Migrant workers – visa restrictions

Build strengths in high value manufacturing and processing

- Renewable energy capacity and associated supply chains
- Recruitment of high skilled technicians and managers in to agri-business sector
- Tech transfer into agri-business sector
- Agriculture susceptibility to climate change

Town centre vitality and tourism – diversify rural economies

- Adequate provision of retail and office accommodation in market towns
- Tourism marketing and accommodation
- Start up support

Business

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Business SWOT

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Generally high business density across most of the functional economic area, with all Cambridgeshire districts seeing an increase in business density between 2001 and 2008.	p20
Evidence of an increase in hi-tech firm size between 2006 and 2008	p9
Jobs growth across the economy broadly matches the national rate in all five Cambridgeshire districts, with the overall rate of increase highest in East Cambridgeshire. Continued employment growth forecast in all districts.	p26
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Low turnover and employment per enterprise across the county and evidence showing a number of small businesses not growing above VAT/PAYE threshold	p25
Percentage of small business growing employment relatively low in the north and east.	p32
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Significant pay gap between men and women across most of Greater Cambridge	p36
Opportunities	
Fenland workplace wages notably higher than resident wages – suggests presence of higher value industries in Fenland for which residents may not have the required skills.	p36
Prior to the recession, high jobs growth in all Cambridgeshire districts, with highest rate in East Cambridgeshire	p35
A reasonably diverse industrial base with strengths in high value engineering and manufacturing, R&D, science and technology, creative industries and bio-chemicals, agriculture, processing and tourism.	p4
Targeted managerial training for potential high growth companies may support higher rates of business growth in small businesses.	p10
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High public sector employment in Cambridge City, with high levels of in-commuting. Re-skilling of public sector workers may be necessary to help 're-balance' the economy towards the private sector.	p6
East Cambridgeshire and Fenland economies lack diversity and business 'churn' and are very dependent on lower value manufacturing and processing industries.	P24
Recent decrease in VAT/PAYE registrations, indicative of a wider threat of a reduction the availability of venture capital investment.	p27
Strong innovation performance, particularly in the south, but constrained by 'linkages', particularly transport and the cost of finance.	p28
Jobs density much higher in the south of the county than in the north and east. Productivity and prosperity are highest in those areas with higher value industries and high jobs densities.	p33
Skills shortages in technical and scientific skills, particularly at NVQ level 3 but also at higher skilled and managerial levels, particularly in the agri-food industry.	p42

Business sectors and occupational profile

A reasonably diverse industrial base, with strengths in high and low value manufacturing, engineering, R&D, science and technology, food processing and construction.

The professional, scientific and technical sector accounts for the largest number of businesses in all districts other than East Cambridgeshire and Fenland where construction is the largest sector. However neither sector provides an equivalently high proportion of jobs. Key employment sectors across the county are manufacturing, education and health.

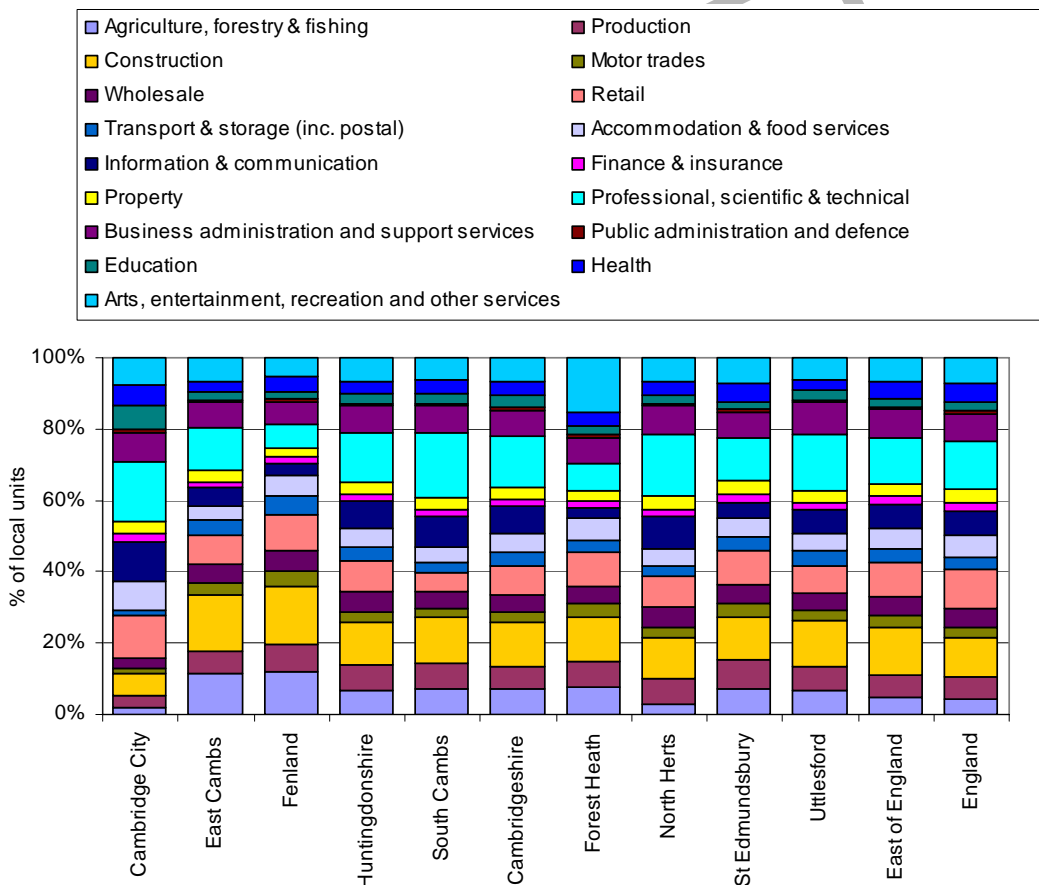
Business by sector

There is a reasonably diverse industrial base in Cambridgeshire, although significant industry and employment differences between the different districts.

Across Cambridgeshire, the professional, scientific and technical sector accounts for the largest number of businesses with 14% of all local units, followed by construction with 12%. The professional, scientific and technical sector accounts for the largest number of businesses in all districts other than East Cambridgeshire and Fenland, where construction is the largest sector, and Forest Heath, where arts, entertainment, recreation and other services is the largest sector.

Figure 1: Businesses in Greater Cambridge by district and industry sector in 2009 at local unit (site) level

Source: ONS – UK Business: Activity, Size and Location



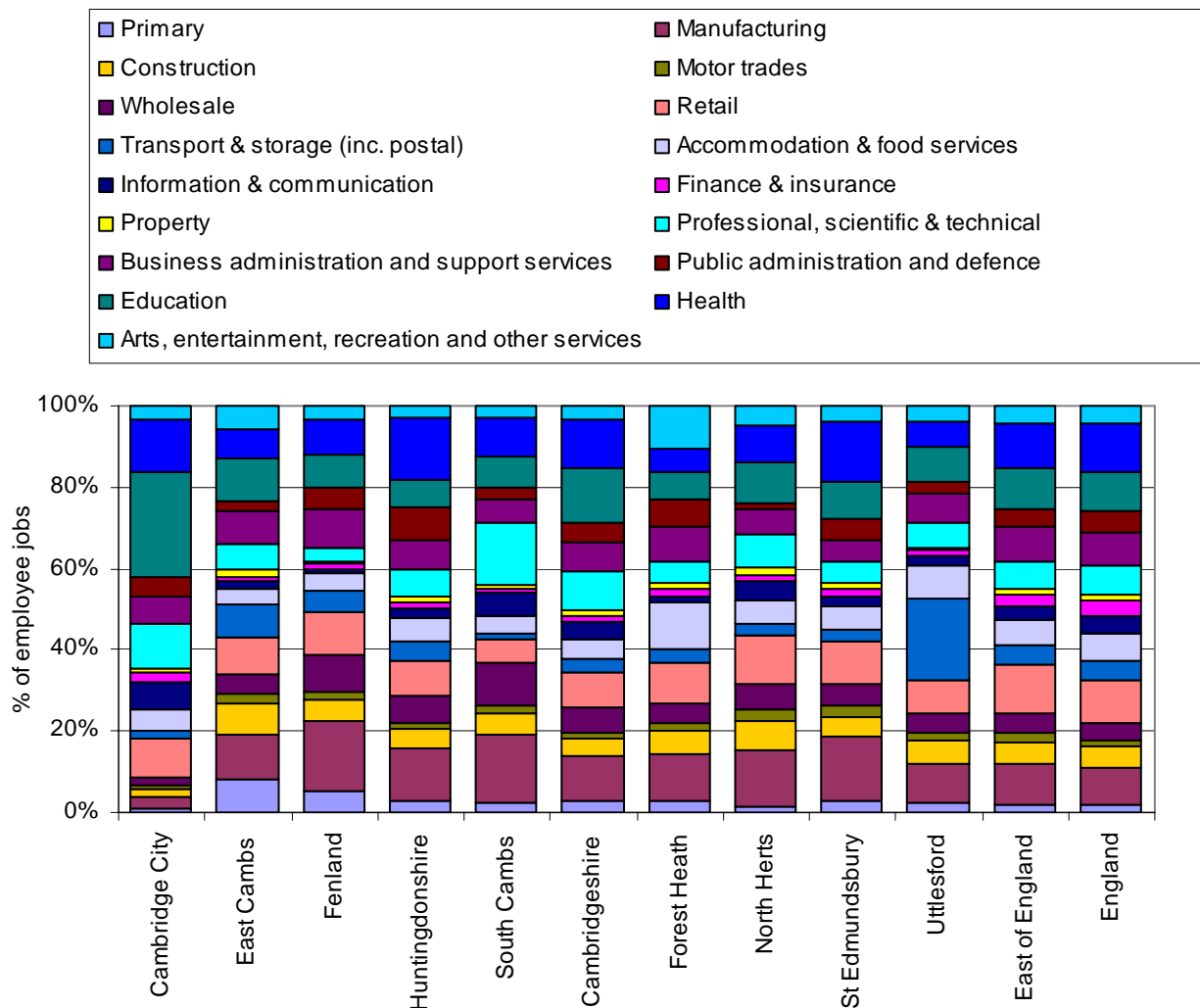
Jobs by sector

The figures below represent employee jobs and therefore exclude self-employed jobs, government-supported trainees and HM forces that together make up Cambridgeshire's total jobs count figure of 326,000.

A significant proportion of Cambridgeshire's jobs are in Manufacturing (primarily Fenland, Huntingdonshire, East Cambridgeshire and South Cambridgeshire) and Education (primarily Cambridge City). Although Construction is the largest business sector in Fenland and East Cambridgeshire, it does not provide a significantly large proportion of jobs in either district. Although the professional, scientific and technical industry forms the largest business sector in Hunts, South Cambs and Cambridge City, it only provides a notably higher proportion of jobs in South Cambs compared with regional and national figures. Both Huntingdonshire and Cambridge City have a high proportion of jobs in health. There are relatively few jobs in financial services across all districts.

Figure 2: Employee jobs in Greater Cambridge by district and industry sector in 2008

Source: ONS – Annual Business Inquiry



Public sector and knowledge intensive employment → PEOPLE p18

High public sector employment in Cambridge City,

A high proportion of Cambridgeshire's workers are employed in high value occupations, knowledge intensive occupations and the public sector. Knowledge intensive occupations and public sector employment are concentrated in Cambridge City, yet given the level of commuting into the city, a reduction in public sector finance could have a significant impact on employed residents across the wider commuter belt.

The total jobs figure on the previous page is an estimate of jobs within Cambridgeshire. The workplace population is an estimate of people working in Cambridgeshire, and is lower than the total jobs figure because, for example, some people have more than one job. Cambridgeshire's workplace population was 304,700 in 2009, compared to 303,100 in 2008, a 1% increase.

A significantly higher proportion of Cambridgeshire's workers are in high value occupations, compared with the regional and national average. These occupations are mainly concentrated in the south and west of the county. The proportions in Fenland and East Cambridgeshire are a few percentage points below the national average. Across all Cambridgeshire districts, including Fenland and East Cambridgeshire, the proportion of the employed resident population in high value occupations (Table 2 overleaf) is higher than the proportion of the workplace population employed in these occupations (Table 1 below).

Almost twice the national proportion work in knowledge intensive occupations across Cambridgeshire (20%), however these roles are largely concentrated in Cambridge City. Fenland has half the regional proportion of knowledge intensive workers at just 6%.

Public sector workers account for just under a third of all Cambridgeshire workers, slightly above the regional and national average; again, the majority of these roles are in Cambridge City where 39% of all workers, work in the public sector. Only Fenland and East Cambridgeshire have below average public sector employment.

Table 1: Workers in high value and knowledge intensive occupations, and workers in public sector and service sector industries, in Greater Cambridge by district in Oct 2008-Sep 2009

Source: ONS – Annual Population Survey (Workplace Analysis); High Value – managers and senior officials, professional occupations, associate professional and technical occupations, and skilled trades occupations; Knowledge Intensive – science and technology professionals, health professionals, teaching and research professionals, and science and technology associate professionals; Public Sector – public administration, education and health; Total Services – all service sectors including public sector

Area	Workplace Population	High Value	Knowledge Intensive	Public Sector	Total Services
Cambridge City	119,500	73.3%	32.8%	38.7%	85.9%
East Cambridgeshire	25,900	52.0%	12.0%	19.6%	60.8%
Fenland	34,900	50.7%	6.0%	21.3%	59.7%
Huntingdonshire	77,000	60.8%	13.5%	29.8%	73.5%
South Cambridgeshire	47,400	61.1%	13.1%	29.2%	72.1%
Cambridgeshire	304,700	63.8%	20.0%	31.4%	75.5%
Forest Heath	40,900	51.9%	9.4%	26.0%	73.2%
North Hertfordshire	52,500	57.9%	17.2%	27.2%	77.7%
St Edmundsbury	54,500	56.6%	12.7%	29.3%	67.7%
Uttlesford	26,500	51.1%	15.5%	19.4%	67.6%
Greater Cambridge	479,000	60.7%	17.7%	29.6%	74.2%
East of England	2,540,600	54.2%	12.2%	27.7%	76.9%
England	24,155,600	54.7%	11.7%	29.2%	78.6%

Figure 3: Workplace population in Greater Cambridge by district and occupation group in Oct 2008-Sep 2009

Source: ONS – Annual Population Survey (Workplace Analysis)

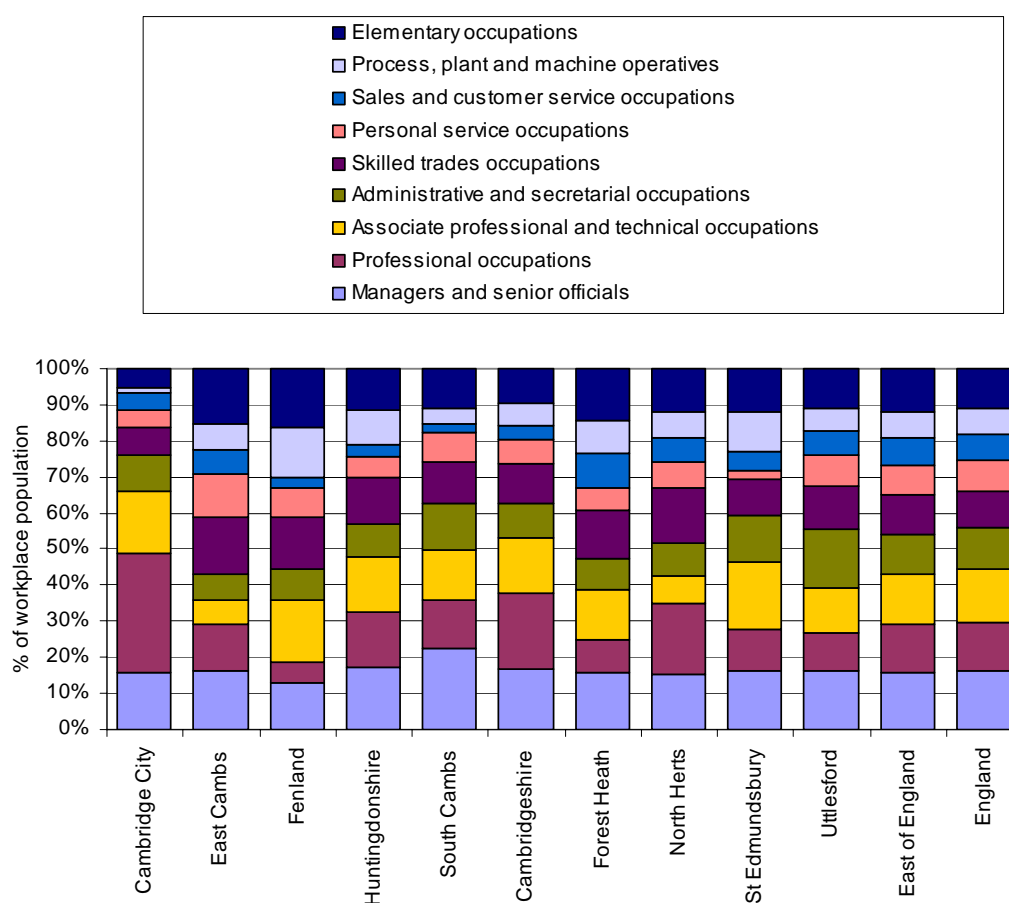


Table 2: Occupational structure of the employed resident population

Source: ONS Annual Population Survey, July 2008 to June 2009

Area	Managers and senior officials	Professional	Associate prof & technical	Administrative and secretarial	Skilled trades	Personal service	Sales and customer service	Process, plant and machine operatives	Elementary	% employed in 'high value' occupations
Cambridge City	9.4%	42.2%	17.4%	8.0%	7.0%	5.4%	2.6%	n/a	6.6%	76.0%
East Cambridgeshire	16.4%	12.7%	9.2%	7.7%	15.9%	12.5%	5.7%	7.2%	12.6%	54.2%
Fenland	12.1%	8.3%	14.9%	10.0%	16.1%	3.9%	4.4%	14.0%	16.2%	51.4%
Huntingdonshire	20.8%	12.3%	17.8%	11.9%	10.9%	5.7%	4.3%	8.3%	8.0%	61.8%
South Cambridgeshire	21.0%	22.7%	12.0%	10.0%	8.8%	7.4%	5.2%	2.7%	10.2%	64.5%
Cambridgeshire	16.7%	20.2%	14.8%	9.8%	11.1%	6.7%	4.4%	6.3%	10.0%	62.8%
Forest Heath	10.1%	7.7%	17.9%	7.5%	13.8%	8.4%	11.0%	10.6%	12.9%	49.5%
North Hertfordshire	15.9%	18.4%	11.1%	13.3%	10.3%	6.0%	9.8%	5.6%	9.6%	55.7%
St Edmundsbury	21.1%	11.5%	20.4%	14.7%	9.0%	2.6%	3.0%	7.4%	9.8%	62.0%
Uttlesford	23.8%	14.7%	15.7%	11.6%	9.9%	3.5%	6.8%	4.8%	8.5%	64.1%
Greater Cambridge	17.2%	17.7%	15.2%	10.8%	10.8%	6.1%	5.6%	6.5%	10.0%	60.9%
East	17.3%	13.2%	14.4%	11.1%	10.8%	7.7%	7.2%	6.8%	11.2%	55.7%
England	16.0%	13.4%	14.8%	11.3%	10.4%	8.3%	7.4%	6.8%	11.2%	54.6%
United Kingdom	15.5%	13.3%	14.7%	11.3%	10.7%	8.4%	7.5%	6.9%	11.3%	54.2%

Sector niches

Strengths in education, R&D, high value manufacturing, bio-chemicals, agriculture, processing and tourism

Cambridge City is a key centre of employment for education and R&D, Huntingdonshire has many niches in manufacturing, both high and low value, South Cambridgeshire is a regional and national centre for R&D, its wide, mainly knowledge intensive industrial mix, means that this district is the key driver of productivity within Cambridgeshire and the wider region. The economies of Fenland and East Cambridgeshire are lower value, with strengths in agriculture, low value manufacturing, construction and wholesale, reflecting their more rural nature. North Herts and Uttlesford have higher value economies displaying strengths in R&D, bio-chemicals (North Herts), high value manufacturing and air transport (Uttlesford). Forest Heath and St Edmundsbury have lower value economies with key niches in tourism, sporting activities (Forest Heath), meat processing and lower value manufacturing (St Edmundsbury).

The Annual Business Inquiry allows us to highlight a number of niches within Cambridgeshire using location quotients. The quotient states the share of employment in a sector compared to the national average – any figure greater than 1 means an sector has a share greater than the national level.

Cambridgeshire –, the major niche is within R&D activity, with over 7 times the national average, with the largest employer in the sub-region being Higher Education (17,600). Software consultancy is also a niche and a major employer (7000), as are agricultural activities (4800) and wholesale of household goods. There is also a very diverse range of manufacturing employment across the subregion, a mix between high and low value activity. Overall the specialisms point to a diverse economic base, albeit with a considerable concentration in Education. Tourism is also an important sector of employment with around 21,500 full time equivalents in 2009 and supporting an estimated £1,500m of business turnover.

Within districts:

Cambridge is a key centre for both Higher Education and R&D (over 10 and 8 times higher than the national shares of employment respectively), together with a range of high value Manufacturing activity. Another major specialism is within software consultancy, 2.5 times the national quotient, and employing around 3,000 people in the city;

Huntingdonshire has a range of niches, many within Manufacturing, some high value and some low value. Most notable in terms of employment within this sector is the manufacture of plastic products and the knowledge intensive technical testing and analysis (the latter over 11 times the national average and employing over 1,000).

South Cambridgeshire is both a regional and national centre for R&D (much of it private sector led), this employs over 5,000 and has a share of employment nearly 20 times the national average. There is a very diverse private sector economy, with manufacturing activity ranging from pharmaceuticals, aircraft (an important employer), to manufacture of concrete and cement and to electrical equipment. There are many other elements of high value activity, including software consultancy (employing 2,500) and architectural activities (employing 2,000). This wide, mainly knowledge intensive industrial mix, means that this district is the key driver of productivity within Cambridgeshire and the wider region which is positive for future growth within the locality and the sub-region – a more diverse industry mix means the greater the ability to withstand external shocks;

East Cambridgeshire's economy is a key center for manufacturing (mainly lower value) and processing. Employment in the manufacture of agricultural and forest machinery and manufacture of insulated wire and cable are respectively 29 and 18 times higher than the national average. There are some employment concentrations apparent in higher value manufacturing, namely the manufacture of chemical products, instruments and television/radio receivers. Aside from manufacturing, other significant niches are the recycling of metal waste and scrap and various construction related industries.

Fenland has a very high share of employment in food processing, construction based manufacturing and other manufacturing activities, mainly lower down the value chain. Other significant niches include food wholesale and camping, reflecting the importance of the agricultural industry and the rural nature of the district. Higher value activity includes technical testing and machinery manufacture.

The rural nature of **Forest Heath** is emphasised with the two highest quotients (camping, 23 times higher than the national average, and other short stay accommodation and forestry activities, 22 times higher than the national average). Other key niches which also employs significant numbers are sporting activities (employing over 2,000, with Newmarket a major employer) and veterinary activities, reflecting Newmarket's horse racing heritage. This is generally a lower value economy, one which builds upon its own local strengths and geography;

In **St Edmundsbury**, like Forest Heath, the sub-sector niches highlight a generally lower value economy, with the key niches being in preserving of meat (a quotient 11 times the national level) and a range of manufacturing activities, mainly lower down the value chain. Again, this profile highlights a rural place that is disengaged (physically and economically) from major economic activity in the Greater Cambridge core.

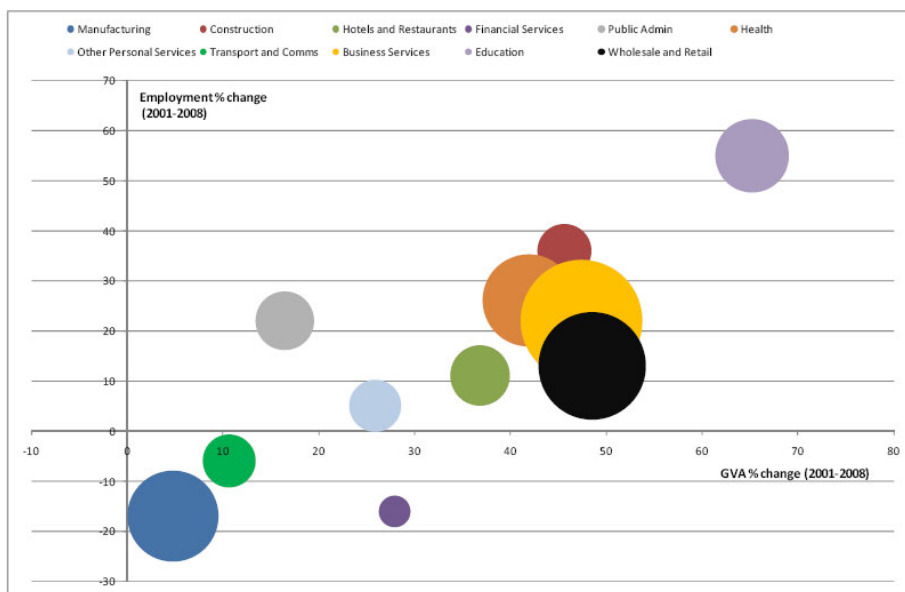
North Hertfordshire has a diverse, high value economy with key niches in R&D and high value engineering and manufacturing, including bio-chemicals, instruments and industrial equipment, mechanical engineering and electronics. The district also has a significant share of employment in hardware and software consultancy and motor vehicle related industries.

The influence of Stansted airport on **Uttlesford's** economy is clear with air transport, aircraft manufacture being two significant employment niches. The district also has a high share of employment in a range of manufacturing industries including chemicals, instruments and electricity distribution through to clothing and rubber. Agriculture is also an important source of employment important in the district, mainly crop growing with some animal husbandry.

Growth sectors within Cambridgeshire are diverse, with prominent growth within Construction, Hotels and Restaurants, Business Activities and Education. Notably, Public Admin functions have declined across most areas, although this has been offset by major increases in Education and Health. A key issues therefore for Cambridgeshire will be how its employment rates are affected by cuts in public spending in an economy that is becoming increasingly reliant upon public sector employment.

Figure 4: Growth in GVA and employment in Cambridgeshire between 2001 and 2008 (size of each circle indicates employment within the sector in 2008)

Source: Annual Business Inquiry, 2008, EEFM 2009



The hi-tech 'community' in Cambridgeshire and Peterborough

Hi-tech community accounted for 12% of jobs in 2008. Evidence of increase in firm size between 2006 and 2008

The wider hi-tech 'community' provided 51,400 jobs at the start of 2008, and the overall share of jobs covered by the broad 'hi-tech community' definition was estimated to be 12%. Hi-tech employment grew by over 3,000 jobs between early 2006 and early 2008, while at the same time the number of hi-tech businesses fell, leading to an increase in the average employment size of hi-tech businesses. Cambridge appears to act as an 'incubator' of firms, exporting firms to other districts, particularly South Cambridgeshire.

The hi-tech 'community' in Cambridgeshire and Peterborough is the subject of considerable interest and debate. Its high profile has resulted in numerous studies and investigations into the nature of growth in 'knowledge-based' industries. Studies of cluster development regard the area as a model for replication elsewhere in the UK. The vital importance of the businesses comprising the 'community' is recognised as a key national asset – and considerable emphasis is placed on nurturing the sector, both through indigenous growth and through selective inward investment.

Cambridgeshire County Council's database of employment in the hi-tech 'community' provides key statistical information which helps describe the community and recent developments in detail. It is based on a survey, by both post and telephone, of over 1,900 businesses, agencies and research institutes operating in Cambridgeshire and Peterborough.

Hi-tech employment in early 2008

Responses to the County Council's survey of hi-tech businesses and employers indicate that the wider hi-tech 'community' provided 51,400 jobs at the start of 2008. The definition of the hi-tech 'community' is very broad, encompassing all employment concerned with the development, production, marketing and support of products and services which can be classified as 'hi-tech'. The overall share of jobs in Cambridgeshire and Peterborough covered by the broad 'hi-tech community' definition is estimated to be 12%. The table and maps below show the concentration of jobs in the Cambridge / South Cambridgeshire area – 36,800 in all, almost three-quarters of the total. Huntingdonshire is the third focus in district terms, with almost 8,900 hi-tech jobs.

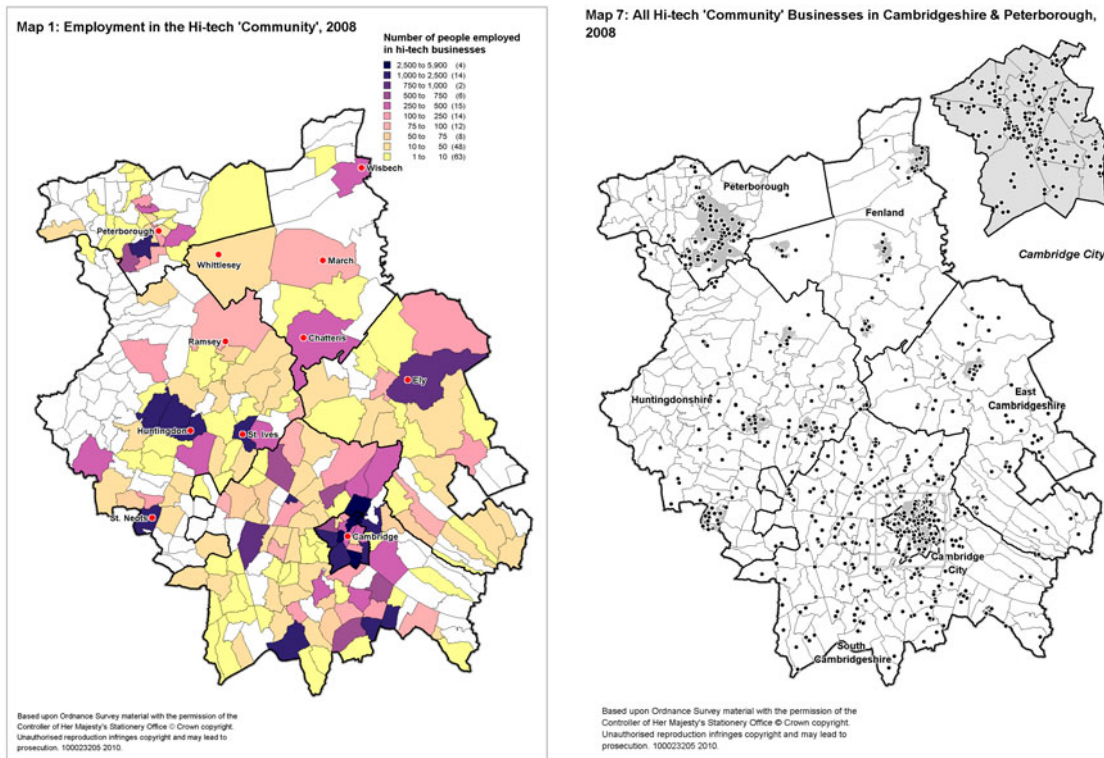
Table 3: Hi-tech employment in Cambridgeshire and Peterborough by district in 2008

Source: Cambridgeshire County Council – Research Group

District	Hi-tech employment 2008	% share	% all jobs
Cambridge City	16,577	32.2%	17.1%
East Cambridgeshire	1,630	3.2%	5.1%
Huntingdonshire	8,868	17.2%	10.7%
Peterborough	3,337	6.5%	3.0%
South Cambridgeshire	20,175	39.2%	26.9%
Cambridgeshire and Peterborough	51,436	100.0%	11.7%
Cambridgeshire	48,099	93.5%	14.8%

Figure 5: Hi-tech employment and businesses in Cambridgeshire and Peterborough in 2008

Source: Cambridgeshire County Council – Research Group



As well as a snapshot of the hi-tech 'community' at the start of 2008, the County Council's database provides an overview of changes occurring between 2006 and 2008. The chart below shows that hi-tech employment grew by over 3,000 jobs between early 2006 and early 2008, while at the same time the number of hi-tech businesses fell – from 1,570 to 1,517 – leading to an increase in the average employment size of hi-tech businesses in Cambridgeshire and Peterborough.

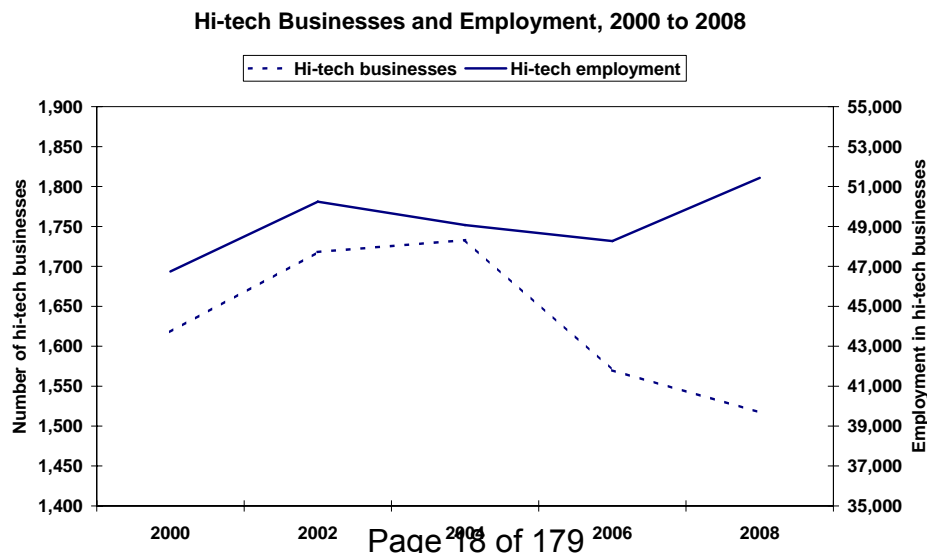
Table 4: Hi-tech businesses and employment in Cambridgeshire and Peterborough by year

Source: Cambridgeshire County Council – Research Group

Year	Hi-tech businesses	Hi-tech employment
2000	1,618	46,745
2002	1,718	50,239
2004	1,733	49,066
2006	1,570	48,275
2008	1,517	51,436

Figure 6: Employment in the hi-tech 'community' in Cambridgeshire and Peterborough in 2000 to 2008

Source: Cambridgeshire County Council – Research Group



The research suggests there was significant growth in hi-tech employment across all Cambridgeshire districts apart from Cambridge City, where numbers of jobs remained little changed in 2008 as compared with 2006. However it appears that Cambridge City effectively 'exported' a significant number of firms and jobs to other parts of the county between 2006 and 2008, most notably to South Cambridgeshire. The district consequently plays an important role as 'incubator' of hi-tech firms and employment for a wider area.

Within the hi-tech community, strengths in R&D, computer services, higher education, consultancy, electronics and mechanical engineering, chemicals and instruments.

Key industry sectors within the hi-tech community are research and development, computer services and consultancy, higher education and technical services (including consultancy). Manufacturing & production employment accounted for just under 31% of the total hi-tech community jobs. Electronics engineering is the biggest manufacturing sector, contributing more than 4,100 jobs in the county as a whole. Other significant manufacturing sectors include chemicals and instrument engineering. Of the manufacturing sectors the largest increases between 2006 and 2008 were in chemicals and specialist mechanical engineering. Service sectors were dominated by an increase in R&D employment.

A breakdown by key industry sector is shown in the table below for Cambridgeshire and Peterborough as a whole. Research and development businesses account for over 12,300 jobs, 24% of the total. Computer services and consultancy contribute over 8,400 jobs (16% of all). Two other sectors each provide around 5,000 jobs – education (just under 11%) and electronics engineering (just under 9%).

Table 5: Hi-tech employment in Cambridgeshire and Peterborough by key industry sector in 2008

Source: Cambridgeshire County Council – Research Group

Industry sector	Hi-tech employment 2008	% share 2008
Chemicals	2,894	5.6%
Specialist mechanical engineering	1,522	3.0%
Computer and office hardware	1,855	3.6%
Electronic engineering	4,429	8.6%
Instrument engineering	2,587	5.0%
Aero engineering	1,660	3.2%
Publishing	293	0.6%
Other manufacture	555	1.1%
Specialist wholesaling	2,491	4.8%
Specialist retailing	813	1.6%
Telecommunications	1,730	3.4%
Technical services and consultancy	3,466	6.7%
Computer software and services	8,405	16.3%
Research and development	12,327	24.0%
Education and training	5,418	10.5%
Other services	991	1.9%
All manufacturing	15,795	30.7%
All services	35,641	69.3%
All biotech (manufacturing and services)	14,712	28.6%
All sectors	51,436	100.0%

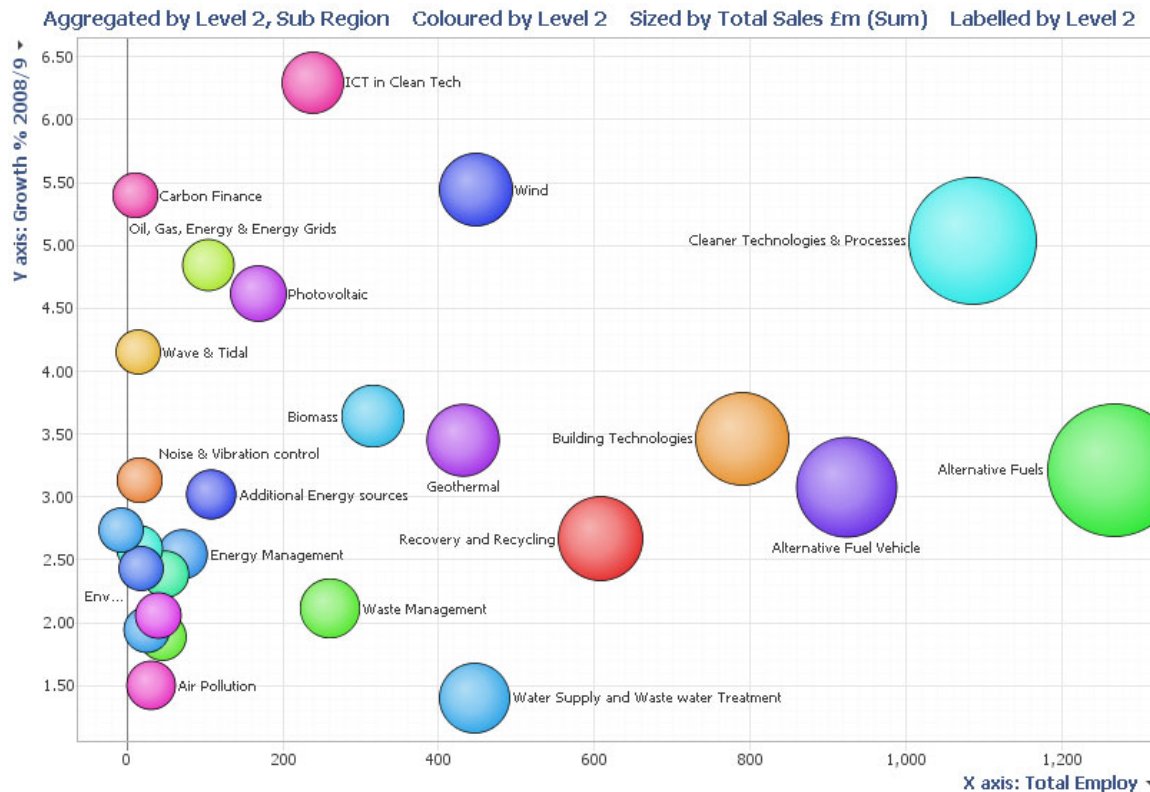
Between 2006 and 2008, the research suggests that the manufacturing sectors to experience a significant increase in hi-tech employment were chemicals, (up by over 220, or 5.9%) and specialist mechanical engineering, (up by 205 or 5.5%). The 'services' sectors were dominated by an increase in employment in Research & Development, increasing by over 1,900 jobs at the county level.

Clean Technology

The UK Cleantech sector has a market value of £12.9 billion, with 6,234 companies employing about 103,000 people. The Cleantech sector in Greater Cambridge has a market value of £1.139 million in 2008/09 with 450 companies employing about 7,385 people.¹

Figure 7: Greater Cambridge Area Cleantech Sub-Sectors by Market Value (size of bubble), Employment Numbers (horizontal axis) and 2008/09 growth (vertical axis)

Source: Taken from GCP Cleantech strategy and action plan



The GCP Cleantech Strategy and Action Plan (2010) found that Greater Cambridge has genuine comparative national strengths in:

- Biotech in Cleantech
- Cleaner Technologies and Processes; including advanced materials and advanced manufacturing
- Alternative fuel vehicles
- Recovery and recycling
- Carbon Capture and Storage
- Building technologies

This is supported by a high level of research expertise and knowledge in some of the key emerging technology areas including:

- New energy sources
- Biomass and bioenergies
- Energy grids and transmissions
- Sustainable construction
- Building technologies
- Waste management and recovery and recycling.

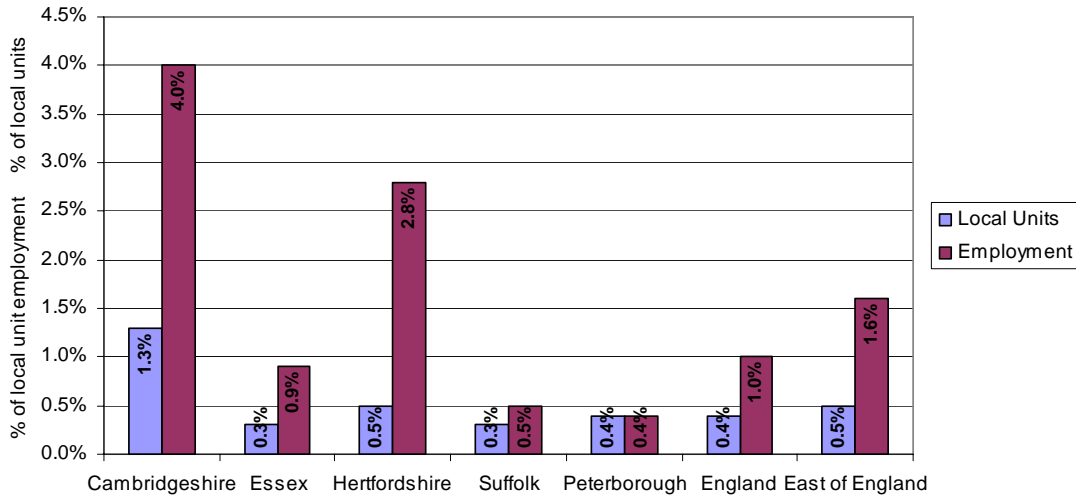
¹ GCP Cleantech Strategy and Action Plan

Pharmaceuticals

The following graphs show the proportion of employment and local units (i.e. businesses) in pharmaceuticals, based on the New Industry New Jobs definition of life sciences and pharmaceuticals that covers manufacture, wholesale and research.²

Figure 8: Employment and local units in pharmaceuticals by county in 2008

Source: ONS – Annual Business Inquiry

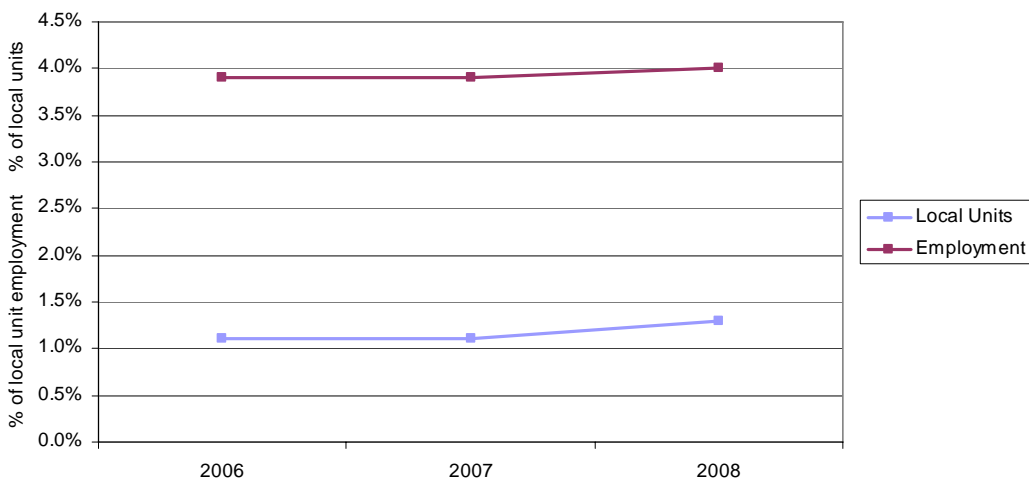


Both the proportion of businesses and employment are significantly higher within Cambridgeshire than in neighbouring counties and the regional and national averages. Hertfordshire also has a relatively high proportion of employment in the sector.

Employment and business numbers within Cambridgeshire appear to be steadily increasing. With the expansion of Addenbrookes, employment in this sector is only likely to grow in the medium term.

Figure 9: Employment and local units in pharmaceuticals in Cambridgeshire by year

Source: ONS – Annual Business Inquiry



² Based on the 2003 SIC codes; Manufacture of pharmaceuticals, medicinal chemicals and botanical products, Manufacture of medical and surgical equipment and orthopaedic appliances, Wholesale of pharmaceutical goods, Research and experimental development on natural sciences and engineering.

Businesses in creative industries

Greater Cambridge has significant strengths in software, computer games and electronic publishing

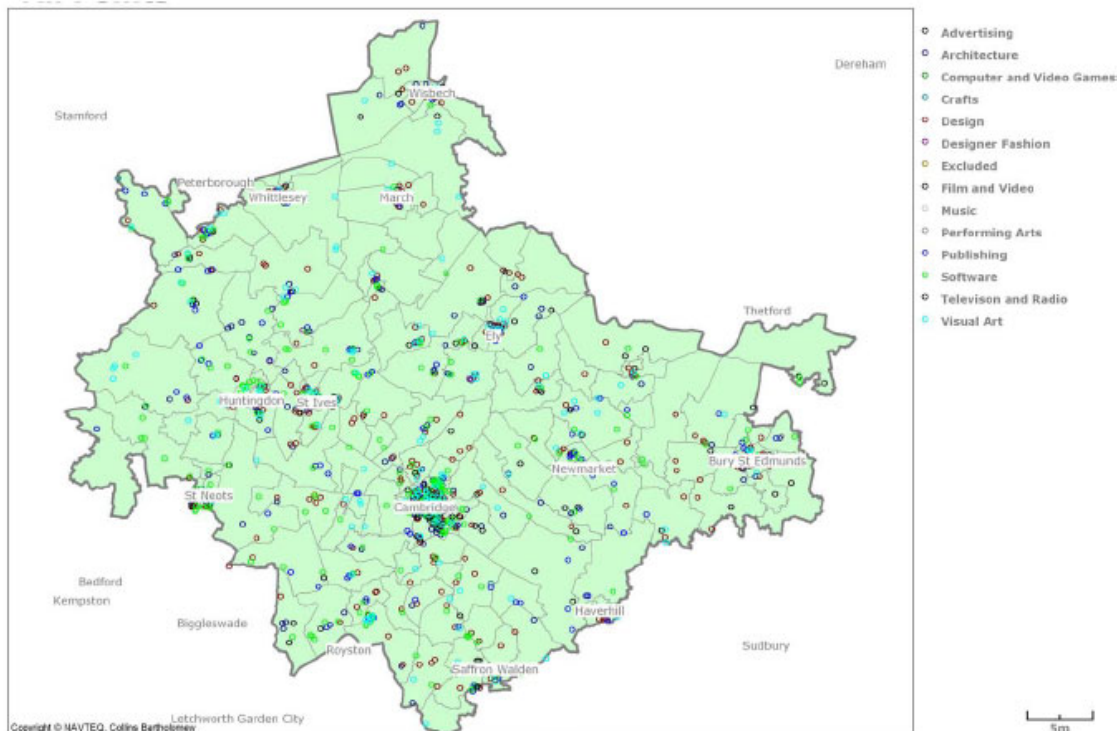
1665 creative enterprises were identified in Greater Cambridge (2008), employing an estimated 12,000 FTEs and turning over just under £1bn per annum.

Figures 10 and 11 below show that Cambridgeshire has a similar proportion of employment and businesses in Creative Industries as seen regionally and nationally. To allow comparison with neighbouring counties, creative industries have been defined using the IDeA SIC code based definition.³

However work completed for the Greater Cambridge Creative Industries Strategy and Action Plan found that within this wider definition of creative industries, Greater Cambridge has significant strengths in software, computer games and electronic publishing – recognised as the most valuable and fast growing of all the creative industry categories with the largest export value of all the sub sectors. 1665 creative enterprises were identified in Greater Cambridge (2008), employing an estimated 12,000 FTEs and turning over just under £1bn per annum. 10% of the UK's computer games developers are within five miles of Cambridge city centre.

Map 1: The geographic spread of Creative Industry businesses across Greater Cambridge

Source: Greater Cambridge Creative Industries Strategy and Action Plan



³ Based on 2003 SIC codes; Advertising, Art and Antiques, Clothing manufacture, Reproduction of video recording, Photographic activities, Motion picture and video production, Motion picture projection, Publishing sound recordings, Reproduction of sound recording, Artistic and literary creation and interpretation, Operation of arts facilities, Other entertainment activities not classified elsewhere, Other recreational activities not classified elsewhere, Publishing, Publishing of newspapers, Publishing of journals and periodicals, Other publishing, News agency activities, Reproduction of computer media, Publishing of software, Other software consultancy and supply, Radio and television activities.

Figure 10: Employment and local units in creative industries in Cambridgeshire by year

Source: ONS – Annual Business Inquiry

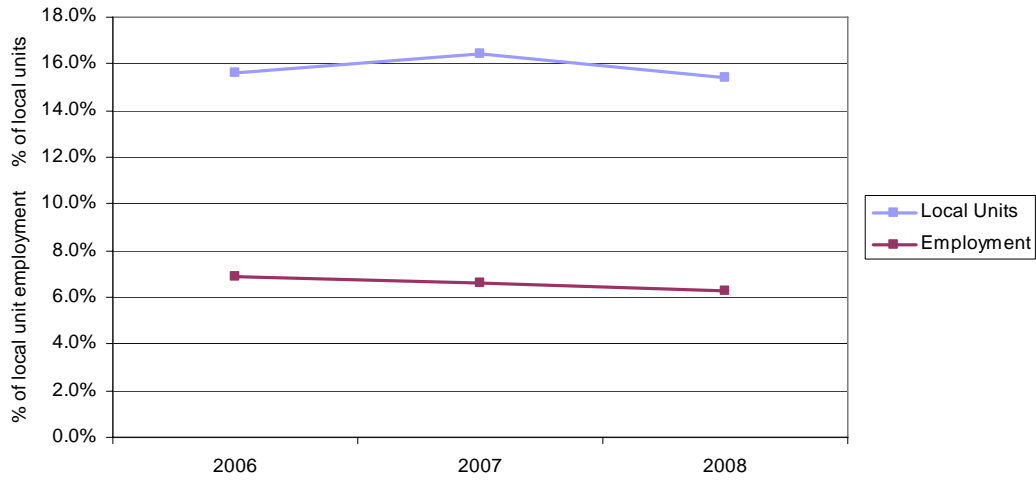
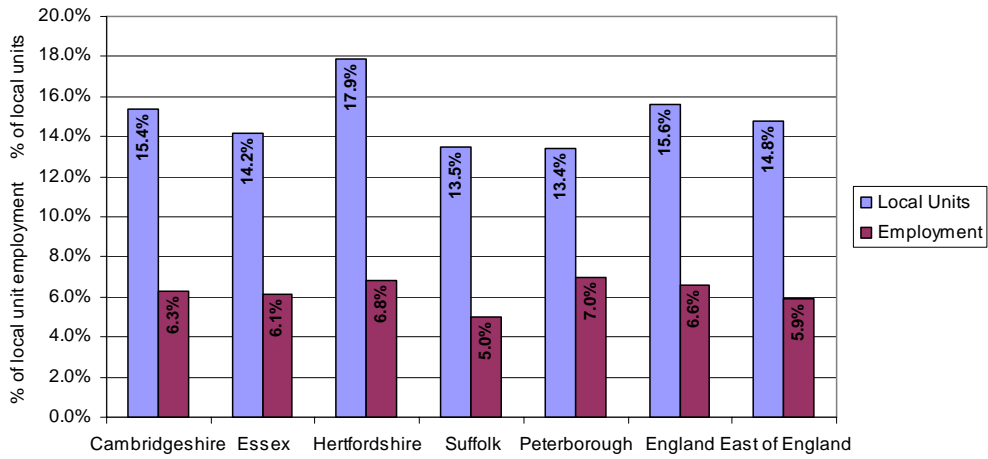


Figure 11: Employment and local units in creative industries by county in 2008

Source: ONS – Annual Business Inquiry



Advanced Manufacturing

The following graphs show the proportion of employment and local units (i.e. businesses) in advanced manufacturing, based on the OECD classification of manufacturing based on technology – high tech and medium high tech industries (not including pharmaceuticals).⁴

Figure 12 shows Cambridgeshire to have a high proportion of businesses and relatively high employment in the sector. Peterborough has a very high proportion of employment in high value manufacturing but with a lower proportion of businesses, implying a sector characterised by much larger businesses than in Cambridgeshire.

Figure 12: Employment and local units in advanced manufacturing by county in 2008

Source: ONS – Annual Business Inquiry

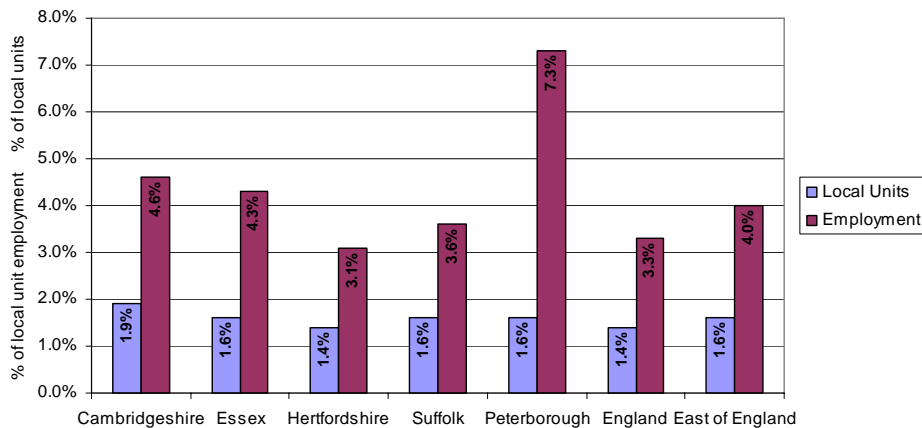
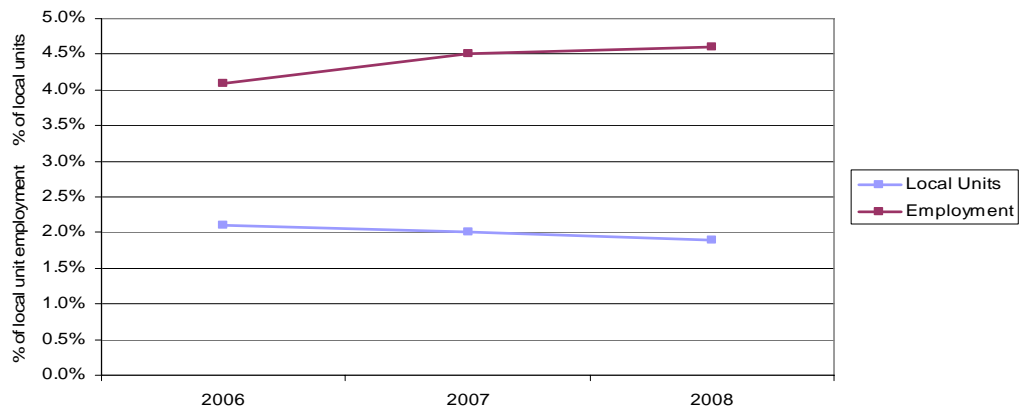


Figure 13 shows a gradual decrease in the number of firms but a steady increase in employment, implying a steady increase in the size of firms in the advanced manufacturing sector of Cambridgeshire. Urban-Civic acquired the Alconbury site in December 2009. The site, at 1100 acres has the potential to become a very significant employment site in the sub region. The developers appear keen to maximise the links with Cambridge and London, and are investigating an extension of the Guided Bus and links to the East Coast mainline. There may be significant potential for the site to develop into a high value manufacturing hub, linking down stream development to the research taking place closer to Cambridge.

Figure 13: Employment and local units in advanced manufacturing in Cambridgeshire by year

Source: ONS – Annual Business Inquiry



⁴ Based on the 2003 SIC codes; Manufacture of Radio, Television and Communication Equipment and Apparatus, Manufacture of Chemicals, Chemical Products and Man-made Fibres, Manufacture of Office Machinery and Computers, Manufacture of Electrical Machinery and Apparatus Not Elsewhere Classified, Manufacture of Machinery and Equipment Not Elsewhere Classified, Manufacture of Railway and Tramway locomotives and rolling stock, Manufacture of aircraft and spacecraft, Manufacture of Transport Equipment, Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks.

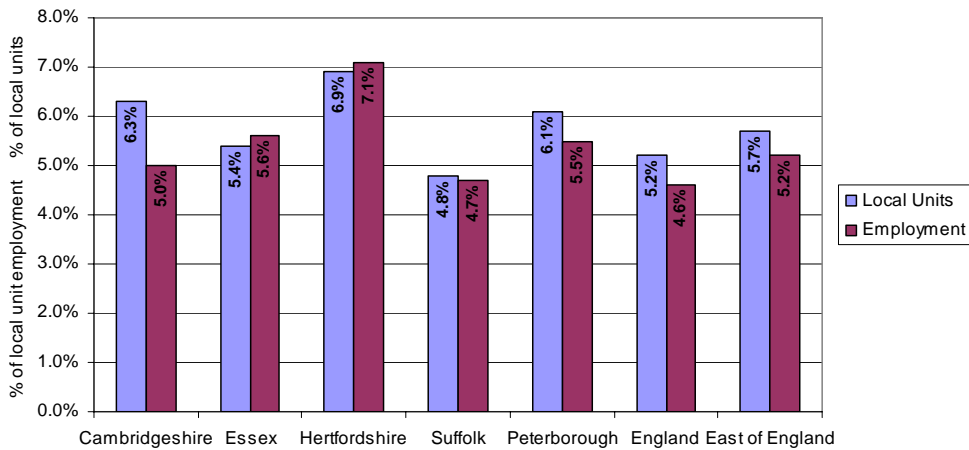
Digital economy

The following graphs show the proportion of employment and local units (i.e. businesses) in the digital economy, based on the New Industry New Jobs definition.⁵ Digital content is not included as is covered within Creative industries. The sector includes manufacture of computers and related goods, telecommunications, printing and publishing.

Hertfordshire, followed by Cambridgeshire and Peterborough, has the highest proportion of businesses in digital economy industries. Cambridgeshire has a high number of businesses but disproportionately low employment in the sector, highlighting the small size of businesses in the county.

Figure 14: Employment and local units in digital economy industries by county in 2008

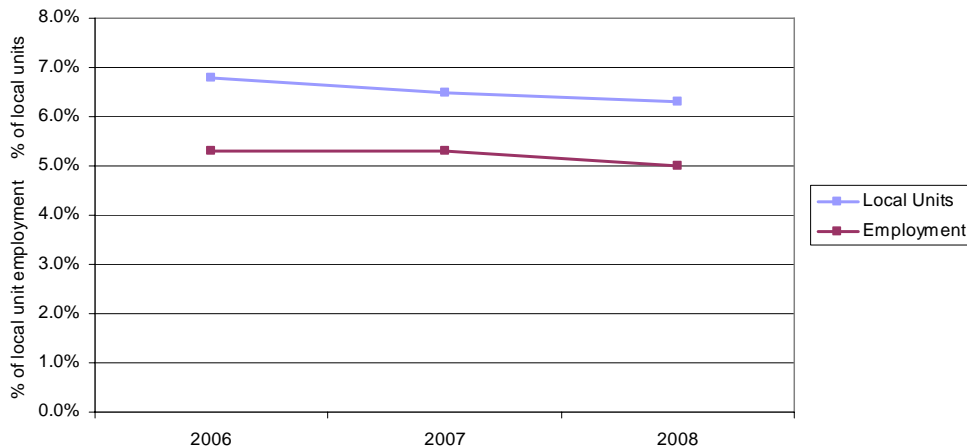
Source: ONS – Annual Business Inquiry



It appears that within Cambridgeshire, businesses and employment is gradually decreasing in the sector.

Figure 15: Employment and local units in digital economy industries in Cambridgeshire by year

Source: ONS – Annual Business Inquiry



⁵ Based on the 2003 SIC codes; Manufacture of Office Machinery and Computers, Manufacture of insulated wire and cable, Manufacture of Radio, Television and Communication Equipment and Apparatus, Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment, Manufacture of industrial process control equipment, Wholesale of electrical household appliances, Publishing, Printing and Reproduction of Recorded Media, Wholesale of machinery equipment and supplies, Wholesale of other office machinery and equipment, Wholesale of other electronic parts and equipment, Wholesale of other machinery for use in industry, trade and navigation, Telecommunications, Renting of office machinery and equipment including computers, Computer and related services, Printing of newspapers, Printing not elsewhere classified, Pre-press activities, Ancillary activities related to printing

Agri-Food

Agri-food is an important source of employment in Greater Cambridge but the sector faces significant recruitment difficulties, particularly for higher skilled workers.

The agri-food sector is a very important source of employment in the north of the county. Recent reports suggest that the future workforce is unlikely to fall and may rise due to increased production. However the sector finds it very hard to recruit qualified workers and has become increasingly dependent on migrant workers to the extent that many employers are concerned about where their future workforce will come from.

The Fens contain around half of the grade 1 Agricultural land in England and produce 24% of all potatoes grown in the UK.

In the East of England the agri-food sector is a major employer with a labour force in excess of 375,000 people, of whom 122,000 are employed in agriculture, food processing and ancillary businesses, 115,000 in food retail and 139,000 in the catering sector (DEFRA 2009). The food chain thus represents 1 in 7 jobs in the region's economy. Within some Greater Cambridge districts the concentration of employment is very high, for example Fenland has 37 times the national proportion of employment in the processing and preserving of fruit and vegetables.

However, evidence suggests the sector has struggled to attract enough good new people and is not seen as a career of choice by many people, and levels of progression and formal qualifications are low by comparison with many other sectors. The need for career and skills progression is thus a strong theme within the Sector Skills Agreement developed by LANTRA. There is also a need for skilled technologists and those with higher level management skills able to run increasingly large and complex business operations.

In part the skills gap in the sector has been met by migrants who have become an increasingly important component of the food and farming sector's workforce, with many now progressing into management roles and becoming part of the long term workforce. However, most employers have concerns about how dependent they have become on this source of new recruits, and have expressed worries about where their future workforce will come from.⁶

The issues identified regionally are aligned with national research, which has highlighted a need to increase UK food production to deliver food security by increasing the focus on research and skills. But, this challenge occurs at the end of a 20 year period in which agricultural student numbers declined until 2005, with only small improvements being seen in the last few years, and then only in part time student numbers. Agricultural and food related research has also been cut and many former research facilities have closed.

To address the challenges outlined above in relation to production and sustainability many reports have highlighted the need to increase recruitment to the sector (LANTRA 2006), improve technology transfer, develop the science base and increase skill levels.

Whilst direct agricultural employment had been declining for many years, 2008 saw the first recent significant rise (+3%) in employment due to increased production. Whilst there remains scope for some further mechanisation on some farms, many larger (in particular) arable businesses, feel that the future workforce will not fall as we are approaching the limit of machinery size which can be used.

⁶ The Skills Challenge for the East of England's Food & Farming Sector to 2020 (2010)

Business Activity and Demography

Business size and numbers

High number of businesses, concentrated in Huntingdonshire, South Cambridgeshire and Cambridge City.

Although there was a slight decrease in the number of enterprises in Cambridgeshire since 2008, generally business density remains fairly high across the county, with the highest number of businesses in Huntingdonshire and South Cambridgeshire, followed by Cambridge City, East Cambridgeshire and Fenland. All Cambridgeshire districts apart from Cambridge City have a significantly higher proportion of businesses employing fewer than 10 people than seen nationally.

In March 2009 there were 29,220 local units in VAT and/or PAYE based enterprises in Cambridgeshire, compared to 29,490 in March 2008, a 1% decrease. Analysis by size shows that 84% of businesses had an employment of less than ten, and 97% had an employment of less than 50. East Cambridgeshire and Uttlesford have the highest proportions of “micro” (0-9 employee) businesses, with 87%, and Cambridge City has the highest proportions of “small”, “medium” and “large” businesses, with 17%, 5% and 1% respectively, reflecting the large health and education employers in the district.

Map 2 shows that local units within Cambridgeshire in March 2009 were concentrated in Huntingdonshire and South Cambridgeshire, with around 50% of all local units, and that around 30% of all local units were located in East Cambridgeshire and Fenland, with Cambridge City accounting for the remaining 20%.

Table 6: Businesses in Greater Cambridge by district in 2009 at local unit (site) level

Source: ONS – UK Business: Activity, Size and Location

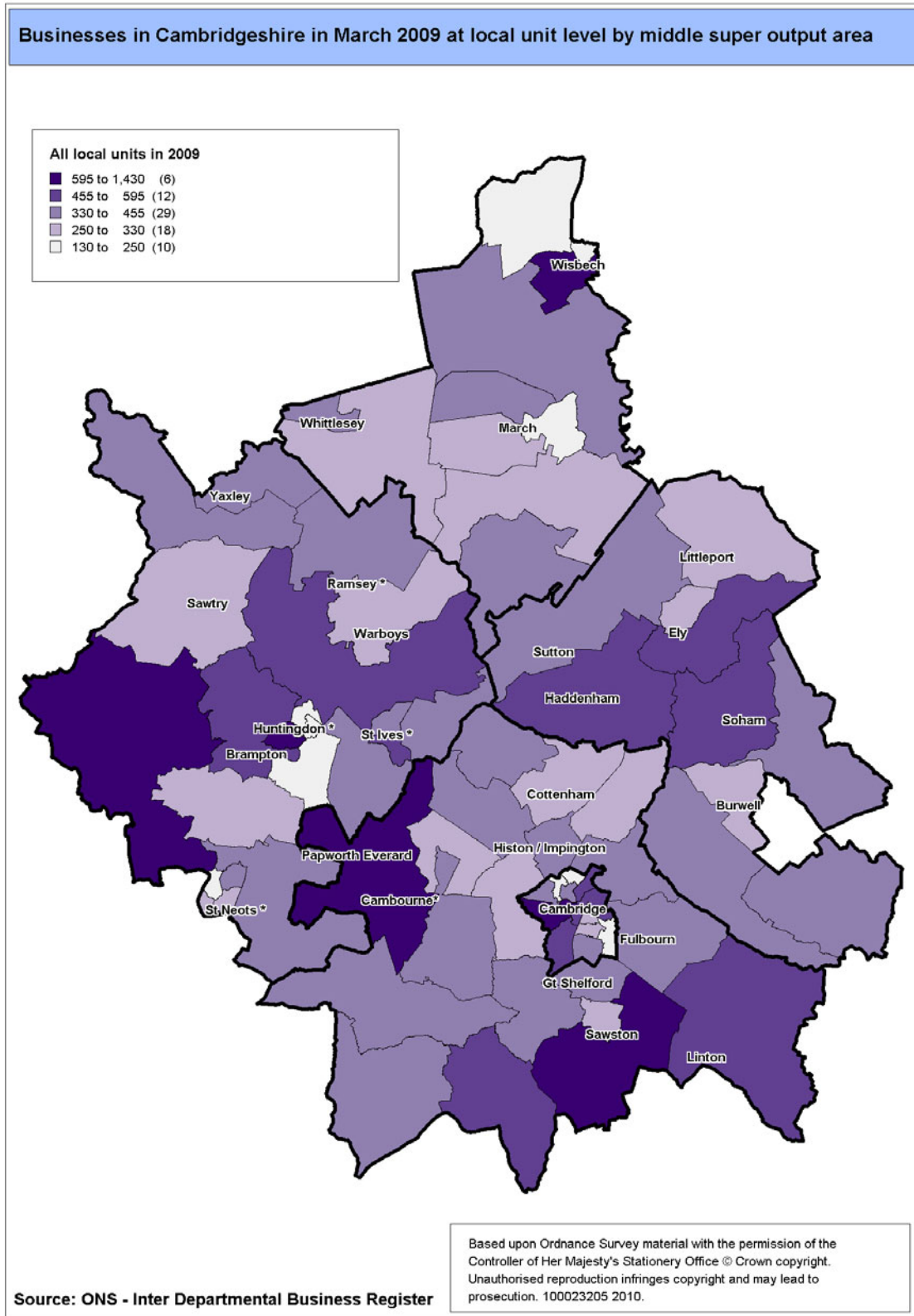
Area	Local Units	Employment Size			
		% 0 - 9	% 10 - 49	% 50 - 249	% 250 +
Cambridge City	5,775	76.4%	17.5%	5.5%	0.7%
East Cambridgeshire	3,985	87.3%	11.0%	1.6%	0.0%
Fenland	3,790	85.1%	12.0%	2.4%	0.5%
Huntingdonshire	7,980	85.8%	11.3%	2.4%	0.4%
South Cambridgeshire	7,690	86.5%	10.7%	2.4%	0.5%
Cambridgeshire	29,220	84.2%	12.4%	2.9%	0.4%
Forest Heath	2,745	82.1%	14.8%	2.7%	0.4%
North Hertfordshire	6,590	86.1%	11.7%	2.0%	0.2%
St Edmundsbury	5,095	81.6%	14.7%	3.2%	0.4%
Uttlesford	5,160	87.3%	10.6%	1.8%	0.3%
Greater Cambridge	48,810	84.4%	12.5%	2.7%	0.4%
East of England	259,125	84.3%	12.7%	2.6%	0.4%
England	2,237,555	83.2%	13.5%	2.9%	0.5%

Definition Box

The Inter Departmental Business Register has two levels of data: enterprises and local units. **Enterprises** are the head offices; **local units** are the branches of the enterprises. For small businesses such as sole traders, the enterprise and local unit are the same.

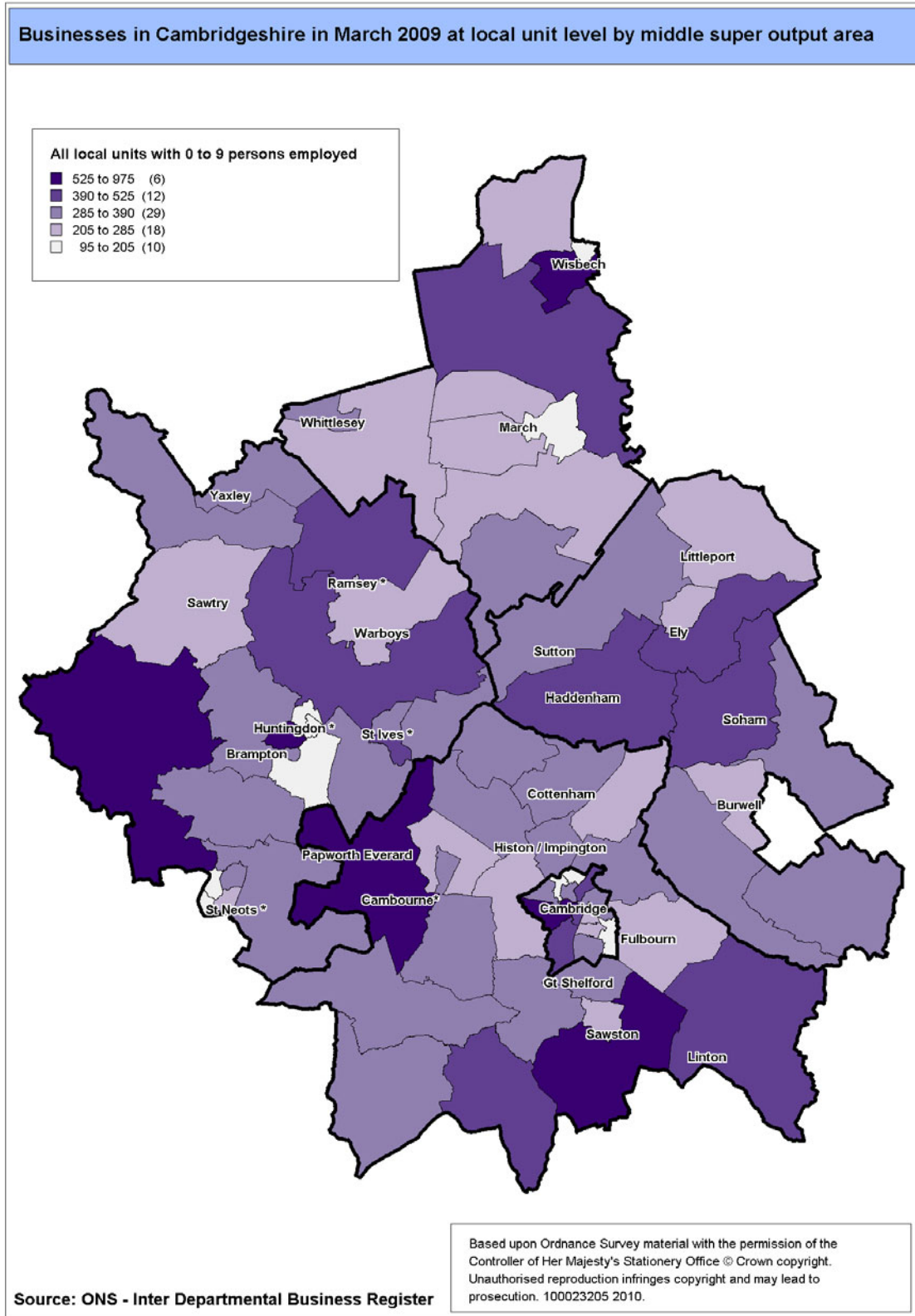
Map 2: Cambridgeshire's workplaces in 2009

Source: ONS – Inter Departmental Business Register



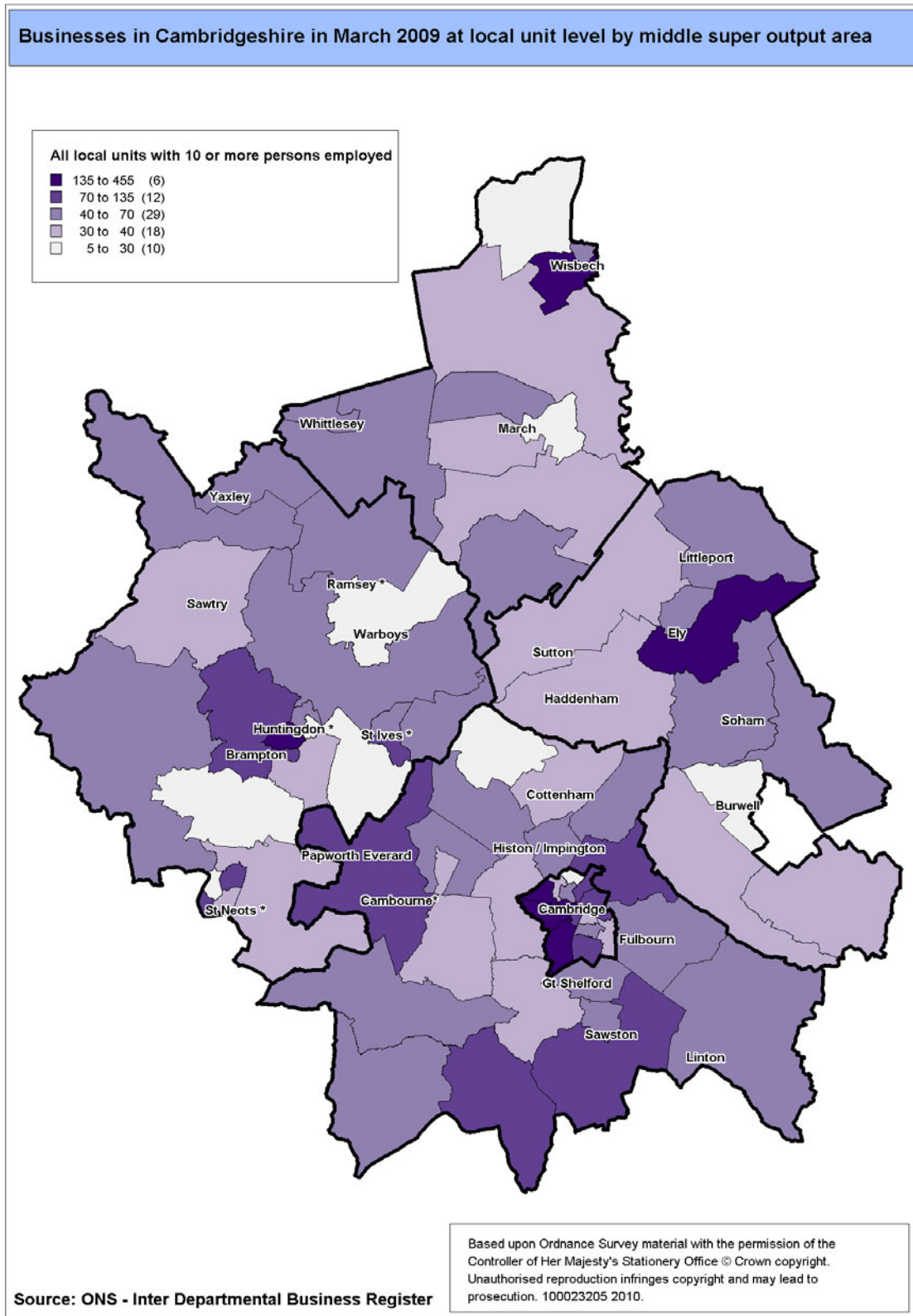
Map 3: Cambridgeshire's workplaces with 0 to 9 persons employed

Source: ONS – Inter Departmental Business Register



Map 4: Cambridgeshire's workplaces with 10 or more persons employed

Source: ONS – Inter Departmental Business Register



Business density

Generally high business density across most of the functional economic area

Cambridgeshire and Greater Cambridge have higher ratios of businesses to working age residents than the regional and national averages. All Cambridgeshire districts saw an increase in business density between 2001 and 2008 however that increase was very small in Cambridge City.

A high density of businesses is crucial in creating the levels of agglomeration required to enable effective knowledge flow between people and firms, important for the growth of any successful economy. Cambridgeshire's business density has increased markedly between 2004 and 2008, with an overall density notably higher than both regional and national averages. South Cambridgeshire has seen a particularly high increase in density between 2004 and 2008, as has Huntingdonshire. Business density is relatively low in Cambridge City compared with other Greater Cambridge districts and decreased between 2004 and 2008 probably due to high population growth over this period and a loss of office space in the city centre.

Cambridgeshire's business density – the ratio of businesses to working age residents – was 726.7 per 10,000 residents in 2008, compared to 723.4 in 2007. Within Greater Cambridge, Uttlesford has the highest business density, with 1078.7 businesses per 10,000 working age residents, and Fenland has the lowest, with 640.3.

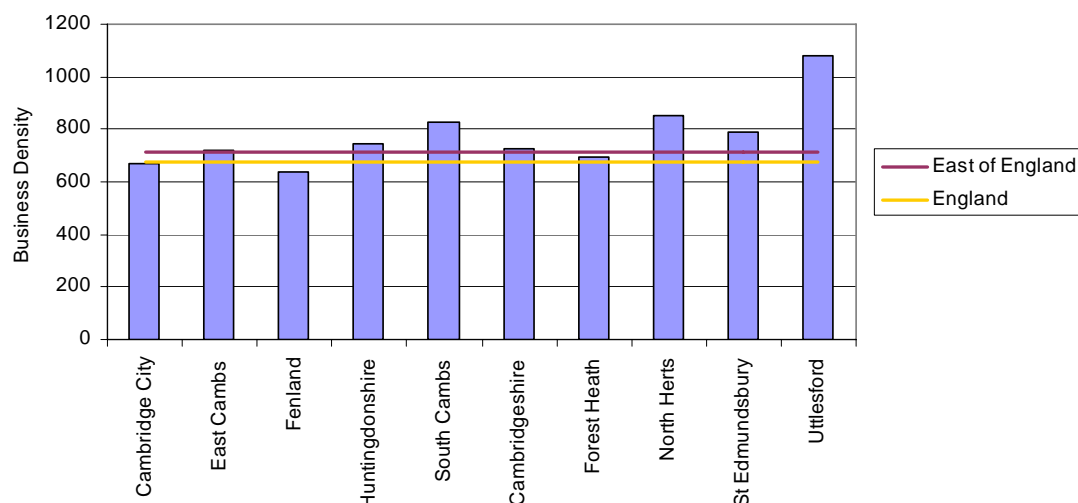
Table 7: Business density (per 10,000 residents) in Greater Cambridge by district in 2001, 2004 and 2008

Source: ONS – Annual Business Inquiry and (Revised) Mid-Year Population Estimates

Area	Business Density			% Change		
	2001	2004	2008	2001 to 2004	2004 to 2008	2001 to 2008
Cambridge City	670.1	712.4	672.1	6.3%	-5.7%	0.3%
East Cambridgeshire	645.9	678.0	722.9	5.0%	6.6%	11.9%
Fenland	613.5	600.8	640.3	-2.1%	6.6%	4.4%
Huntingdonshire	635.7	667.3	743.6	5.0%	11.4%	17.0%
South Cambridgeshire	733.5	746.4	826.6	1.8%	10.7%	12.7%
Cambridgeshire	666.9	687.2	726.7	3.0%	5.8%	9.0%
Forest Heath	712.3	690.6	697.1	-3.0%	0.9%	-2.1%
North Hertfordshire	839.2	833.3	853.3	-0.7%	2.4%	1.7%
St Edmundsbury	708.4	720.1	788.2	1.7%	9.4%	11.3%
Uttlesford	962.4	1025.6	1078.7	6.6%	5.2%	12.1%
Greater Cambridge	717.0	733.1	773.4	2.2%	5.5%	7.9%
East of England	667.4	675.0	714.4	1.1%	5.8%	7.1%
England	628.7	635.1	676.3	1.0%	6.5%	7.6%

Figure 16: Business density (per 10,000 residents) in Greater Cambridge by district in 2008

Source: ONS – Annual Business Inquiry and (Revised) Mid-Year Population Estimates



Businesses by employment and turnover

Low turnover and employment per enterprise across the county.

Across Greater Cambridge, turnover per enterprise is almost half that seen nationally and significantly lower than the regional figure. Average employment per enterprise is also lower than average, particularly if you discount the large health and education employers based in Cambridge City. This may reflect the lack of value adding production and development in the south of the county and high prevalence of lower value sectors in the north of the county.

In March 2009 there were 24,965 VAT and/or PAYE based enterprises in Cambridgeshire, compared to 25,250 in March 2008, a 1% decrease. Cambridgeshire's enterprises have a total employment of 245,200, and a total turnover of £26,874,100 thousand, giving an average employment per enterprise of 10, and an average turnover per enterprise of £1,076 thousand, almost half the average turnover per enterprise nationally. Within Greater Cambridge, average turnover is highest in Huntingdonshire enterprises and lowest in Fenland and East Cambridgeshire enterprises. Employment is highest per enterprise in Cambridge City, reflecting the large health and education employers based there.

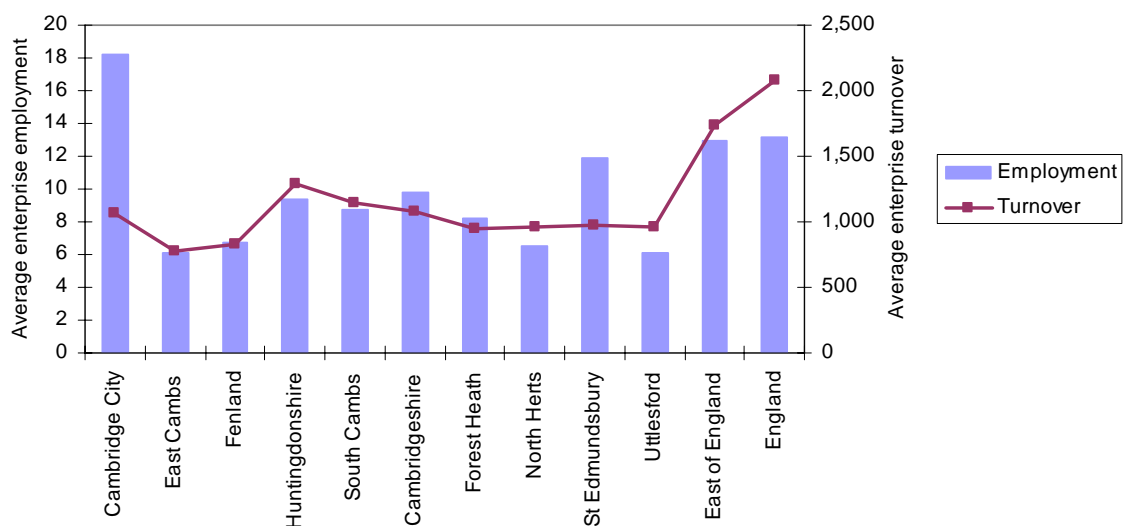
Table 8: Businesses in Greater Cambridge by district in 2009 at enterprise and local unit level

Source: ONS – Inter Departmental Business Register

Area	Enterprise Count	Enterprise Employment	Enterprise Turnover £ Thousand	Local Unit Count	Local Unit Employment
Cambridge City	4,120	75,001	4,380,459	5,775	87,840
East Cambridgeshire	3,620	22,162	2,787,941	3,985	26,375
Fenland	3,225	21,597	2,677,865	3,790	33,660
Huntingdonshire	6,980	65,287	9,016,031	7,980	71,958
South Cambridgeshire	7,020	61,135	8,011,818	7,690	66,479
Cambridgeshire	24,965	245,182	26,874,114	29,220	286,312
Forest Heath	2,295	18,820	2,181,755	2,745	25,982
North Hertfordshire	5,830	37,975	5,625,168	6,590	46,625
St Edmundsbury	4,155	49,472	4,070,529	5,095	52,562
Uttlesford	4,650	28,232	4,467,699	5,160	36,835
Greater Cambridge	41,895	379,681	43,219,265	48,810	448,316
East of England	217,930	2,832,598	379,448,380	259,125	2,450,522
England	1,844,030	24,196,489	3,843,970,081	2,237,555	23,666,856

Figure 17: Average employment and turnover (£ thousand) per enterprise in Greater Cambridge by district in 2009

Source: ONS – Inter Departmental Business Register



Business age and survival

A stable business stock but low business churn could mean a lack of innovation

Most districts within Greater Cambridge have a higher proportion of businesses aged 10+ years than seen regionally or across the country as a whole. Fenland and East Cambridgeshire in particular have a high proportion of long established businesses. Across Cambridgeshire, business survival rates are above the national and regional average and increasing, suggesting a stable business stock, however a lack of 'churn' of new business means a lack of competition which can restrict innovation.

14% of VAT and/or PAYE based enterprises within Cambridgeshire were less than two years old in March 2009, and 44% were ten or more years old – a higher proportion of long established businesses than across the region or England as a whole.

The Cambridgeshire five-year survival rate for businesses born in 2003 and still active in 2008 was 49.7%, above the East of England rate of 49.1%, and the England rate of 46.4%. The one-year survival rate for Cambridgeshire businesses was 92.0%, compared to 95.7% for businesses born in 2005, and 95.4% for 2007 births.

Figure 18: Survival of enterprises born in 2003 in Cambridgeshire, East of England and England

Source: ONS – Business Demography

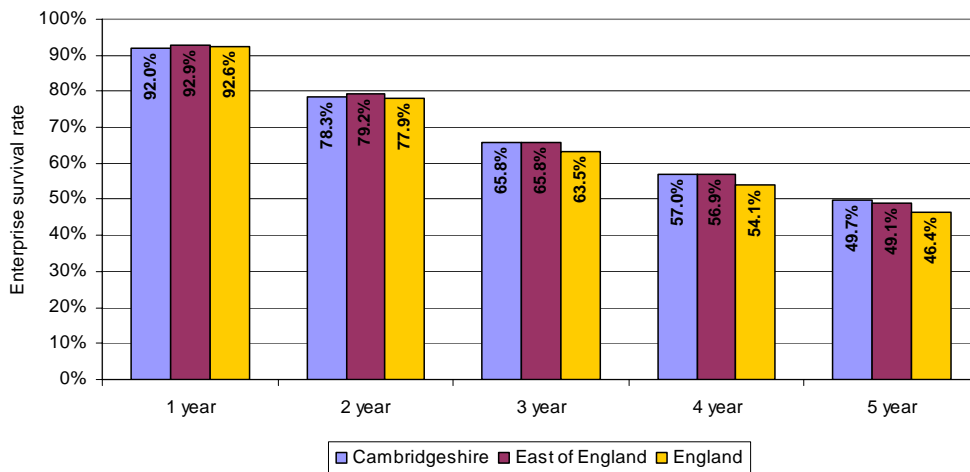
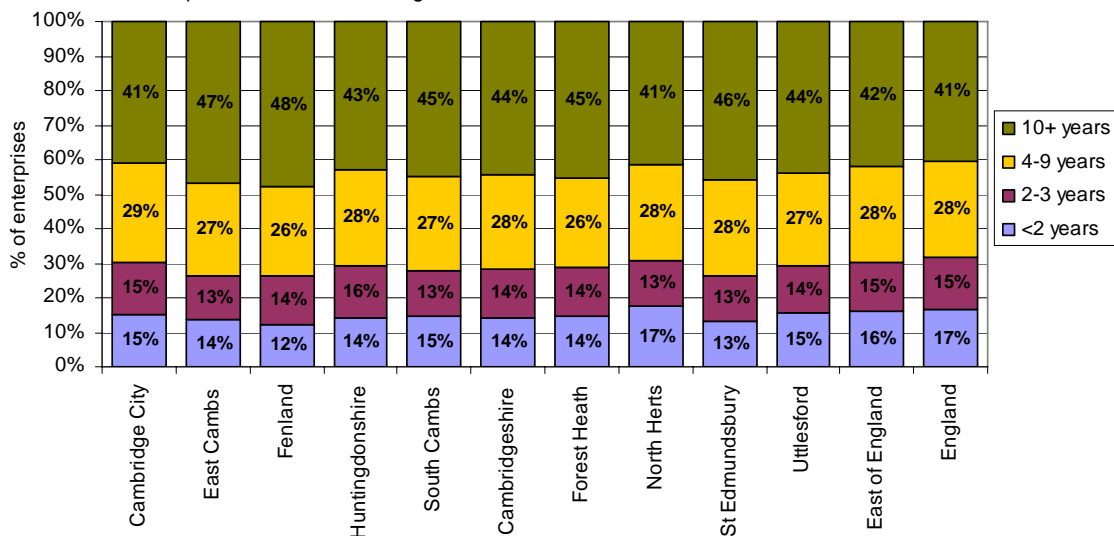


Figure 19: Enterprises in Greater Cambridge in 2009 by district and age of business

Source: ONS – Inter Departmental Business Register



Business creation

Recent decrease in VAT/PAYE registrations with some evidence suggesting a large number of micro businesses not growing to VAT registration/PAYE size.

The recent decrease in enterprise births is concerning, as business start up levels are a good indicator of future economic growth. Within Cambridgeshire, the 'birth rate' of new enterprises in 2008 was highest in Cambridge City, yet below the national figure across all Greater Cambridge districts. Per capita VAT/PAYE registrations have generally remained higher than average, apart from 2008 which saw a significant drop in many districts, with South Cambridgeshire being the only Cambridgeshire district to perform above regional and national levels. The new business registration rate in Uttlesford appears particularly high, as it does in North Hertfordshire.

Business start up levels are a good indicator of future economic growth. In addition to the direct employment they bring, new businesses help foster innovation and can have a beneficial effect through enhancing competition, helping improve efficiency.

During 2008 there were 2,485 births of new enterprises in Cambridgeshire, compared to 3,015 during 2007, an 18% decrease. There were 2,145 deaths of enterprises in 2008, compared to 2,190 in 2007, a 2% decrease. The stocks of active enterprises were 26,025 in 2008 and 25,750 in 2007, giving birth and death rates per 100 active enterprises of 10% and 8% in 2008, and 12% and 9% in 2007. The 'birth rate' of new enterprises per 100 active enterprises in 2008 was highest in Cambridge City (unlike the 'birth rate' per 10,000 adult residents, which is low due to the high ratio of residents to businesses), North Hertfordshire and Uttlesford, yet below the national figure across all Greater Cambridge districts.

Table 9: Enterprise births and deaths in Greater Cambridge by district in 2008

Source: ONS – Business Demography

Area	Births of New Enterprises	Deaths of Enterprises	Active Enterprises	Per 100 active enterprises	
				Births	Deaths
Cambridge City	465	390	4,650	10.0%	8.4%
East Cambridgeshire	320	275	3,560	9.0%	7.7%
Fenland	285	305	3,295	8.6%	9.3%
Huntingdonshire	700	630	7,285	9.6%	8.6%
South Cambridgeshire	715	545	7,235	9.9%	7.5%
Cambridgeshire	2,485	2,145	26,025	9.5%	8.2%
Forest Heath	235	245	2,410	9.8%	10.2%
North Hertfordshire	735	620	6,420	11.4%	9.7%
St Edmundsbury	410	400	4,410	9.3%	9.1%
Uttlesford	545	410	4,860	11.2%	8.4%
Greater Cambridge	4,410	3,820	44,125	10.0%	8.7%
East of England	26,160	21,955	236,355	11.1%	9.3%
England	238,895	192,955	2,024,990	11.8%	9.5%

Enterprise births are defined as new businesses registering for either VAT and/or PAYE for the first time. Figure 20 shows Cambridgeshire had a birth rate of 50.2 new enterprises per 10,000 adult residents aged 16+ in 2008, compared to 61.8 in 2007. Within Greater Cambridge, Figure 21 shows Uttlesford has the highest new business registration rate, with 93.3, and Fenland has the lowest, with 38.0.

Reasons suggested for the sharp drop in enterprise births include; the Cambridgeshire knowledge based businesses being disproportionately affected by the credit crunch, other counties within the region being more shielded by the 'London' effect (where registrations increased over this same period) and the skills of those being made redundant in Cambridgeshire being less suited to self employment.

Figure 20: Births per 10,000 adult residents in Cambridgeshire, East of England and England by year

Source: BIS

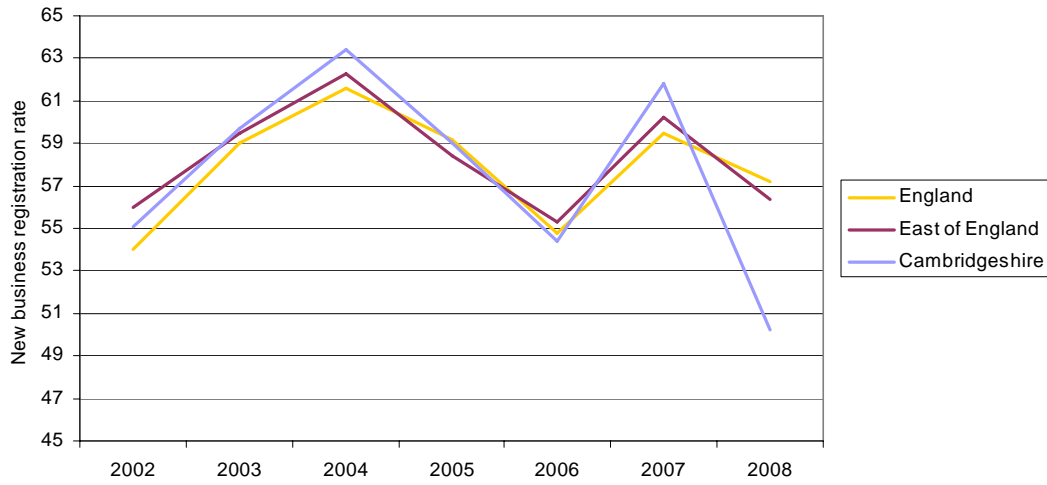


Figure 21: Births per 10,000 adult residents in Greater Cambridge by district in 2008

Source: BIS

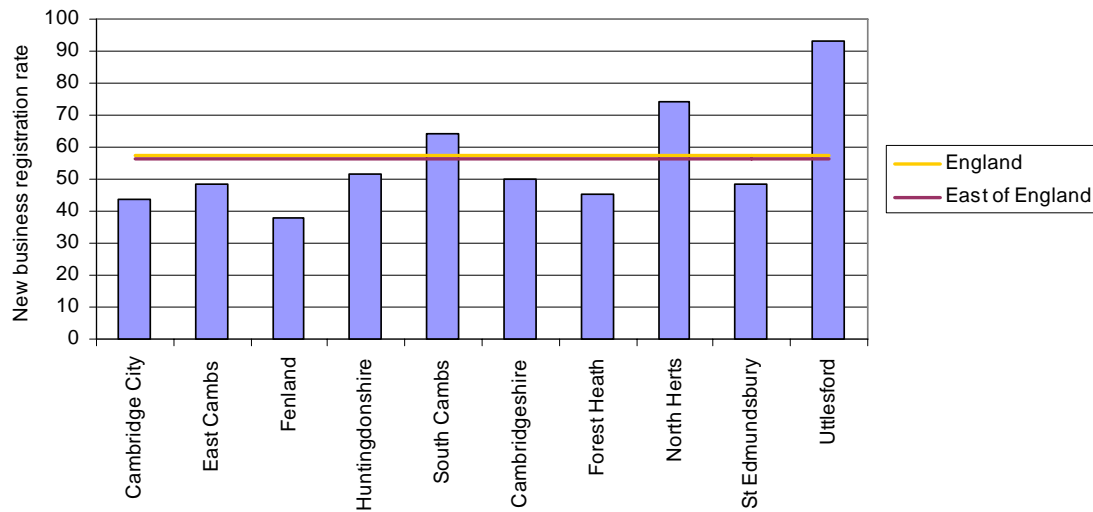
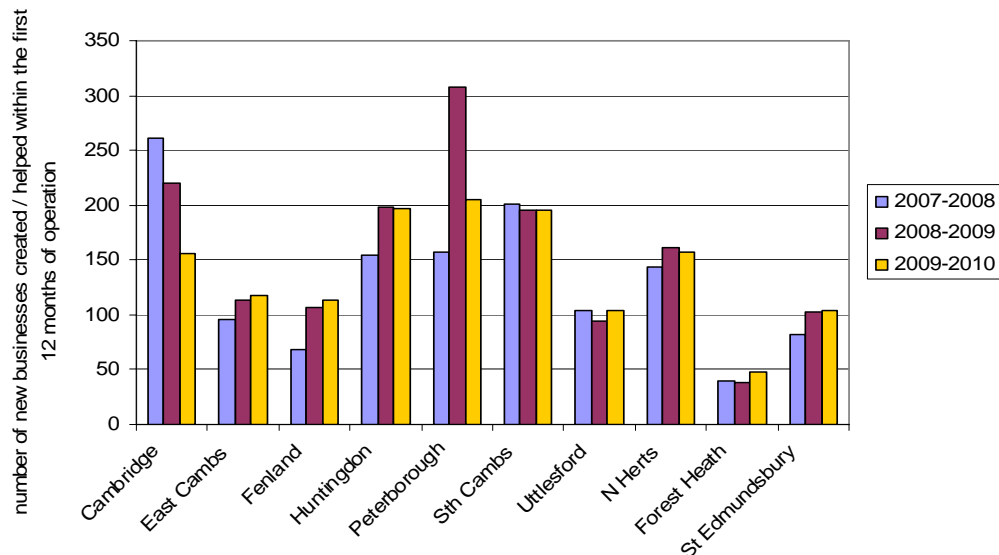


Figure 22: New Businesses created/helped within the first 12 months of operation

(Note - Only reflects those businesses with whom Business Link have engaged and will be influenced by the different programmes being run by Business Link at the time.)

Source: Business Link East, 2007/08 – 2009/10



Innovation

Strong innovation performance but constrained by linkages.

Cambridgeshire has the highest share of employment in R&D in the region and attracts a high proportion of public and private investment in R&D. There is concern that private sector R&D investment is highly dependent on a small number of globally significant companies – a structure that lacks long term resilience. Of the three categories of indicator identified in the East of England Innovation Baseline, Cambridgeshire performs the least strongly on 'linkages' – particularly transport infrastructure.

East of England Innovation Baseline

In 2009 EEDA published the East of England Innovation Baseline which reviews the nature, scale and scope of innovation in the East of England relative to other UK and international regions. Most of the baseline information is available at regional level rather than local authority level, but such information still can reflect the position of innovation in Cambridgeshire given the county's contribution to the region's innovation status.

The study sets out three broad categories of indicators with a number of sub-categories to measure the level of innovation of the region. These three categories are Input, Linkages and Output. Input indicators include Research & Development investment, education and skills. Linkages indicators highlight the interactions between businesses and universities as well as transport and communication infrastructure. The output indicators measure innovative activities as well as novel innovations.

The findings of the study indicate that the overall performance of East of England is very good across these innovation indicators. The region has strong research-intensive economy with particular strengths in research and development, the commercial exploitation of new knowledge via patents, and connectivity to London. National comparison puts the region as one of the most innovative regions in the UK. There are however some indicators that present a challenge to the long-term innovation performance for the region.

The study recognises the strong contribution that Cambridgeshire makes to the region's innovative performance.

Inputs

Within the region, Cambridgeshire has the highest share of employment in R&D, including a distinct niche in life science and biotechnology which employs 7 times the national average. Cambridge attracts a large proportion of government funding such as health research - several Medical Research Council establishments are located near Cambridge. Private sector investment in R&D in Cambridge makes up a large proportion of the total amount in the region. However there is a concern that business R&D investment is heavily dependent on the investment decisions of a small number of global companies, which may not be resilient in the longer term.

Education and qualification performance are also important indicators within the Input category which ensure an area's long-term innovative ability. 53% of pupils in Cambridgeshire achieve 5 or more A* to C in English & Mathematics GCSEs which is above the regional and national averages. The University of Cambridge and Anglia Ruskin University perform the highest in the region in terms of total higher education qualifications obtained. Cambridgeshire is one of the two counties in the region to perform above the national average on the Human Capital Index. The index is a weighted average of NVQs which provides an indication of the skill profile in the area.

Linkages

Cambridge is relatively well connected to London and other places in the region by both road and railway however the counties performance under this indicator is not as strong as its

performance in the other two indicators. Cambridge railway station has the highest usage among all the stations in the region.

The strong regional performance on business – university research and consultancy is driven by the University of Cambridge's strong interactions with business communities. The University of Cambridge accounts for about 60% of the total value of collaborative research and research/consultancy contracts in the region of which the total amount is the highest level in the UK.

Outputs

Cambridgeshire performs strongly with high knowledge-intensive business densities; the second highest county in the East of England behind Hertfordshire and above the national average.

University impact

Universities contribute to an area's economic growth and prosperity in different ways including creating jobs, expenditure in the area, providing knowledge transfer/high-skilled labour, supporting innovation and entrepreneurship.

There are two universities in Cambridgeshire; the University of Cambridge and Anglia Ruskin University. The Higher Education Business and Community Interaction Survey 2007/2008 indicates that the two universities play very different roles in the economic development of the area.

The University of Cambridge as a global research leader attracts inward investment to the area, meets national skills needs particularly highly-skilled labour, and performs strongly in research collaboration with industry, for example knowledge transfer and spin-out activities. By 2005, 51 companies had spun-out directly from the University of Cambridge alone and 250 companies had been created based on knowledge transfer from the University of Cambridge. In 2005 those companies employed 3,990 people and generated revenues of £574m. Furthermore, the University of Cambridge is a major attraction for tourists, an industry that generated expenditure of £196 million for Cambridge in 2006.

Anglia Ruskin University has a much greater local focus, centred on improving local accessibility to higher education, supporting small and medium size enterprises and meeting local skills needs.

Community Innovation Survey

The East of England exhibits high level of innovation activity and international working, primarily driven by product related factors such as service or goods quality enhancements but limited by the cost of finance.

There is a high level of innovation activity among East of England businesses, particularly the acquisition of computer hardware and software driven by product related factors such as service or goods quality enhancements. Over half of businesses have international business links. Skills levels of employees are average compared with other regions. The cost of finance is perceived as the biggest barrier to innovation.

The Community Innovation Survey is a Europe-wide survey giving information on the innovation of different sectors and region in the member states of the EU. The latest survey was conducted in 2009 but the complete results have not been released yet, therefore the statements below are based on 2007 results. The 2007 surveys were sent to 28,000 UK enterprises and achieved over a 53% respondent rate.

Innovation active enterprises

The 2007 data shows that 69% businesses in East of England were innovation active and 59% had innovation related expenditure, the highest levels among regions in the UK. In contrast the East of England has the lowest proportion of innovation active businesses in the 2005 Innovation Survey.

Innovation activities

There are a great variety of innovation-related activities including internal/external R&D, acquisition of equipment and external knowledge. In the East of England, the most commonly reported innovation activities were acquisition of computer hardware and software. Compared to other regions, the East of England has the highest proportion of the businesses in acquisition of internal R&D, acquisition of computer hardware and software as well as marketing innovation.

Market and exports

31% of enterprises in East of England operated the business at a European level and 20% of enterprises operated the business worldwide which means over half of East of England business have international business links. This figure was above the average national figure and just behind London and South East region.

Skills

Skills level in East of England enterprises are relatively average compared with other regions. The survey shows that only 6% of the employees had degree level qualifications in Science and Engineering and 10% had degree level qualifications in other subjects.

Cooperation agreement

In the East of England the proportion of enterprises that had cooperation arrangements on innovation activities was 11%; just above the national average but not the leading region. The most common cooperation partners were suppliers (68%) and customers or clients (66%). Only 22% of enterprises in the East of England had collaborations with universities, relatively low compared with other regions. Of the enterprises with cooperation agreements, 63% had agreements that operated at international level (Europe and rest of the world), the highest among all regions.

Factors driving innovation and barriers to innovation

The enterprises in East of England considered product-related factors more important in driving innovation than process-related factors. Services or goods quality enhancements were the most commonly mentioned factor by the enterprises in East of England.

In terms of barriers to innovation, the 2007 data shows an overall fall in perception of barriers to innovation for the businesses in East of England. However cost factors were considered the strongest barrier, particularly the cost of finance and the perceived economic risk.

Employment growth of small businesses

Employment growth in small businesses is relatively low, particularly in the north and east.

Most districts have employment growth between the regional and national averages, other than Cambridge City, which is above the national average, and Fenland, which is below the regional average.

3,180 of the 22,765 registered enterprises in Cambridgeshire with employment of less than 50 in 2007 showed an increase in employment by 2008, meaning the percentage of small businesses showing employment growth in 2008 was 14.0%, compared to 14.2% in 2007 – a slight drop reflecting the national trend. The percentage of enterprises with employment growth was highest in Cambridge City, with 14.5%, and lowest in Fenland, with 13.6%.

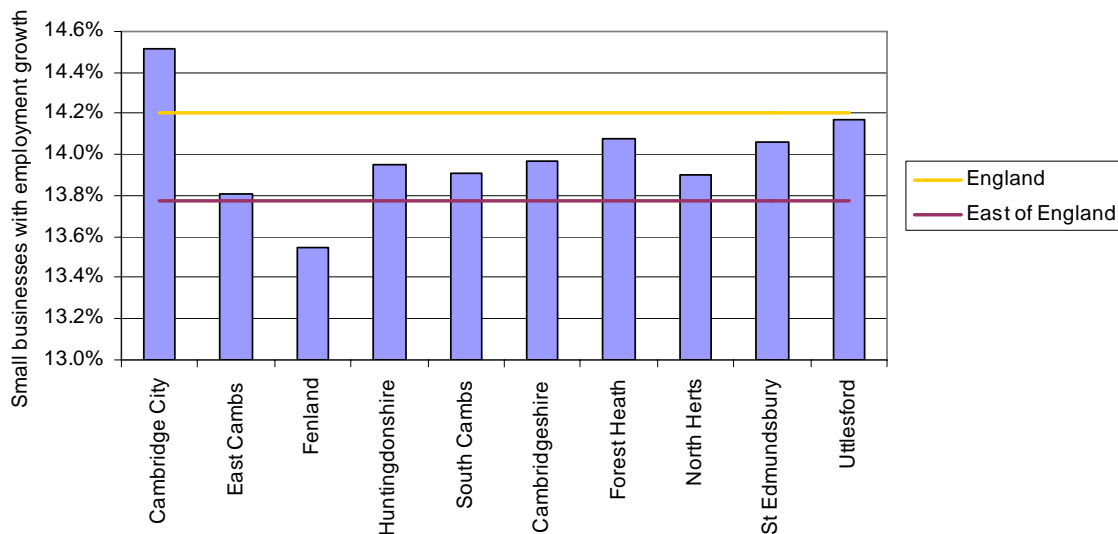
Figure 23: Percentage of small businesses in Cambridgeshire, East of England and England showing employment growth by year

Source: BIS



Figure 24: Percentage of small businesses in Greater Cambridge showing employment growth in 2008 by district

Source: BIS



Jobs, Earnings and Productivity

Total jobs and jobs density

Labour demand is high in Cambridge City, Huntingdonshire and South Cambridgeshire and low in East Cambridgeshire and Fenland.

Across Greater Cambridge, only in Cambridge City is the labour demand higher than the available workforce, accounting for the significant levels of commuting into the city. East Cambridgeshire, Fenland and Huntingdonshire each have a lower ratio of jobs to working age residents than the regional and national averages.

Employee jobs, shown by industry in a previous section, are included in Cambridgeshire's total jobs, as are self-employment jobs, government-supported trainees and HM Forces. In 2008 there were 326,000 jobs in Cambridgeshire, the same as in 2007, and 513,000 in Greater Cambridge. With 100,000 jobs, Cambridge City provided 31% of the County's total jobs in 2008, reflecting the large education and health employers in the district.

Cambridgeshire's jobs density – the ratio of total jobs to working age residents – was 0.85 in 2008, slightly lower than in 2007. With a jobs density figure of less than 1, the County's labour demand is not as high as its available workforce but is higher than regional and national jobs density figures. Across Greater Cambridge, only in Cambridge City is the labour demand higher than the available workforce, with a jobs density figure of 1.11 in 2008. East Cambridgeshire has the lowest jobs density in the county.

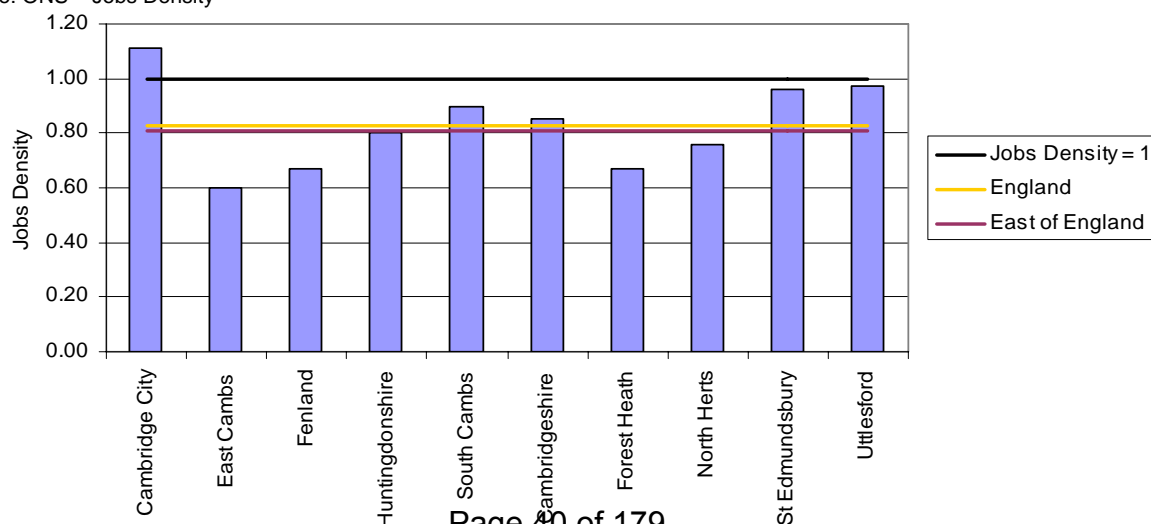
Table 10: Total jobs and jobs density in Greater Cambridge by district in 2000 and 2008

Source: ONS – Jobs Density

Area	Total Jobs			Jobs Density	
	2000	2008	Change 00-08	2000	2008
Cambridge City	93,000	100,000	7,000	1.21	1.11
East Cambridgeshire	24,000	30,000	6,000	0.54	0.60
Fenland	34,000	36,000	2,000	0.70	0.67
Huntingdonshire	76,000	84,000	8,000	0.76	0.80
South Cambridgeshire	69,000	77,000	8,000	0.85	0.90
Cambridgeshire	295,000	326,000	31,000	0.84	0.85
Forest Heath	28,000	27,000	-1,000	0.71	0.67
North Hertfordshire	55,000	57,000	2,000	0.77	0.76
St Edmundsbury	57,000	60,000	3,000	0.95	0.96
Uttlesford	40,000	43,000	3,000	0.95	0.97
Greater Cambridge	475,000	513,000	38,000	0.84	0.85
East of England	2,621,000	2,813,000	192,000	0.80	0.81
England	25,210,000	26,611,000	1,401,000	0.83	0.83

Figure 25: Jobs density in Greater Cambridge by district in 2008

Source: ONS – Jobs Density



Employee jobs and part time working

Relatively low proportion of part time jobs

Cambridgeshire experienced a 1% increase in employee jobs from 2007 to 2008. Across Cambridgeshire, part time jobs account for a lower proportion of employee jobs than nationally, with particularly low levels in Fenland, Huntingdonshire and South Cambridgeshire. Part time work can allow people to enter the workforce who otherwise might not be able to due to commitments such as family

Businesses in Cambridgeshire across all industry sectors provided 279,500 employee jobs in September 2008, compared to 276,100 in September 2007, a 1% increase. Primary sector businesses provided 3% of employee jobs in 2008, manufacturing companies provided 12%, 4% were provided by construction firms, and 81% of employee jobs were in service sector businesses. [Also see Figure 2 on page 5.]

Male employees accounted for 51%, female employees 49%, reflecting the national picture. Part-time employee jobs accounted for 29% of all employee jobs, 2% less than seen nationally. Part time jobs formed a relatively low proportion of employee jobs in Fenland, Huntingdonshire and South Cambridgeshire. St Edmundsbury has the highest proportion of part-time employees, with 35%, yet one of the lowest proportions of residents working part time – implying a significant amount of commuting to and from the district. Cambridge City has the highest proportion of female employees, with 53%.

Table 11: Employee jobs in Greater Cambridge by district in 2008

Source: ONS – Annual Business Inquiry

Area	Employee Jobs	Male		Female	
		Full-time	Part-time	Full-time	Part-time
Cambridge City	88,100	34,000	7,300	27,200	19,500
East Cambridgeshire	24,500	11,100	2,400	5,900	5,100
Fenland	31,600	15,000	2,400	8,000	6,200
Huntingdonshire	70,600	30,700	5,300	20,000	14,600
South Cambridgeshire	64,700	30,300	6,400	15,900	12,100
Cambridgeshire	279,400	121,000	23,800	77,000	57,600
Forest Heath	23,200	10,300	2,200	5,000	5,700
North Hertfordshire	46,100	20,300	4,000	11,500	10,300
St Edmundsbury	50,300	20,600	4,200	12,200	13,200
Uttlesford	35,200	16,100	3,400	8,300	7,400
Greater Cambridge	434,200	188,300	37,700	114,100	94,200
East of England	2,392,700	998,600	212,200	609,400	572,600
England	23,073,700	9,819,700	1,908,900	6,110,800	5,234,400

Job growth

High jobs growth since 2000

Jobs growth since 2000 exceeds the national rate in all five Cambridgeshire districts with the rate of increase highest in East Cambridgeshire.

In 2008, there were 31,000 more jobs in Cambridgeshire than in 2000, an increase of 11%. Total jobs increased by 8,000 in both Huntingdonshire and South Cambs, the largest numerical increases across Cambridgeshire, and by 25% in East Cambs, the greatest percentage increase. 31,000 jobs over 8 years, or 3,875 jobs per year on average, exceeded Cambridgeshire's job growth target (RSS Policy E1) of 75,000 jobs over 20 years, which was 3,750 jobs per year on average. [Also see Table 10 on page 33.]

Figure 26: Change in total jobs since 2000 in Cambridgeshire, East of England and England

Source: ONS – Jobs Density

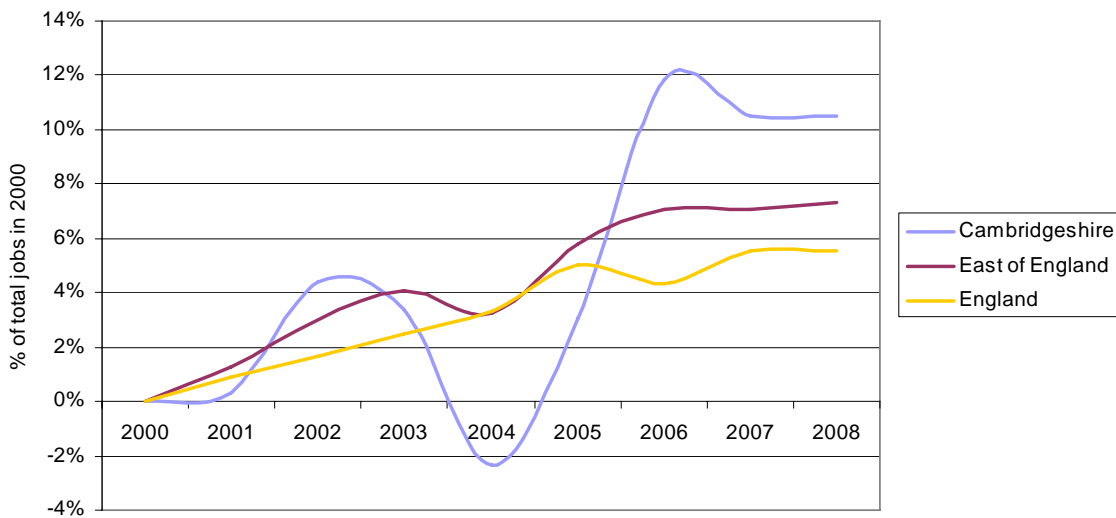
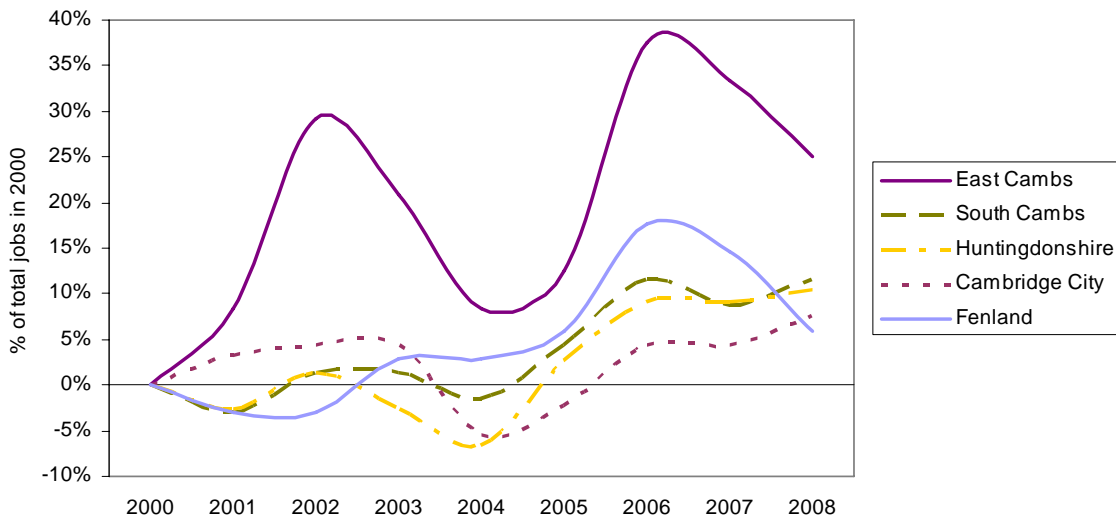


Figure 27: Change in total jobs since 2000 in Cambridgeshire by district

Source: ONS – Jobs Density



Earnings of employees → PEOPLE page 20 Residents' weekly pay

Wages are high in South Cambridgeshire. Significant pay gap across all districts between men and women

Wages are high in South Cambridgeshire and Cambridge, with wages across the other districts being more similar to national levels. Forest Heath and Fenland are the only Greater Cambridge districts with wages significantly below the national average. The difference in earnings between females and males is higher than seen regionally or nationally, reflecting the pattern seen in residential earnings. Fenland workplace wages are higher than Fenland residential wages, implying that many Fenland residents are not qualified to take up the better paid jobs available in the district. Conversely, in Huntingdonshire, East Cambridgeshire, Cambridge, North Hertfordshire and Uttlesford, resident earnings are higher than workplace earnings suggesting high levels of out-commuting to higher paid, higher value jobs.

The median gross weekly pay for full-time employee jobs in Cambridgeshire in 2009 was £510.00, compared to £493.50 in 2008. The average wage across Cambridgeshire has remained above regional and national figures over the last 7 years and steadily increased, in line with the national trend over the last three years. Median earnings of full-time employees are lowest in Fenland and Forest Heath, and highest in South Cambridgeshire. South Cambridgeshire jobs pay on average 42% more than Fenland jobs. The difference in earnings between females and males is high across the county, particularly in South Cambridgeshire, Fenland and Forest Heath, reflecting the pattern of residential earnings across the county. The differential between resident (Table 13) and workplace (Table 12) earnings in Huntingdonshire suggests high levels of out-commuting to higher paid, higher value jobs. The differential in workplace earnings in Fenland suggests out-commuting to lower paid, lower value jobs.

The percentage increase in workplace employee wages over the last five years has been highest in East Cambridgeshire, followed by Cambridge City, South Cambridgeshire, Huntingdonshire and Fenland.

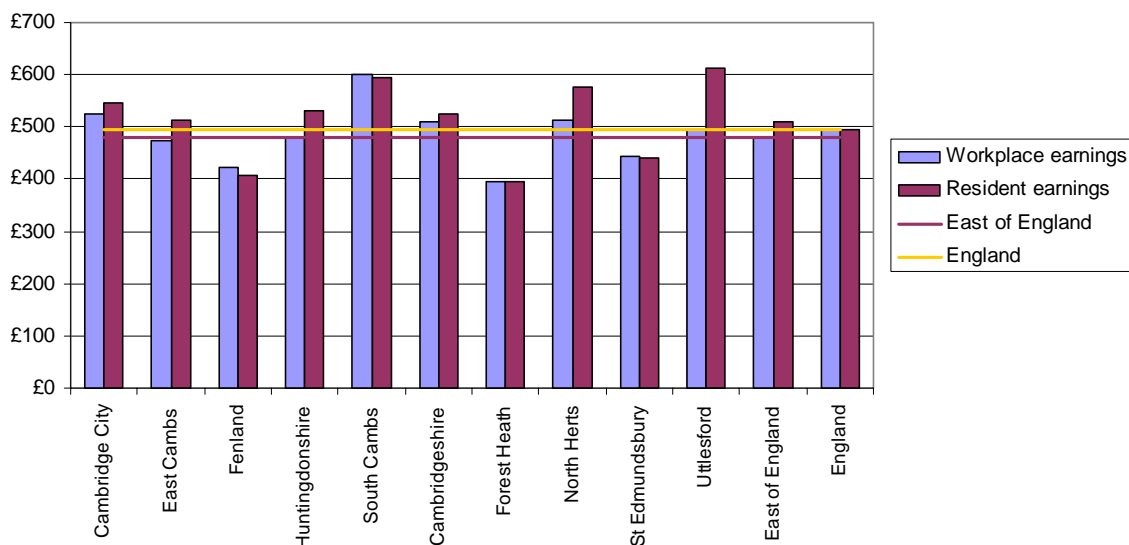
Table 12: Median full-time gross weekly earnings in Greater Cambridge by district and gender in 2009

Source: ONS – Annual Survey of Hours and Earnings (Workplace Analysis); # data suppressed as statistically unreliable

Area	All Full-time Workers	Male Full-time Workers	Female Full-time Workers	Female Earnings as % of Male Earnings
Cambridge City	£524.40	£589.70	£465.40	78.9%
East Cambridgeshire	£474.90	£491.60	#	#
Fenland	£421.90	£466.50	£326.10	69.9%
Huntingdonshire	£479.10	£508.90	£400.10	78.6%
South Cambridgeshire	£599.30	£671.80	£472.10	70.3%
Cambridgeshire	£510.00	£578.50	£438.80	75.9%
Forest Heath	£395.60	£488.50	£322.20	66.0%
North Hertfordshire	£512.20	£513.90	£507.10	98.7%
St Edmundsbury	£445.00	£462.80	£399.50	86.3%
Uttlesford	£496.20	£540.70	£428.90	79.3%
Greater Cambridge	-	-	-	-
East of England	£479.10	£524.30	£409.40	78.1%
England	£495.20	£538.20	£431.20	80.1%

Figure 28: Median full-time gross weekly workplace and resident earnings in Greater Cambridge by district in 2009

Source: ONS – Annual Survey of Hours and Earnings (Workplace and Resident Analysis)

**Table 13: Median full-time gross weekly earnings in Greater Cambridge by district and gender in 2009**

Source: ONS – Annual Survey of Hours and Earnings (Resident Analysis); # data suppressed as statistically unreliable

Area	All Full-Time workers	Male Full-Time	Female Full-Time	Female earnings as % of male earnings
Cambridge City	£545.50	£592.30	£476.80	80.5%
East Cambridgeshire	£511.50	£540.10	£394.30	73.0%
Fenland	£407.40	£469.40	£311.60	66.4%
Huntingdonshire	£531.00	£584.60	£421.10	72.0%
South Cambridgeshire	£594.00	£684.30	£485.50	70.9%
Cambridgeshire	£525.90	£584.80	£442.70	75.7%
Forest Heath	£396.00	£491.00	£324.30	66.0%
North Hertfordshire	£577.40	£605.10	£488.90	80.8%
St Edmundsbury	£439.70	£475.00	£406.10	85.5%
Uttlesford	£613.10	£649.50	#	
Greater Cambridge	N/A	N/A	N/A	
East	£509.40	£565.80	£432.60	76.5%
England	£496.00	£538.50	£431.40	80.1%
United Kingdom	£488.70	£531.10	£426.40	80.3%

Employment forecasts

Growth in employment forecast across districts; the largest increase in Cambridge.

Cambridgeshire's employment is forecast to grow by 16% between 2009 and 2021, with the most significant increase in Cambridge City, where employment is forecast to grow by 22% relative to total employment in 2009.

Forecasts from Insight East suggest that Cambridgeshire's total employment (jobs) will increase from 325,900 in 2009 to 376,800 by 2021, a rise of 16%. Total employment across Greater Cambridge will increase by 13% over 12 years, compared to a 10% rise across the East of England.

Figure 29: Employment growth forecasts for Cambridgeshire, Greater Cambridge and the East of England

Source: Insight East – East of England Forecasting Model Spring 2010 Baseline Forecast

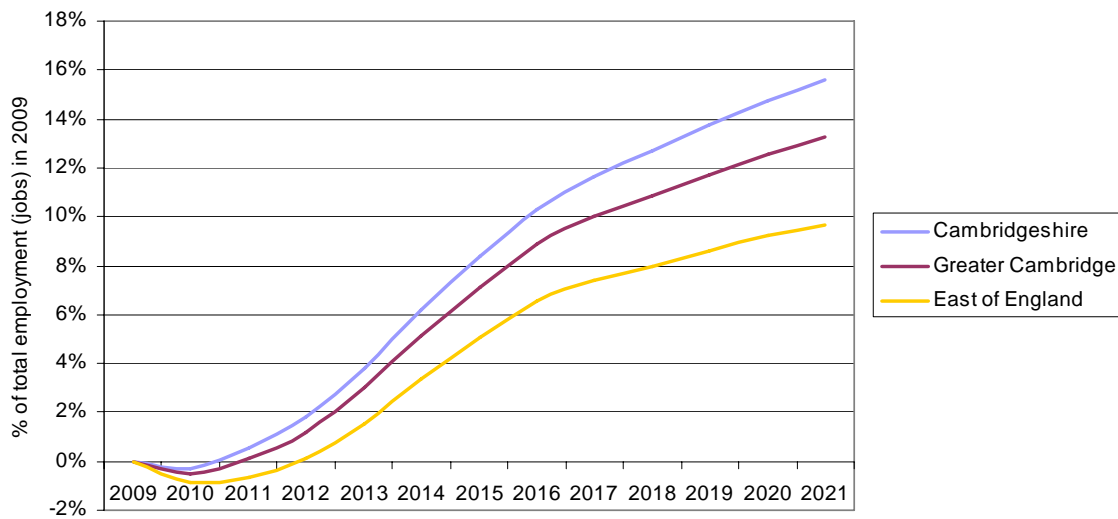
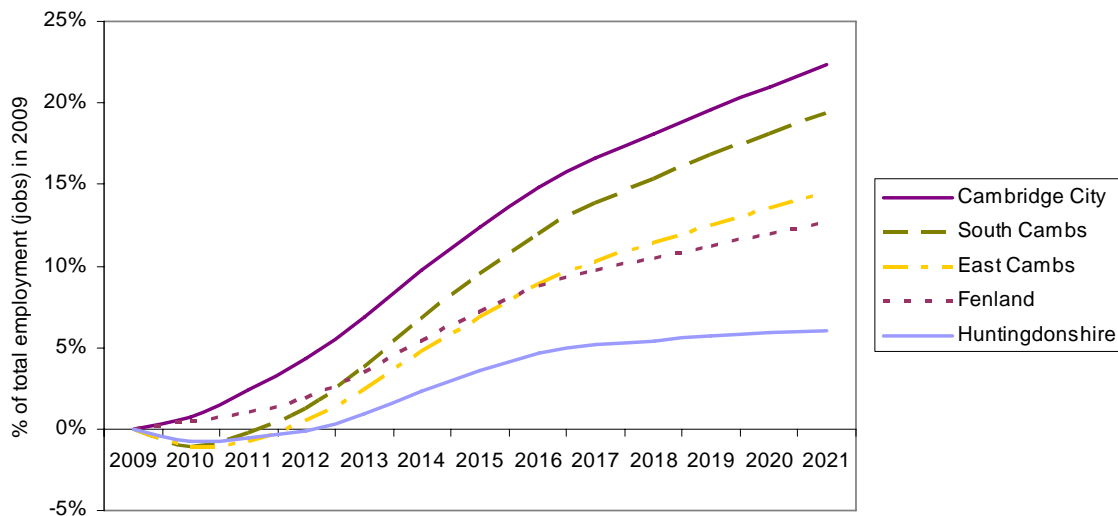


Figure 30: Employment growth forecasts for Cambridgeshire by district

Source: Insight East – East of England Forecasting Model Spring 2010 Baseline Forecast



Cambridgeshire's gross value added

Productivity and prosperity highest in areas with higher value industries and high jobs density.

Cambridgeshire has a GVA per head of population above the regional and national average, predominantly caused by high value added activity in South Cambridgeshire and a high jobs density in Cambridge City pushing up the county average. Productivity is highest in South Cambridgeshire, reflecting the concentration of high value industry in this district. Since 2000 business services and finance, and public administration, education and health have provided the largest increases in their contribution to total GVA. Production, and distribution, transport and communication industries saw a decrease in their contribution to total GVA.

Productivity of the economy is measured by GVA (Gross Value Added), and GVA per head. Calculated on a workplace basis, Cambridgeshire's GVA (at current basic prices) was £12,598 million in 2007, compared to £11,652 million in 2006, an 8% increase. Cambridgeshire's GVA per head of population was £21,089 in 2007, 11% above the East of England average of £19,083 per head, and 3% above the England average of £20,458 per head.

Figure 31: GVA per head in Cambridgeshire, East of England and England by year

Source: ONS – Regional Gross Value Added

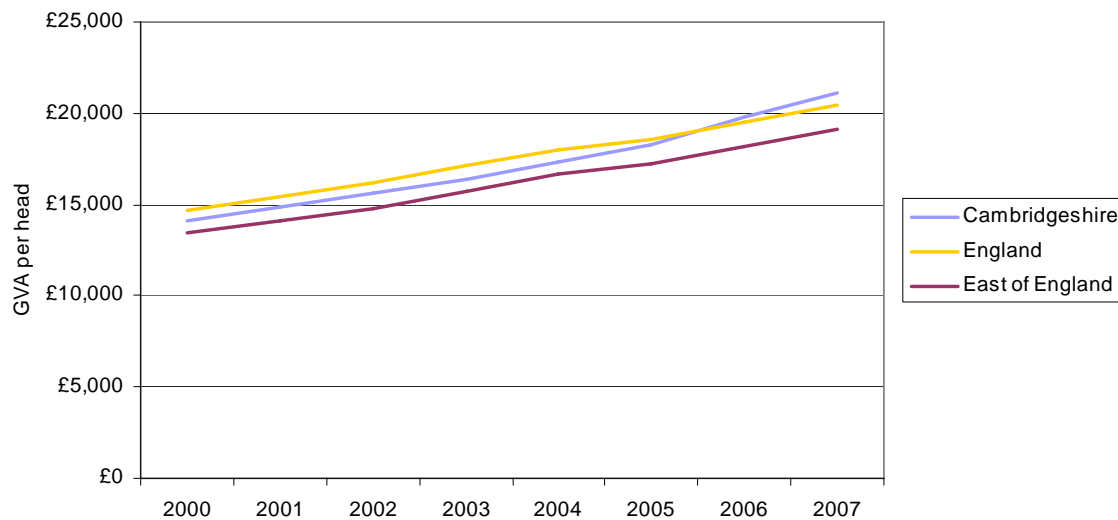


Figure 32 below shows that since 2000 the largest increase in GVA contribution within Cambridgeshire has come from the business service and finance and public administration, education and health industries. The production sector and distribution, transport and communications sector have both seen their contribution to total GVA decrease since 2000. Those districts most dependent on these industries, particularly East Cambridgeshire and Fenland with regard to the production industry, may face increasing difficulties if these industries continue to decline in importance.

Figure 33 illustrates labour productivity levels for each of the locations. This provides a basic assessment of how productive these places are. Cambridgeshire's productivity level is slightly below the regional and national averages, although increasing. This is due to lower value employment in places such as Fenland, East Cambridgeshire and to a lesser extent, Huntingdonshire. The dynamism and well established clusters of high value added activity within South Cambridgeshire pushes up the Cambridgeshire average.

Workplace based GVA per capita is a key measure of prosperity across each of the localities, and measures the amount of gross value added within an area (by all those who work within the

area, including those who commute into the area to work) per head of the resident population. Cambridge City and South Cambridgeshire enjoy the highest levels of GVA per capita, ensuring that the county level is above the national average. GVA per capita in Cambridge City will be particularly high due to the high ratio of jobs to residents in the city. GVA per capita is much lower in East Cambridgeshire, Fenland, Forest Heath and North Hertfordshire, all districts with significantly lower jobs density.

Figure 32: GVA in Cambridgeshire by year and industry

Source: ONS – Regional Gross Value Added

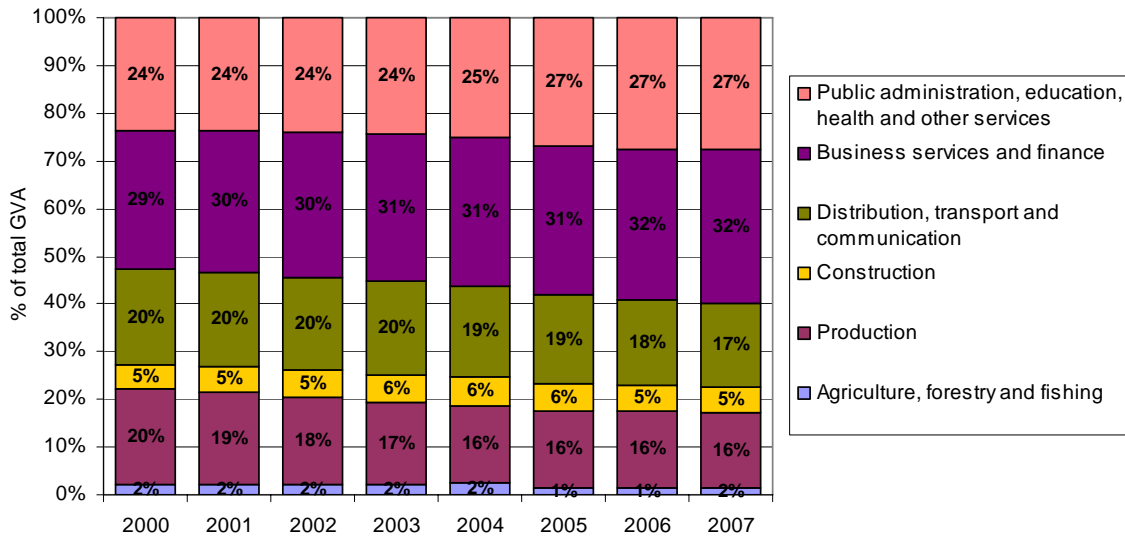
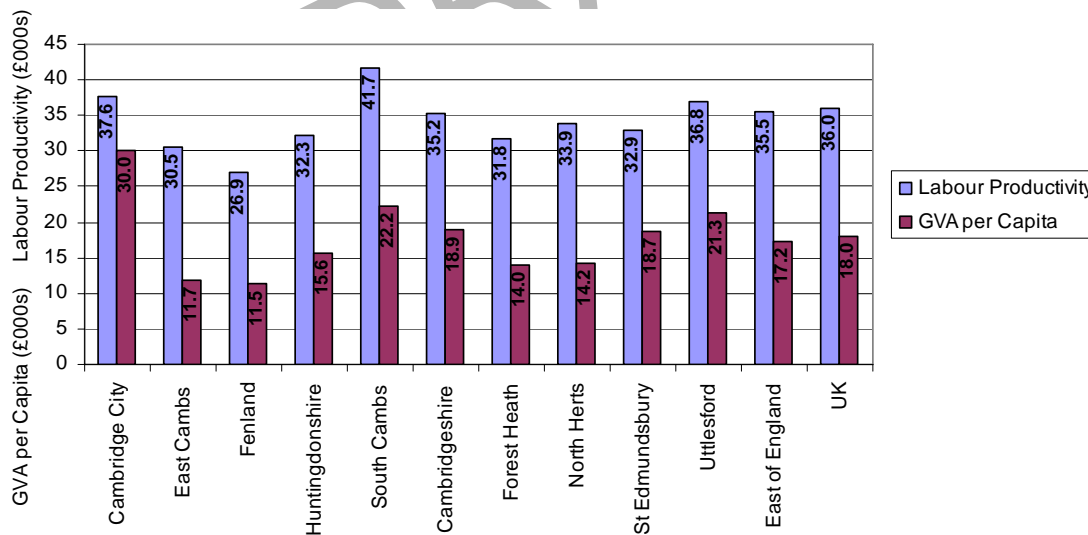


Figure 33: GVA per capita and labour productivity in Greater Cambridge by district in 2009

Source: Insight East – East of England Forecasting Model Spring 2010 Baseline Forecast; GVA per Capita (£000s per head of population); Labour Productivity (£000s per total of employees and self-employed)



Health and productivity

A report published by the Work Foundation in April 2010 argues that the cost of ‘presenteeism’ (being at work but not productive) could match or account for one-and-a-half times more working time lost than the estimated £13bn annual cost of sickness absence. Physical and mental health of employees can have a significant impact on productivity. The Joint Strategic Needs Assessment analyses the health of residents in detail.

GVA forecasts

Forecast growth in GVA across all districts, highest in South Cambridgeshire

Cambridgeshire's GVA is forecast to grow by 45% between 2009 and 2021, with the most significant increase in South Cambridgeshire where GVA is forecast to grow by 53% relative to total GVA in 2009.

Forecasts from Insight East suggest that Cambridgeshire's total GVA (at 2005 prices) will increase from £11,484 million in 2009 to £16,697 million by 2021, a rise of 45%. Total GVA across Greater Cambridge will increase by 42% over 12 years, compared to a 37% rise across the East of England.

Figure 34: GVA growth forecasts for Cambridgeshire, Greater Cambridge and the East of England

Source: Insight East – East of England Forecasting Model Spring 2010 Baseline Forecast

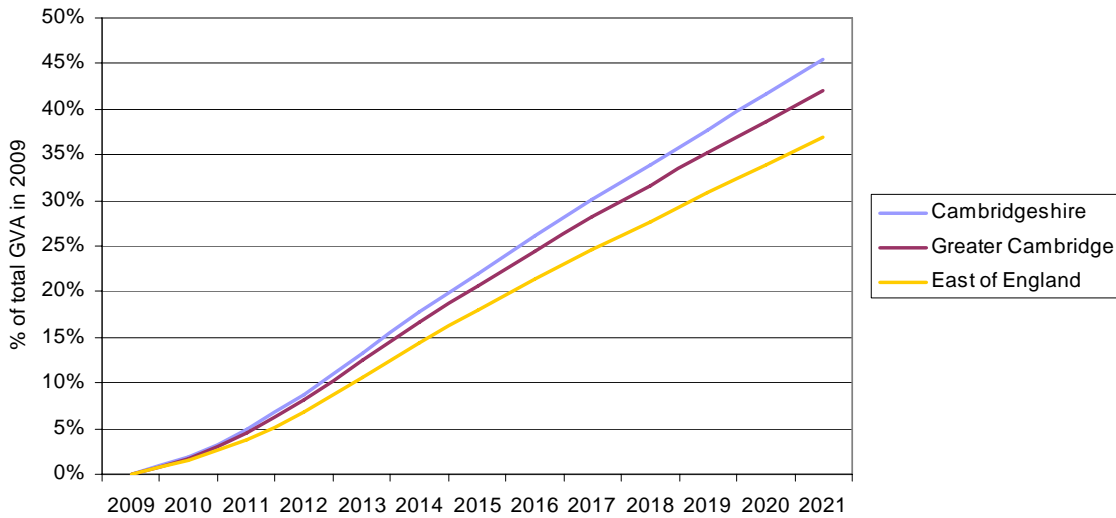
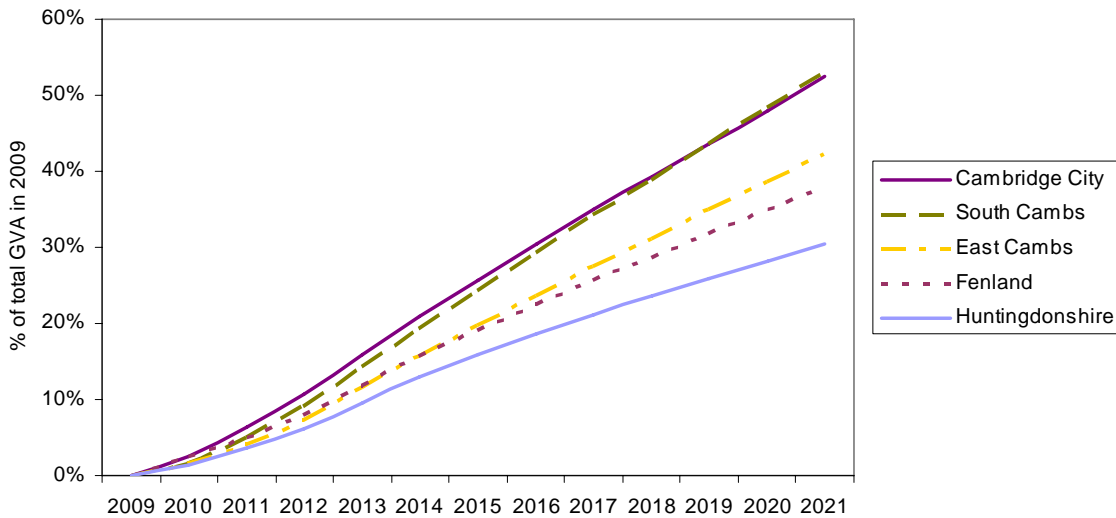


Figure 35: GVA growth forecasts for Cambridgeshire by district

Source: Insight East – East of England Forecasting Model Spring 2010 Baseline Forecast



Trade Volume

Pharmaceutical industry generates significant export value, however the East of England as a whole imports significantly more than it exports.

The East of England imports approximately twice the value of goods that it exports. The majority of export links are with the EU, probably reflecting the importance of the car industry within the region. A high proportion of export value is attributable to machinery and transport industry and chemicals, implying that the pharmaceutical industry within Greater Cambridge generates significant export value.

Between 2007 and 2010, the East of England consistently generated the second largest volume of EU exports of all regions, behind only the South East. However its poorer performance on non-EU exports drops it to fourth place on total export volume, behind the South East, London and the North West.

The East of England is unlike other regions across England in that the majority (60%) of its total exports are to the EU. Across most other regions, the proportion of non EU to EU export value is more like 50-50, or else the value of non-EU exports slightly exceeds that of EU exports. However, like most other regions, the number of exporters exporting to non-EU countries is around 3 times that exporting to EU countries.

Figure 36: East of England Exports Volume between 2005 and 2009

Source: HMRC – Regional Overseas Trade Statistics

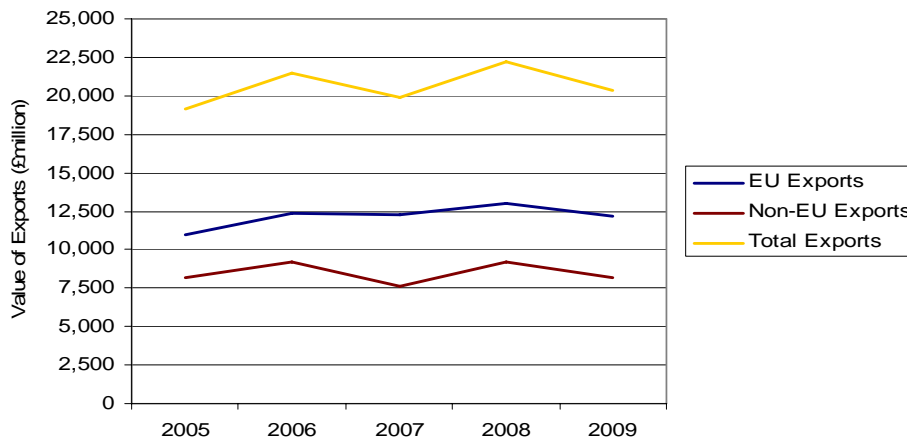
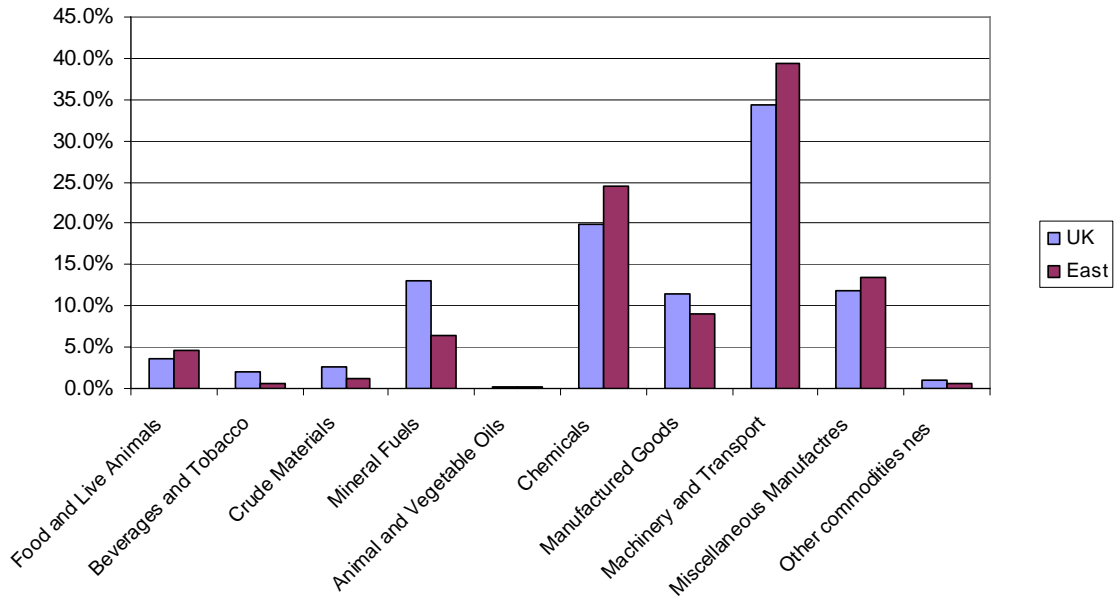


Figure 37 over the page shows that a higher proportion of the East of England export value is generated from the machinery and transport industry (reflecting the strength of the car industry in the region) and the chemical industry (reflecting the pharmaceutical strengths across Greater Cambridge) than across the UK as a whole.

Figure 37: Total export value broken down by SITC section (2010)

Source: HMRC – Regional Overseas Trade Statistics



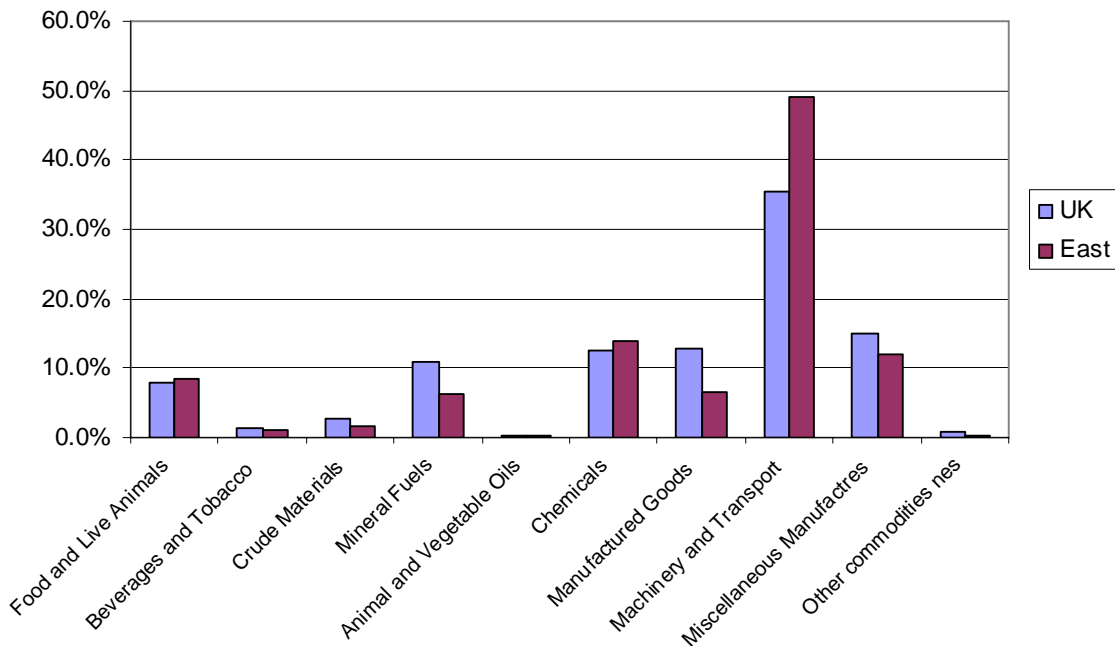
The trend in volume of exports in the East of England closely followed that of the wider UK between 2005 and 2009; however the volume of imports increased more rapidly in the East of England between 2006 and 2008 than across the UK as whole.

In 2009, the East of England imported approximately twice the value of goods that it exported, a higher ratio than across the UK as a whole, where the value of imports is around 1.4 times the value of exports.

A high proportion (almost 50%) of import value is attributable to machinery and transport, again reflecting the significant car industry in the East of England.

Figure 38: Total import value broken down by SITC section (2010)

Source: HMRC – Regional Overseas Trade Statistics



Skills Profile and Employer Demand

Skills priorities cut across technical, managerial, entrepreneurial and core skills

1) Secure Cambridgeshire's success and increase its contribution to UK plc

- Increased promotion and funding of technical and scientific skills in support of ICT, engineering and high value manufacturing.
- Targeted managerial training for potential high growth companies and bespoke training support (short and flexible) for smaller companies who have little spare capacity to undertake training or take on apprentices
- Upskilling and re-skilling the existing workforce, across the public, private and third sectors. Future projections indicate that demand for intermediate and high skilled employees is anticipated to outstrip demand for low skilled employees – 75% of the 2020 workforce is already in work.
- Furthermore, the 're-balancing' of the economy away from the public sector will require significant re-skilling of public sector workers, significant investment in entrepreneurship skills and up-skilling of third sector organisations.

2) Raise economic activity levels in deprived areas.

- Increase targeted, tailored and co-ordinated interventions that address core skills and low level learning, particularly among long term benefit claimants and in rural areas. This will be vital in driving the economic prosperity of more deprived areas, increasing the available workforce for existing employers and opening up opportunities such as self employment to the resident population
- Enable the targeting of resource to small geographic areas to build educational participation and attainment of young people from deprived areas, therefore increasing the available, skilled workforce for local employers and supporting economic growth.

Key areas of unmet demand articulated by employers

- Corporate managers, specifically in relation to ICT, digital economy and technological change
- Health and social care professionals
- Science and Technology professionals in pharmaceutical and medical technology industries
- Professional and technical roles particularly in manufacturing/process sectors and construction
- Customer service, particularly for the tourism and retail industries
- Food technologists for the manufacturing and processing industries.

Evidence from Connected Cambridge Linked In Group discussion (1477 members)

- High number of vacancies in the ICT sector – 200 jobs advertised on Connected Cambridge every week with a churn of only 13%, i.e. vacancies not being filled
- Recruitment often takes place from outside of Cambridge or the UK for vacancies within CB1/CB2.
- Many Cambridge organisations have high expectations of academic qualifications in addition to technical expertise, but maintain lower salaries than London
- Development staff are very academic and technically competent but often don't have the commercial experience or business knowledge to drive a successful business.

Evidence from Fenland 2009 Business Survey (225 responses)

- 30% of respondents experienced difficulty in recruiting skilled manual workers
- Many respondents also encountered problems in recruiting managerial, professional, clerical and semi-skilled workers

GCP employer skills forum*Construction sector skills gaps/needs*

- The highest number of skills gaps are within skilled trade professions (LSC employer skills survey 2007)
- Management skills gaps (oral communication; team working; delegating, supervising; writing; IT customer focus; and finance) exist in the industry in Greater Cambridge
- The sector requires low Carbon/BREEAM excellent building training targeted at small sub contractors.

Food processing sector skills gaps/needs

- ESOL provision is a priority for the sector, both for safety and to ensure migrant workers are fulfilling their economic potential.
- 11% of employers in the region state skills gaps are most prominent machine operative/production line worker area – the bulk of the need is for technical and practical skills.
- The sector has struggled to attract enough good new people and is not seen as a career of choice by many people, and levels of progression and formal qualifications are low by comparison with many other sectors.⁷
- It is recognized that there will be demand for skills at all levels, but businesses are anticipating a larger increase in the demand for higher level and technical skills in subjects as diverse as electronics, mechanization, quality control, ICT and production science as the industry becomes more sophisticated.
- The 2010 skills challenge report found that, looking forward, businesses highlighted particular needs in relation to:
 - Finding young highly skilled operators for large, complex and computerised machinery;
 - Managers with a balance of technical and management skills to promote growth and efficiency;
 - Finding enough scientists and professionals who wish to specialize in the sector e.g. engineers, bankers, accountants and solicitors;
 - Finding new leaders and entrepreneurs to drive the sector forward and create new products and enterprises, as well as supporting the growth needs of existing entrepreneurs.

The report identified four areas that need to be addressed:

- Attracting young people - who have an increasingly wide range of careers available to them. To compete the sector must be clear on the career potential it offers, dispel the myth that it is a closed shop and focus on the 14-16 old age group as they make career choices. The sector needs to use routes such as partnerships with schools or Young Farmers to reach out into non-traditional markets and develop innovative ways into the sector for the young. A full range of routes is required including the 14-19 diploma (funding permitting) as well as both academic and vocational routes.
- Attracting career changers - who in many industries are an increasing source of new recruits. To do this the industry has to encourage people in by clearly explaining the benefits of the sector and selling the sector as a career of choice, helping them to make the transition and by clearly explaining how their transferable skills are valuable within the sector. Some businesses are already doing this and finding it an effective way to obtain skills in areas such as supply chain management or mechanization. Flexible post-graduate provision is also vital to provide the routes for professionals to retrain within the sector.
- Selling a positive message to key influencers - most people, whether young or old are influenced heavily by those around them, and in relation to careers this includes family, friends, colleagues and services such as the careers service and teachers. It

⁷ The Skills Challenge for the East of England's Food & Farming Sector to 2020 (2010)

- is critical that these people also understand the benefits of working within the industry and are positive about it.
- Promoting attractive conditions - the sector has to ensure that its conditions of employment are competitive, and then promote the rewards which the sector offers to potential new entrants. By investing in new technology the value added per employee can be increased and this can lead to more attractive conditions, both physically and financially, being provided.

High value manufacturing sector skills gaps/needs

- 64% of companies in the East of England reported skills gaps in mechanical engineering, general engineering and electronics (SEMTA) and this appears to reflect local needs:
- On generic skills, SEMTA found staff lacked core personal skills; management skills; ICT skills and marketing/selling skills.
- All four universities operating in the sub-region are involved in collaborative initiatives with local businesses. However, research from both the IfM and University of Hertfordshire points to the need for bespoke support for smaller companies – identifying problems and working through individual solutions outside of a business improvement framework or any other generic model. A clear distinction between the needs of medium and small companies needs to be made and a move away from a 'one size fits all' approach to training.

Tourism Strategy and Action Plan – Survey for the strategy identified:

- Business advice, especially marketing for smaller enterprises
- Customer care training across attractions and accommodation providers.

Cleantech strategy and action plan – Opportunities for the sub region include:

- Building technologies, recycling, ICT in cleantech, biotech in cleantech, all of which are sectors which demand technical, engineering or ICT skills.

Creative Industries Strategy and Action Plan

- Identified shortage of media professionals (e.g. marketing, PR, advertising, branding)
- Identified need for bridge between academia and real world, i.e. apprenticeships

County Council workforce development plan

Cambridgeshire County Council is the largest single employer in the county.

Some roles at the Council are more difficult to fill than others due to a variety of reasons including; skills shortages, salary levels and cost of living in the area. Hard to fill posts for the Council based on 2009 data and market intelligence includes:

- Social Workers.
- Other Social Care posts, including Youth Work roles, Community Support and some Children and Families' posts.
- Technical roles including: Engineers, Planners and some qualified accountancy roles.

Social Worker recruitment and retention issues have been addressed very successfully to date, however work continues to take place within this area to eradicate any recruitment and retention issues as is seen to be a priority by the Council.

Projected replacement and expansion demand by sector and occupations

Pre-recession, employment growth in Cambridgeshire was greatest in:

- By industry: public administration, education and health; financial and business services and construction
- By occupation: professional occupations, managers and senior officials

Occupational forecasts for Cambridgeshire based on both the East of England forecasting model and the Local Economy Forecasting model estimate that over the next five years replacement demand is likely to be strongest in:

- Professional occupations (particularly teaching and research professionals)
- Managers and senior officials
- Caring personal service occupations
- Associate technical and professional occupations

However all professions are likely to experience significant levels of replacement demand that outstrips any projected decline in total employment resulting in a net requirement in all professions.

Focus groups that took place as part of part of the Cambridgeshire Work and Skills Plan development pointed to likely future growth in health, software, creative industries (including games and sound and imaging), R&D and advanced manufacturing (including biotechnology, pharmaceuticals, ICT, instruments and engineering, materials, printing and packaging and recycling), tourism and hospitality (linked to the Olympic games) and environmental goods and services. Local economic development policy seeks to encourage hi-tech employment, creative industries, tourism, clean technologies and high value manufacturing.

The East of England forecasting model (spring 2010 forecasts) projects that between 2010-2015 the largest increases in employment in Cambridgeshire will be in; business services, retail, transport and communications, financial intermediation, hotels, distribution and construction.

Occupational forecasts for Cambridgeshire based on both the East of England forecasting model and the Local Economy Forecasting model estimate that over the next five years expansion demand is likely to be strongest in:

- Caring personal service occupations
- Managers and senior officials
- Associate technical and professional occupations
- Professional occupations
- Sales and customer service occupations

All other occupations are projected to experience very little, or negative expansion demand.

Skills for current vacancies

Job Centre Plus vacancy data (2007-2010) shows the greatest number of opportunities currently or recently available are in:

- Health and social work. Notified vacancies in this sector have increased year on year since 2007.
- Retail sector. The retail sector has been affected by the recession but the high turnover rates within the sector mean there is a regular flow of entry-level vacancies in Cambridgeshire. The 2007 NESS survey found that retail employers in the East of England find written communication (69%), customer handling (65%) and oral communication (64%) the most difficult skills to find in applicants.

- Hotels and restaurants. The number of notified vacancies in this sector has remained consistently high since 2007.
- The number of vacancies in the electricity, gas, steam and hot water supply sector have increased rapidly since 2007.
- The largest number of vacancies is consistently in the Financial and Business services sector. The sector, which spans ICT, legal, finance and accounting, marketing and advertising, and real estate services is a major employer in Cambridgeshire.
- The highest number of unfilled vacancies are consistently in elementary and administration occupations, sales and caring, with a higher proportion of vacancies in skilled and elementary trade occupations in the north of the county.

National Employer Skills Survey 2009 found Education and Health and Social Work employers report above-average levels of hard-to-fill vacancies and skill-shortage vacancies, as do those operating in Hotels and Catering

Mismatches in skills profile and demand

Higher average workplace (£422) than residential pay (£407) in Fenland suggests local residents lack the skills required by business to fill the higher paid jobs available in Fenland.

The unemployment rate in Fenland is close to the national average of around 7% however a high (nearly 8% and rising) proportion of Fenland's working age residents claim Employment Support Allowance/Incapacity Benefit (ESA/IB) compared with local, regional and national figures. There are also significant concentrations of ESA/IB claimants in Cambridge City, north Huntingdon and St Neots. A high proportion of these individuals have been out of work for a long period of time but Annual Population Survey data suggests that many would be willing to work, given the right training and opportunities.

Cambridgeshire has a significant Gypsy/Traveller population. Very little research or relating to Gypsies and Travellers and skills and employment exists. What research does exist suggests that there is a strong preference for self employment among communities and there is a broad skill base that goes unrecognised. Opportunities to develop social enterprise, recycling initiatives and support for small businesses with Gypsy and Traveller groups should be explored further. Current provision of targeted training opportunities to Gypsies and Travellers are limited. First hand work experience is recognised to be the preferred method of training for employment among many young Travellers and felt by many to be the most beneficial preparation for adult roles.

Local Futures (2010) predict a reduction in Cambridge City of between 3.25% and 4% in public sector jobs as a proportion of the overall employment base by 2016, a higher proportion of losses than is anticipated nationally or elsewhere in the county. For Cambridge City this equates to around 4000 job losses over the next 6 years, many of whom will seek retraining for employment in the private sector.

With public sector cuts, more will be asked from the voluntary and community sector in terms of service delivery – the skills needs and capacity building of this sector therefore take on increased importance.

Key skills challenges

Overall, participation and levels of attainment are again high across Cambridgeshire for 16-19 and 14-16 year olds, however this masks significant variation by pupil background. Across the county, the achievement gap between pupils eligible for free school meals (disadvantaged learners) and those who are not (non-disadvantaged learners) is 11% - higher than the gap nationally and the largest gap seen in the East of England. The gap widened in 2009.

Cambridgeshire residents are on average more qualified than across the country as a whole, however a higher proportion of Fenland residents have no qualifications than is the case nationally. Fenland also performs well below the national average in terms of the proportion of residents qualified to NVQ levels 2, 3 and 4. The high level of inequality in skills levels between residents in the north and south of the county is illustrated when looking at those educated to degree level; Fenland ranks 14th lowest of all local authorities in the country while Cambridge City ranks 5th highest. The gap in performance appears to be increasing.










Each district in Cambridgeshire has a lower than average proportion of its population holding level 3 (recognised as 'intermediate level') as their highest qualification. This is particularly acute in Cambridge City where the proportion is 12% lower than average, probably due in part to the high number of university research staff resident in the city and the in-migration of highly skilled people employed in local firms. The National Skills Audit 2010 found that the highest 'density' of skills shortages (i.e. relative to the numbers in the occupation) are found in associate professional/technical, skilled trades and personal service occupations, all of which require predominantly intermediate level skills. Associate technical/professional and skilled trade occupations are essential in many advanced manufacturing; skills shortages in these areas could be restricting their growth in the sub region. This situation is already apparent in the construction industry: the SmartLIFE project was established to help address a shortage of skilled construction workers and Tradesmen to help us build the homes and communities of the future.

84.2% of Cambridgeshire's VAT/PAYE registered businesses have an employment of less than ten, a slightly higher percentage than seen nationally. The National Skills Audit 2010 recognises that skills shortages predominantly affect small organisations.

The birth rate of new enterprises is lower than average across most of Cambridgeshire and self employment is lower than average in all districts apart from South Cambridgeshire. Enhancing entrepreneurship skills, starting at school, would provide a major boost to the area.

Across Cambridgeshire, turnover per enterprise is over half that seen nationally and significantly lower than the regional figure. Average employment per enterprise is also lower than average. This aligns with a general perception that management and commercial skills are not strong among leaders of Cambridgeshire companies, particularly hi-tech, knowledge based businesses in the south of the county that have significant potential to grow.

Cambridge Profile

	Overall employment rate	 High and increasing (73%) green
Patterns of economic activity and proportions employed in high value jobs	Average earnings of employees	 High and rising (£524p/w) green
	Jobs Density	 High and decreasing (1.1) green
	Entrepreneurial culture	
	Levels of self employment	 Low but rising (11%) yellow
	Vat registrations	 Low and decreasing red
Skills levels and aspirations	16-18 year olds who are not in education, employment or training*	 High red
	Working age population qualified to at least level 2 or higher *	 High and increasing (76%) green
Patterns of unemployment and deprivation	Working age people on out of work benefits*	 Low and stable green
Housing affordability	Housing affordability	 Low but becoming more affordable (8.1 ratio to earnings) red

* Key Indicator

Key Issues

- A long term decline in office floorspace may lead to problems for the high-tech industry over a 5-10 year timescale.
- High levels of public sector employment with expectations of significant numbers of redundancies in this sector over the next few years.
- Very low housing affordability and pockets of income deprivation in the north of the city

ECONOMIC ASSESSMENT OVERVIEW	South Cambridgeshire			Huntingdonshire			Cambridge City			East Cambridgeshire			Fenland		
	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel
PEOPLE															
NI 151 Overall Employment rate (working age)	Orange	Green	↑	Red	Green	↓	Red	Green	↑	Green	Green	→	Red	Green	↑
NI 152 Working age people on out of work benefits	Green	Green	↑	Green	Green	↑	Green	Green	→	Green	Green	↑	Dark Red	Dark Red	↑
NI 163 Proportion of working age population qualified to at least Level 2 or higher	Green	Green	↑	Red	Green	↑	Orange	Green	↑	Red	Red	→	Dark Red	Dark Red	→
NI 165 Proportion of working age population qualified to at least Level 4 or higher	Green	Green	↑	Red	Green	↑	Green	Green	↑	Red	Green	↑	Dark Red	Dark Red	→
NI 75 5+ A*-C grades at GCSE Inc Eng and Maths	Green	Green	↑	Orange	Green	↑	Red	Orange	→	Green	Green	↑	Dark Red	Red	↑
BUSINESS															
NI 171 New business registration rate	Green	Green	↓	Red	Red	↓	Red	Red	↓	Red	Red	↓	Dark Red	Dark Red	↓
NI 172 Percentage of small businesses in an area showing employment growth	Orange	Red	↑	Orange	Red	↑	Green	Green	↑	Orange	Red	↓	Orange	Red	↑
Labour productivity	Green	Green	↑	Red	Red	↑	Green	Red	↑	Red	Red	↑	Red	Red	→
Job Density Ratio	Green	Green	↑	Red	Red	↑	Green	Green	↓	Dark Red	Dark Red	↑	Dark Red	Dark Red	↓
NI 166 Median earnings of employees in the area	Green	Green	↑	Orange	Red	↑	Green	Green	↑	Red	Red	↑	Red	Red	↑
PLACE															
CO2 emissions per head	Red	Dark Red	↓	Red	Red	↓	Green	Green	↓	Green	Red	↓	Red	Red	↓
Housing Affordability	Red	Red	→	Red	Red	→	Red	Dark Red	↑	Red	Red	→	Green	Orange	→
GVA per Capita	Green	Green	↑	Red	Red	↑	Green	Green	↑	Red	Red	↑	Red	Red	→
Place Survey Results	Green	Green		Green	Green		Green	Green		Green	Green		Dark Red	Red	

	St Edmondsbury			Forest Heath			Uttlesford			North Hertfordshire		
	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel	Performance against Cambridgeshire target/average	Performance against national average	Direction of Travel
PEOPLE												
NI 151 Overall Employment rate (working age)	Red	Green	→	Green	Green	→	Orange	Green	↓	Red	Green	↑
NI 152 Working age people on out of work benefits	Red	Green	↑	Orange	Green	↑	Green	Green	↑	Orange	Green	↑
NI 163 Proportion of working age population qualified to at least Level 2 or higher	Red	Orange	→	Dark Red	Dark Red	→	Green	Green	↑	Orange	Green	↑
NI 165 Proportion of working age population qualified to at least Level 4 or higher	Red	Green	↑	Dark Red	Dark Red	↑	Green	Green	↑	Red	Green	↑
NI 75 5+ A*-C grades at GCSE Inc Eng and Maths	Red	Orange	↑	Dark Red	Red	↑	Green	Green	↑	Orange	Green	↑
BUSINESS												
NI 171 New business registration rate	Orange	Red	↓	Red	Red	↓	Green	Green	↓	Green	Green	↓
NI 172 Percentage of small businesses in an area showing employment growth	Green	Red	↑	Green	Red	↑	Orange	Orange	↑	Orange	Red	↑
Labour productivity	Red	Green	↑	Red	Red	↑	Green	Green	↑	Green	Orange	↑
Job Density Ratio	Green	Green	↑	Red	Red	↑	Green	Green	↑	Red	Red	↑
NI 166 Median earnings of employees in the area	Red	Red	↑	Dark Red	Dark Red	↑	Red	Orange	↑	Green	Green	↑
PLACE												
CO2 emissions per head	Red	Red	↓	Green	Red	↓	Red	Red	↓	Green	Green	↓
Housing Affordability	Red	Red	→	Red	Red	→	Red	Dark Red	→	Red	Red	→
GVA per Capita	Orange	Orange	↑	Red	Red	↑	Green	Green	↑	Red	Red	↑
Place Survey Results	Green	Green		Dark Red	Red		Green	Green		Green	Green	

KEY
■ Better than average
■ Similar to average
■ Below average
■ Significantly below average
 ↑ ↓ → direction of travel over the past 5 years

Cambridge SWOT

Strengths

A national centre for higher education and R&D, with employment in these sectors over 10 and 8 times higher than the national shares of employment respectively.

A globally significant high tech economy that provides around 15% of employment in the city. Cambridge acts as an 'incubator' of firms, and exports businesses to other districts, particularly South Cambridgeshire.

A substantial tourism industry that generated £196m of expenditure in 2006.

Relatively high levels of resident satisfaction in Cambridge as a place to live

Over half of residents are employed to NVQ level 4+; generally recognised as the skill level required to drive innovation and leadership within an economy and to enable businesses to compete globally.

Residents have high educational attainment levels, however performance may be boosted by pupils living outside Cambridge.

Average businesses size is larger than that seen nationally and employment growth among smaller businesses is strong, helping to create a high jobs density.

The city has seen a significant recent increase in retail floorspace, supporting a growing retail sector.

A high level of in-commuting causes significant levels of congestion within the city.

The city has fairly high but recently decreasing levels of crime

Weaknesses

Relatively high proportion of young people not in education, employment or training.

A high proportion of Incapacity Benefit claimants are young males; a segment of the population that would normally have the highest economic activity rates.

Housing affordability within the city is very low and housing completions have steadily declined since 2004.

Opportunities

The high tech sector is generating national strengths in creative industries and clean technologies; important growth sectors in their own rights.

The area is perceived as very entrepreneurial and the birth rate of new enterprises is high compared with local figures however remains below the national average. This may be due to various reasons such as the high cost of living increasing the perceived risk of starting up a business and the high value nature of the economy meaning there are fewer but higher value start ups.

Future supply of housing sites on the edges of the city

Threats

High levels of traffic congestion may start to influence the attractiveness of the area as a place to invest

A high dependence on high skilled migrant workers in the high tech and health sectors could cause problems with increasingly tight visa restrictions.

Generally high levels of prosperity but pockets of income deprivation in the north of the city.

Likely intermediate level skills shortages, particularly in technical and skilled trade qualifications

Some evidence of recruitment difficulties in the ICT sector, particularly around commercial expertise.

Low levels of unemployment and benefit claimants, however the recession has increased employment disparities within the district.

High levels of public sector employment with expectations of significant numbers of redundancies in this sector over the next few years.

Relatively low business density, exacerbated by a long term decline in office floorspace leading to a recent shortage against demand that may be partially met by CB1 but the likely remaining shortage may lead to problems over a 5-10 year timescale.

Innovation strengths are concentrated within the University of Cambridge and a small number of global companies – a situation that may not be resilient in the longer term.

A low availability of affordable family housing in Cambridge may impact negatively on inward investment and the ability of firms to move existing staff into the area.

Labour market, prosperity and crime

Large working age population, but high student numbers reduce levels of economic activity

- Cambridge has an estimated population of around 118,000 of which 71% are of working age, the highest proportion in Greater Cambridge due to the large student population.

High level of in-commuting, particularly to fill managerial posts.

- A higher proportion of the workplace population are managers than the resident population implying that people are commuting into the district to work in managerial roles.
- 2001 Travel To Work Area (TTWA) data showed Cambridge as the third largest travel to work area in the East of England. Cambridge is one of two TTWAs in the region (the other being Norwich) which are net importers of workers (i.e. more jobs than resident workers).
- Commuting patterns into Cambridge stretch across the Cambridgeshire local authority boundary into the surrounding districts of St Edmundsbury, Forest Heath and Uttlesford.
- A higher proportion of the resident population than the workplace population work in professional occupations implying residents commute out of the district to work in these roles.

High dependence on high skilled migrant workers in the high tech and health sectors

- Between 2002/3 and 2008/9, 49,200 overseas people registered for a National Insurance Number (NINo) in Cambridgeshire. Of these, 48% registered in Cambridge City.
- The annual population survey suggests an increase over the last ten years in the proportion of residents born abroad in Cambridge City. This may reflect the settling of highly skilled migrants who were originally recruited into the high tech, academic and health industries - industries that are highly dependent on a supply of skilled labour which cannot be met within the region or country.
- There is a risk that the high-tech sector might face increased labour and skills shortages in the future. Overseas students have traditionally filled a proportion of vacancies in the high-tech sector but tighter new work visa and student visa regimes restrict their opportunities to work in the UK. Furthermore, there are significant numbers of migrants in Cambridge who initially worked in the area, but now commute out due to higher salaries. (IPPR, Migrant Worker Availability in the East of England, 2009)

Generally high levels of prosperity but pockets of income deprivation in the north

- The East of England Forecasting model estimates that Gross Value Added (GVA) per capita (a measure of general prosperity) is the highest in Cambridge City of all Greater Cambridge districts, significantly higher than the average UK figure, possibly reflecting the high jobs density in the district.
- Median weekly resident pay increased steadily between 2002 and 2009
- Three of Cambridge's Lower Super Output Areas are among the most deprived 20% nationally in terms of income – these are all located in the north of the city. [Map 3]

A high number of single-person households

- While gross weekly pay is the second highest in the county, annual household income is the second lowest in the county. This may be because there are more single-person households in the City so there are fewer households with a joint income.

Relatively high levels of resident satisfaction

- The 2008 place survey recorded that 87% of Cambridge City residents were satisfied with their local area as a place to live, third highest in the county and above the national average of 80%.
- Cambridge was also one of the few Cambridgeshire districts with above average levels of satisfaction with the way the council runs things.

Relatively high levels of crime but decreasing

- Cambridgeshire Police collate data for the Crime and Disorder Reduction Partnerships within the county on crime trends.
- Across Greater Cambridge the highest numbers of crime are recorded in Cambridge City and Huntingdonshire.
- The level of crime in Cambridge has decreased over the past two years however over the longer term there is little change in numbers.

Skills levels, education and skills demand

Very highly skilled resident population but few residents qualified to 'intermediate' level

- A very high proportion (55%) of Cambridge city residents are employed to NVQ level 4+ or degree level and above. This is 25% higher than the national average.

Likely intermediate level skills shortages, particularly in technical and skilled trade occupations

- Each district in Cambridgeshire has a lower than average proportion of its population holding level 3 (recognised as 'intermediate level') as their highest qualification. This is particularly acute in Cambridge City where the proportion is 12% lower than average.
- The National Skills Audit 2010 found that the highest 'density' of skills shortages (i.e. relative to the numbers in the occupation) are found in associate professional/technical, skilled trades and personal service occupations, all of which require predominantly intermediate level skills.
- Associate technical/professional and skilled trade occupations are essential in many advanced manufacturing; skills shortages in these areas could be restricting their growth in the sub region.

Some evidence of recruitment difficulties in the ICT sector, particularly around commercial expertise [business discussion via Connected Cambridge linked in group]

- High number of vacancies in the ICT sector – 200 jobs advertised on Connected Cambridge every week with a churn of only 13%, i.e. vacancies not being filled
- Recruitment often takes place from outside of Cambridge or the UK for vacancies within CB1/CB2.
- Many Cambridge organisations have high expectations of academic qualifications in addition to technical expertise, but maintain lower salaries than London
- Development staff are very academic and technically competent but often don't have the commercial experience or business knowledge to drive a successful business.

Relatively high proportions of young people not in education, employment or training (NEET)

- Proportions of young people NEET are highest in Fenland and Cambridge City.

High educational attainment levels, but performance may be boosted by pupils living outside Cambridge

- Of those pupils studying in the district a high proportion have good attainment levels with 60% reaching level 3 by age 19, compared with 48% nationally.
 - Pupils attending schools in Cambridge perform better than pupils living in Cambridge. This implies that school performance in the City may be boosted by pupils living outside Cambridge.
-

Patterns of unemployment and deprivation

Low levels of unemployment and benefit claimants, however the recession has increased employment disparities within the district

- The unemployment rate among the economically active across Cambridge City is low at 5% (compared with a national level of 7%).
- However, Job Seekers Allowance (JSA) claimant rate is similar to or higher than the national in the north of Cambridge.
- Since the onset of the recession, the increase in JSA claimant rate in Cambridge City has been particularly low at just 0.8% however, the highest increases were concentrated in King Hedges

Relatively low levels of incapacity benefit claimants, however Cambridge has a particularly high proportion of young male claimants.

- Just over 4% of Cambridge City residents claim Incapacity Benefit/Employment Support Allowance (IB/ESA) – the third highest proportion in Greater Cambridge but lower than the national average.
 - As a proportion of the working age, IB/ESA claimants have remained relatively stable since 2001, contrasting with a steady decrease nationally.
 - The most common conditions associated with an IB/ESA claim in Cambridgeshire are mental and behavioural disorders, at 42% of claims. In Cambridge City, however, the proportion is much higher at 57%.
 - Cambridge has a markedly high proportion of male claimants aged between 25 and 49.
-

Nature of the economy

A high value economy dominated by knowledge intensive industries and occupations

- Knowledge intensive occupations are concentrated in Cambridge City where they represent 32.8% of employment (reflecting high employment in teaching, research and health professionals).
- The professional, scientific and technical sectors account for the largest number of businesses in the city, followed by retail, information and communication, education and accommodation and food services.
- The dominant sectors of employment are education (accounting for approximately 25% of all employment compared with a national average of 10%), health, professional, scientific and technical, and retail. 73.3% of employment is in 'high value' occupations.
- The East of England forecasting model estimates that labour productivity in Cambridge City is the second highest of all Greater Cambridge districts (behind South Cambridgeshire)
- Cambridge City saw the highest rate of increase in employee wages (among Cambridgeshire districts) over the last five years.

High levels of public sector employment

- 38.7% of Cambridge workers work in the public sector (nearly 10% higher than the national average)

A national centre for higher education and Research & Development (R&D)

- Cambridge is a key centre for both Higher Education and R&D (over 10 and 8 times higher than the national shares of employment respectively), together with a range of high value Manufacturing activity. Another major specialism is within software consultancy, 2.5 times the national quotient, and employing around 3,000 people in the city

Globally significant hi-tech and bio-tech economy, leading to strengths in creative industries and clean tech.

- Responses to the County Council's survey of hi-tech businesses and employers indicate that the wider hi-tech 'community' provided 51,400 jobs at the start of 2008. Almost three quarters of the total are employed in Cambridge City and South Cambridgeshire, 36,800 in all, 16,577 in Cambridge City representing nearly 15% of total employment. [Map 1 and 2]
- Evidence suggests that Cambridge acts as an 'incubator' of firms, exporting firms to other districts, particularly South Cambridgeshire.
- 10% of the UK's computer games developers are within five miles of Cambridge city centre
- National strengths in software, computer games and electronic publishing
- National strengths in advanced materials and bio-tech in clean-tech.

Average business size larger than seen nationally.

- In March 2009 there were 5755 VAT and/or PAYE based enterprises in Cambridge, creating around 100,000 jobs, a third of the county's total jobs.
- The size of businesses in the district is generally larger than across the wider sub region or across England as a whole with over 17% employing between 10 and 49 people compared with a comparative figure of 12.5% across Greater Cambridge and 13.5% across England as a whole.
- The proportion of enterprises with employment less than 50 showing employment growth in 2008 was the highest among greater Cambridge districts at 14.5% and above the national proportion.

Tourism

- The tourism industry generated expenditure of £196m million for Cambridge in 2006. The University of Cambridge is a major attraction for tourists.

Relatively low business density but high (decreasing) jobs density

- A high density of businesses is crucial in creating the levels of agglomeration required to enable effective knowledge flow between people and firms, important for the growth of any successful economy.
- Business density is relatively low in Cambridge City compared with other districts across Greater Cambridge and decreased between 2004 and 2008 probably due to a combination of high population growth over this period and a general decrease in office space in the city centre.
- Across Greater Cambridge, only in Cambridge City is the labour demand higher than the available workforce, with a jobs density figure of 1.11 in 2008. This figure decreased between 2000 and 2008, probably reflecting an increase in population over this period.

Relatively high 'birth rate' of new enterprises but below national figures

- The 'birth rate' of new enterprises (measured as births per 100 active enterprises) in 2008 was relatively high in Cambridge City compared with most other Greater Cambridge districts, yet still below regional and national figures. This may be due to various reasons such as the high cost of living increasing the perceived risk of starting up a business and the high value nature of the economy meaning there are fewer but higher value start ups.
- An estimated 11% of Cambridge residents are self employed, this is one of the lowest levels within Greater Cambridge and lower than the national average, suggesting there is not a significantly large number of businesses sitting below the VAT/PAYE threshold.

Many innovation strengths, driven by the University of Cambridge and a small number of global companies

- The East of England Innovation Baseline (2009) found that private sector investment in R&D in Cambridge makes up a large proportion of the total amount in the East of England.
 - However there is a concern that business R&D investment is heavily dependent on the investment decisions of a small number of global companies, which may not be resilient in the longer term
 - The report found that strong regional performance on business – university research and consultancy is driven by the University of Cambridge's strong interactions with business communities. The University of Cambridge accounts for about 60% of the total value of collaborative research and research/consultancy contracts in the region of which the total amount is the highest level in the UK.
 - By 2005, 51 companies had spun-out directly from the University of Cambridge alone and 250 companies had been created based on knowledge transfer from the University of Cambridge. In 2005 those companies employed 3,990 people and generated revenues of £574m.
-

DRAFT

Business Development, Infrastructure and Housing

Low availability of affordable family housing in Cambridge may impact negatively on inward investment

- There is a low proportion of detached and semi-detached housing in Cambridge City. This may impact on the attractiveness of the city for inward investment.
- Property agents are increasingly reporting a high demand for family houses in the centre of Cambridge.

Very low housing affordability

- Cambridge City is the most expensive district in the housing sub region followed by South Cambridgeshire.
- The average house price in Cambridge is currently over £300,000. This is approximately double the average house price in Fenland, the cheapest area.
- Within City and South Cambridgeshire lower quartile house price is around 10-16 times income, compared with a 6.65 ratio across the region.
- Housing is least affordable in the Queen Edith's Ward, East Chesterton Ward, Castle Ward, Romsey, Market and Newnham wards. Housing is most affordable in Kings Hedges however lower quartile house price is still around 7 times income in this ward.

Fall in housing completions

- Like most other districts, Cambridge saw a significant fall in the number of dwelling completed over 2008-2010, however this followed a more steady decrease from 2004 onwards.

Long term decline in office floorspace leading to a recent shortage against demand that may be partially met by CB1, but the likely remaining shortage may lead to problems over a 5-10 year timescale

- Since 1999 there has been an overall decline in business floorspace in Cambridge City.
- Between 2008 and 2009 Cambridge City was the only Cambridgeshire district to see a net decrease in business floorspace, with a loss of over 3000 sqm, the majority of which was classed as B1b – research and development.
- Much of this loss has been former business land cleared for housing and retail developments.
- Property agents report a demand for city centre office space, predominantly from the professional business market requiring good quality space close to the centre and the railway station for access to London.

Significant increase in retail floorspace

- Cambridge accounted for just over a third of the total increase in Cambridgeshire's new retail floorspace between 1999 and 2009.
- Nearly all the additional floorspace was within the town centre area, compared to out of centre development.
- From 2009 most of the increases in retail floorspace are projected to be in Cambridge City, Fenland and South Cambridgeshire..

Increasing traffic congestion as the Cambridge travel to work area expands.

- 2009 figures show the busiest urban road within Cambridgeshire is Milton Road in Cambridge.
- The A14, A428 and M11 were identified as three of the six 'priority' corridors for intervention in the East of England, based on the direct costs of transport congestion and the foregone wider economic benefits.

Carbon emissions per head are the lower than the UK average

- Fuel consumption within Cambridge is lower per capita than the UK average and the lowest of all the Greater Cambridge districts.

Future prospects

Increase in employment

- The East of England forecasting model forecasts that of the Cambridgeshire districts, Cambridge City will see the highest levels of employment growth in percentage terms between 2009 and 2021.

Increase in population (based on levels of house-building set out in the East of England Plan)

- The now-abolished East of England Plan identified Cambridgeshire, and in particular Cambridge City and South Cambridgeshire, as key locations for future house-building.
- The County Council Research Group's 2008-based population forecasts, which are consistent with the levels of house-building set out in the East of England Plan, suggest the highest levels of population growth will be in Cambridge City (35%) and South Cambridgeshire (25%), as these are where the most house-building is expected.
- Cambridge city is the only Cambridgeshire district anticipated to see a substantial increase in population aged 25-44 between 2008 and 2021.

Increase in GVA

- GVA growth forecasts suggest GVA growth will be highest for both South Cambridgeshire and Cambridge City.

Employment demand in associate technical and professional occupations

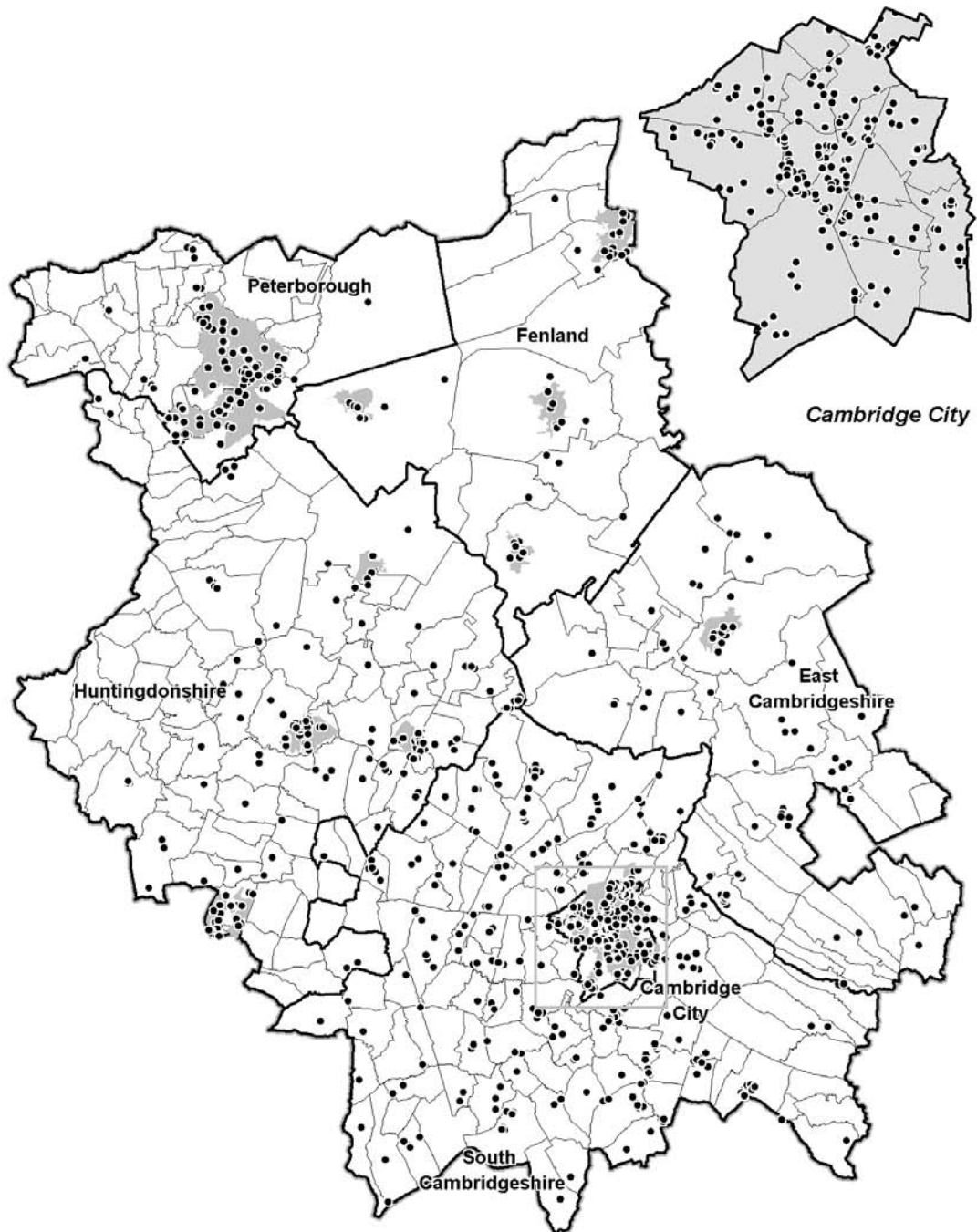
- Occupational forecasts for Cambridgeshire based on both the East of England forecasting model and the Local Economy Forecasting model estimate that over the next five years expansion demand is likely to be strongest in:
 - Caring personal service occupations
 - Managers and senior officials
 - Associate technical and professional occupations
 - Professional occupations
 - Sales and customer service occupations

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Appendices

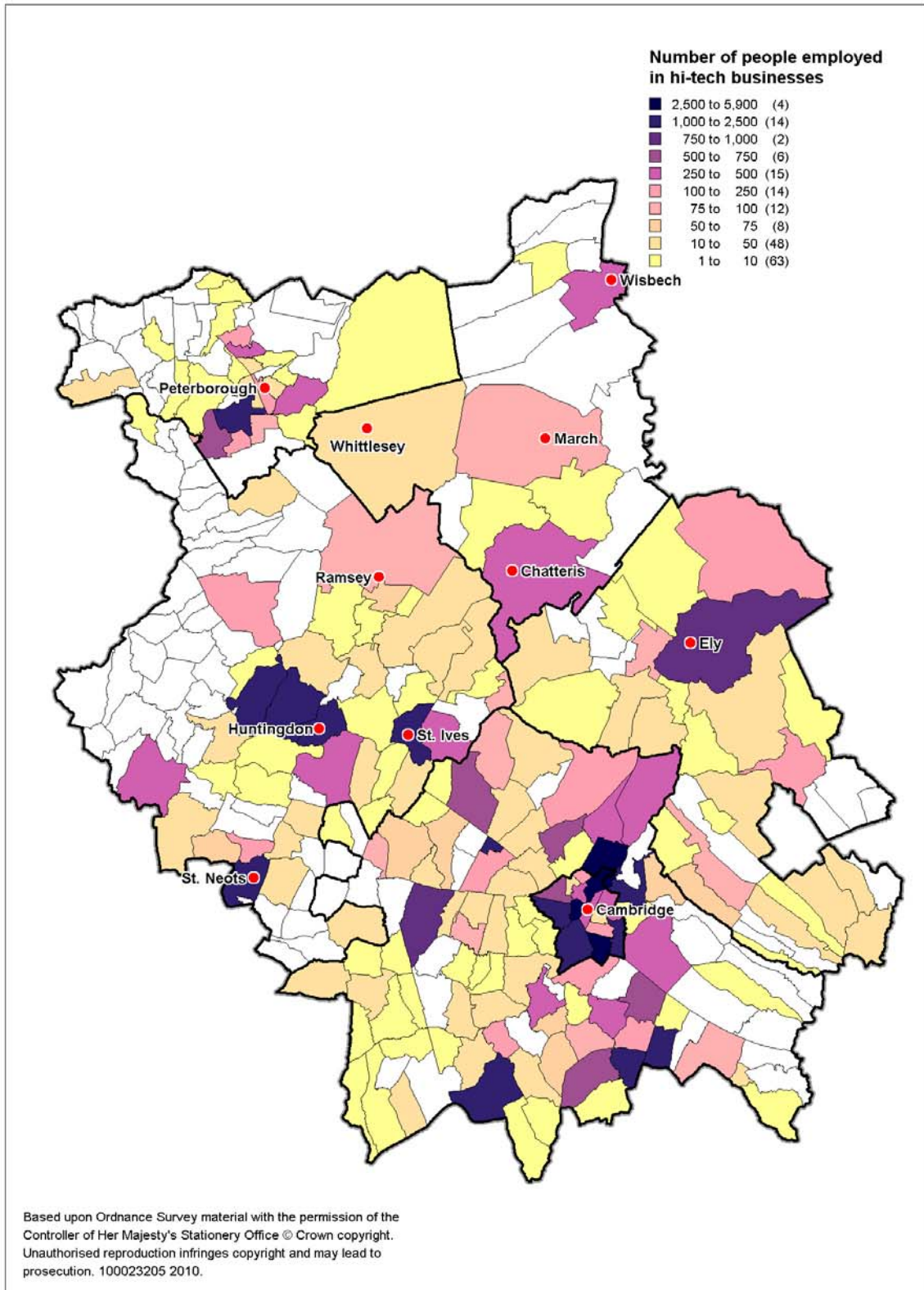
Map 1: All Hi-tech 'Community' Businesses in Cambridgeshire and Peterborough 2008

Source: Cambridgeshire County Council Research Group



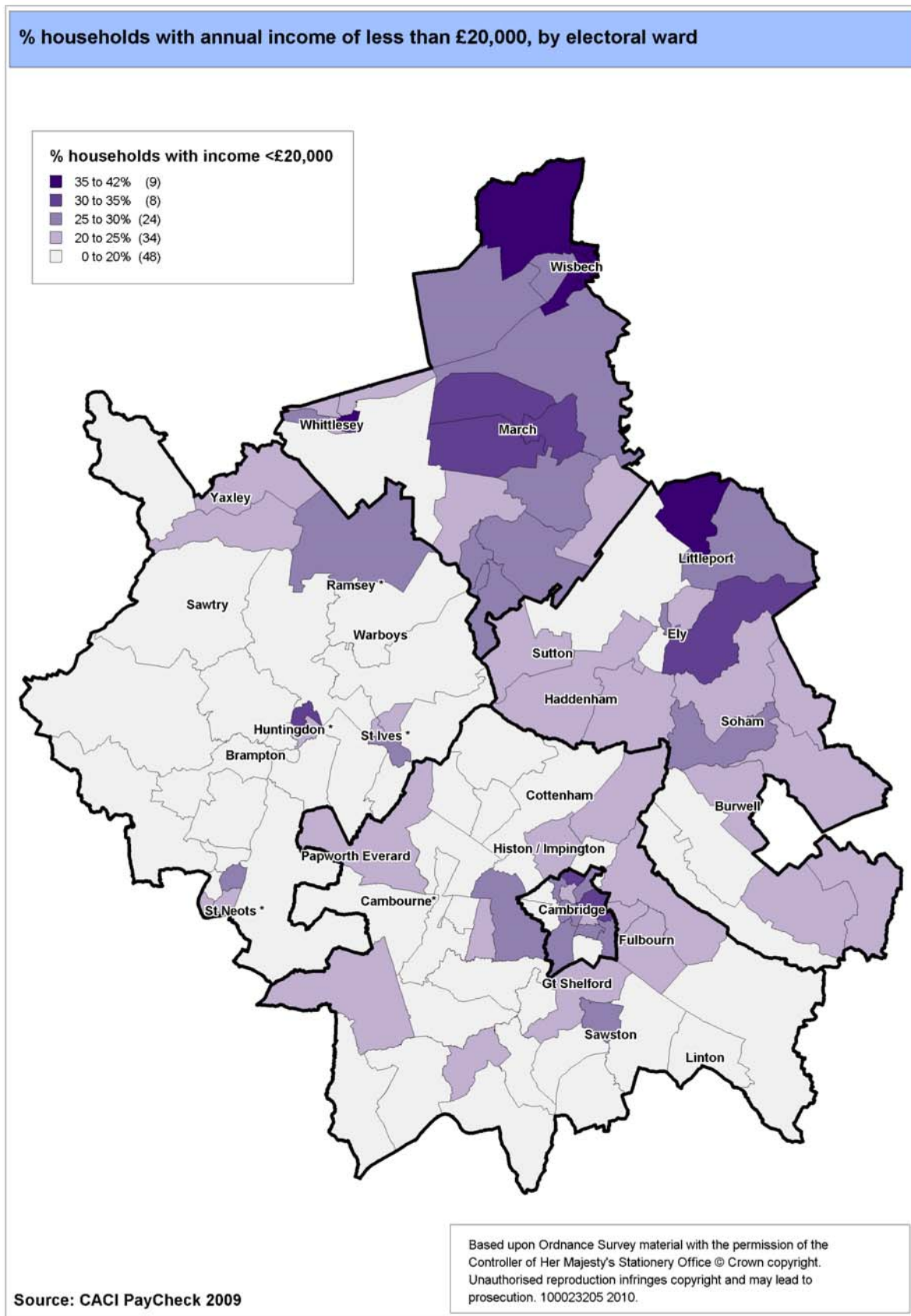
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Map 2: Employment in the Hi-tech 'Community', 2008
 Source: Cambridgeshire County Council Research Group



Map 3: % households with annual income of less than £20,000, by electoral ward

Source: CACI PayCheck 2009



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People SWOT

Strengths	
High proportion of residents employed in high value occupations throughout commuter belt	p18
Generally high skills levels in the south and west of the county	p27
Weaknesses	
High (and rising) levels of disability and Incapacity Benefit (ESA/IB) claimants in Fenland	WA
Minority groups (including Travellers) face barriers to work and education, their economic potential is not realised	p10, p37
Low levels of part time working can restrict routes back into work for the unemployed.	p14
Lower economic activity rates and significantly lower earnings among women.	p11 20
Pay gap increasing between residents in the north and south of the county.	p21
Accessibility of employment and education is relatively low in rural districts	p35
Low proportions of residents are qualified to an intermediate skills level (NVQ level 3) across Greater Cambridge could mean chronic skills shortages for some businesses seeking skilled trade/professionals	p31
Very poor 14-19 and adult skills levels in Fenland, plus pockets of education deprivation in Huntingdon, St Neots and Cambridge.	p27
Opportunities	
There may be opportunities for the workless to access jobs due to decreasing competition from an ageing population and indications that migrant workers are beginning to return to their country of origin.	p6
Potential of labour market supply (36,000 workless individuals in addition to high skilled graduates) not fully realised in the north or south of the county.	p30
An economy regarded as highly entrepreneurial economy, yet levels of self employment are average and UK entrepreneurial performance lags behind the most rapidly growing international economies.	p14
There has been a recent increase in further education/apprenticeship take up of engineering, science and technology subjects, however apprenticeship numbers are decreasing.	p36
Threats	
Future pattern of population growth likely to compound differences in economic prosperity between the south and north of county	p6
Dependency of businesses on migrant workers in north and south of county could cause problems for business with increasingly tight visa restrictions and indications that migrant workers are beginning to return to their country of origin.	p9
Over-representation of 18-24 year olds among the unemployed, particularly in Fenland and very low educational attainment among young people from deprived backgrounds.	WA/ p31
Cambridge is a regional centre of employment, particularly for public sector occupations. The impact of public sector redundancies is already being seen in the low levels of job vacancies advertised through Job Centre Plus.	p4

Note – WA = Worklessness Assessment

Population

Labour Market → PLACE page 3

Labour markets cross local authority boundaries

Although Cambridgeshire as a whole has a relatively self contained labour market, the north of the county has strong commuting links with Peterborough and West Norfolk; East Cambridgeshire has strong commuting links with Forest Heath; and Cambridge acts as a regional centre of employment, with 20% of its workforce residing outside the county.

Cambridgeshire's labour market is relatively self-contained, with 80% of Cambridgeshire's residents working in the county, and 81% of Cambridgeshire's workers living in the county. These figures have not changed significantly since 2001, however there has been a slight increase in the number of residents commuting to London, mainly from South Cambridgeshire and Huntingdonshire. Most other areas of the region have also experienced increased levels of commuting to London.

Cambridgeshire's most significant out-commuter flows continue, however, to be to Peterborough and Forest Heath. Around 30% of out-commuters (6% of residents) commute to Peterborough, and around 15% to Forest Heath (3% of residents). Strong two way commuting links exist between Peterborough, Fenland and Huntingdonshire (nearly a third of Fenland residents commute to Peterborough and Huntingdonshire to work), and between Forest Heath and East Cambridgeshire. In addition, Fenland draws a significant number of workers from Kings Lynn and West Norfolk.

Cambridge and South Cambridgeshire together have a relatively self contained labour market with 87% of Cambridge residents and 85% of South Cambridgeshire residents working in Cambridge or South Cambridgeshire. However, both districts also draw significant numbers of workers from Huntingdonshire, East Cambridgeshire and St Edmundsbury. Approximately 60% of Cambridge workers reside outside the district and nearly 20% reside outside the county, underlining Cambridge's importance as a regional centre of employment.

Cambridgeshire's population

Potential of labour market not fully realised in north or south of county

While Cambridgeshire has a similar age structure to the region and country as a whole, Cambridge City's large student population significantly raises the proportion of the resident population who are of working age. Economic activity among the City's students is much lower than nationally. Although Fenland has a lower proportion of working age residents than the national average, a large workless population means there is plenty of labour supply in the medium term. However, there is a significant risk that the workless population do not have the skills required by the businesses seeking to grow in Fenland.

Cambridgeshire has an estimated population of 595,700, making up 10% of the population of the East of England. Huntingdonshire and South Cambridgeshire are the most populous districts, together making up over half of the county's population, and East Cambridgeshire is the least populous.

Overall, Cambridgeshire has a similar age structure to the region and country as a whole. 63% of the population is of working age, which is slightly higher than the regional and national averages. Within the county, the proportion of working age is highest in Cambridge City (71%) due to the student population, and lowest in Fenland (58%). Forest Heath's population also has a higher proportion of people aged 15 to 44; here this relates to the armed forces presence in the district.

Table 1: Mid-2008 population of Greater Cambridge and its constituent districts

Source: Cambridgeshire County Council Research Group mid-2008 population estimates and Office for National Statistics mid-2008 population estimates.

Area	Population Estimate	Working age population		Total	% population of working age
		Male (16-64)	Female (16-59)		
Cambridge City	117,700	44,700	39,100	83,800	71.2%
East Cambridgeshire	79,400	25,200	22,800	48,000	60.5%
Fenland	92,900	28,400	25,500	53,900	58.0%
Huntingdonshire	163,100	53,800	48,000	101,800	62.4%
South Cambridgeshire	142,500	46,000	40,200	86,200	60.5%
Cambridgeshire	595,700	198,100	175,500	373,600	62.7%
Forest Heath	64,700	22,300	18,500	40,800	63.1%
North Hertfordshire	123,800	39,000	36,100	75,100	60.7%
St Edmundsbury	103,700	33,500	28,300	61,800	59.6%
Uttlesford	73,700	23,300	20,600	43,900	59.6%
Greater Cambridge	961,600	316,200	279,000	595,200	61.9%
East	5,728,700	1,835,500	1,650,500	3,486,000	60.9%
England	51,446,200	16,751,000	15,186,500	31,937,500	62.1%

Box 1: Sources of population estimates

The official source of population data for local authorities in England is the Office for National Statistics, which publishes annual estimates. In addition, some local authorities, such as Cambridgeshire County Council, produce their own estimates, which are able to take account of local knowledge and local data. Differences between the ONS and Research Group estimates for Cambridgeshire in the past have mainly been attributed to long-running problems with ONS' method for estimating international out-migration. ONS recently revised their methodology, releasing revised population estimates for 2002-2008 in May 2010. The revisions bring the ONS estimates closer to the Research Group's figures for most districts, substantially reducing the previous discrepancies in Cambridge City, Huntingdonshire and South Cambridgeshire:

District	ONS original	ONS revised	Research Group	Previous difference	Current difference
Cambridge City	122,800	118,700	117,700	5,100	1,000
East Cambridgeshire	82,300	82,600	79,400	2,900	3,200
Fenland	91,800	91,600	92,900	-1,100	-1,300
Huntingdonshire	168,900	165,200	163,100	5,800	2,100
South Cambridgeshire	139,300	142,400	142,500	-3,200	-100
Cambridgeshire	605,100	600,600	595,600	9,500	5,000

Forecast population change

Future population growth likely to continue growth in south of county

Forecast population growth in Cambridge City and South Cambridgeshire is significantly higher than projected for the region or England as a whole. The population aged over 45 is forecast to increase in absolute terms in all districts. Cambridge City is the only district forecast to see a marked increase in the population aged 25 to 44. Future economic growth is likely to follow the same pattern.

Cambridgeshire's population is forecast to grow considerably in coming years, although current uncertainty about future levels of house-building makes accurate forecasting difficult. The now-abolished East of England Plan identified Cambridgeshire, and in particular Cambridge City and South Cambridgeshire, as key locations for future house-building. The Plan specified a target of 3,665 housing completions per year between 2001 and 2021, giving an overall minimum requirement of 73,300 new dwellings over the period. Although the East of England Plan has no policy status, no alternative house-building targets have been identified as yet.

The County Council Research Group's 2008-based population forecasts, which are consistent with the levels of house-building set out in the East of England Plan, suggest that the county's population will grow by 16% between 2006 and 2021. The highest levels of growth will be in Cambridge City (35%) and South Cambridgeshire (25%), as these are where the most house-building is expected. Comparable forecasts are not available for other areas, however the government's trend-based forecasts suggest this level of growth is higher than projected for the sub-region, the region or England as a whole.

Figure 1: Forecast % population change 2006-2021

Source: CCC Research Group 2008-based forecasts; Cambridge Econometrics Chelmer forecasts (Scenario 2 Dec09); ONS 2008-based population projections

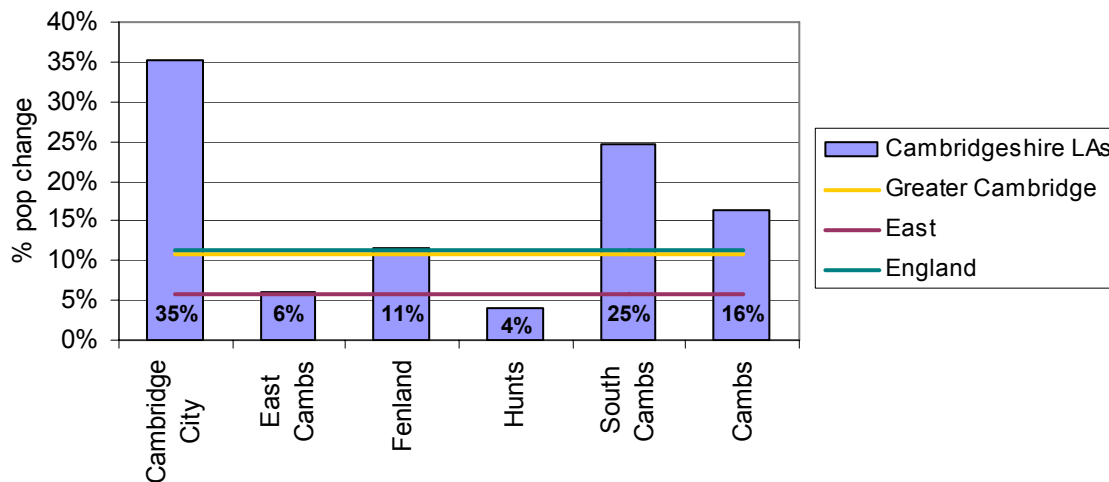


Table 2 overleaf compares the different population forecasts currently available for Cambridgeshire and the sub-region. More explanation of the differences between these forecasts is given in Box 2: Sources of Population Forecasts.

Table 2: Future population change by district and source of forecast/projection

Source: CCC Research Group 2008-based forecasts; Cambridge Econometrics Chelmer forecasts (Scenario 2 Dec09); ONS 2008-based population projections

Area	Research Group		Cambridge Econometrics				ONS 2008-based			
	Change 2006-21	% Change	Change 2006-21	% Change	Change 2006-31	% Change	Change 2006-21	% Change	Change 06-2031	% Change
Cambridge City	40,000	35.2%	24,400	15.0%	31,000	26.2%	15,400	13.6%	24,200	21.4%
East Cambs	4,700	6.2%	15,900	13.8%	20,800	26.1%	19,400	24.3%	29,900	37.5%
Fenland	10,300	11.5%	18,300	14.8%	23,200	25.7%	16,600	18.4%	27,200	30.2%
Hunts	6,300	3.9%	-4,100	-3.0%	-2,500	-1.5%	16,000	9.8%	27,300	16.7%
South Cambs	33,900	24.6%	34,200	19.5%	42,000	31.1%	26,700	19.3%	41,400	29.8%
Cambs	94,800	16.4%	88,700	10.8%	114,500	19.4%	94,100	16.1%	150,000	25.6%
Forest Heath	n/a	n/a	6,600	8.5%	8,100	13.1%	11,300	19.1%	18,100	30.6%
North Hertfordshire	n/a	n/a	20,400	11.9%	26,500	21.8%	16,200	13.3%	26,700	22.0%
St Edmundsbury	n/a	n/a	13,700	9.9%	17,500	17.2%	12,200	12.0%	20,300	20.0%
Uttlesford	n/a	n/a	11,100	12.2%	13,300	18.6%	12,600	17.5%	19,500	27.1%
Greater Cambridge	n/a	n/a	140,500	10.8%	179,900	19.0%	146,400	15.6%	234,600	25.0%
East	n/a	n/a	499,800	5.8%	687,100	12.3%	876,700	15.7%	1,423,300	25.4%
England	n/a	n/a	n/a	n/a	n/a	n/a	5,668,600	11.2%	9,306,800	18.3%

Box 2: Sources of population forecasts

The official source of population projections for local authorities in England is the Office for National Statistics, which publishes annual projections. These are trend-based, which means that future change is assumed to reflect the continuation of past trends. The ONS projections therefore do not take account of local planning policy or the location of future house-building. This makes them unsuitable for planning local service provision or for determining future housing requirements.

Some local authorities, such as Cambridgeshire County Council, produce their own forecasts, which take account of local policies such as house-building. These forecast the population impact that local policies will have, and so are useful for service planning, but are not available on a comparable basis for other local authorities. A third set of forecasts are currently available for the East of England; these were commissioned from the Chelmer model at Cambridge Econometrics, to support the East of England Plan Review process. A range of scenarios were run, including "scenario 2", which assumes future levels of house-building based on the District Councils' responses to the RSS Review consultation. These forecasts arguably give the best picture of future population change at present as they are consistent with the districts' most recent statements of preferred levels of house-building (though these statements have no policy status).

Table 2 compares the 2008-based Research Group forecasts (consistent with the now-abolished East of England Plan) with the 2008-based ONS population projections (reflecting the continuation of past trends) and the Chelmer "scenario 2" forecasts (potentially reflecting revised housing targets). The Research Group and ONS forecasts for 2006-2021 are closely in line at a county level, but there are significant differences at a district level. This is because the ONS projections do not reflect changes to the geographical focus of future house-building as set out in the East of England Plan. The Chelmer "scenario 2" forecasts show lower growth over the period, with a more balanced distribution of growth between districts than seen in the Research Group forecasts.

Figure 2 compares future population change by age across the Cambridgeshire districts. This shows that Cambridge City and South Cambridgeshire will experience an absolute increase in the population of all age groups. Additionally, all districts will see an increase in the number of people in their population aged over 45. The increase will be most marked in the population aged over 65. In East Cambridgeshire, Fenland and Huntingdonshire, these increases will be offset by decreases in the number of people aged under 44, most notably among those aged 25-44. Cambridge City is the only district forecast to see a marked rise in the population aged 25-44.

Figure 2: Population change by age 2008-2021, Cambridgeshire districts

Source: CCC Research Group 2008-based forecasts

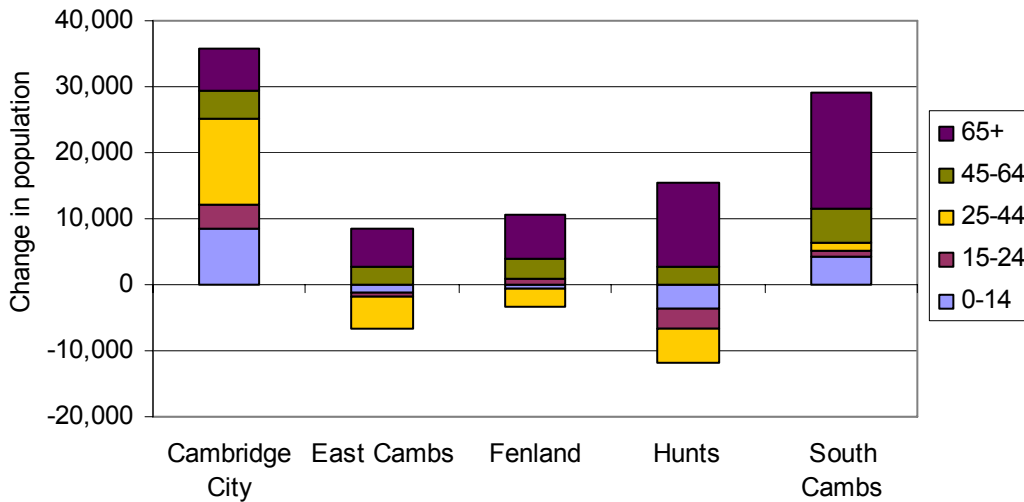
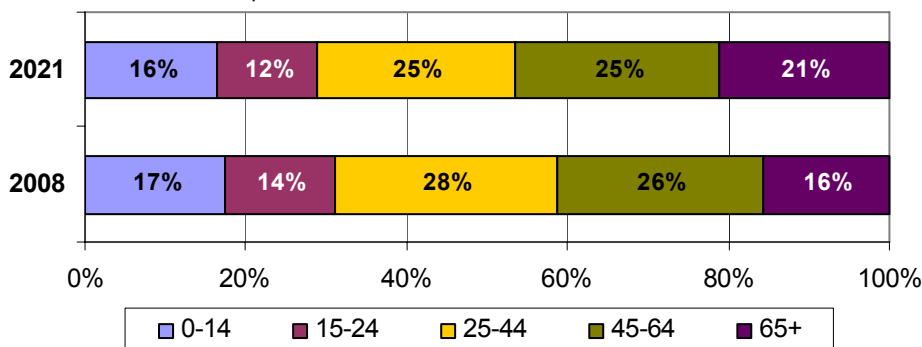


Figure 3 shows the effect that these changes have on Cambridgeshire's overall age structure. Most age groups make up broadly similar proportions of the population in 2021. The most marked change is in the 65+ population. In 2008 this formed 16% of the population but by 2021 is forecast to form 21%. The impact of this ageing will be felt in all districts except Cambridge City. Conversely, the proportion aged 25-44 is forecast to fall from 28% to 25%. Falls in the proportion from other age groups are modest.

Figure 3: Age structure of Cambridgeshire's population in 2008 and 2021 (% of population)

Source: CCC Research Group 2008-based forecasts



Migration and Migrant Workers

Dependency on migrant workers in north and south of county

International migration and migration within the UK are and will continue to be important drivers of population and economic growth in Cambridgeshire; the high tech and health sectors are highly dependent on a supply of skilled labour, which cannot be met within the region or country. There are risks that these sectors may face further skill shortages in the future due to visa restrictions and competition from London. In the north of the county, migrant workers generally stay temporarily, working in seasonal employment such as farming and low value manufacturing. Evidence suggests that businesses in some sectors would not be able function to full capacity if migrant workers were not available, however it is acknowledged that migrant workers have increased competition for work in traditional areas of work for lower skilled workers, particularly Cambridgeshire's Gypsy/Traveller population.

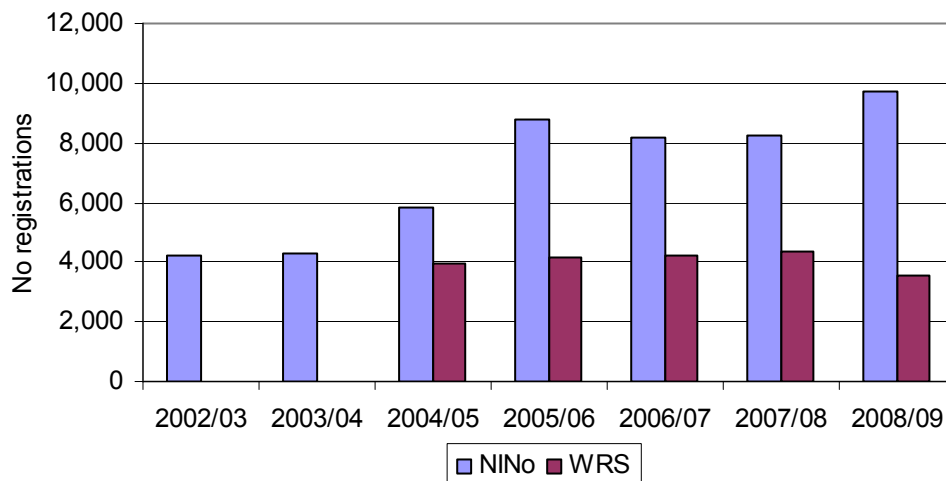
Cambridgeshire County Council Research Group estimates that net migration (both internal and international) accounted for 70% of the county's population change between 2001 and 2008. Indicative figures from ONS suggest that around half of net migration was internal (from within the rest of the UK) and half was international. Migration is expected to remain an important driver for population growth in Cambridgeshire in the future. The Research Group's 2008-based forecasts indicate that migration will account for 56% of population growth between 2008 and 2021. International migration would be expected to remain a significant element of this.

The level of international migration into the UK, and into Cambridgeshire, has increased since 2001, and with it the level of public and media interest.

Between 2002/3 and 2008/9, 49,200 overseas people registered for a National Insurance Number (NINo) in Cambridgeshire. Of these, 48% registered in Cambridge City, 14% in Fenland and approximately 12% each in Huntingdonshire, South Cambridgeshire and East Cambridgeshire. 45% of registrations were by Eastern Europeans, 23% were by Western Europeans and 16% were by Asians. The sharp increase in registrations between 2004/5 and 2005/6 reflects EU expansion. The rise from 2007/8 to 2008/9 runs counter to regional and national trends where migration declined following the recession. ONS figures show that in 2008 emigration from the UK was at an all time high and re-migration of A8 citizens had more than doubled. Nationally, the number of NINo registrations by A8 migrants fell by around a quarter between 2007 and 2008.

Figure 4: Number of NINo and WRS registrations in Cambridgeshire

Source: DWP and Home Office (via Local Government Analysis and Research)



Worker Registration Scheme (WRS) figures for Cambridgeshire show the highest numbers of WRS registrations were in Fenland, East Cambridgeshire and Cambridge City. In all districts, the highest number of registrations was from Polish migrants. The main sectors of employment were administration, business and managerial industries and agriculture in the north of the county and the hospitality sector in Cambridge City. From 2004/05 to 2008/09 approximately 20,200 A8 nationals registered with the WRS. Apart from Fenland, in 2008 all districts experienced their lowest levels of registration since the start of the Scheme. These decreases are generally in line with national trends.

There are no sources showing the number of migrant workers leaving the county therefore no accurate way of establishing how many migrant workers reside in the county, however the Annual Population Survey estimates that the proportion of residents born abroad has risen by 4% since the 2001 census, compared with 3% nationally. This would imply there are now an additional 25-30,000 migrants living in Cambridgeshire compared to 2001. The highest percentage point increase in the county has been in Cambridge City and the lowest in Fenland. The low increase in Fenland is interesting as there have been a relatively high number of NINo and WRS registrations in the district. This implies that many in the north migrants do not remain in the area very long, reflecting the fact that many work in agriculture and low value manufacturing, which experience a high demand for seasonal employment.

Research suggests businesses in some sectors would not be able function to full capacity if migrant workers were not available. The Working Lives Institute, in undertaking research for EEDA in 2005, found that the largest employers of migrant workers in agriculture and horticulture were based around Ely and Wisbech, which have a high demand for seasonal employment at peak times of the year. These workers tended to be a relatively young group, often working below their skills level due to language issues or lack of transferability of qualifications (Working Lives Institute, 2005)

The increase in the proportion of residents born abroad in Cambridge City may reflect the settling of highly skilled migrants who were originally recruited into the high tech, academic and health industries - industries that are highly dependent on a supply of skilled labour which cannot be met within the region or country. There is a risk that the high-tech sector might face increased labour and skills shortages in the future. Overseas students have traditionally filled a proportion of vacancies in the high-tech sector but tighter new work visa and student visa regimes restrict their opportunities to work in the UK. Furthermore, there are significant numbers of migrants in Cambridge who initially worked in the area, but now commute out due to higher salaries. (IPPR, Migrant Worker Availability in the East of England, 2009)

Migrant workers also play important roles in innovation and entrepreneurship, which increase competitive advantage and productivity.

Gypsies and Travellers

Significant economic and educational disadvantage among Travellers

Travellers are estimated to form the second largest ethnic minority group in the Cambridgeshire area, yet suffer severe levels of economic and educational disadvantage. Migrant workers working in seasonal employment such as farming has meant increased competition in traditional areas of work.

The 2001 Census did not allow Gypsies or Travellers to identify themselves as belonging to distinct ethnic groups. This means that the Census cannot provide a count of the size of Cambridgeshire's Traveller population, however a Traveller Needs Assessment completed in 2006 estimated the local population to be at 6500-7000¹. This made them potentially the second largest ethnic minority in the study area, similar in size to the Indian population.

The CLG bi-annual count of Gypsy and Traveller caravans across England shows a decline over the last three years in the number of sites within the county, counter to an increasing trend regionally. This decrease may be due to a decline in traditional farm work and increased competition from cheaper immigrant labour. The majority of sites (both authorized and unauthorized) are based in South Cambridgeshire and Fenland.

The following information is taken from paragraphs 2.2.4 and 2.3.1 of the Need Assessment:

Most Gypsies/Travellers prefer self-employment, in such occupations as farm and land work, tree-logging, vehicle trading, tarmacking, carpet-dealing and external building work. The survey found evidence that:

- a) Types of work had changed over the years, with a decline in traditional farm work, and increased competition from cheaper immigrant labour.
- b) Gypsies/Travellers find it increasingly difficult to make a living from traditional occupations, contributing to severe economic disadvantage and social exclusion.
- c) Difficulties in travelling, and being moved frequently, made it harder to get work. Some Gypsies now travel more to continental Europe, and Irish Travellers have entered the sub-region in search of work.
- d) Family networks and informal reciprocal arrangements are important for encouraging and sustaining economic activity.
- e) Seasonal social security benefits are important income sources, especially for those on council sites.
- f) Difficulties with the theory part of the driving test (because of low literacy levels) is affecting younger Gypsies/Travellers.

Further reported issues amongst the Traveller community include a high incidence of serious health problems (especially children's special educational and care needs) and educational disadvantage, high levels of racism from neighbours, feelings of isolation and loss of identity and drug abuse on estates.

¹ The Needs Assessment estimated the Gypsy/Traveller population in Cambridgeshire together with Peterborough, Forest Heath, St Edmundsbury and Kings Lynn and West Norfolk

Economic Activity & Employment

Economic Activity and Employment

Definition box

A person is economically active if they are either employed or unemployed and have been actively seeking work in the last four weeks or are available to start work in the next two weeks. People are economically inactive if they are out of work and not seeking or available for work. This may include students, those looking after their home or family and those unable to work through sickness or disability. Traditionally, the economically active population was thought to form the potential labour supply in an area, however it is now acknowledged that a proportion of the economically inactive may wish/be able to work if they were given the right opportunity.

Lower economic activity rates among women

Levels of economic activity and employment across the county are relatively high, although higher among men than women, with economic activity rates among women aged 25-34 and 50-retirement age lower than regionally or nationally. Women resident in Fenland have the lowest employment rates in the county.

In 2009, 83% of Cambridgeshire's working age population was economically active, which is slightly higher than the national average of 79%. This amounts to a potential labour supply of 314,000 people. The only district showing lower than average levels of economic activity is Cambridge City due to the number of students. Undergraduate students at Cambridge University are generally not permitted to work during term time. Across the county, rates of economic activity were higher for men than women, at 88% compared to 78%, reflecting national trends.

Economic activity varies by age as well as by gender. Economic activity is highest across all areas among men aged 25 to 49 and lowest among those aged 16-19 and over retirement age. Activity is higher in Cambridgeshire than regionally and nationally for most age-groups. Exceptions to this are 20-24 year olds, presumably because of students in full time education, and women aged 25-34 and 50 to retirement age.

Estimates from the Annual Population Survey suggest Cambridgeshire has a total employed population of around 311,000. This equates to employment rates of 83% among men and 74% among women of working age which are well above the averages for England as a whole, although the employment rate of women in Fenland is level with the national average at 69%.

Employment by ethnic group

As is the case nationally, ethnic minority groups are under-represented in the employed population, with particularly low employment rates in Pakistani and Bangladeshi groups.

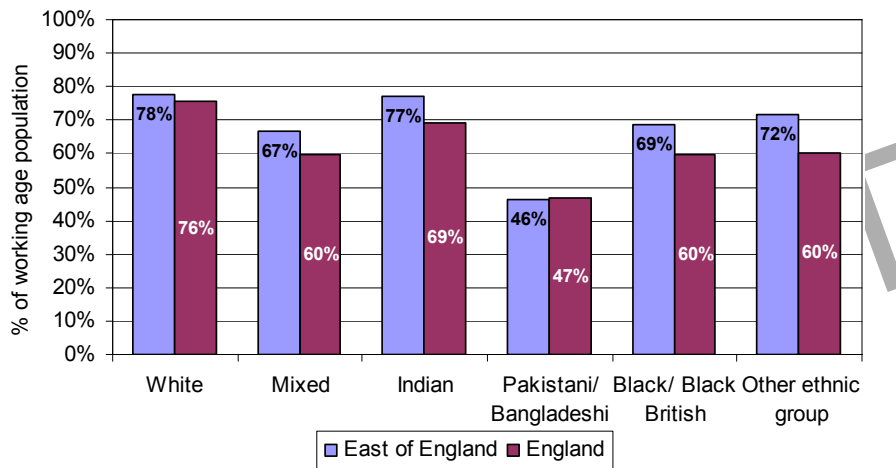
Nationally and regionally, ethnic minority groups make up a smaller proportion of the employed population than the working age population. This means that ethnic minority groups are under-represented in the employed population. This is at least partly due to the large proportion of Cambridgeshire's ethnic minority population that are students.

Similarly, as shown in

Figure 5, each ethnic minority group has a lower employment rate than the White population. While regional employment rates are higher than nationally among most groups, they are slightly lower than nationally among the Pakistani/Bangladeshi population. Overall, however, the employment rate among ethnic minorities in the region is well above that seen nationally.

Figure 5: Regional employment rate (% of working age population) by ethnic group

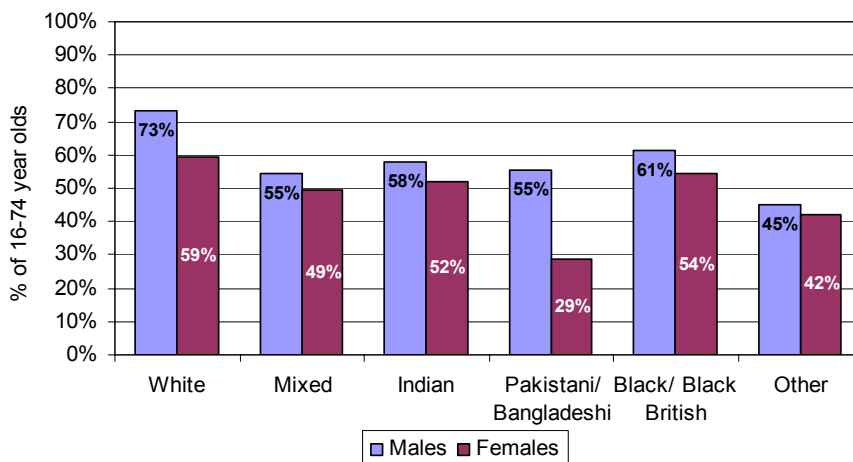
Source: ONS Annual Population Survey, July 2008 to June 2009



To allow consideration of employment rates by ethnic group at a local level, Figure 6 presents data from the 2001 Census. These rates cannot be compared directly with those from the APS as they are calculated using different population denominators, however they allow comparison between ethnic groups. The Census showed lower employment rates among all males and females from all ethnic minority groups when compared to the White population. The lowest rates overall were found among Pakistani/Bangladeshi women, of whom under 30% were in employment.

Figure 6: Cambridgeshire employment rates among 16-74 year olds by ethnic group

Source: 2001 Census ST108



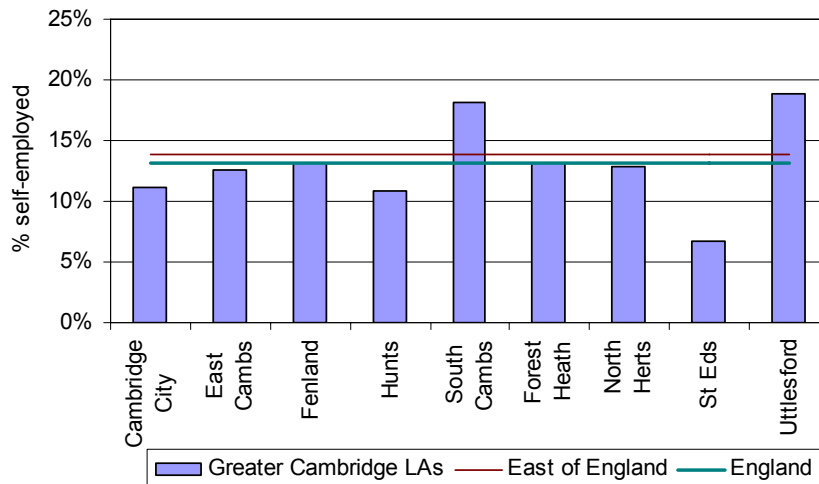
Self-employment and part-time working

Self employment is higher in South Cambridgeshire than other districts in the county. The region is regarded as highly entrepreneurial, however, in comparison with the fastest growing economies, the UK performs poorly. Levels of part time working are relatively low across the county.

13% of Cambridgeshire's employed residents are self-employed. This is the same proportion as nationally. Within the county proportions vary from 11% in Huntingdonshire and Cambridge City to 18% in South Cambridgeshire, as shown in Figure 7.

Figure 7: Proportion of employed residents who are self-employed

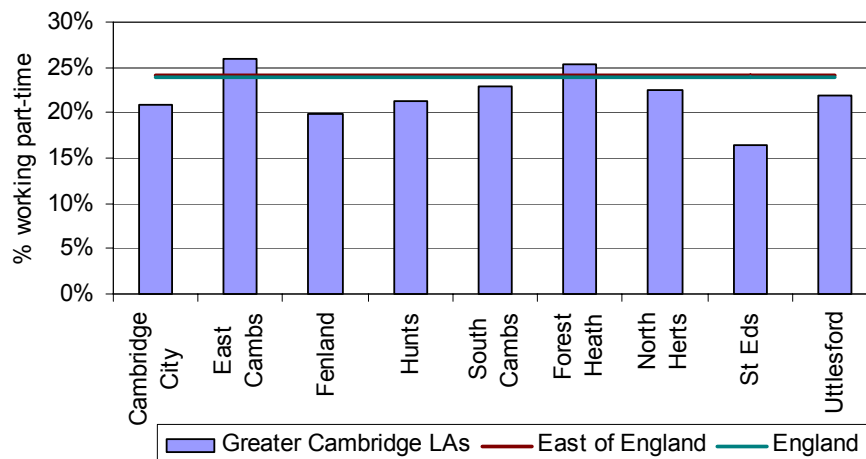
Source: ONS Annual Population Survey, July 2008 to June 2009



Part-time working is slightly less common in Cambridgeshire than nationally, with 22% of local residents working part-time compared to 24% nationally. Just East Cambridgeshire and Forest Heath have a higher proportion of part-time workers than nationally. St Edmundsbury has a particularly low proportion of part-time workers at just 16%. A lack of available part time work could act to the detriment of unemployed people, particularly parents, seeking more flexible hours.

Figure 8: Proportion of employed residents working part-time

Source: ONS Annual Population Survey, July 2008 to June 2009



The 2008 Global Entrepreneurship Monitor (GEM) report regarded the East of England as one of the most entrepreneurial regions in the UK, with a particularly high rate of business start ups among people aged between 18-24 and women, so it is surprising that self employment rates in Cambridgeshire are not slightly higher than those reported.

The Global Entrepreneurship Monitor (GEM) produces annual monitoring reports on entrepreneurial activity in different countries around the world including UK. The GEM measures the proportion of early-stage entrepreneurial activity (TEA) as an important element of entrepreneurship. GEM identifies two types of early-stage entrepreneurs: a) nascent entrepreneurs (those who begin to commit resources to starting a business but have been paying wages for less than 3 months) and b) new business owner-managers (those whose businesses have been paying salaries for more than three months but not more than 42 months).

The GEM UK 2008 Monitoring Report reports that:

- The East of England has the highest Total Early-stage Entrepreneurial Activity (TEA) rate in the UK, at around 7.5% compared to the UK average of 5.5%.
- The East of England has the highest level of female early-stage entrepreneurial activity in 2008 at 5.9%.
- The average TEA rate from 2002 – 2008 in the East Anglia area (including Cambridgeshire, Suffolk, Norfolk and Peterborough) is about 6.4%, which stands in the upper quartile among other sub-regional areas in the UK.
- In 2006 nearly 5.4% of young people (18-24 years old) in the East of England set up their own businesses; this is much higher than the national average of 3.7%. Individuals who graduated after 2000 in the East of England are more likely to be entrepreneurial than for the UK as a whole (7.8% compared with 5.7%), however we don't know how many remained in the East of England upon graduation.

The Cambridge cluster competes globally, therefore it is useful to compare entrepreneurship in the UK with other countries. (Note that comprehensive data on all countries is not collected by GEM – shown as gaps in the graph below)

Figure 9: Total early-stage Entrepreneurial Activity (TEA) in participating G7 (2002-2008)

Source: Global Entrepreneurship Monitor United Kingdom Monitoring Report 2008

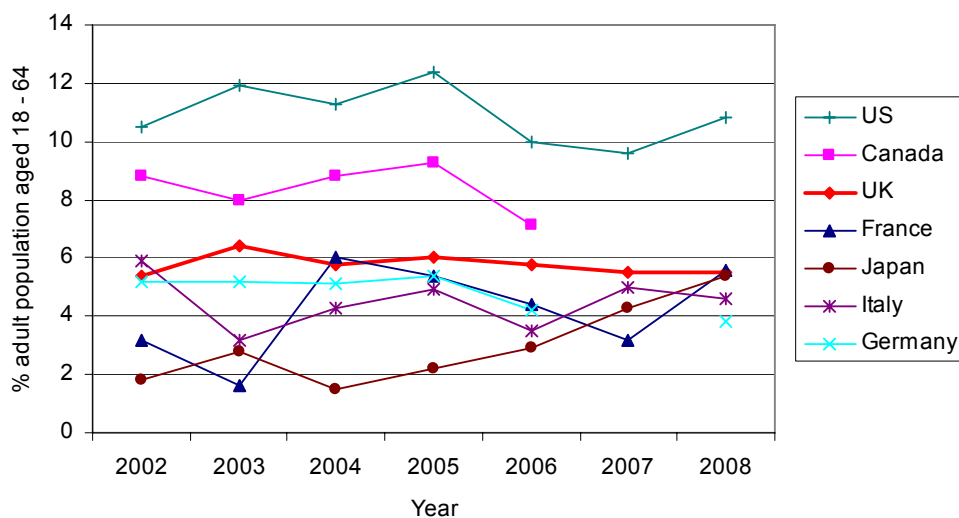
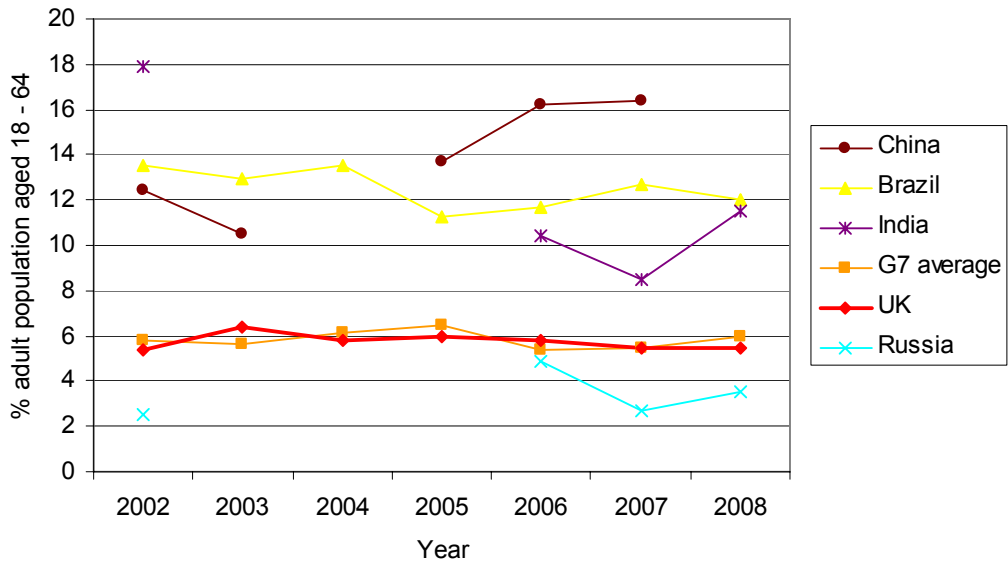


Figure 10: Total early-state Entrepreneurial Activity in participating UK and BRIC Countries (2002-2008)

Source: Global Entrepreneurship Monitor United Kingdom Monitoring Report 2008



The figures show that the TEA rate in the UK is about the same as the average rate of G7 countries, but significantly lower than the US and most emerging countries such as India, Brazil and China.

DRAFT

Access to employment

Accessibility of employment is relatively low

Accessibility of jobs by public transport, cycling or walking is relatively low across Cambridgeshire, as it is in many other rural counties. Residents of Cambridge City are most likely to be able to access jobs by sustainable means while residents of East Cambridgeshire are least likely.

The DfT measures the percentage of people of economically active age with access within a reasonable time to more than 500 jobs by public transport, cycling and/or walking.

79% of Cambridgeshire residents are able to access more than 500 jobs within a reasonable time by public transport, cycling and/or walking. This is within the lower quartile of all authorities who monitored this indicator within their Local Area Agreement, but is on a par with many of the more rural authorities. Within the county, residents of Cambridge City have the greatest access to employment with 86% of residents and 85% of JSA claimants able to access employment by public transport, cycling or walking. In contrast, 72% of East Cambridgeshire and 76% of Fenland residents are able to access employment by the same means.

Table 3 Accessibility of employment

Source: DfT core accessibility data, 2008

Area	% of working aged people who have access to job by alternative travel mode	% of Jobseekers who have access to jobs by alternative travel mode	Number of jobs accessible by:		
			Public transport or walking	Cycle	Car
Cambridge City	86%	85%	> 5000	> 5000	> 5000
South Cambridgeshire	78%	79%	> 5000	>1000	> 5000
East Cambridgeshire	72%	73%	> 5000	>1000	> 5000
Huntingdonshire	78%	80%	> 5000	>1000	> 5000
Fenland	76%	76%	> 5000	>1000	> 5000
Cambridgeshire	79%	79%			
Forest Heath	80%	82%	> 5000	>1000	> 5000
St. Edmundsbury	79%	81%	> 5000	>1000	> 5000
North Hertfordshire	80%	81%	> 5000	>1000	> 5000
Uttlesford	78%	80%	> 5000	>1000	> 5000
Great Cambridge	79%	80%			

Occupations, Earnings and Income

Occupational Structure

A high proportion of residents are employed in high value occupations throughout the commuter belt

The occupational structure of Cambridgeshire's employed population is broadly similar to England, however there is a distinct variation by district. Cambridge City, South Cambridgeshire and Huntingdonshire have higher than average proportions of residents working in 'high value' occupations; East Cambridgeshire and St Edmundsbury are close to average, whereas Fenland and Forest Heath are below average. This illustrates the strength of the wider commuter belt extending to Huntingdonshire, East Cambridgeshire and St Edmundsbury.

As shown in Figure 11, the occupational structure of Cambridgeshire's employed population is broadly similar to England as a whole, except for the proportion of people working in professional occupations. One in five Cambridgeshire residents works in a professional occupation, compared to 13% nationally. This high figure mostly reflects the occupational structure of Cambridge City residents, of whom 42% have a professional occupation.

Figure 11: Cambridgeshire & England's occupational structure (% of employed population)

Source: ONS Annual Population Survey, July 2008 to June 2009

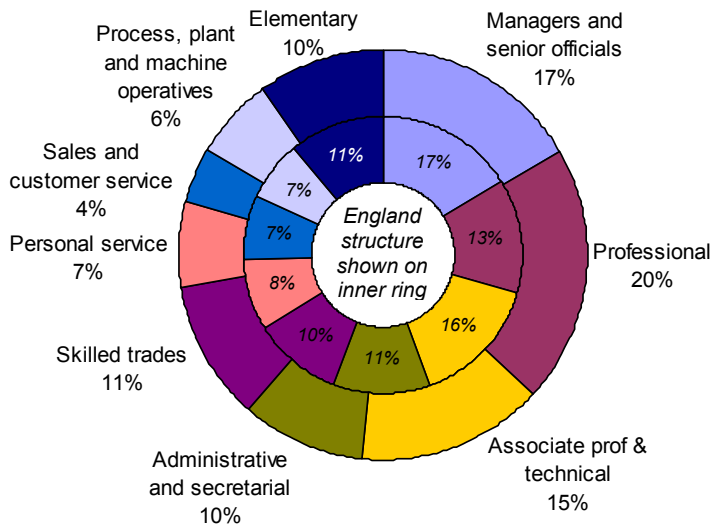


Table 4 shows the variation in occupational structure between districts. Cambridge City has a high proportion of residents in professional and associate professional occupations and a low proportion in all other occupational groups. East Cambridgeshire has a particularly high proportion of people working in personal services (such as health care assistants, social care, child care or animal care). Fenland has higher proportions of people working in skilled trades, as process, plant and machine operatives, and in elementary occupations. Huntingdonshire has higher proportions of managers and the highest proportions of people with associate professional occupations and administrative and secretarial occupations in the county. The high proportion of managers among Huntingdonshire residents is not entirely reflected in the occupations of workers in the district, implying that some resident managers commute out of the district to work.

Table 4: Occupational structure of the employed population

Source: ONS Annual Population Survey, July 2008 to June 2009

Area	Managers and senior officials	Professional	Associate prof & technical	Administrative and secretarial	Skilled trades	Personal service	Sales and customer service	Process, plant and machine operatives	Elementary
Cambridge City	9.4%	42.2%	17.4%	8.0%	7.0%	5.4%	2.6%	n/a	6.6%
East Cambridgeshire	16.4%	12.7%	9.2%	7.7%	15.9%	12.5%	5.7%	7.2%	12.6%
Fenland	12.1%	8.3%	14.9%	10.0%	16.1%	3.9%	4.4%	14.0%	16.2%
Huntingdonshire	20.8%	12.3%	17.8%	11.9%	10.9%	5.7%	4.3%	8.3%	8.0%
South Cambridgeshire	21.0%	22.7%	12.0%	10.0%	8.8%	7.4%	5.2%	2.7%	10.2%
Cambridgeshire	16.7%	20.2%	14.8%	9.8%	11.1%	6.7%	4.4%	6.3%	10.0%
Forest Heath	10.1%	7.7%	17.9%	7.5%	13.8%	8.4%	11.0%	10.6%	12.9%
North Hertfordshire	15.9%	18.4%	11.1%	13.3%	10.3%	6.0%	9.8%	5.6%	9.6%
St Edmundsbury	21.1%	11.5%	20.4%	14.7%	9.0%	2.6%	3.0%	7.4%	9.8%
Uttlesford	23.8%	14.7%	15.7%	11.6%	9.9%	3.5%	6.8%	4.8%	8.5%
Greater Cambridge	17.2%	17.7%	15.2%	10.8%	10.8%	6.1%	5.6%	6.5%	10.0%
East	17.3%	13.2%	14.4%	11.1%	10.8%	7.7%	7.2%	6.8%	11.2%
England	16.0%	13.4%	14.8%	11.3%	10.4%	8.3%	7.4%	6.8%	11.2%
United Kingdom	15.5%	13.3%	14.7%	11.3%	10.7%	8.4%	7.5%	6.9%	11.3%

Table 5 summarises the proportion of employed residents working in 'high value' occupations by district. This includes those working as managers, those in professional, associate professional and technical occupations, and those working in a skilled trade. Across Cambridgeshire, 63% of employed residents work in a 'high value' occupation, compared to 55% across England. The proportion varies considerably within the county, from a high of 76% in Cambridge City to a low of 51% in Fenland.

Table 5: % of area's employed population working in 'high value' occupations

Source: ONS Annual Population Survey, July 2008 to June 2009

Note: 'High value' occupations defined as: managers and senior officials; professional; associate professional & technical, skilled trades

Area	% employed in 'high value' occupations
Cambridge City	76.0%
East Cambridgeshire	54.2%
Fenland	51.4%
Huntingdonshire	61.8%
South Cambridgeshire	64.5%
Cambridgeshire	62.8%
Forest Heath	49.5%
North Hertfordshire	55.7%
St Edmundsbury	62.0%
Uttlesford	64.1%
Greater Cambridge	60.9%
East	55.7%
England	54.6%
United Kingdom	54.2%

Residents' weekly pay → BUSINESS page 27 Earnings of employees

Pay gap increasing between north and south. Women earn significantly less than men.

Median weekly pay in South Cambridgeshire is nearly 50% higher than in Fenland and Forest Heath and that gap has steadily increased since 2002. This indicates a much higher (and increasing) demand for labour coupled with higher value activities in the south of the county than in the north. In each Cambridgeshire district apart from Cambridge City, women earn 25%-30% less than men. This is a greater disparity than seen across England.

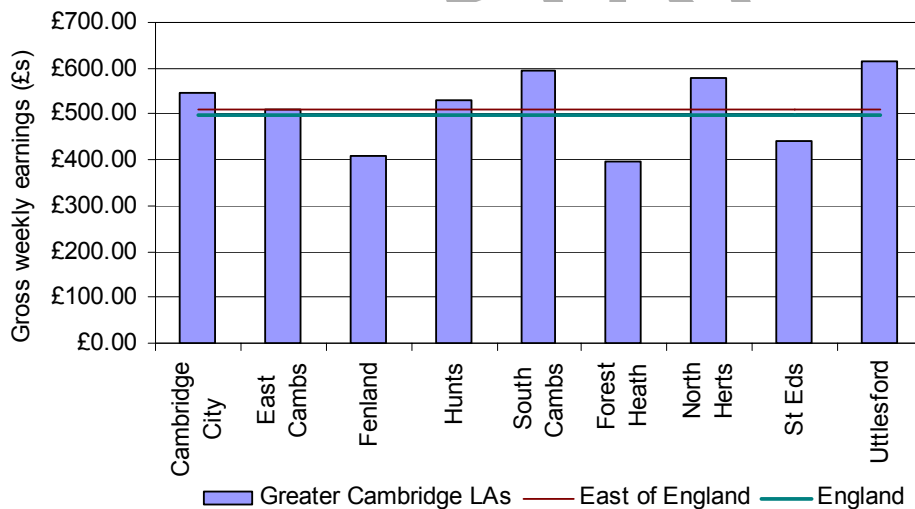
Wage earnings are a key indicator of the interaction between labour supply and demand in an economy, and the living standards of its employees. High earnings can be an indicator of strong labour demand as well as higher value activities in an economy, whilst low wages could imply either low demand for labour or lower value added activities.

Across Cambridgeshire, the full-time workers' median weekly pay of £525.90 is higher than the England average of £496.00. Within the county pay varies considerably, as shown in Figure 12, from a low of £407.40 in Fenland to a high of £594.00 in South Cambridgeshire. Median weekly pay in South Cambridgeshire is therefore nearly 50% higher than in Fenland. Pay across the broader sub-region is similar, although median pay in Forest Heath is slightly lower than Fenland, suggesting lower demand for labour and lower value jobs in both Fenland and Forest Heath.

Within Huntingdonshire, there is a considerable difference between the earnings of resident and the earnings of those working in the district, suggesting high levels of out-commuting to higher paid, higher value jobs.

Figure 12: Median gross weekly full-time pay (£) by district

Source: Annual Survey of Hours and Earnings (Resident Analysis) 2009



Median weekly pay is higher among men than women in all areas. Across the county women earn around 25% less than men, which is a greater disparity than seen nationally. Note that these figures are for full-time workers only, so are not affected by higher levels of part-time working among women. Within the county, pay is most equitable in Cambridge City and least equitable in Fenland, where women earn around two-thirds that of men. In general pay tends to be least equitable in areas where pay is lowest.

Table 6: Median gross weekly full-time pay (£) by district and gender

Source: Annual Survey of Hours and Earnings (Resident Analysis) 2009; # data suppressed due to small numbers

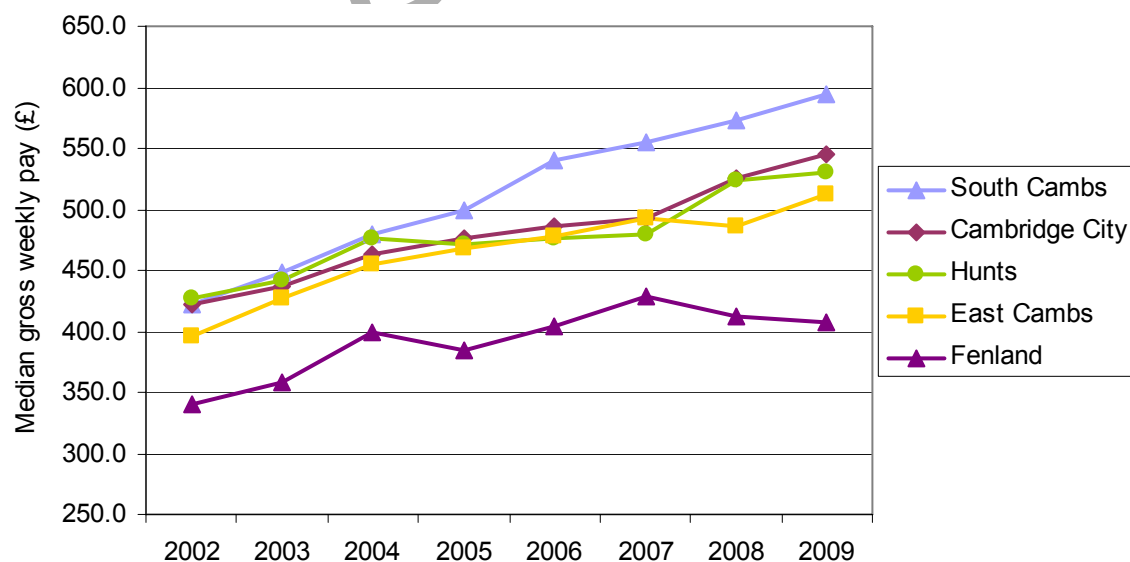
Area	All Full-Time workers	Male Full-Time	Female Full-Time	Female earnings as % of male earnings
Cambridge City	£545.50	£592.30	£476.80	80.5%
East Cambridgeshire	£511.50	£540.10	£394.30	73.0%
Fenland	£407.40	£469.40	£311.60	66.4%
Huntingdonshire	£531.00	£584.60	£421.10	72.0%
South Cambridgeshire	£594.00	£684.30	£485.50	70.9%
Cambridgeshire	£525.90	£584.80	£442.70	75.7%
Forest Heath	£396.00	£491.00	£324.30	66.0%
North Hertfordshire	£577.40	£605.10	£488.90	80.8%
St Edmundsbury	£439.70	£475.00	£406.10	85.5%
Uttlesford	£613.10	£649.50	#	
Greater Cambridge	N/A	N/A	N/A	
East	£509.40	£565.80	£432.60	76.5%
England	£496.00	£538.50	£431.40	80.1%
United Kingdom	£488.70	£531.10	£426.40	80.3%

Pay increases among Cambridgeshire residents have been broadly in line with those seen nationally. While pay among Cambridgeshire females has closely followed the national trend, pay among males has been above the national figure in most years.

Figure 13 compares median weekly pay among the Cambridgeshire districts between 2002 and 2009. At the start of the time-series, pay was similar in South Cambridgeshire, Cambridge City and Huntingdonshire, but pay has since risen faster in South Cambridgeshire than elsewhere. While pay rose in Fenland between 2002 and 2007, it has since shown slight decline. In 2002 the pay gap between the districts with the highest and lowest median pay was just under £88 per week; by 2009 this had more than doubled to £187.

Figure 13: Median gross weekly full-time pay by district, 2002-2009

Source: Annual Survey of Hours and Earnings (Resident Analysis) 2009



Median household income

Single-person or single-income households in Cambridge City may lower median household income relative to weekly pay

Patterns of household income are broadly similar to those shown by median weekly pay, however annual household income is relatively low in Cambridge City, suggesting more single-person or single-income households. Overall, there is a clear geographic trend in income levels, with households in the south and west of the sub region having higher incomes and households to the north and east having lower incomes.

Figure 14 compares median annual household income by district. These figures take into account all salaries in a household, together with income from investments, welfare support and means-tested benefits. Median income in Cambridgeshire is higher than across England as a whole; within the County income is highest in South Cambridgeshire and lowest in Fenland. Cambridge City performs differently under the two pay/income measures: while gross weekly pay is the second highest in the county, annual household income is the second lowest in the county. This may be because there are more single-person households in the City so there are fewer households with a joint income.

Figure 14: Median household income

Source: CACI Paycheck 2009

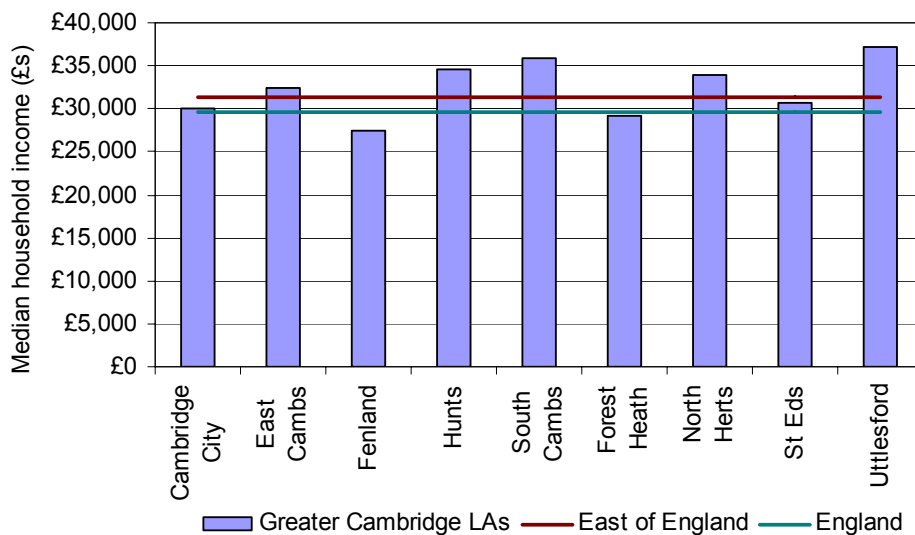
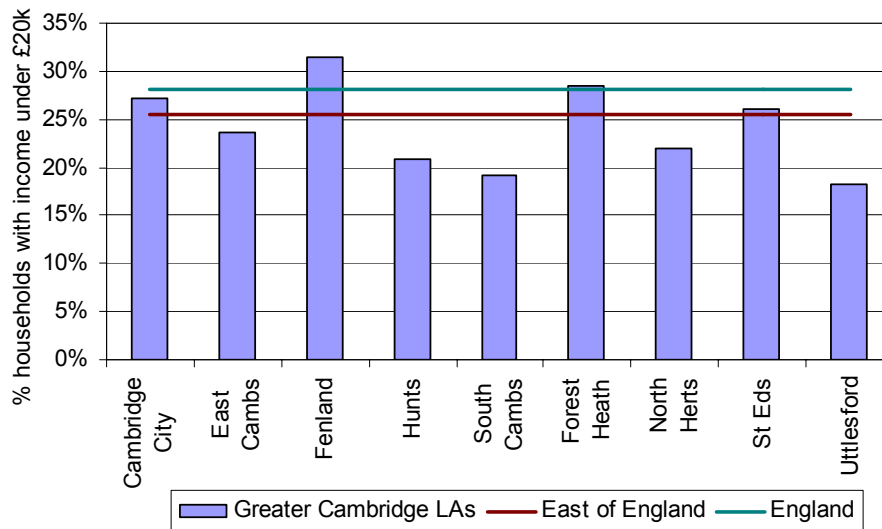


Figure 15 overleaf shows that the districts vary considerably in terms of the proportion of households with low incomes. While around one in three households in Fenland has an income below £20,000, in South Cambridgeshire the proportion is less than one in five.

Figure 15: Low income households - % households with annual income under £20,000

Source: CACI Paycheck 2009



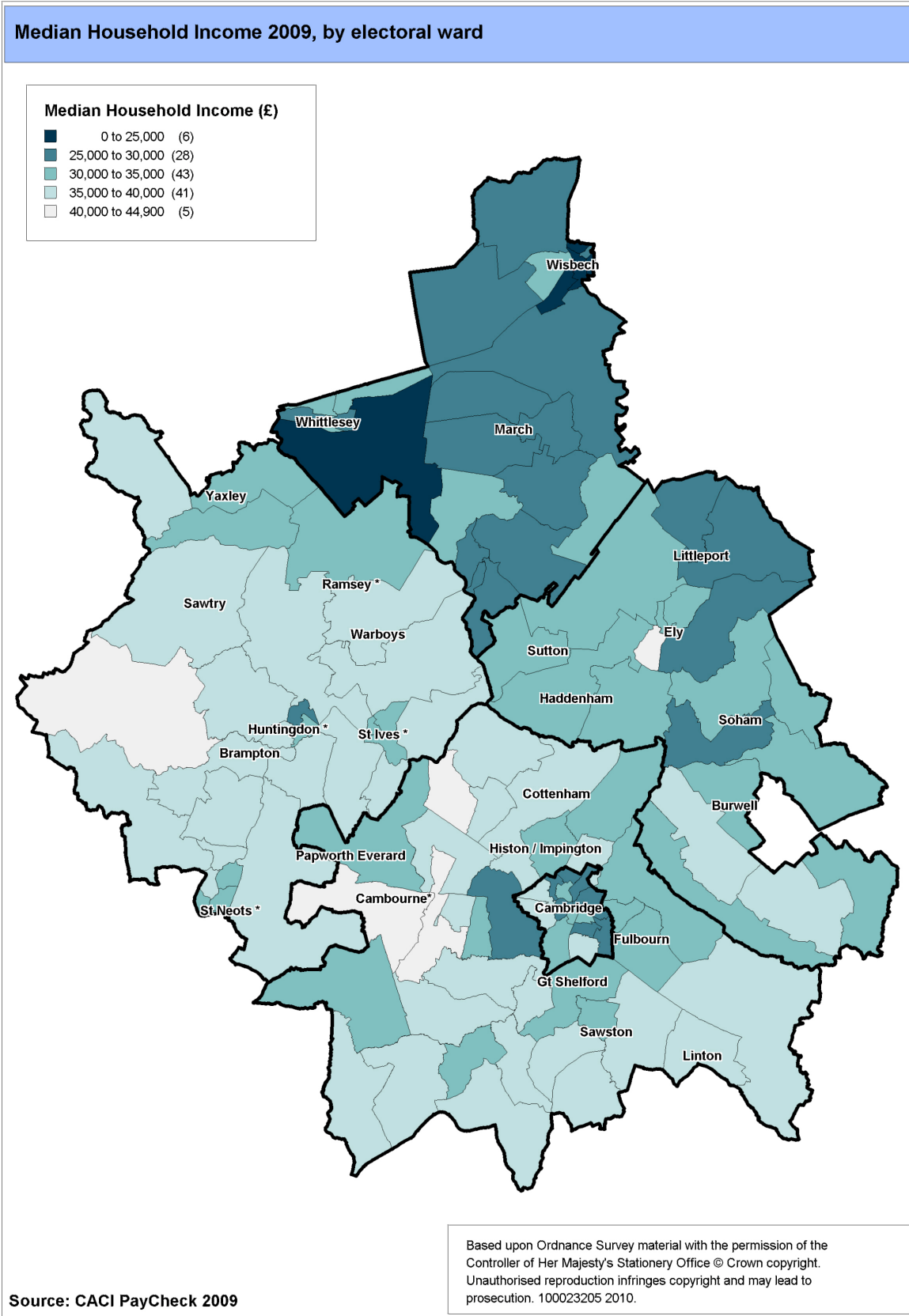
Maps 1 to 3 over the following pages show household income data by electoral ward. [Map 1](#) compares median income by ward, with areas of lower income shaded darker than areas of higher income. This shows a clear geographical pattern across the county, with lower income areas concentrated in the north and east and higher income areas to the south and west. This pattern also applies within Cambridge City. The highest median income in the county is found in Bourn ward in South Cambridgeshire (£44,900) and the lowest is in Medworth ward in Wisbech (£22,800). On average, the income of households in Bourn is almost double that of households in Medworth.

[Map 2](#) compares the proportion of households earning under £20,000; areas shaded darker have a higher proportion of low income households. As might be expected, the pattern here is broadly similar to that shown in [Map 1](#), with high proportions of low income households clustered to the north and east of the county, in Huntingdon North and in parts of Cambridge City. 10% of households in Caldecote ward have an income of under £20,000, compared to 42% in Medworth ward.

[Map 3](#) shows the location of high earning households across the county, with areas with a higher proportion of households earning over £75,000 shaded darker. Higher income households are most common in South Cambridgeshire, particularly the Bourn area, and rural parts of Huntingdonshire. Interestingly, most Cambridge City wards have relatively low proportions of high income households. Nearly one in five households in Bourn ward has an income of over £75,000, compared to just 1% of households in Waterlees in Wisbech.

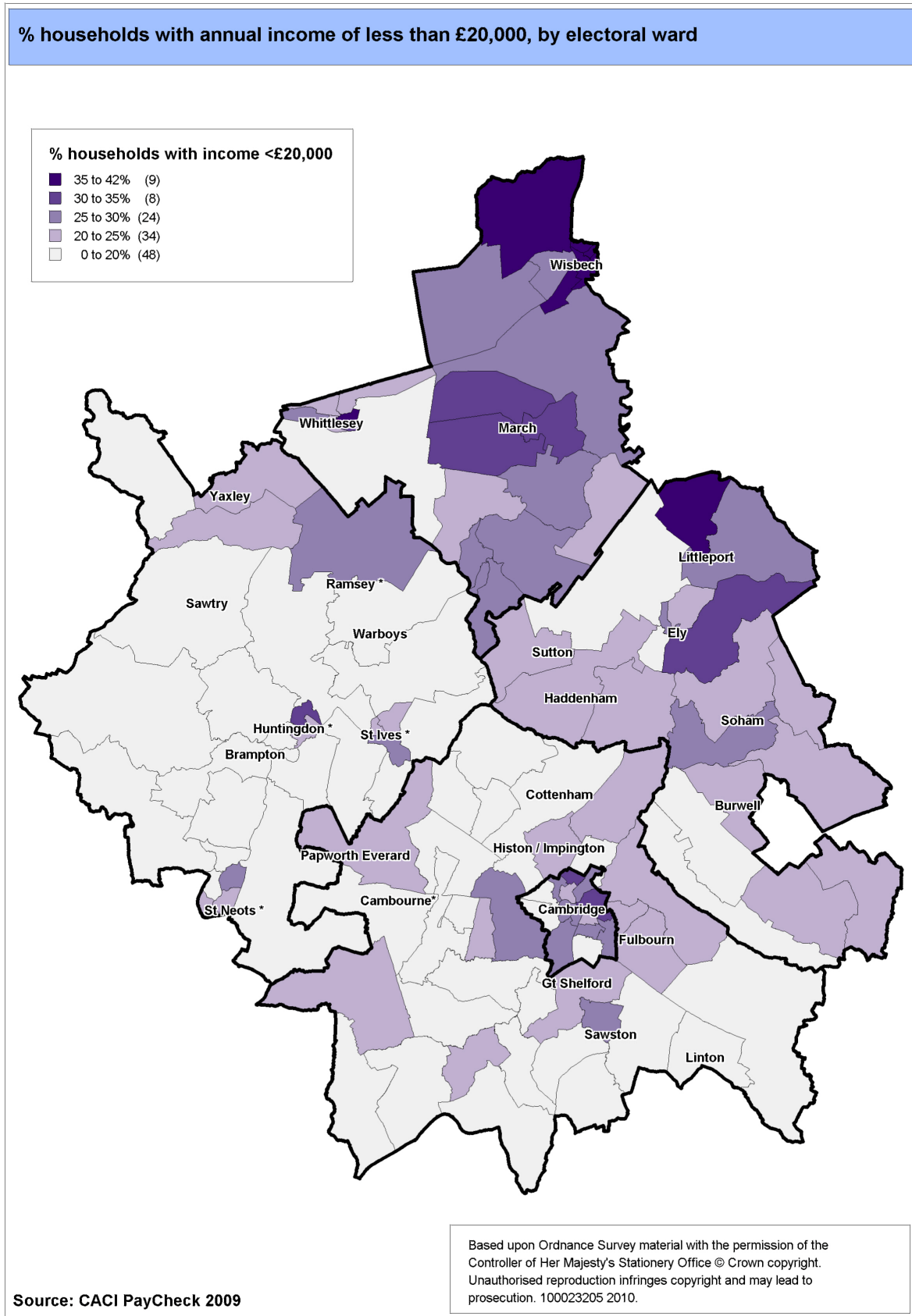
Map 1: Median Annual Household Income by electoral ward

Source: CACI PayCheck 2009



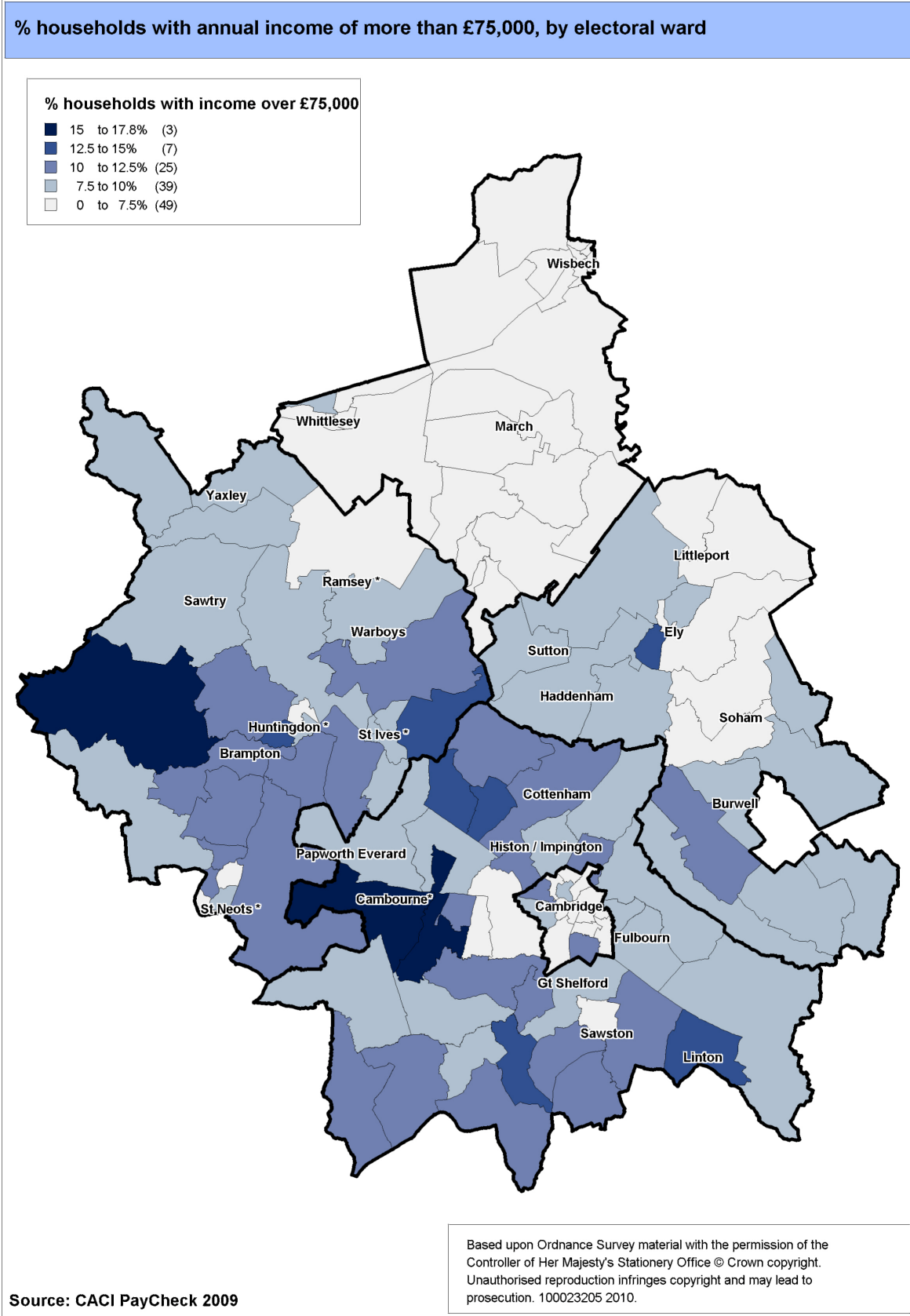
Map 2: % of households with an annual income of less than £20,000 by ward

Source: CACI PayCheck 2009



Map 3: % of households with an annual income of more than £75,000 by ward

Source: CACI Paycheck 2009



Qualifications, Aspirations and Skills

Qualifications of the working age population

Very poor skills levels in the north – significant at a national level of comparison

Cambridgeshire residents are on average more qualified than across the region or country as a whole, however there is significant variation by district, with particular skills issues in the north of the county. A higher proportion of Fenland residents have no qualifications than is the case nationally. Fenland also performs well below the national average in terms of the proportion of residents qualified to NVQ Levels 2, 3 and 4. The high level of inequality in skills levels between residents in the north and south of the county is illustrated by those educated to degree level, where Fenland ranks 14th lowest of all local authorities in the country while Cambridge City ranks 5th highest. Furthermore, that inequality appears to be increasing over time.

Low levels of intermediate skills

Each district in Cambridgeshire has a lower than average proportion of its population holding level 3 as their highest qualification. This is particularly acute in Cambridge City, where the proportion is 12% lower than average. Nationally, skills shortages are most acute in skilled trade occupations, where the typical qualification is NVQ Level 3. It is therefore likely that the recruitment problem at this level of occupation is even more acute across Cambridgeshire. This could be restricting the growth of many industries.

Cambridgeshire residents aged between 19 and retirement-age are, on average, more qualified than across the region or country as a whole. 41% of Cambridgeshire residents are qualified to NVQ level 4 or higher (broadly equivalent to a degree or higher qualification), compared to 31% across England. Just 7% of residents have no qualifications, compared to 12% nationally.

Table 7: Qualifications of people aged 19-59/64 (NVQ equivalents)

Source: DUIS derived from ONS Annual Population Survey Jan-December 2008

Note: NVQ levels are defined as follows: Level 1: Foundation GNVQ; 4-5 GCSEs grade D-E or equivalents;

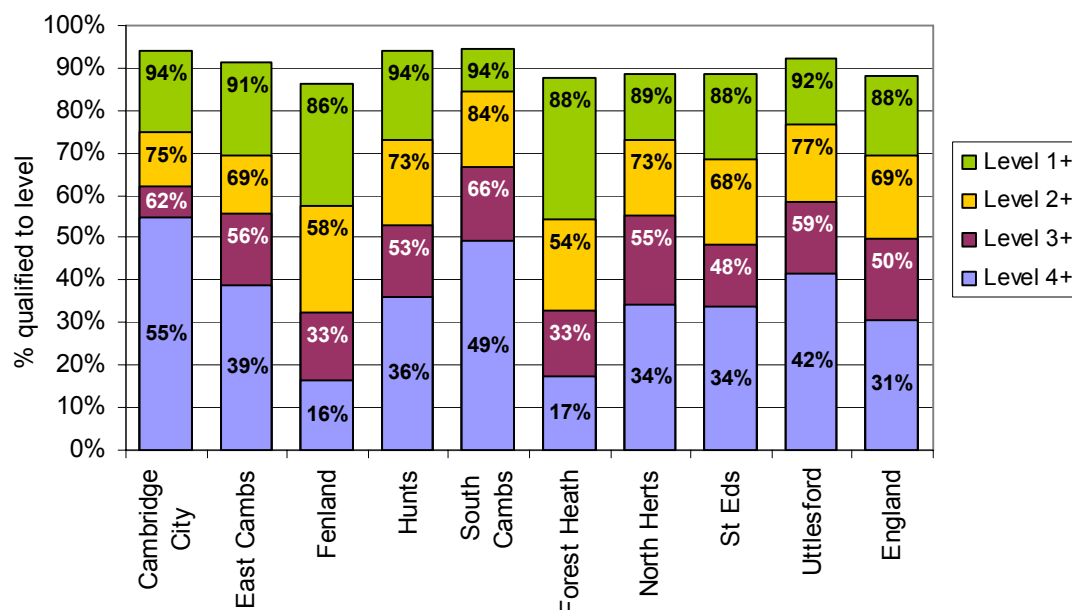
Level 2: Intermediate GNVQ; 5 GCSEs A*-C; 2 A/S Levels or equivalents; Level 3: 2 A Levels A-E; 4 A/S Levels or equivalents; Level 4+: Foundation or first degree; degree level professional qualifications; HNC/HND; higher degrees

Area	Proportion of 19-59/64 year olds qualified to level:				
	NVQ4+	NVQ3	NVQ2	NVQ1	No qualifications
Cambridge City	54.9%	7.1%	13.0%	19.3%	5.7%
East Cambs	39.0%	16.7%	13.6%	22.0%	8.7%
Fenland	16.3%	16.3%	24.9%	28.7%	13.8%
Hunts	35.9%	17.1%	20.4%	20.6%	6.1%
South Cambs	49.3%	17.1%	17.8%	10.0%	5.7%
Cambridgeshire	40.8%	14.7%	17.9%	19.3%	7.3%
Forest Heath	17.2%	15.6%	21.3%	33.7%	12.2%
North Herts	34.3%	21.0%	17.7%	15.6%	11.5%
St Eds	33.9%	14.4%	20.0%	20.2%	11.5%
Uttlesford	41.6%	17.0%	18.0%	15.6%	7.9%
Greater Cambridge	n/a	n/a	n/a	n/a	n/a
East	27.8%	18.6%	21.1%	20.9%	11.5%
England	30.5%	19.0%	19.8%	18.7%	11.9%

There is significant variation in qualification levels within the county, however, and [Figure 16](#) shows how each district compares in terms of the proportion of the population reaching each of the National Indicator qualification levels.

Figure 16: % 19-59/64 population qualified to different NVQ levels (NI163, NI164 & NI165)

Source: ONS Annual Population Survey Jan-December 2008



Within Cambridgeshire, the highest proportion of the population with Level 2 or higher qualifications (NI163) is in South Cambridgeshire, where 84% of people have these qualifications, followed by Cambridge City and Huntingdonshire. The proportion in East Cambridgeshire is the same as the national average however in Fenland, just 58% of people have Level 2 qualifications or higher, which is well below the national average.

In terms of proportions reaching Level 3 or higher (NI164), all Cambridgeshire districts except Fenland fall above the national average, with levels highest in South Cambridgeshire and Cambridge City. This broadly corresponds to people with A-Level or equivalent qualifications.

Variation in the proportion reaching Level 4 or higher (NI165) is particularly interesting. This broadly corresponds to people educated to degree-level or equivalent and is generally recognised as the skill level required to drive innovation and leadership within an economy and to enable businesses to compete globally. Over half the population in Cambridge City is qualified to this level, and just under half in South Cambridgeshire. On this measure, Cambridge City ranks 5th highest of all local authorities in the country; the most qualified outside London. In contrast, just 16% of people in Fenland are qualified to this level; the district ranks 14th lowest of all local authorities in the country. There is therefore a great deal of inequality in terms of high level qualifications within the county.

In terms of the other districts making up the Greater Cambridge sub-region, Forest Health has similarly low qualification levels to Fenland.

Figure 17 compares the proportion of residents with no qualifications across the Greater Cambridge districts. The proportion is lower than the national average across all districts in Cambridgeshire except Fenland, where 14% of the population has no qualifications.

Figure 17: % 19-59/64 population with no qualifications

Source: ONS Annual Population Survey Jan-December 2008

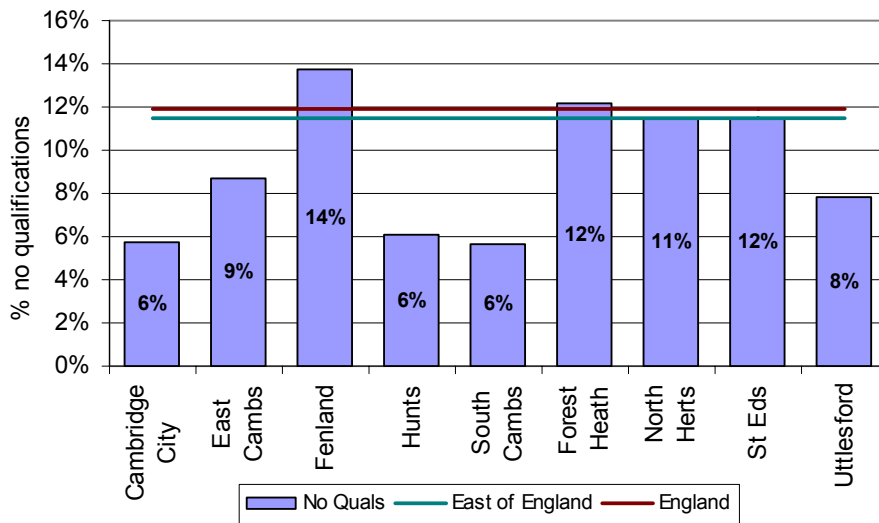
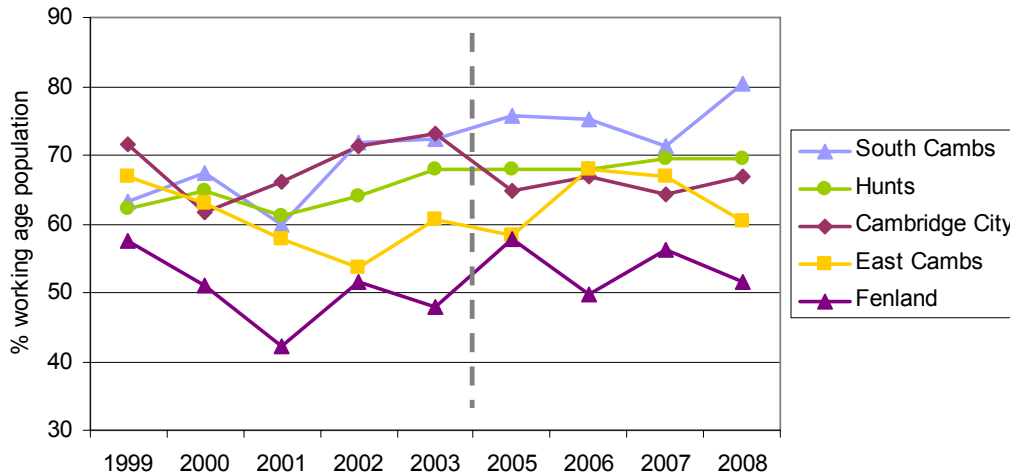


Figure 18 shows the changing proportion of residents of each Cambridgeshire district with Level 2 or higher qualifications. The variation from year to year occurs as sample sizes at a district level are fairly small. However, there is a clear rise in the proportion qualified to at least Level 2 in South Cambridgeshire and Huntingdonshire, while the other districts have remained fairly stable. This means that there may be greater inequality on this measure now than previously.

Figure 18: % working age population with Level 2 or higher qualifications, 1999-2009

Source: ONS - Labour Force Survey (1999-2004 March of year to Feb) & Annual Population Survey (2005- Jan-Dec)



Higher Education in the County

Lack of retention of skilled graduates

Few highly skilled graduates of Cambridge University or Anglia Ruskin University appear to seek employment within the county; potentially a missed opportunity in terms of growing a hi-tech economy experiencing skills shortages. Both universities exert a significant influence as an employer in the sub region, leading to concerns over what impact government cuts in Higher Education and publicly funded R&D will have on the area.

Cambridgeshire is home to two universities, both located in Cambridge City: the University of Cambridge and Anglia Ruskin University (ARU). The 2008 Research Assessment Exercise shows the University of Cambridge to have 49 out of 50 subjects rated as world-leading quality (grade 4*) or internationally excellent quality (grade 3*) and ARU to have 2 out of 9 subjects achieving world-leading or internationally excellent quality. Both universities also provide good business education, with the Judge Business School of Cambridge University (recognised as one of the top business school in the world) and Ashcroft International Business School of ARU. Both business schools attract students from across the world. They also have established global networks of businesses and academic partnerships.

Both universities have a large number of students every academic year (In 2008/09 ARU had around 20,000 students, Cambridge University had around 23,000).

There is no published data on numbers of students from within the local area, however it is widely recognised that ARU takes a high proportion of 'local' students whereas Cambridge University takes very few. In 2008/09 around 25% of Cambridge University students were international, 15% from non-EU countries. Around 10% of ARU students were international, around 5% from non-EU countries. Both universities experienced an increase in the number of international students between 2007/08 and 2008/09.

The large student population has a significant impact on the local economy, both positive (spending on goods and services, highly skilled labour force) and negative (increased competition for housing in the city centre and some increased competition for part time work).

Anecdotal information suggests that the majority of graduates leave the area after completing their studies and London is their first destination area. Of those that do stay within the East of England region, most of them are employed in the city of Cambridge and its immediate surrounding (i.e. CB postcode). Although the population in the south of the county is very high skilled, anecdotally many businesses still experience skills shortages, therefore finding ways to capture the graduate population would potentially benefit the local economy.

A significant proportion of the local population is employed by the universities, with over 25% of Cambridge City employees working in education. Employment in Education and Health has grown significantly over the last 10 years, particularly in Huntingdon and South Cambridgeshire. This increased dependency on public sector employment leads to concerns over what impact the government cuts in Higher Education and publicly funded R&D will have on the area.

Participation and attainment of young people in education

Low attainment levels of young people in the north and across more deprived areas.

Participation and attainment are generally high across Cambridgeshire for 16-19 year olds and 14-16 year olds, however this masks significant variation by district and by pupil background. Fenland, Huntingdonshire and Cambridge City have significant numbers of young people not in education, employment or training – a major predictor of future economic or social exclusion. Of those remaining in education, attainment levels at age 19 and age 16 are below the national average among Fenland residents, significantly lower than other Cambridgeshire districts. The proportion entering higher education is low across all districts apart from South Cambridgeshire and Huntingdonshire. The achievement gap between pupils eligible for free school meals and those who are not is wider than it is nationally. Improving basic and intermediary skills in the north of the county will be essential in meeting the needs of local employers and subsequently raising economic participation levels in the resident population.

Across England, 88% of 16 year-olds and 78% of 17 year-olds participate in education or work-based learning. Of these, the vast majority are in education. Participation in education is slightly higher than average in Cambridgeshire, whereas participation in work based learning is slightly lower than average.

Table 8: Participation of 16 and 17 year olds in education or work-based learning (WBL)

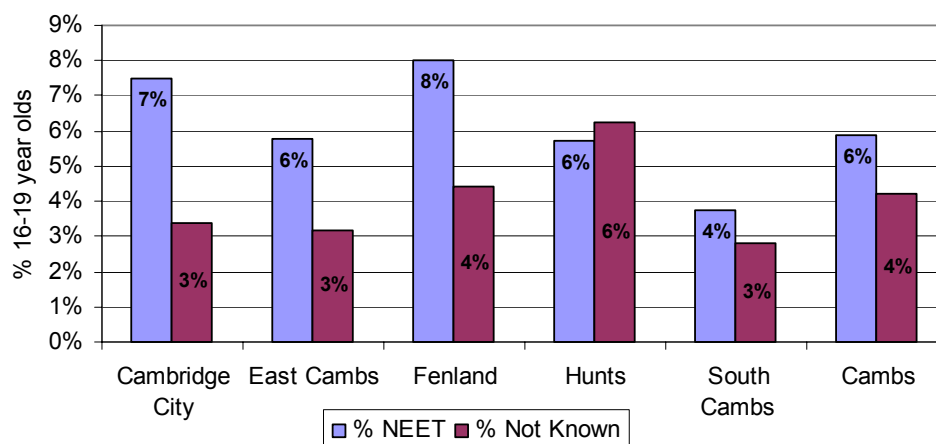
Source: DCSF - Participation in Education, Training and Employment by 16-18 Year Olds in England, end 2007

Area	% of 16 year olds			% of 17 year olds			% of 16 & 17 year olds		
	Education	WBL	Total	Education	WBL	Total	Education	WBL	Total
Cambridgeshire	87%	4%	91%	74%	6%	80%	80%	5%	85%
Essex	77%	5%	83%	66%	6%	72%	72%	6%	78%
Hertfordshire	91%	3%	94%	81%	5%	85%	86%	4%	90%
Suffolk	78%	6%	84%	68%	7%	75%	73%	7%	79%
East of England	82%	5%	87%	70%	6%	77%	77%	6%	82%
England	82%	6%	88%	71%	8%	78%	76%	7%	83%

Local data on the numbers and proportions of young people that are not in education, employment or training (known as NEET) are available from Cambridgeshire Connexions. Figure 19 compares proportions across the Cambridgeshire districts. Note that the data shown here may not be comparable to that published elsewhere as time periods, age coverage and denominators may vary. Proportions of young people NEET are highest in Fenland and Cambridge City, although numbers are also high in Huntingdonshire.

Figure 19: % of 16-19 year olds NEET by Cambridgeshire district, December 2009

Source: Cambridgeshire Connexions Q32009



Increasingly more 18 year olds are becoming NEET in all areas of the Peterborough, Cambridgeshire, Norfolk and Suffolk sub regional grouping – the gap in participation between 17 and 18 year olds is increasing across Cambridgeshire, as it is across the region and country as a whole. The number of young people who are not in education, employment or training (NEET) is a major predictor of future economic and social exclusion (EP study, October 2009). Further identification of appropriate provision is necessary to engage and retain 18 year olds in education and Work Based Learning in order to reverse the widening of the gap between 18 and 17 year olds.²

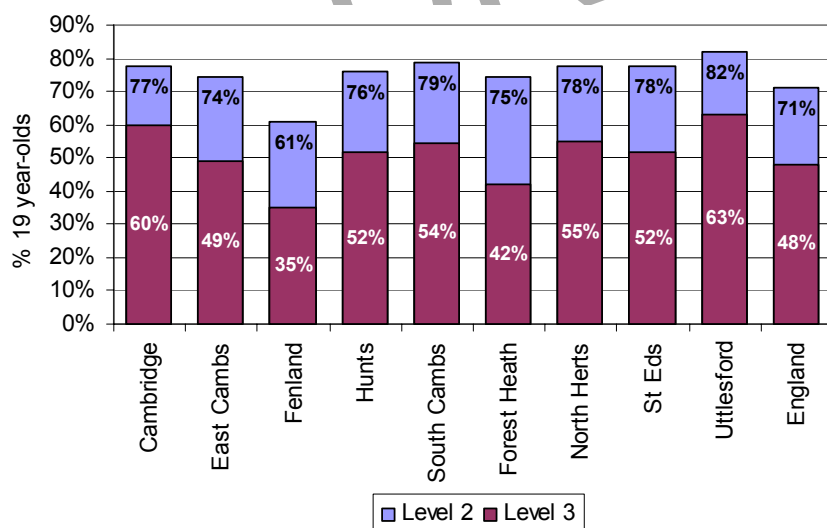
In terms of Further Education retention of 16-18 year olds, Cambridgeshire is not showing the same improved rates as other areas in the sub region with 17 year old male and 18 year old female rates both falling.³

In 2005/06, 3,270 (11%) of LSC Cambridgeshire residents aged 18-20 entered full time Higher Education (HE), accounting for 13% of the East of England total. This proportion was lower than the average for the East of England (13%). The proportion of the cohort entering full time HE varied significantly between the Cambridgeshire districts from 18% to 5%. Both the greatest volume and percentage of learners entering full time HE were from South Cambridgeshire and Huntingdonshire. Cambridge City had the joint lowest proportion of residents in the region entering HE with 5%, while Fenland had the second lowest volume of learners (220) and the joint third lowest percentage in the region (8%) entering HE⁴.

The proportion of 15 year olds reaching Level 2 or Level 3 by age 19 is relatively high compared with national figures across all Greater Cambridge districts, as shown in Figure 20, apart from Fenland, where the proportions reaching both Level 2 and Level 3 are significantly lower. Fenland's cohort of young people who were 19 in 2007 was ranked forty-eighth out of forty-eight districts in the East of England for the percentage that had achieved Level 2 by the age of 16. By the time they were 19, Fenland's ranking had improved one place to forty-seventh.⁵

Figure 20: % of people studying in a district at age 15 reaching Level 2/Level 3 by age 19

Source: LSC, FFT matched administrative dataset 2006/07



² YPLA 2010 sub regional analysis

³ Individual Learner Records 2007/08 to 2008/09, as quoted in the YPLA 2010 sub regional analysis.

⁴ LSC, 2008

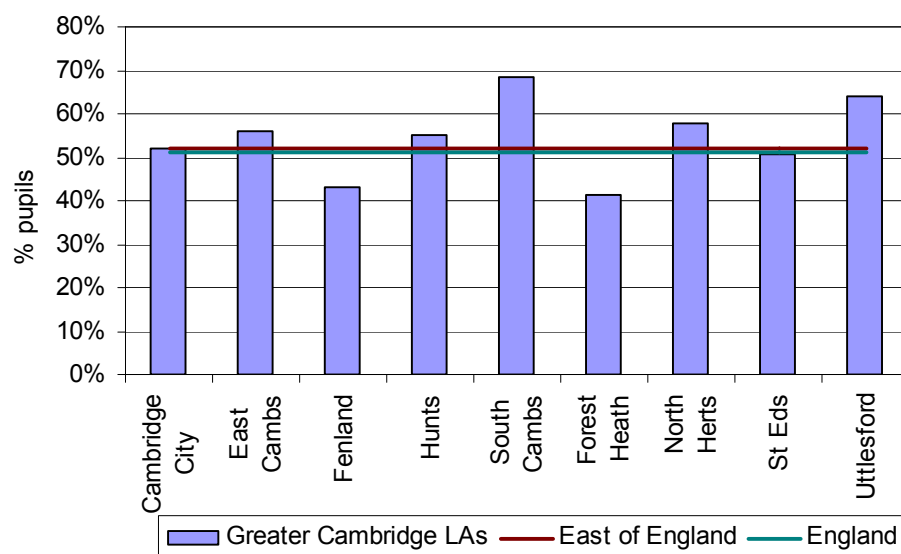
⁵ LSC, 2008

Attainment at age 14-16 shows a very similar pattern. Overall, young people in Cambridgeshire have consistently performed better than the national and regional average. Over the last two years, achievement in Cambridgeshire has risen significantly, such that in 2008/9 56% of pupils achieved five or more GCSEs graded A*-C including maths and English. However, performance varies significantly by district shown by [Figure 21](#).

Nearly 70% of pupils living in South Cambridgeshire achieve at least five GCSEs graded A*-C including maths and English, which is well above the national and regional average. Performance is also above average in East Cambridgeshire and Huntingdonshire and similar to the average in Cambridge City. Performance is well below average among pupils living in Fenland, with just 43% of pupils reaching this level of attainment, and even lower in Forest Heath at 41.5%.

Figure 21: % pupils at end of Key Stage 4 achieving 5+ GCSEs A*-C inc. Maths & English, by location of residence

Source: DCSF, GCSE Attainment by Pupil Characteristics, in England 2008/09



[Table 9](#) overleaf compares pupil attainment by local authority district of residence with attainment by local authority district of school location. In most districts these figures are broadly similar, however there are some notable differences. In Cambridge City, pupils attending schools in Cambridge perform better than pupils living in Cambridge. This implies that school performance in the City may be boosted by pupils living outside Cambridge. Conversely, performance is higher among pupils living in Fenland than is reflected by the performance of those attending schools in Fenland. This implies that Fenland pupils opting out of local schools tend to do better.

Table 9: % pupils at end of Key Stage 4 achieving 5+ GCSEs A*-C inc. Maths & English, by location of school and location of residence

Source: DCSF, GCSE & Equivalent Results in England, 2008/09 - Table 20, GCSE Attainment by Pupil Characteristics, in England 2008/09

LA District	By local authority of residence	By local authority of school
Cambridge	52.0%	54.9%
East Cambridgeshire	56.2%	56.0%
Fenland	43.3%	41.2%
Huntingdonshire	54.9%	54.0%
South Cambridgeshire	68.4%	68.7%
Forest Heath	41.5%	38.3%
North Hertfordshire	57.7%	57.4%
St Edmundsbury	50.5%	51.4%
Uttlesford	64.1%	60.8%
East of England	52.0%	51.9%
England	51.0%	50.9%

Table 10 compares pupil attainment in terms of certain pupil characteristics. In Cambridgeshire, pupils whose first language was not English perform slightly less well on average than pupils whose first language was English, while in Essex and Hertfordshire they perform slightly better. Girls outperform boys in all local authorities.

The greatest disparity in Key Stage 4 attainment is between those who are eligible for free school meals and those who are not. To be eligible for free school meals, pupils' parents must receive a means-tested benefit such as Income Support or Jobseeker's Allowance. Within Cambridgeshire, the achievement gap is wider than seen nationally, at just 25% among eligible pupils compared to 59% among those who are not eligible. This shows that while Cambridgeshire pupils enjoy high levels of achievement on average, those pupils growing up in families at risk of income or employment deprivation perform far less well, leaving them more vulnerable to these types of deprivation in their own adult lives.

Table 10: % pupils at end of Key Stage 4 achieving 5+ GCSEs A*-C inc. Maths & English, by pupil characteristics

Source: GCSE Attainment by Pupil Characteristics, in England 2008/09

Area	1st language		Free school meal eligibility		Gender	
	English	Other than English	Eligible	Not eligible	Boys	Girls
Cambridgeshire	56%	53%	25%	59%	52%	60%
Essex	50%	52%	20%	52%	47%	54%
Hertfordshire	59%	60%	31%	61%	56%	63%
Suffolk	49%	36%	23%	51%	44%	53%
East of England	52%	46%	24%	54%	48%	56%
Total England	51%	50%	27%	54%	47%	55%

The same gap exists when viewing figures for Level 2 achievement at age 19. In Cambridgeshire, the gap in achievement between disadvantaged learners and non-disadvantaged learners is 11 percentage points higher than the national average of 22 percentage points⁶. This is higher than all other authorities in the Sub Regional Grouping, and includes particularly poor performance in 2009. Suffolk, however, is improving more rapidly than nationally, beginning at a higher level than the national benchmark in 2005 and reaching a lower level than had been reached nationally in 2009.

⁶ Fisher Family Trust matched administrative data set, 2008/2009 quoted in YPLA Strategic Analysis 2010

The gap in Cambridgeshire at level 3 is particularly wide and growing, reaching 14 percentage points above the national figure in 2009.

In comparison with its statistical neighbours⁷, Cambridgeshire also performs poorly on this measure. It is obviously a priority within Cambridgeshire to engage and retain disadvantaged learners and support them to achieve their full potential. Disadvantaged young people need to have access to a good range of curriculum opportunities and, if the current offer is not engaging them, further action may be required to widen their choice and recognise the difficulties that they face in participating and achieving⁸.

Access to education

Accessibility data collected by the DfT suggests that ease of access to both secondary and further education is lowest in East Cambridgeshire, Fenland, South Cambridgeshire and Forest Heath.

85% of Cambridgeshire residents participating in Further Education do so in Cambridgeshire, with 11% travelling to surrounding counties, predominantly to Peterborough Regional College, the Norfolk Campus of the College of West Anglia and Bedford College. Early year data for 2009/10 shows that Cambridgeshire residents were more likely to leave the area to take Level 2 courses, with 22% attending FE provision outside the area, compared with 13% travelling for Level 3 courses and 11% travelling for Level 1 courses. However, the main reason for the travel to learn patterns appears to be geographical proximity, with some element of choice around Level 2. The proportion of Cambridgeshire residents that travel out of the area to study in school sixth forms is much higher than the other Local Authorities in the Peterborough, Cambridgeshire, Norfolk and Suffolk Sub Region. 9% of Cambridgeshire residents travel to neighbouring counties, predominantly to Stanground College, the Kings School in Peterborough, King Edward VII School in Norfolk and Newmarket College in Suffolk.⁹

Most of the out-commuting for learning seems to be to counties to the north of Cambridgeshire, suggesting movement out from Fenland. It is currently unclear whether young people that travel out of an area to study are more likely to drop out than people that do not.

⁷ "Statistical neighbours" refers to LAs that are considered 'similar' in terms of the socio-demographic composition. Some consider this a more meaningful comparison than comparison with geographical neighbours.

⁸ YPLA, 2010 Strategic Analysis.

⁹ ILR LO1 and Termly School Census SO2, quoted in YPLA Strategic Analysis 2010.

Apprenticeships and Sector Subject Areas of learners

Increased take up of engineering, science and technology in both apprenticeships and further education but recent decrease in apprenticeship take up and significant under representation of females.

There has been a recent decrease in the number of apprenticeships started across Cambridgeshire and Peterborough. Of those apprenticeships started, engineering and hairdressing saw a significant increase in participation between 2007/08 and 2009/10. Females are significantly underrepresented in the learners undertaking apprenticeships. Within further education, science and mathematics saw an increase in the proportion of learners from 2008/09 to 2009/10.

Within the Sub Regional Group (Cambridgeshire, Peterborough, Norfolk and Suffolk), apprenticeships account for 8% of 16-18 learners in 2009/10, down from 12% in 2008/09. The largest decline in starts and participation is found among residents in Peterborough and Cambridgeshire. Females are significantly underrepresented in the learners undertaking Apprenticeships¹⁰.

The success rate for Cambridgeshire resident learners has shown the most improvement with the Sub Regional Grouping, increasing from 60% in 2006/07 to 73% in 2008/09

The top five (of over 80) apprenticeship frameworks for the Cambridgeshire, Peterborough, Norfolk and Suffolk Sub Region were:

- Construction
- Hairdressing
- Engineering
- Vehicle Maintenance and Repair
- Electrotechnical

These accounted for around 50% of apprenticeships in 2009/10. Of these subjects, engineering, followed by hairdressing, saw the largest increases in proportion of learners from 2007/08 to 2009/10¹¹.

The top five (of 17) aims in further education by sector subject area for the Peterborough, Cambridgeshire, Norfolk and Suffolk Sub Region are:

- Arts, Media and Publishing
- Science and Mathematics
- Health, Public Services and Care
- Retail and Commercial Enterprise
- Languages, Literature and Culture

These made up 38% of aims in 2009/2010. Of these sector subject areas, science and mathematics saw the largest increase in proportion of learner aims from 2008/09 to 2009/10 (8.6% to 10.1%).

Further Education participation in health, public services and care and retail and commercial enterprise does, to some degree, reflect some of the main employment sectors and areas where growth and opportunity are expected. However, more could be done to promote education within the main occupational areas available with the Sub Regional Grouping.

¹⁰ IBID

¹¹ National Apprenticeship Service, 2009/10, quoted in YPLA 2010 Strategic Analysis

Traveller skills

Future economic opportunities for Traveller communities are strongly linked to access to flexible training and education

Traveller communities have a strong preference for self employment however a recent reduction in some employment opportunities has caused high levels of unemployment. Focus group work suggests that future economic opportunities were strongly linked to access to training and education that takes account of the difficulties of travellers in accessing mainstream service provision.

A piece of research recently undertaken by the Ormiston Trust looked at skills and employment among Traveller communities.

For many Gypsies and Travellers school is only one aspect within a broader concept of education. Some Travellers note that time spent in school is at the expense of “learning to be a successful Traveller”. Teachers also need to recognise the ‘adult’ status of young people from Gypsy and Traveller communities and the importance to some pupils of learning the family business. Boys in particular are often encouraged to work with their fathers and learn life skills rather than stay in school.

Evidence from France, where distance learning materials have been more fully developed, has reported high levels of success in delivering education to Travelling families.

Very little research or consultation relating to Gypsies and Travellers and skills and employment exists. What research does exist suggests that there is a strong preference for self employment among communities and there is a broad skill base that goes unrecognised. There has been a reduction in some employment opportunities (such as agriculture) traditionally filled by Gypsies and Travellers. There is evidence of high levels of unemployment among those living on local authority sites. Opportunities to develop social enterprise, recycling initiatives and support for small businesses with Gypsy and Traveller groups should be explored further.

Focus group work with travellers identified that future economic opportunities were strongly linked to access to training and education. Among the focus group members there was unanimous support for greater access to adult learning opportunities, particularly in relation to basic skills and IT.

Current uptake by Gypsies and Travellers of existing training provision and further education appears to be extremely low. However this does not appear to reflect a lack of interest but rather a difficulty in accessing existing service provision. Studies examining post-16 learning opportunities within Hertfordshire highlighted a range of barriers. Of these, respondents identified childcare and family commitments as the major barrier (this could be reflective of a respondent group in which 80% were female). Other reasons given included a lack of access to transport, a lack of confidence, a lack of support, financial reasons, and a lack of time. In identifying strategies to help participation in formal learning opportunities, respondents identified the key factors as flexible times, childcare provision, transport, one to one lessons and personal support.

First hand work experience was recognised to be the preferred method of training for employment among many young Travellers and felt by many to be the most beneficial preparation for adult roles.

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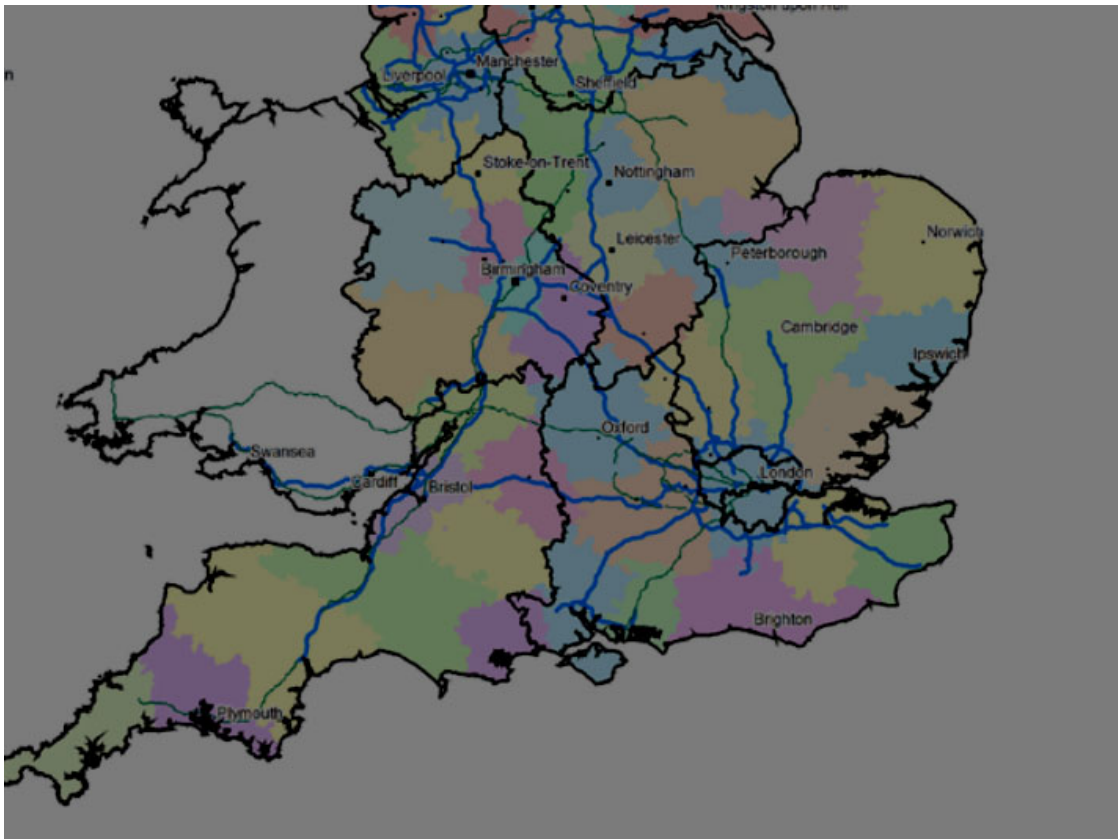
Place SWOT

Strengths	
Generally high levels of resident satisfaction in their local area as a place to live	p28
Crime levels are decreasing across the county – businesses rate risk of crime as a significant factor determining their choice of location.	p30
High gains in business floorspace in recent years and employment land reviews suggest an adequate commitment of 'desirable' business land across the county.	p13
Retail growth in most district town centres both provides an important source of employment and could help support the vitality of the broader market town business base.	p16
Weaknesses	
Relatively low levels of resident satisfaction in Fenland and Forest Heath	p28
In the majority of wards across the sub-region, housing is less affordable than across the East of England as a whole and in the south of the county is 10-16 times income. This is a significant constraint for people wishing to move into the area to work or set up a business.	p11
Bank lending restrictions have had a disproportionate effect on first time buyers subsequently limiting the mobility of the labour market.	p10
Transport infrastructure and transport congestion both on rural and urban roads costs millions in lost business productivity, reduces road safety and impacts on attractiveness as a business locality and the area's ability to attract investment	p23
Opportunities	
There has been a significant recent increase in the proportion of new dwellings built that are affordable. This should open the market up to more first time buyers and people wishing to move into the area, thus increasing the labour supply for many local businesses.	p7
Growth of micro-generation and increasing renewable energy capacity can open up new supply chain opportunities, increase energy security and has the potential to alleviate fuel poverty	p25
A focus on improving green infrastructure, sports facilities and arts and culture provision will improve quality of life and support the area in attracting and retaining the best talent and business	p33
Land values are substantially lower in districts outside Cambridge and South Cambridgeshire – low development costs may attract new companies to locate in these districts.	p21
Threats	
Low proportion of affordable detached and semi-detached housing in Cambridge City may impact negatively on inward investors wishing to move to the city with existing staff and families	p6
The condition of housing stock is relatively poor in areas such as Littleport, St Ives, areas of Forest Heath and Wisbech. This reduces the attractiveness of these areas as somewhere to live and invest and can contribute to fuel poverty.	p9
Low likelihood of next generation broadband access across much of the county is likely to affect future business productivity, the ability of residents to work from home and the attractiveness of the area as a location for inward investment	p22
Reduction in occupied office space in town centres, particularly Cambridge City will reduce the business diversity within market towns and in the case of Cambridge, could have implications for the future growth of knowledge based industries.	p16
Food and farming and transport industries are particularly susceptible to the negative impacts of climate change	p26
CO2 emissions per head are generally higher than average across most of Greater Cambridge which could cause numerous problems for residents and businesses as fuel prices continue to increase.	p27

The Functional Economic Area

There is no universal approach to defining Functional Economic Market Areas. The pattern of economic flows can be different depending on which local markets are being considered. For example, high tech organisations will have a much more diverse and widespread supporting value chain (and employee catchment area) than organisations in lower value industries.

The Local Government Association completed some work in 2007 looking at functional economic areas across the UK by reviewing data on: labour market, supply and demand for the construction industry, supply and demand for personal services, supply and demand for transport and communications services, patterns of productivity, patterns of economic growth, traditional manufacturing clusters, clusters of hi-tech service industries and housing markets based on migration data. From this work they produced a 'preferred' sub-regional map which gave the best fit for the range of indicators used in the research. This shows a sub region centred around Cambridge, that stretches further down the M11 but less far north than the existing recognised 'Greater Cambridge area' as represented by the GCP.



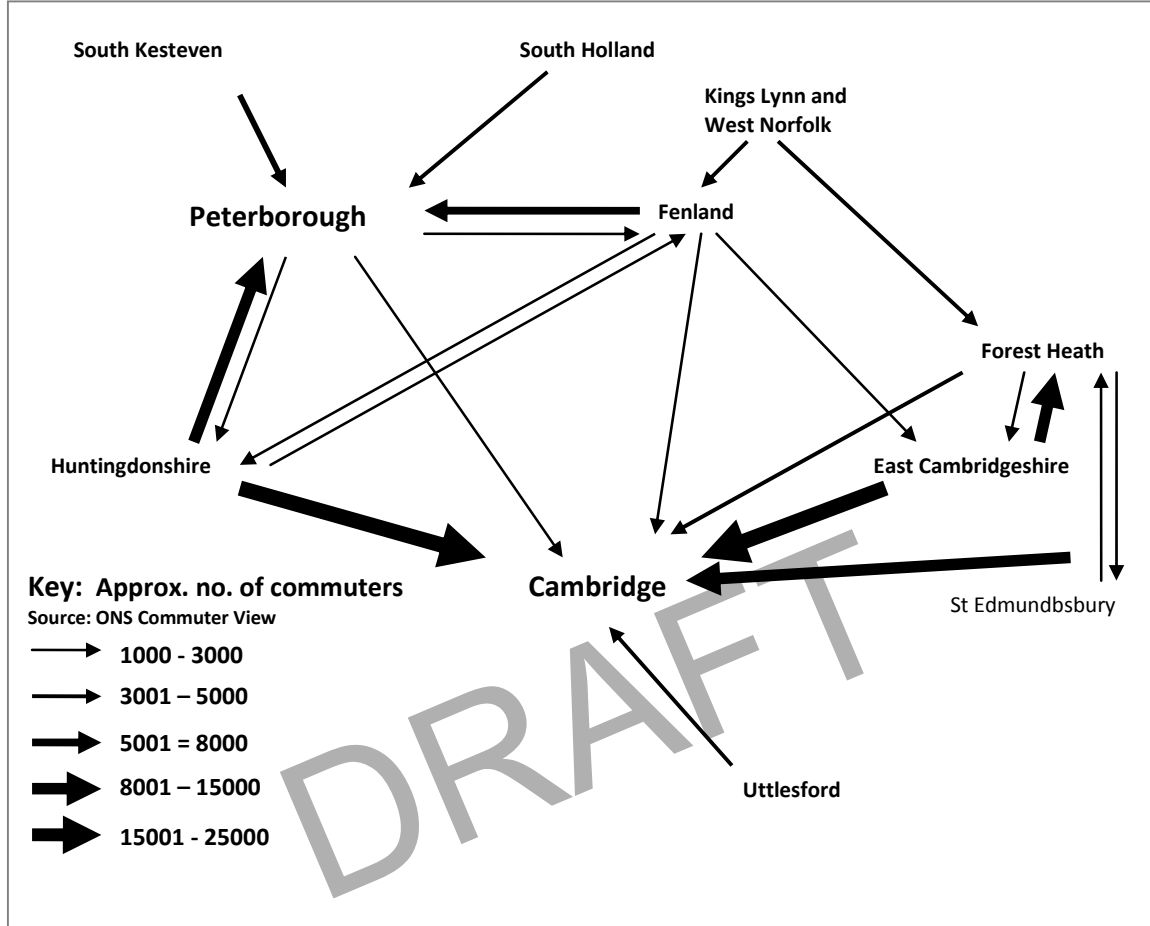
2001 Travel To Work Area data showed Cambridge as the third largest travel to work area in the East of England. Cambridge is one of two TTWAs in the region (the other being Norwich) which are net importers of workers (i.e. more jobs than resident workers).

Cambridgeshire's labour market is relatively self contained, with 80% of Cambridgeshire's residents working in the county, and 81% of Cambridgeshire's workers living in the county. These figures have not changed significantly since 2001, however there has been a slight increase in the number of residents commuting to London, mainly from South Cambridgeshire and Huntingdonshire.

Commuting patterns into Cambridge stretch across the Cambridgeshire local authority boundary into the surrounding districts of St Edmundsbury, Forest Heath and Uttlesford. These patterns overlap significantly with those of Peterborough, as demonstrated on the illustrative diagram below.

Figure 1: Illustrative diagram showing approximate commuting numbers into Cambridge and Peterborough

Source: ONS commute-APS



Around 30% of Cambridgeshire’s out-commuters (6% of employed residents) continue to travel to work in Peterborough, and around 15% to Forest Heath (3% of employed residents). Strong two way commuting links exist between Peterborough, Fenland and Huntingdonshire (nearly a third of Fenland residents commute to Peterborough and Huntingdonshire to work), and between Forest Heath and East Cambridgeshire. In addition, Fenland draws approximately 12% of workers from King’s Lynn and West Norfolk.

Table 1: Proportion of residents/workers commuting in/out of the district to work

Source: ONS, Commute-APS

	Proportion of residents who commute out of the district to work	Proportion of workers who commute in from other districts
Fenland	50%	35%
East Cambridgeshire	49%	26%
Huntingdonshire	40%	26%
Cambridge	18%	61%
South Cambridgeshire	63%	41%
Cambridge/South Cambridgeshire	15%	34%
Forest Heath	30%	42%
St Edmundsbury	32%	33%
North Hertfordshire	48%	43%
Uttlesford	53%	41%

Housing

Housing stock and tenure

Low proportion of detached and semi-detached housing in Cambridge City.

Cambridge City has a low percentage of detached and semi-detached housing which may impact negatively on inward investors wishing to move to the city with some of their existing staff, many of whom might have families.

The Cambridge housing sub-region includes the five Cambridgeshire districts, Forest Heath and St Edmundsbury. Information about Peterborough has been included where available.

The districts' housing strategy statistical appendix returns provide information on dwelling profile from 2007/08 however census data provides a greater level of detail and is used below on the basis that the tenure split has not changed since 2001.

Table 2: Tenure by district

Source: census, 2001

	Owner occupier	Social rented	Private rented/ other ¹	Total
Cambridge City	53%	24%	23%	100%
East Cambridgeshire	73%	14%	13%	100%
Fenland	75%	14%	11%	100%
Huntingdonshire	76%	13%	11%	100%
South Cambridgeshire	75%	14%	10%	100%
Forest Heath	62%	15%	24%	100%
St Edmundsbury	71%	17%	12%	100%
Peterborough	66%	22%	12%	100%
Sub-Region	70%	17%	14%	100%
East of England	73%	17%	11%	100%

Owner occupation is the most common tenure across the area. In most of the sub region, around three quarters of the population are owner occupiers, but the proportion is smaller in Forest Heath, Cambridge and Peterborough. Cambridge and Forest Heath have large proportions of private tenants reflecting the generally younger population in Cambridge and US Air Force personnel and the racing industry in Forest Heath. Peterborough and Cambridge City have a large proportion of social tenants. Cambridge City and South Cambridgeshire are the only local authorities to own and manage housing stock. In all other districts, social housing stock has been transferred to housing associations.

Table 3: Stock profile by district

Source: Census 2001

	Detached	Semi-Detached	Terraced	Flat/Maisonette	Temporary Structure	Shared Accommodation
Cambridge City	11%	28%	32%	27%	0.2%	2%
East Cambridgeshire	44%	32%	16%	6%	1%	0.1%
Fenland	45%	30%	16%	8%	1%	0.1%
Huntingdonshire	41%	30%	18%	9%	1%	0.2%
South Cambridgeshire	43%	34%	17%	4%	1%	0.1%
Forest Heath	36%	29%	22%	11%	1%	0.3%
St Edmundsbury	36%	27%	27%	9%	1%	0.3%
Peterborough	28%	32%	27%	13%	1%	0.2%
Sub-Region	35%	31%	22%	11%	1%	0.4%
East of England	30%	32%	24%	14%	1%	0.2%

¹ This category is problematic – it includes people renting from private landlords, family members, people living “rent free” (likely to include some recipients of housing benefit who are not living rent free, but thought they were because of direct payment to landlords). It also includes some social tenants especially of housing associations.

In the more rural districts, detached properties are the most common type of home available. Cambridge City has a very low proportion of detached properties (11% compared to 35% for the sub-region as a whole), and nearly a third of properties within the city are terraced houses. Generally there is a connection between building type and tenure with owner occupiers more likely to live in houses and tenants (both private and social) more likely to live in flats. Within the market, flats and smaller properties turnover at a higher rate than larger houses. The low proportion of detached and semi-detached housing in Cambridge City may impact on the attractiveness of the city for inward investment. Anecdotal evidence exists of businesses wishing to relocate to the area along with some staff, yet their staff struggle to find houses of sufficient size close to the city centre where they wish to live.

Housing development

Housing starts increased in 2009/10, as did the proportion of affordable housing.

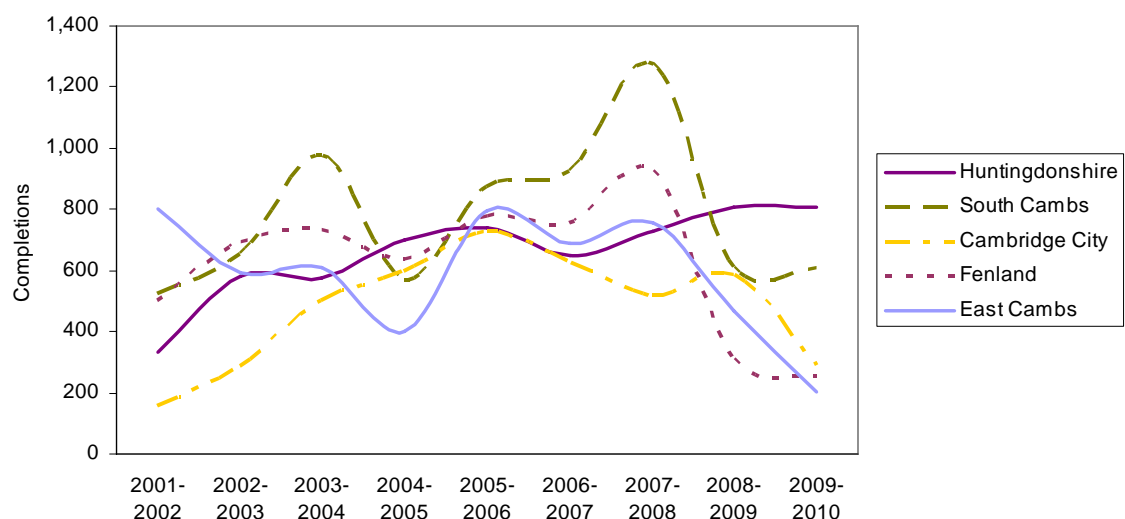
For the second year running, the number of dwellings completed has fallen however the number of new dwellings started increased from 2008-09 to 2009-10. Of all the dwellings completed, 33.5% were affordable, a significant increase on 2001-2009. The proportion of one and two bedroom dwellings over the county has steadily increased since 2001 and the average density of new development has increased to date.

This section provides a brief commentary on the progress of housing development in Cambridgeshire, based on data collected and prepared by the Research and Monitoring team at Cambridgeshire County Council, with a nominal survey date of 31 March 2010, <http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/>.

The total number of housing completions in Cambridgeshire for the year up to 31 March 2010 is the lowest in the last ten years. However, this slowdown in building rate has not been a uniform trend across the county, affecting mainly Cambridge City, East Cambridgeshire and Fenland while the number of dwellings completed in Huntingdonshire remains at a ten year high.

Figure 2: Dwelling completions (net) by district

Source: Cambridgeshire County Council – Research and Monitoring



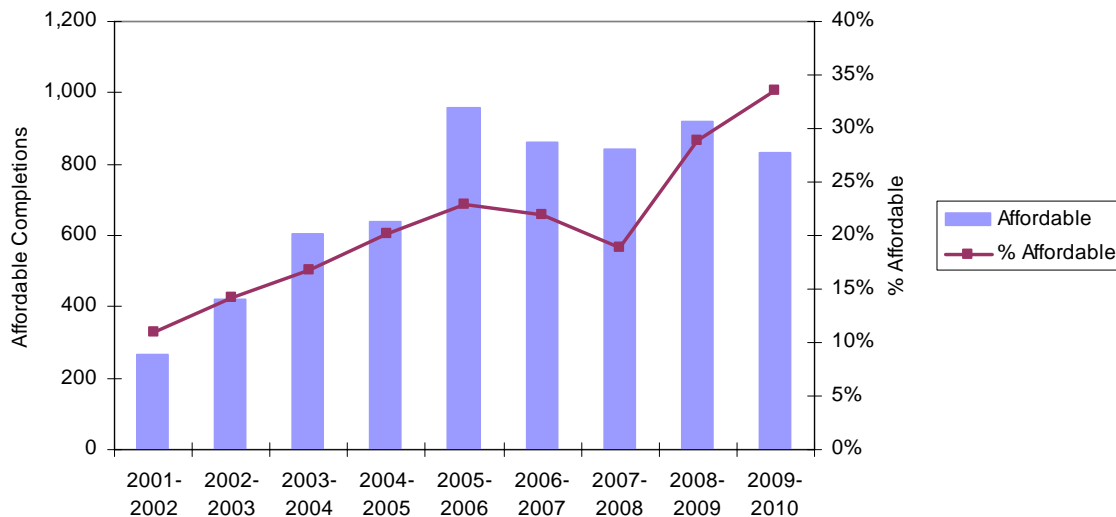
The number of dwelling starts, while remaining comparatively low, is on the increase in 2009-2010, with more dwellings currently under construction than last year, which suggests that we will see a comparative increase in dwelling completions for 2010-2011.

Affordable dwellings

A lot of progress has been made in increasing the supply of affordable housing in all districts in Cambridgeshire. In 2009-2010 the percentage of affordable completions jumped to over 33.5%. Following the financial crisis late in 2008 it became evident on several larger construction sites that there was increased focus on completing the affordable dwellings as opposed to the market housing which became increasingly difficult to sell.

Figure 3: Affordable dwelling completions (gross) in Cambridgeshire

Source: Cambridgeshire County Council – Research and Monitoring



Since 2001 there has been a substantial increase in the average density of new housing. The dwelling density in Cambridge City has risen to an average of between 80 and 100 dwellings per hectare (dph). In the rural districts, densities are much lower, but have risen from averages of around 25 dph in 2001 to a figure closer to 35 dph.

New dwellings by type and size

The proportion of one and two bedroom dwellings that have been completed in Cambridge City is much higher than in the other four more rural districts where there are much higher proportions of three and four-plus bedroom dwellings. This is likely to be due to a number of factors, such as the size and value of sites, as well as the demand for higher numbers of flats and smaller residences within the urban area. Over the whole county, the proportion of one and two bedroom dwelling completions has steadily increased from approximately 25% in 2001-2002 to over 55% in recent years mainly at the expense of the larger four or more bedroom houses.

Housing stock condition

Condition of housing stock relatively good but with some poorer pockets and risks of fuel poverty in some rural areas.

Generally housing stock condition is equal to or better than the national average, although with some issues around energy efficiency and fuel poverty in rural areas. Within districts there exist pockets of poorer condition housing; such as in Littleport, St Ives, Icení and Manor wards in Forest Heath and Wisbech.

Housing stock condition was examined as part of the Strategic Housing Market Assessment. The key elements considered included; fabric cost of repair, level of unfitness, facilities and services, energy efficiency, houses in multiple occupation, health and safety and environmental assessment. The general condition of housing stock can have a significant impact on the perceived attractiveness of an area to locate to, the general level of satisfaction of residents within an area and carbon emissions. The following conclusions were made by district regarding housing stock condition:

Cambridge City: Generally similar dwelling conditions and better energy performance to that found nationally – possibly due in part to the universal access of areas to mains gas.

East Cambridgeshire: The highest rate of 'unfitness' was found to be in the Littleport and north area – the poorest condition housing appeared to be in isolated pockets rather than across a broad area. Many occupiers of dwellings requiring extensive repair and renewal were found to have low household incomes

Huntingdonshire: Stock was of poorer condition in St Ives and the north sub-area however generally housing condition was above the national average, particularly across rural areas.

South Cambridgeshire: The vast majority of stock was found to be in good condition. Energy efficiency was the most common problem identified by the stock condition survey.

Forest Heath: Particular problems were found in Icení and Manor wards, particularly with respect to energy efficiency.

Fenland: In many respects, the condition of dwellings in Fenland follows the national profile however the district as a whole had levels of 'unfitness' slightly above the national rate – mainly due to disrepair. The Wisbech sub-area had an unfitness level above the district average and the lowest levels of energy efficiency. Not all rural parishes had a mains gas supply.

St Edmundsbury: Homes in rural parishes were found to consume far more energy than the urban centres; the report identified fuel poverty as a specific issue for the district.

For more information on housing stock, condition and tenure type, see chapters 11 and 12 of the [Strategic Housing Market Assessment](#) (SHMA).

House prices and sales

Bank lending restrictions have had a disproportionate effect on first time buyers

Cambridge City is the most expensive area in the sub region followed by South Cambridgeshire. Housing sales almost halved in 2008 compared with the equivalent period between 2001-2007 and in recent times fewer cheaper properties have been sold due to bank lending restrictions having a greater effect on aspirant first time buyers than existing owners looking to move.

Cambridge City is the most expensive area followed by South Cambridgeshire. The average house price in Cambridge is currently over £300,000. This is approximately double the average house price in Fenland, the cheapest area.

Table 4: Average house price, 2009 and 2010

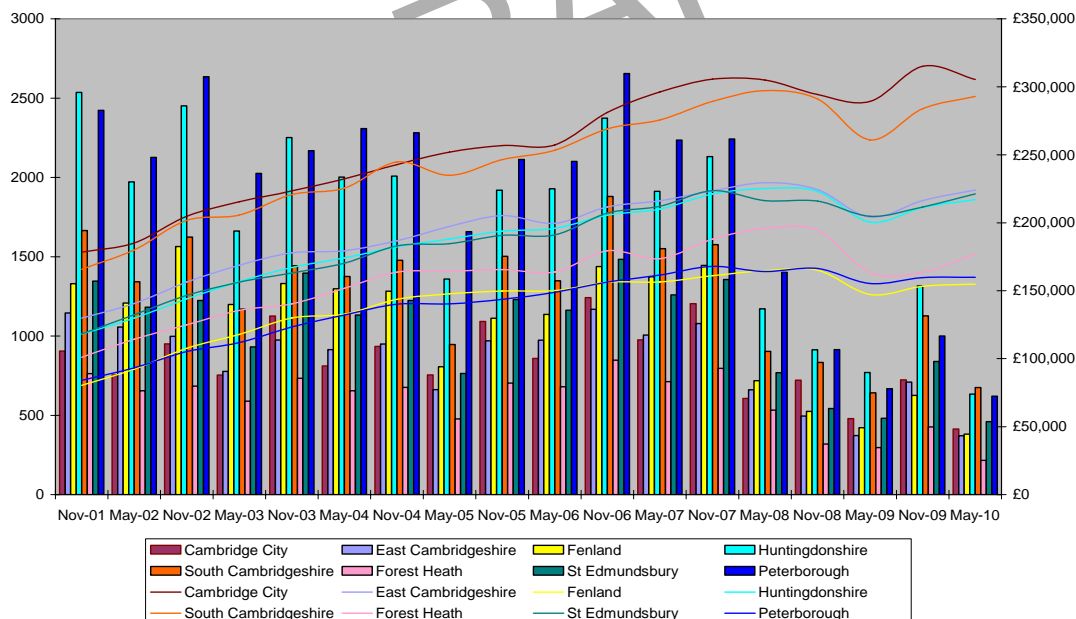
Source: Hometrack Sales and Valuations

	Dec 2008 -May 2009	Dec 2009 -May 2010	Difference	Change
Cambridge City	£289,249	£305,444	£16,195	6%
East Cambridgeshire	£204,165	£224,080	£19,915	10%
Fenland	£147,272	£154,833	£7,561	5%
Huntingdonshire	£200,529	£216,990	£16,461	8%
South Cambridgeshire	£261,005	£292,895	£31,890	12%
Forest Heath	£163,386	£176,954	£13,568	8%
St Edmundsbury	£204,811	£221,246	£16,435	8%
Peterborough	£155,405	£159,879	£4,474	3%
Sub-Region	£205,632	£223,506	£17,874	9%

House prices have increased in all localities in the past year by between 3% and 12%. However, monthly house price data shows considerable fluctuation in average price per district at the moment due to historically low numbers of sales.

Figure 4: Average house price and number of sales, 2001-2010

Source: Hometrack (sales and valuations for prices, sales only for sales)



Sales almost halved in 2008 compared with 2001 – 2007. House prices fell between the beginning of 2008 and the end of 2009, but have increased since then. The number of sales remains low because of lending restrictions. These have a greater effect on aspirant first time buyers than existing owner occupiers looking to move. Therefore there are proportionately fewer cheaper properties being sold and proportionately more expensive properties being sold, which increases the overall average market price. Information on house prices is updated annually in chapter 13 of the SHMA.

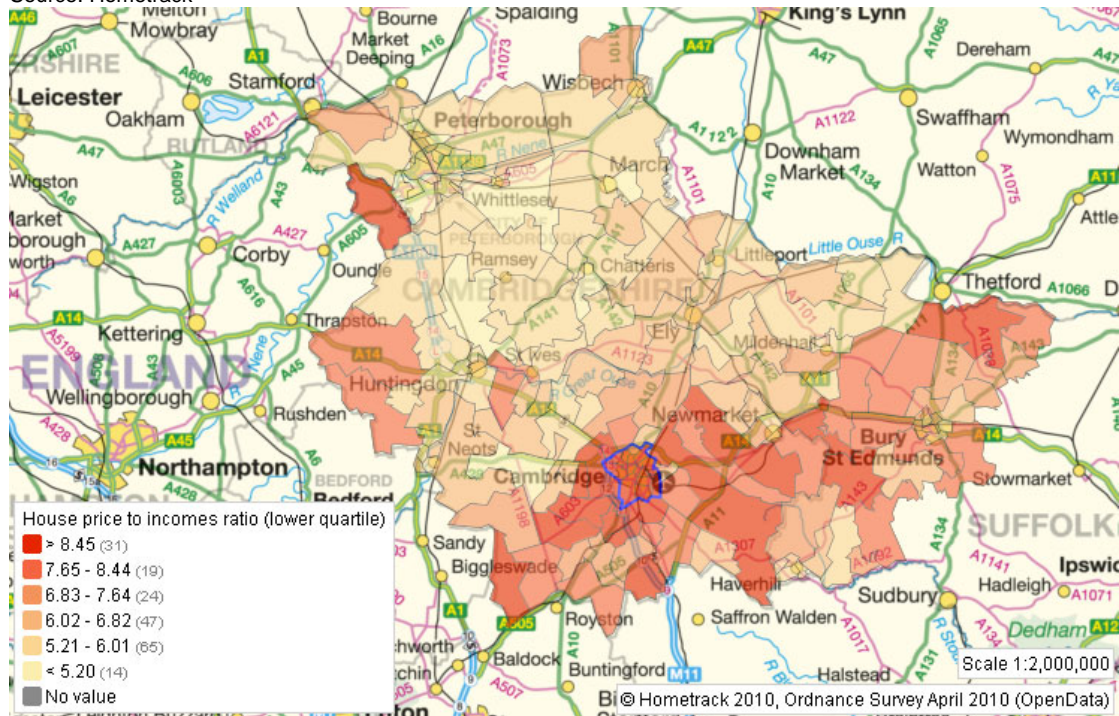
Affordability

In the majority of wards across the sub-region, housing is less affordable than across the East of England as a whole.

The cheapest homes in the cheapest wards in the Cambridge sub region are still classed as 'unaffordable'. In Cambridge City and South Cambridgeshire lower quartile house price is around 10-16 times income, compared with a 6.54 ratio across the region.

Map 1: Lower quartile house price to lower quartile income ratio by ward

Source: Hometrack



Map 1 compares the lower quartile house price and the lower quartile income by ward as a general measure of affordability for the lower end of the market. Homes in the northern districts of the sub-region are comparatively more affordable than in the southern half of the area. The Housing Market Assessment Guidance² states that “A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household and 2.9 times the gross household income for dual income households.” Even the cheapest homes in the cheapest wards are more than 4 times the lower quartile income in that area (see Table 5). The lower quartile house price is around 10 to 16 times income in the most expensive wards (all in Cambridge City and South Cambridgeshire). For the East of England as a whole, the lower quartile house price to lower quartile income ratio is 6.54.

The Strategic Housing Market Assessment for the Cambridge (Housing) Sub Region gives an indication of the amount of affordable housing which is needed (Chapter 27).

² CLG, (2007) “Strategic Housing Market Assessments: Practice Guidance Version 2”

Table 5: Top ten “most affordable” wards

Source: Hometrack

Ward	District	House price to income
Orton with Hampton	Peterborough	4.36
Orton Longueville Ward	Peterborough	4.51
St. Marys Ward	Fenland	4.51
Orton Waterville Ward	Peterborough	4.67
Bourn Ward	South Cambridgeshire	4.87
Benwick, Coates and Eastrea Ward	Fenland	4.93
Fletton Ward	Peterborough	4.94
Bretton South Ward	Peterborough	4.99
Werrington North Ward	Peterborough	5.08
Upwood and The Raveleys Ward	Huntingdonshire	5.10

Table 6: Top ten “least affordable” wards

Source: Hometrack

Ward	District	House price to income
Barton Ward (12UG)	South Cambridgeshire	9.65
Queen Edith's Ward	Cambridge City	9.78
The Wilbrahams Ward	South Cambridgeshire	9.91
East Chesterton Ward	Cambridge City	9.99
Balsham Ward	South Cambridgeshire	10.16
Castle Ward (12UB)	Cambridge City	10.22
Romsey Ward	Cambridge City	10.59
Trumpington Ward	Cambridge City	10.82
Market Ward (12UB)	Cambridge City	14.31
Newnham Ward (12UB)	Cambridge City	15.66

More detailed information about affordability by tenure and size of property is available in chapter 21 of the SHMA.

Business and Retail

Business development

High gains in business floorspace in recent years, primarily in South Cambridgeshire

Over 70,000 sqm of business floorspace was gained during 2008/09, the highest net completion level in the last five years – a high proportion in South Cambridgeshire and Huntingdonshire. Since 1999 there has been an overall decline in floorspace in Cambridge City and Soham. 2008-09 saw very high completions of B1 floorspace, most significantly at Cambridge Science Park. There is no shortage of business land commitment in Cambridgeshire.

This section provides a brief commentary on the progress of business development in Cambridgeshire, based on data collected and prepared by the Research and Monitoring team at Cambridgeshire County Council, with a nominal survey date of 31 March 2009, <http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/>.

Almost 175,000 sqm of new business floorspace was completed in Cambridgeshire during 2008-2009. Taking into account losses from business to other uses over this period, this has resulted in an additional 70,531 sqm, the highest net completion level in the last five years.

Despite the recent recession, over the year 2008-2009 there had been a high level of activity, both in the completion of new business development and the loss of business space to other uses. However, this was likely to be due to the completion of schemes that had already been in development for a number of years.

The total amount of new business floorspace built between 1999 and 2009 in Cambridgeshire was 1,577,698 sqm. Taking into account losses from business to other uses over the ten year period, this has resulted in a net increase in floorspace of 857,729 sqm. A high proportion, 71%, of this new development has been in Huntingdonshire and South Cambridgeshire. In 2009, a net additional 70,531 sqm was built, the highest net completion figure for business floorspace in the last five years.

Table 7: Net business completions in Cambridgeshire by use class and district in 2008-2009

Source: Cambridgeshire County Council – Research and Monitoring; B1 (unspecified); B1a (offices); B1b (research and development); B1c (light industry); B2 (general industry); B8 (storage and distribution)

Area	Net change in floorspace (sqm)						
	B1	B1a	B1b	B1c	B2	B8	B1 - B8
Cambridge City	0	-1,386	-1,960	-86	195	-182	-3,419
East Cambridgeshire	-350	5,481	2,056	64	7,025	-750	13,526
Fenland	1,613	68	0	-1,889	15,504	10,007	25,303
Huntingdonshire	553	96	0	624	1,011	1,461	3,745
South Cambridgeshire	3,977	15,665	52	2,894	1,490	7,298	31,376
Cambridgeshire	5,793	19,924	148	1,607	25,225	17,834	70,531

Much of the new development around Cambridge has been concentrated on new business parks such as Fulbourn, Abington, and Cambourne, while further out from Cambridge the significant developments have been in and around market towns such as Huntingdon, Godmanchester, Ely, March, and Chatteris. Since 1999 there has been an overall decline in floorspace in Cambridge City. Much of this loss has been former business land cleared for housing and retail developments. This trend is also echoed in overall losses in some larger East Cambridgeshire settlements including Soham and Burwell.

2008-2009 saw very high completions of B1 floorspace (offices/research and development/light industry) and the largest developments in 2008-2009 took place on existing business parks with over 30,000 sqm of new B1 floorspace on Cambridge Science Park.

There was a larger than average completion rate for both business gains (just under 175,000 sqm) and losses (just over 100,000 sqm) in 2008-2009, although the high number of losses meant that the overall net gain remained similar to previous years (at 70,531 sqm). In 2008-2009 completions within the B1 use classes were almost double the amount from previous years, largely due to the completion of several large developments at the Cambridge Science Park and the new District Council offices in Huntingdon.

At 31 March 2009 a further 2,951,753 sqm of business floorspace had planning permission or had been allocated by the district councils in Cambridgeshire, with a net commitment of 2,252,626 sqm.

Employment Land

District employment land reviews suggest an adequate supply of land across the county however it is important that that land is somewhere that businesses would wish to locate. Most districts appear to have taken this into consideration.

All the districts within Cambridgeshire have maintained employment land reviews which indicate the availability of allocated employment sites and the future potential employment sites in the Local Development Frameworks. However because the work on the reviews had been done separately in the different years, there has been little consistency of the review methodology and criteria for assessing the 'desirable' employment sites from a business/developer perspective.

The table below demonstrates the amount of 'desirable' allocated employment land that remains for development and the amount of the 'desirable' potential employment land.

Table 8: 'Desirable' allocated and potential employment sites

Source: District employment land reviews
[input table]

The following sections present the methodology and criteria for assessing the desirable employment sites that the local planning authorities applied

Cambridge and South Cambridgeshire

Cambridge City Council and South Cambridgeshire District Council worked together to produce a single Employment Land Review in 2008 for both the city and the surrounding district. They assessed both the existing allocated employment sites in the Local Plans which had not been developed and the potential employment sites which were nominated by land owners, agents and local authorities.

The review applied various criteria to assess the sites which included:

- Developer demand,
- Business demand,
- Location sequential test,
- Sustainable access
- Strategic and local planning issues

East Cambridgeshire

East Cambridgeshire undertook an employment land study alongside a labour market study in 2005.

For the existing allocated sites, 10 out of 12 total sites were considered as desirable employment land. The criteria were

- Location of site to main roads and access
- Location of site to facilities and labour force
- Visibility of the site and its environment
- Size of site and ability to create synergy
- Developability of the site

Fenland

Fenland District Council undertook an Employment Land Review in 2007 which assessed both the existing employment sites and the potential sites.

The criteria that were applied for assessing the existing sites were:

- Location sequential test
- Accessibility and transport mode
- Utilities supply and infrastructure provisions
- Environment constraints

For the potential sites, Fenland District Council invited land submissions on the site above 0.25 ha but the results of the assessment have not been published yet. The published assessment criteria for potential sites were:

- Location sequential test
- accessibility and transport mode
- utilities supply and infrastructure provisions
- environment constraints
- land ownership
- strategic importance in RSS and Structure Plan

Huntingdonshire

Huntingdonshire's Employment Review was finished in 2007. It assessed both the existing allocated sites that remained as undeveloped and the potential sites that were nominated by land owners, land agents and the local authority itself.

The criteria applied to existing sites were:

- Market Assessment: Developer and Business Demand
- Sustainable Development and Planning Policy Assessment - previously-developed, sustainable accessibility, strategic and local planning policies

For the potential sites, two rounds of the assessment covered the following criteria:

- Sequential Test: 8 location categories:
- Accessibility test: proximity to workforce, reduce need for travel, travel mode
- Site Information
- Market Attractiveness
- Quality of the Wider Environment
- Policy Issues

Retail and town centre development

Retail growth and office space reductions in town centres.

Over the last ten years town centres in all districts have seen small reductions in office space and most (apart from Fenland) have seen an increase in retail floorspace – the highest increases in Cambridge City and Huntingdonshire. Future increases are projected in Cambridge City, Fenland and South Cambridgeshire. The reduction in office space in Cambridge City could have negative implications for the growth of knowledge based industries, with a new generation of owners seeking city centre locations.

This section provides a brief commentary on the progress of retail and town centre development in Cambridgeshire, based on data collected and prepared by the Research and Monitoring team at Cambridgeshire County Council, with a nominal survey date of 31 March 2009, <http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/>.

The location of town centres in Cambridgeshire is outlined by the red boundaries in Map 2 overleaf. Development within the town centre areas defined by these boundaries has varied considerably across the county over the last ten years. In Cambridge City there have been large overall net gains of retail use within the centre with quite a significant decline in both professional services and offices. In fact, town centres in all districts have seen small reductions in office space (excluding South Cambridgeshire, where there are no defined town centres). While town centres in East Cambridgeshire and Huntingdonshire have also seen a moderate increase in retail floorspace, in Fenland there has been an overall reduction. In 2008-2009 the only significant town centre completion in the county was the re-developed civic office in Huntingdon.

Cambridge City and Huntingdonshire town centres have seen the largest growth in retail floorspace, while Fenland town centres have experienced a slight decline in the period 1999-2009.

The total amount of new retail floorspace built between 1999 and 2009 in Cambridgeshire was 209,675 sqm. Taking into account losses of floorspace over the ten year period, this provides a net increase of 91,712 sqm. Just over a third of the total increase has been within Cambridge City, while East Cambridgeshire has seen very low increases in retail floorspace compared to the other districts.

In Cambridge City, nearly all of the additional floorspace was within the town centre area, compared to out of centre development. In Huntingdonshire there were moderate increases in retail floorspace within the town centres, matched by increases out of centre. All additional retail floorspace in Fenland and South Cambridgeshire was completed outside town centre areas.

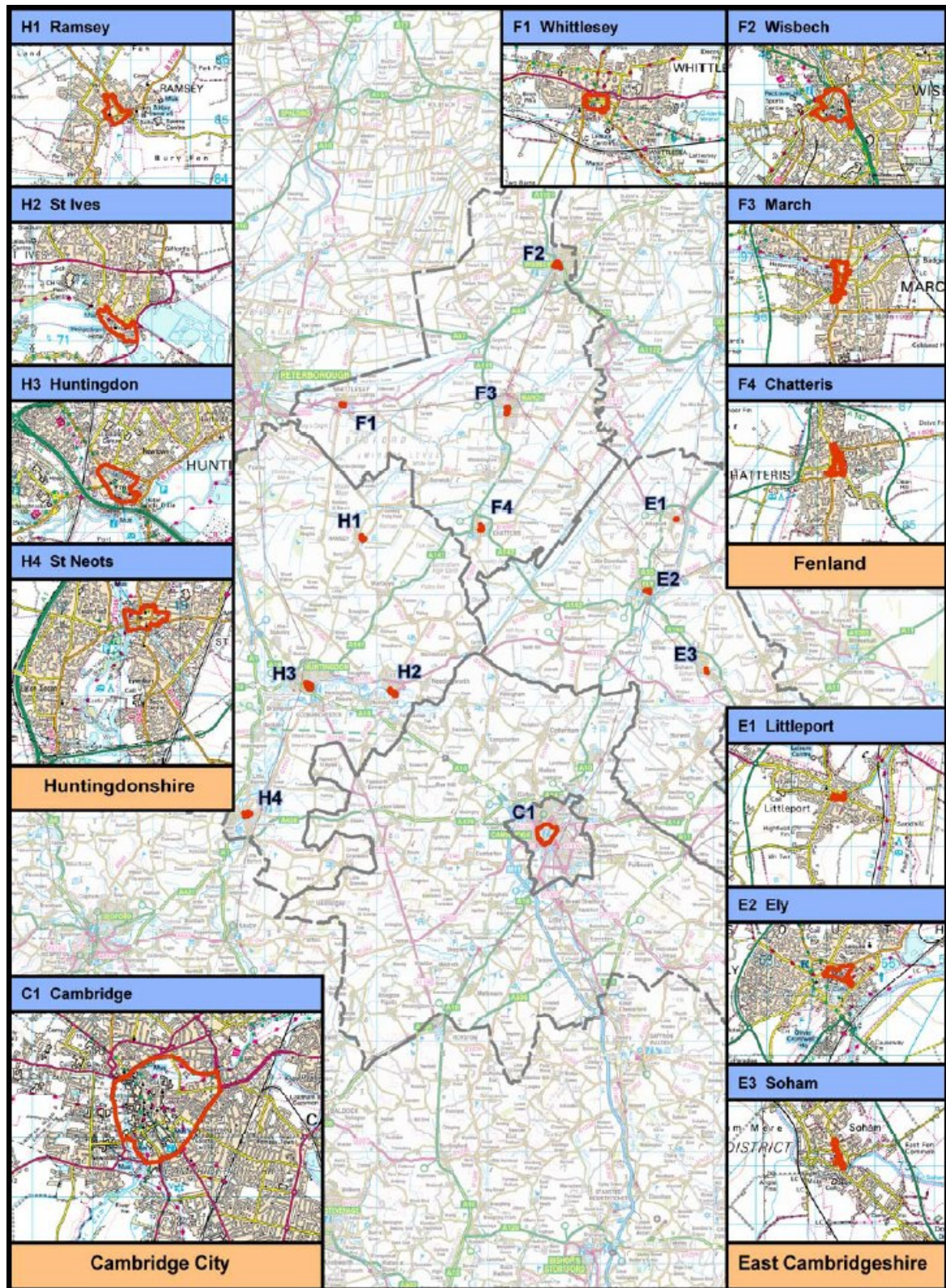
There are large commitments for retail development in Fenland and South Cambridgeshire and virtually no commitments in East Cambridgeshire.

At 31 March 2009 a further 95,282 sqm of retail floorspace had planning permission or was allocated by the district councils for development, with a net commitment of 78,015 sqm. Most of the net increases are projected to be in Cambridge City, Fenland and South Cambridgeshire.

The Cambridgeshire District and City Councils have reviewed the potential for additional retail development within town centres in their Retail Studies, details of which can be found on the Councils' websites.

Map 2: Town Centres in Cambridgeshire

Source: Cambridgeshire County Council – Research and Monitoring



Cambridgeshire's commercial and industrial properties

Across Greater Cambridge, Huntingdonshire has the highest amount of floorspace and Forest Heath has the lowest. The highest rateable value was in Cambridge City and the lowest in Fenland. In terms of use retail premises have the highest rateable value across Greater Cambridge and factories have the lowest. Per m², retail space has the highest rateable value in Cambridge City whereas office space has the highest rateable value in South Cambridgeshire. Office space in Fenland has almost half the rateable value of office space across the rest of Greater Cambridge.

As at 1 April 2008, the total floorspace of commercial and industrial bulk class properties in Cambridgeshire was 6,493 thousand square metres (m²), and there were 14,264 commercial and industrial bulk class properties. The total amount of floorspace across Greater Cambridge was 10,318 thousand square metres. Huntingdonshire has the highest amount of floorspace and Forest Heath has the lowest. Cambridge City has the highest proportions of office and retail floorspace, but also the lowest proportions of warehouse and factory floorspace. South Cambridgeshire has the highest proportion of office premises, but also the lowest proportion of retail premises.

Table 8: Commercial and industrial properties in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

Area	All Bulk Classes	Retail Premises	Offices	Factories	Warehouses	Other Bulk Premises
Cambridge City	3,269	1,277	1,294	305	285	108
East Cambridgeshire	1,568	433	325	378	321	111
Fenland	2,272	849	369	496	448	110
Huntingdonshire	3,758	980	882	943	747	206
South Cambridgeshire	3,397	479	1,396	681	613	228
Cambridgeshire	14,264	4,018	4,266	2,803	2,414	763
Forest Heath	1,583	535	359	350	270	69
North Hertfordshire	3,404	1,074	884	746	550	150
St Edmundsbury	2,844	826	630	641	620	127
Uttlesford	2,229	477	775	452	394	131
Greater Cambridge	24,324	6,930	6,914	4,992	4,248	1,240
East of England	136,889	47,007	32,623	27,547	23,077	6,635
England	1,346,547	516,809	334,713	245,263	194,572	55,190

Figure 5: Commercial and industrial properties in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

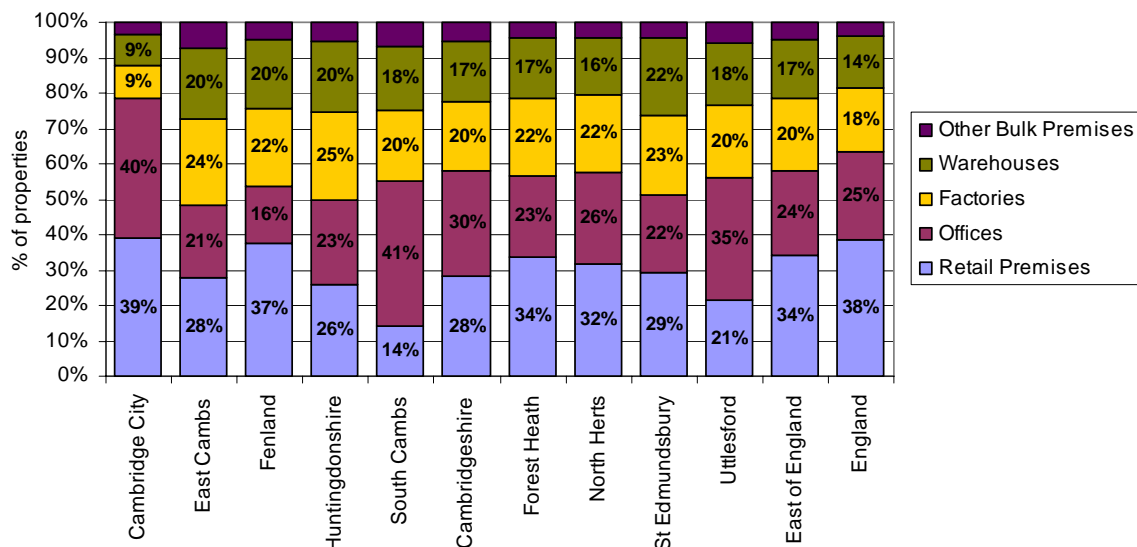


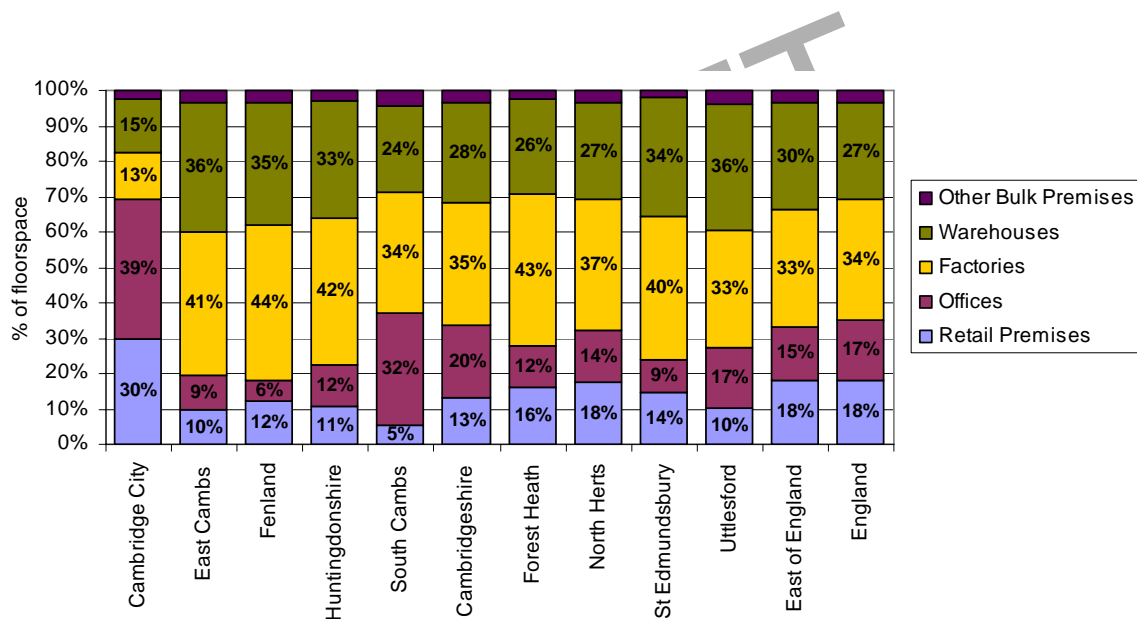
Table 9: Commercial and industrial floorspace in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

Area	All Bulk Classes 000m ²	Retail Premises 000m ²	Offices 000m ²	Factories 000m ²	Warehouses 000m ²	Other Bulk Premises 000m ²
Cambridge City	1,214	360	479	162	183	31
East Cambridgeshire	658	65	62	267	239	24
Fenland	1,158	143	64	508	406	37
Huntingdonshire	1,896	201	228	787	624	56
South Cambridgeshire	1,567	86	495	534	382	70
Cambridgeshire	6,493	855	1,328	2,258	1,834	218
Forest Heath	590	96	68	254	156	15
North Hertfordshire	1,115	198	161	413	303	40
St Edmundsbury	1,484	215	140	600	498	32
Uttlesford	636	66	109	211	227	24
Greater Cambridge	10,318	1,430	1,806	3,736	3,018	329
East of England	56,904	10,287	8,664	18,704	17,186	2,062
England	561,777	100,208	97,566	192,322	152,485	19,196

Figure 6: Commercial and industrial floorspace in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics



As at 1 April 2008, the average rateable value of commercial and industrial bulk class properties in Cambridgeshire was £69 per m², and the total rateable value was £445,139 thousand. The rateable value per m² across Greater Cambridge was £63, below the East of England average of £65, and the England average of £66. The rateable value varies by district. Cambridge City has the highest rateable value (£132 m²) and Fenland has the lowest (£31 m²). The rateable value also varies by bulk class (property type). Retail premises had the highest rateable value across Greater Cambridge (£133 m²) and factories had the lowest (£35 m²).

Table 10: Commercial and industrial rateable value in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

Area	All Bulk Classes £000	Retail Premises £000	Offices £000	Factories £000	Warehouses £000	Other Bulk Premises £000
Cambridge City	159,876	73,480	65,427	8,427	9,853	2,689
East Cambridgeshire	29,411	6,398	5,581	8,584	8,099	748
Fenland	35,340	10,501	2,999	11,434	9,523	884
Huntingdonshire	101,399	22,174	21,191	29,933	26,001	2,101
South Cambridgeshire	119,113	12,234	70,484	19,519	14,295	2,581
Cambridgeshire	445,139	124,787	165,682	77,897	67,771	9,003
Forest Heath	27,104	9,793	5,306	6,972	4,670	364
North Hertfordshire	69,196	23,811	13,743	15,923	14,247	1,472
St Edmundsbury	73,342	25,624	11,383	19,008	16,495	832
Uttlesford	40,110	6,814	12,255	10,490	9,908	643
Greater Cambridge	654,891	190,829	208,369	130,290	113,091	12,314
East of England	3,702,801	1,315,900	880,144	664,822	769,559	72,376
England	37,026,183	13,021,037	11,773,032	5,586,670	6,037,134	608,310

Figure 7: Commercial and industrial rateable value in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

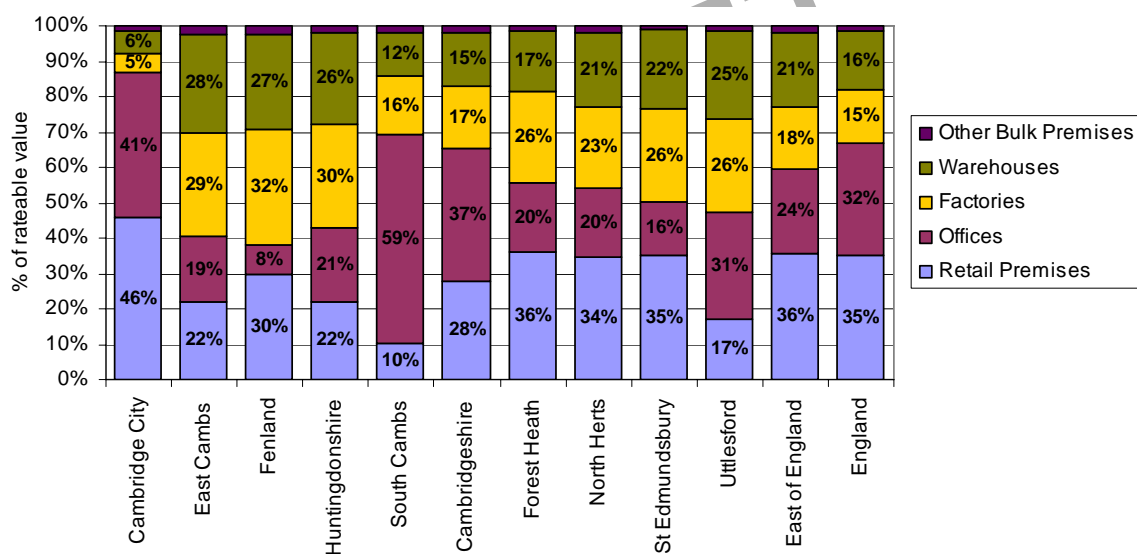


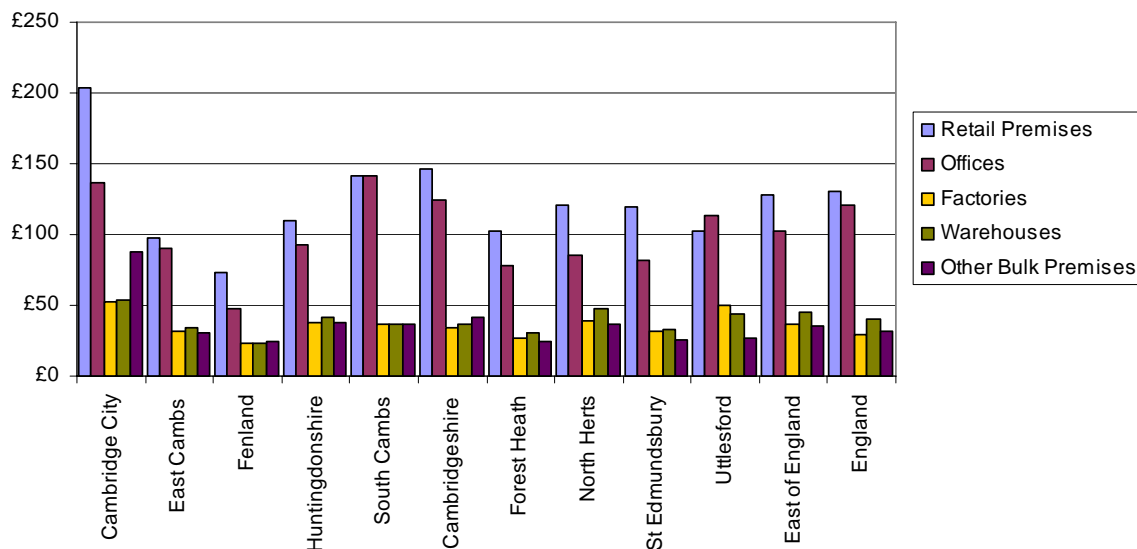
Table 11: Commercial and industrial rateable value per m² in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics

Area	All Bulk Classes	Retail Premises	Offices	Factories	Warehouses	Other Bulk Premises
Cambridge City	£132	£204	£137	£52	£54	£88
East Cambridgeshire	£45	£98	£90	£32	£34	£31
Fenland	£31	£73	£47	£23	£23	£24
Huntingdonshire	£53	£110	£93	£38	£42	£38
South Cambridgeshire	£76	£142	£142	£37	£37	£37
Cambridgeshire	£69	£146	£125	£34	£37	£41
Forest Heath	£46	£102	£78	£27	£30	£24
North Hertfordshire	£62	£121	£85	£39	£47	£37
St Edmundsbury	£49	£119	£82	£32	£33	£26
Uttlesford	£63	£103	£113	£50	£44	£27
Greater Cambridge	£63	£133	£115	£35	£37	£37
East of England	£65	£128	£102	£36	£45	£35
England	£66	£130	£121	£29	£40	£32

Figure 8: Commercial and industrial rateable value per m² in Greater Cambridge by property type and district in 2008

Source: CLG – Commercial and Industrial Floorspace and Rateable Value Statistics



Infrastructure

Broadband

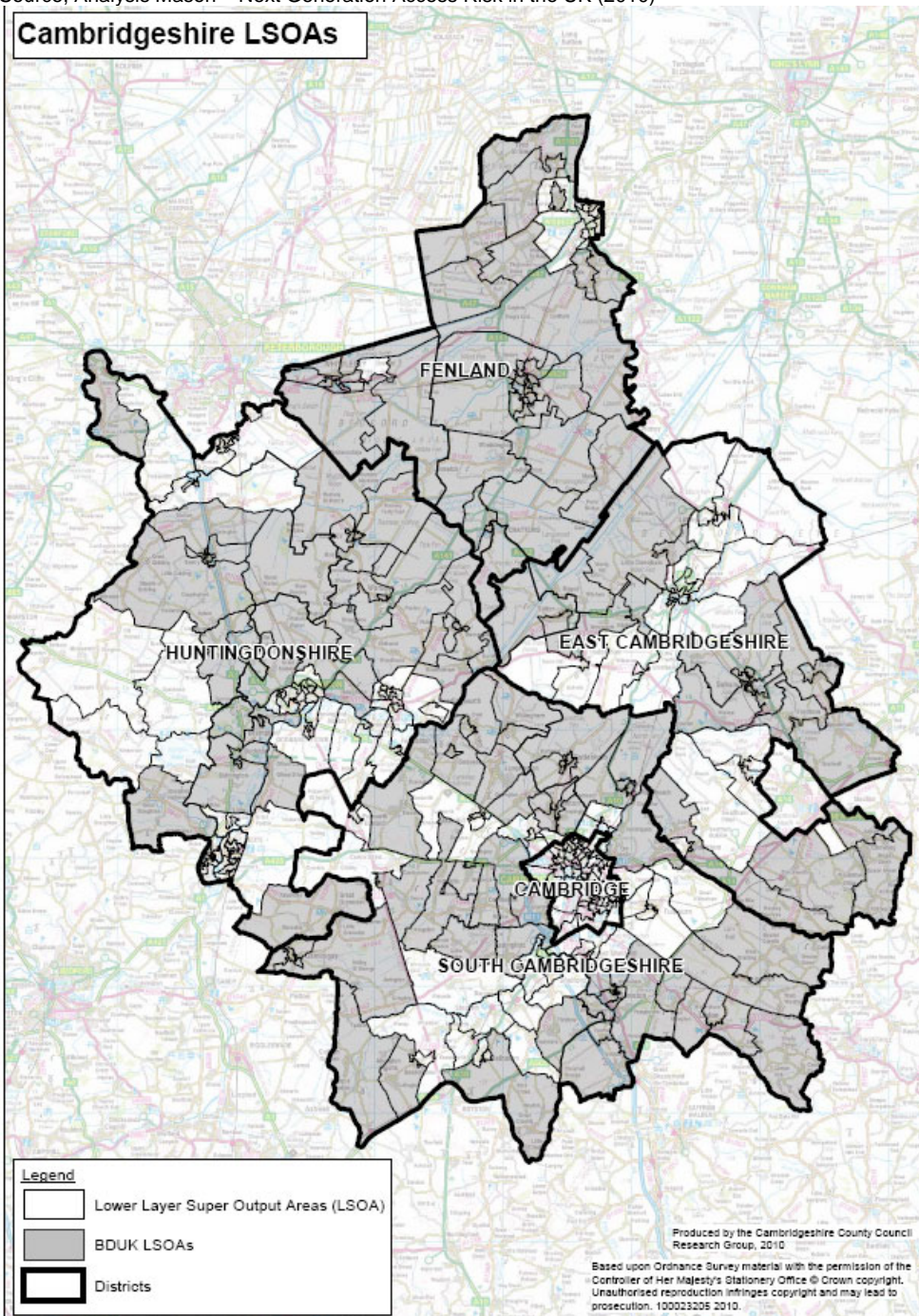
Low likelihood of next generation broadband access

Broadband speed is a critical issue across the county, with many businesses reporting that slow broadband speeds affect their business. Low likelihood of next generation broadband access across much of the county is likely to affect future business productivity, the ability of residents to work from home and the attractiveness of the area as a location for inward investment

The map below shows those areas (grey) that would have 75% or less coverage of next generation broadband access at the point when market led rollout reaches 65% of its potential. 41% of residents live in areas expected to receive a maximum of 75% next generation access coverage within the next three years.

Map 3: Next Generation Broadband Access rollout at 65% of market potential

Source, Analysis Mason – Next Generation Access Risk in the UK (2010)



Transport

Transport congestion costs local businesses millions in lost productivity

Cambridgeshire's roads are very congested. The latest evidence shows that traffic flow is 97% above the national average on rural trunk 'A' roads in Cambridgeshire and 41% on other rural main roads in the county.

The local travel to work area increased significantly from 1991 to 2001. More people are commuting further than ever before and exacerbating congestion on roads such as the A14.

Key Transport Corridors

The Transport in the East of England study completed in September 2008 identified a number of priority transport corridors for intervention through investigating where the direct costs of transport congestion (i.e. lost travel time) and the foregone wider economic benefits (i.e.: agglomeration and labour force impacts) were greatest.

Three of the six corridors identified were around Cambridge (A428/A421, M11 and West Anglia Mainline corridor and the A14 corridor). Furthermore several property agents believe that congestion within Cambridge City will soon start to exert a negative influence on business decisions as to where they wish to locate.

Local Traffic Data

The County Council undertakes an annual Network Monitoring Report that draws together information on road casualties, road safety and traffic and travel trends for both rural and urban roads. The reports can be accessed here <http://www.cambridgeshire.gov.uk/transport/monitoring/network/>

Rural Traffic

The highest growth since 1999 on national routes within the County has occurred on the A428 (39%), which is related to the development of Cambourne, although the A14 at Swavesey continues to have the highest daily traffic flows. On the county principal road network, the highest growth over the past ten years has occurred on the A10 (32%) and the A141 (18%).

Table 12: All vehicle rural traffic growth by route

Source: 2009 traffic monitoring report, Cambridgeshire County Council

Road number	Location of Survey	District of Survey	1999	2005	2006	2007	2008	2009	Change 2008-2009	Change 1999-2009	2009 12 hour flow	
B1411	Ely-Little Downham	East Cambridgeshire	100	104	104	107	109	106	-2.8%	6.0%	3905	
A1101	East of Littleport	East Cambridgeshire	100	122	125	119	117	110	-6.0%	10.0%	3056	
A10	Ely	East Cambridgeshire	100	122	122	127	119	132	10.9%	32.0%	10531	
A605	Coates	Fenland	100	110	104	104	86	96	11.6%	-4.0%	3886	
A142	Chatteris-Mepal	Fenland	100	115	113	119	109	105	-3.7%	5.0%	9559	
A141	Chatteris-Warboys	Fenland	100	120	123	123	118	118	0.0%	18.0%	8165	
A47	Thorney Toll	Fenland	100	108	118	115	129	125	-3.1%	25.0%	15218	
B1093	Doddington-Benwick	Fenland	100	111	124	154	157	144	-8.3%	44.0%	1660	
B1050	Chatteris-Somersham	Fenland/Hunts	100	114	122	119	111	99	-10.8%	-1.0%	1694	
B1086	Somersham	Huntingdonshire	100	111	111	108	109	101	-7.3%	1.0%	6040	
B660	Winwick	Huntingdonshire	100	97	109	115	103	104	1.0%	4.0%	761	
B1040	Warboys-Ramsey	Huntingdonshire	100	99	99	102	102	106	3.9%	6.0%	6986	
A1123	Bluntisham	Huntingdonshire	100	107	120	119	122	108	-11.5%	8.0%	7899	
A1096	St Ives Bypass	Huntingdonshire	100	115	114	107	110	109	-0.9%	9.0%	21437	
A1(M)	South of Sawtry	Huntingdonshire	100	111	110	113	110	111	0.9%	11.0%	49574	
B1046	Bourn	South Cambridgeshire	100	127	154	140	97	88	-9.3%	-12.0%	2432	
A1301	Sawston Bypass	South Cambridgeshire	100	102	101	120	104	98	-5.8%	-2.0%	6212	
A14	Swavesey	South Cambridgeshire	100	104	104	104	105	102	-2.9%	2.0%	57641	
A603	Orwell	South Cambridgeshire	100	109	115	109	97	104	7.2%	4.0%	8296	
A505	West of Flint Cross	South Cambridgeshire	100	104	121	122	114	114	0.0%	14.0%	13147	
A10	Melbourn	South Cambridgeshire	100	105	111	117	117	117	0.0%	17.0%	11393	
A428	Bourn Airfield	South Cambridgeshire	100	128	110	132	119	143	139	-2.8%	39.0%	23147

Market Town Monitoring

The County Council Traffic Monitoring Report (2009) also provides information for the key urban centres within Cambridgeshire. These figures are based on a cordon or defined area within each centre.

Table 13: Urban Centre Average & Maximum Motor Vehicle Flow Per Outer Cordon Road 2008

Source: 2009 Traffic Monitoring Report, Cambridgeshire County Council

Place	Motor Vehicles	Number of Roads	Average flow per road	Maximum Flow
Cambridge	184,962	17	10,880	26,368
Huntingdon	77,812	5	15,562	16,657
St Ives	45,655	5	9,131	17,069
Wisbech	59,005	7	9,131	17,437
St Neots	49,018	6	8,169	13,520
Ely	40,347	7	5,763	12,570
Whittlesey	31,435	6	5,239	9,272
March	34,123	9	3,791	9,575
Chatteris	17,600	5	3,520	6,234
Ramsey	18,711	6	3,119	6,700

Huntingdon has the highest average flow per road of all urban centres within Cambridgeshire, followed by Cambridge, St Ives and Wisbech. The busiest urban cordon road is in Cambridge (Milton Road) with 26,368 motor vehicles per day. The least busy cordon roads surround Chatteris and Ramsey. Wisbech and March are similar in population size however the average vehicle flow per road in Wisbech is double the size of March. This reflects the size of its catchment area for services and facilities such as shopping.

Road Safety & Accidents (taken from 2009 Road Safety Monitoring Report, CCC)

The rate of death and serious injury per head of population in Cambridgeshire is 28% above the national average. However this is related to the County having a significant volume of through traffic and higher than average traffic flows, and as a result of this Cambridgeshire's rate of KSI (killed or seriously injured) casualties per km travelled is less than the national average.

Above average traffic density on rural roads is a significant factor in Cambridgeshire's high per capita casualty rate. The latest available figures show that traffic flow is 97% above the national average on rural trunk 'A' roads in Cambridgeshire and 41% on other rural main roads in the county.

Cambridgeshire Integrated Development Programme

The Cambridgeshire Integrated Development Programme (2009) identifies and costs the interventions required to deliver a joint vision for long term, sustainable, high quality growth. Within the programme is an evidence base on sub-regional infrastructure needs. £3.9 billion of infrastructure investment in transport, education, community facilities, health, open space, waste and utilities is needed to deliver our vision for sustainable economic and housing growth. The full integrated development programme can be accessed on the Cambridgeshire Horizons website linked to below.

http://www.cambridgeshirehorizons.co.uk/useful_stuff/publications/horizons.aspx

Energy, Environment and Climate Change

Fuel Poverty

Fuel poverty is a particular issue in rural districts

The government target is to move all fuel-poor vulnerable households out of fuel poverty by 2010 and all households by 2016. The bulk of fuel poverty is in the private sector – imposing a key private sector target. Fuel poverty is recorded when a household spends more than 10% of their net household income on heating and hot water.

Fuel poverty often leads to poor health, especially in the very old, very young and the disabled. Each winter there are over 40,000 additional deaths compared to the average mortality rate for the rest of the year.

The Strategic Housing Market Assessment identified the risk of fuel poverty as a specific issue within St Edmundsbury, however low energy efficiency housing was also identified as an issue within South Cambridgeshire, Forest Heath and Fenland. In areas where average incomes are lower, poor energy efficiency could raise the risk of fuel poverty within these districts. The JSNA and Cambridgeshire Child Poverty Assessment will include a more detailed analysis of fuel poverty and its impact on deprivation.

Renewable Energy

Renewable energy capacity has increased at a steady rate, mainly through wind farm development and the straw burning power station at Sutton

The last few years has also seen the growth of micro-generation.

The installation of much improved energy efficiency measures coupled with the widespread adoption of household or community level renewable energy could help to alleviate fuel poverty. Furthermore, the rapid and comprehensive take-up of energy conservation, efficiency and renewable generation technologies will reduce carbon emissions and has the potential to open up significant new supply chain opportunities in the economy.

Various policies exist and are emerging from central government that are setting new standards, direction and guidance and will inevitably lead towards increased energy efficiency and renewable energy generation. These include:

- production of 15% of all the UK's energy consumption from renewable sources by 2020 (this will include 30% of the UK's electricity supply);
- the introduction of feed-in tariffs to more readily facilitate the smaller scale selling of renewable electricity to energy suppliers (from April 2010);
- the introduction of a 'renewable heat incentive' to subsidise the cost of renewable heat generation (from 2011);
- maintaining subsidies on home energy efficiency measures;
- setting deadlines to eradicate fuel poverty in the Warm Homes and Energy Conservation Act 2000;
- the use of Energy Performance Certificates for all buildings;
- using the Building Regulations to deliver zero-carbon homes from 2016 (and 2019 for all other buildings);
- continuing support for the European Emissions Trading Scheme and introduction of the Carbon Reduction Commitment as cap and trade mechanisms for the largest of the UK's organisational carbon emitters;
- strengthening of climate change objectives through the land-use planning system and the introduction of the eco-towns concept;
- support for the transition to a green economy.

This section provides a brief commentary on the progress of renewable energy development in Cambridgeshire, based on data collected and prepared by the Research and Monitoring team at Cambridgeshire County Council, with a nominal survey date of 31 March 2009, <http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/>.

The total of installed renewable energy in Cambridgeshire at 31 March 2009 was 150.985 MW, with the majority installed between 1999 and 2009.

Most of the recent development has taken place at a fairly steady rate since 2005, mainly due to the building of a number of wind farms in Fenland and Huntingdonshire. 5.638 MW (megawatts) of renewable energy capacity was installed in 2008-2009, with over 80% generated from 10 new wind turbines.

Almost half (76 MW) of renewable energy capacity installed in Cambridgeshire since 1999 is located in the district of Fenland – particularly due to the large number of wind turbines installed (40 in all). East Cambridgeshire also has a fairly high proportion of the renewable energy capacity due to the straw burning power station at Sutton which has a capacity of around 35MW.

The last few years has seen the growth of micro-generation – solar hot water and photovoltaic panels and the introduction of ground and air source heat pump technologies.

At 31 March a further 19.328 MW of renewable energy capacity had planning permission – 16.327 MW for wind; 3.000 MW for biomass; and 0.001 MW for photovoltaic power.

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CO2 emissions

CO2 emissions per head are generally higher than average across most Greater Cambridge districts (apart from Cambridge and North Hertfordshire).

Much of this will be down to the rural nature of the districts, car dependence, low energy efficiency of buildings and the nature of industry. High energy consumption could cause numerous problems for the area as fuel prices continue to increase.

The Department for Energy and Climate Change (DECC) produces information on carbon emissions at local authority level based mainly on fuel consumption statistics.

The East of England forecasting model combines information from DECC on the amount of CO2 emissions in a given area with Oxford Economics Calculations to provide a figure of CO2 emissions per head. DECC emissions data only exists up to 2007, figures from 2008 onwards are forecasts developed from the East of England model.

Cambridge and North Hertfordshire are the only Greater Cambridge districts with CO2 per head figures lower than the national average.

Figure 9: Total (and forecast) carbon emissions per head by Cambridgeshire district (k tonnes per head)

Source: East of England forecasting model

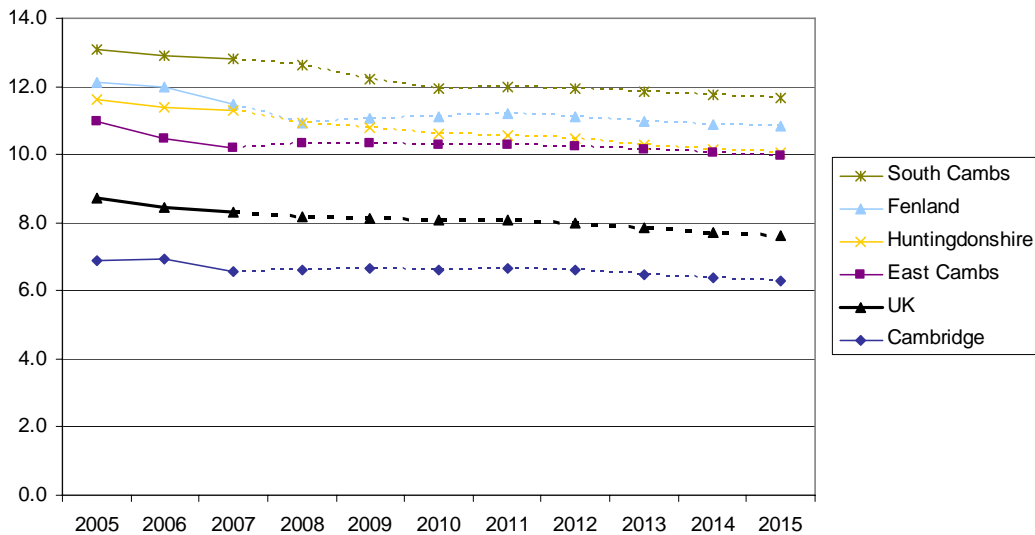
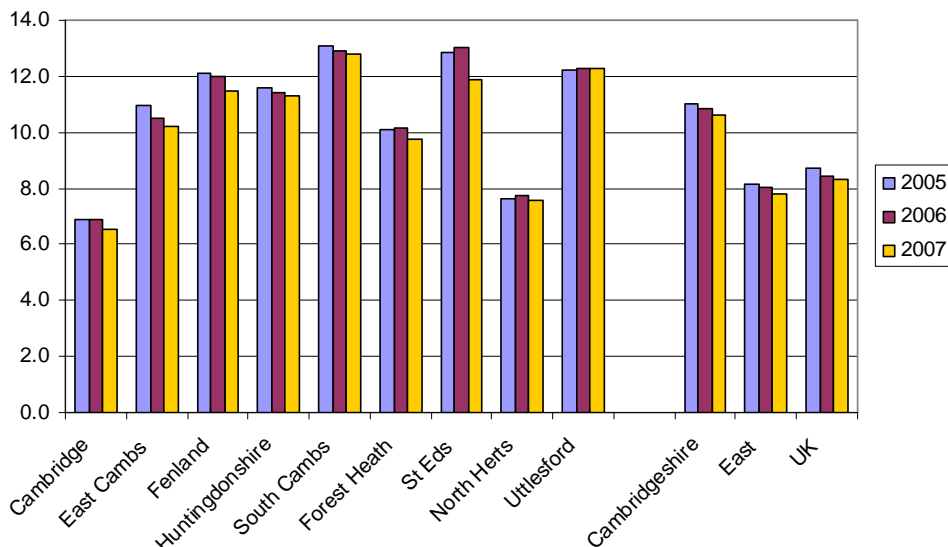


Figure 10: Total carbon emissions per head by Greater Cambridge district (k tonnes per head)

Source: East of England forecasting model



Climate Change Adaptation

Negative impact of climate change on food and farming and transport

Climate change could have and is having a particularly negative impact on the transport and food and farming industries, however there is little evidence of long term adaptation planning, particularly in the transport sector, or other affected sectors such as tourism, construction or IT

A report on the adaptation to climate change by businesses in the East of England was completed by SQW in March 2010, funded by the regional Climate Change Partnership.

The report found that the climate in the East of England has changed measurably over the past four years. There is a clear trend of hotter summers and wetter winters which is expected to continue into the next few decades.

The East of England is particularly vulnerable to climate change impacts. Water shortages in summer are already a major issue and economic and housing growth in the region may create more demand.

Important economic activities in the region are heavily dependent upon weather and climate; for example, tourism and farming and food. The study focused on five business sectors and on two counties – Suffolk and Cambridgeshire. The sectors were Farming and Food, Tourism, Construction, Transport and IT-Telecoms.

The main finding of the study was that the extent of adaptation amongst small business is very limited. When hit by a severe weather event, the typical response is to tolerate the set-back rather than adapt the business.

For specific industries the opportunities and threats of climate change and the level of adaptation planning were investigated:

Tourism: opportunities included; extended season, increased demand for outdoor tourism and threats included natural environments adversely affected, water shortages, transport infrastructure interrupted for the tourism industry.

ICT/Telecomms: opportunities included; disruption of commuting by bad weather encourages use of homeworking, video-conferencing etc, new monitoring and risk management markets, threats included; overheating servers, disruption of energy/telecoms infrastructure.

Transport sector; opportunities included; development of sophisticated vehicle and freight tracking systems could make it easier to avoid transport disruptions caused by weather, threats included; road and transport hub closures, danger of heat to livestock, drivers put at risk in dangerous conditions.

Food and farming; opportunities included; longer growing season, new crops and new markets; threats included; droughts and flooding; increase in pests and diseases.

Construction; opportunities included; new markets for sustainable buildings and water saving technologies, need for additional repair work caused by severe weather damage, threats included; heavy rainfall causing delays on site, increased hazards to workers.

Across all sectors apart from food and farming, there was little evidence of adaptation to climate change or a recognition of the need for longer term planning to address climate change. Within the food and farming sector some adaptation is more reactive and incremental and not requiring support. However actions to manage water represent a very substantial area of activity that relates to climate change and involves major schemes at farm level such as reservoir construction, new boreholes or coastal defences.

Quality of Life

Satisfaction with the Local Area

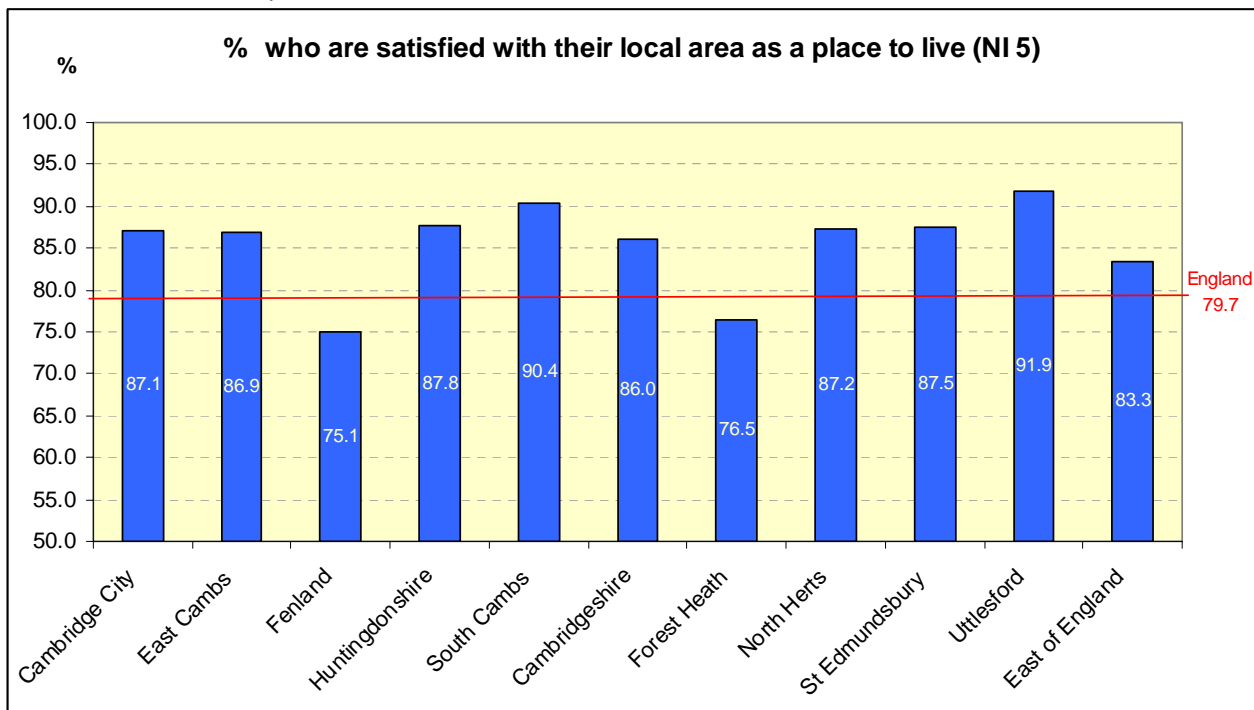
Generally high levels of resident satisfaction in their local area as a place to live

Satisfaction with their local area as a place to live is generally high among local residents, apart from Fenland and Forest Heath. This reflects the general pattern of lower skills levels and higher deprivation in these districts.

The Place Survey was a national survey that ran in the autumn of 2008. Its main purpose was to collect views from local populations to help improve local public services. Local authorities across the country consulted with local residents to engage reactions and views concerning public services and the places people live. Included here are the results from local authorities in the Greater Cambridge area for some selected Place Survey indicators.

Figure 11: Percentage who are satisfied with their local area as a place to live (NI 5)

Source: Place Survey 2008



Local authorities in the Greater Cambridge area that report a lower rate than the national average for NI 5 are Fenland and Forest Heath. Respondents in the remaining authorities all report a high level of satisfaction with their local area, these authorities also exceed the East of England average. Uttlesford and South Cambridgeshire respondents are the most likely to be satisfied with their local area as a place to live.

The Place Survey reveals there are low levels of satisfaction with the way their council runs things. Figure 12 shows that only Cambridge City and Huntingdonshire score over 50% of respondents satisfied with their council. Cambridgeshire County Council reports a particularly low figure for satisfaction with the way the council runs things, possibly reflecting negative press about the Guided Bus around this period.

Figure 12: Percentage satisfied with the way the council runs things

Source: Place Survey 2008

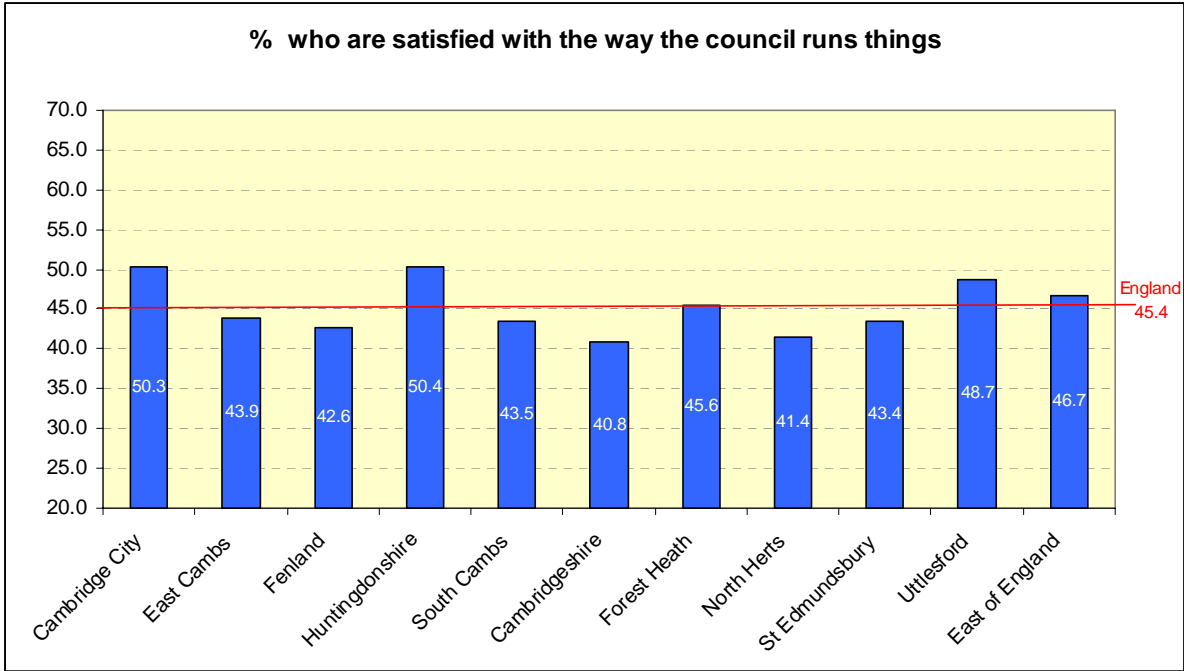
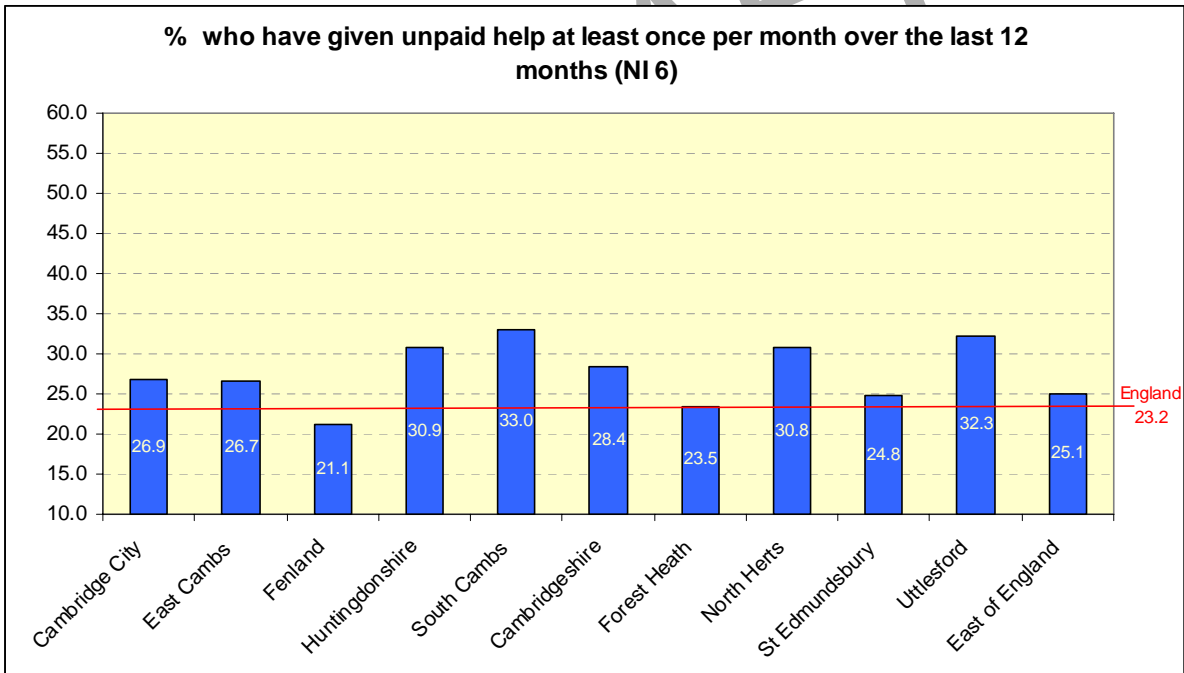


Figure 13: Percentage who have given unpaid help at least once per month over the last 12 months (NI 6)

Source: Place Survey 2008



The Place Survey reveals that people living in the districts South Cambridgeshire, Uttlesford, Huntingdonshire and North Hertfordshire are more likely to do volunteer work in their communities. Fenland is the only authority in the Greater Cambridge area below the national average for those giving unpaid help at least once a month in their local areas.

Crime in Cambridgeshire

Crime levels decreasing across the county.

Generally crime levels are decreasing across Cambridgeshire but rose in West Suffolk between 2009 and 2010. By district, the highest numbers and rates of crime were recorded in Cambridge City.

A recent business survey undertaken by Cambridgeshire County Council revealed that crime is a significant factor determining where businesses would choose to locate.

Consistent with previous years, the 2009/10 British Crime Survey (BCS) shows the risk of being a victim of any household crime was higher for households living in the most deprived areas compared with those in the least deprived areas in England (19% compared with 14%). In the most deprived areas of the country:

Between April and June 2010, 16,773 crimes were committed across Greater Cambridge. This is compared to 17,380 in the same period of 2009. There was a reduction of crime in most Crime and Disorder Reduction Partnership areas across Greater Cambridge, with the one exception being within Western Suffolk, where numbers increased by 12%.³

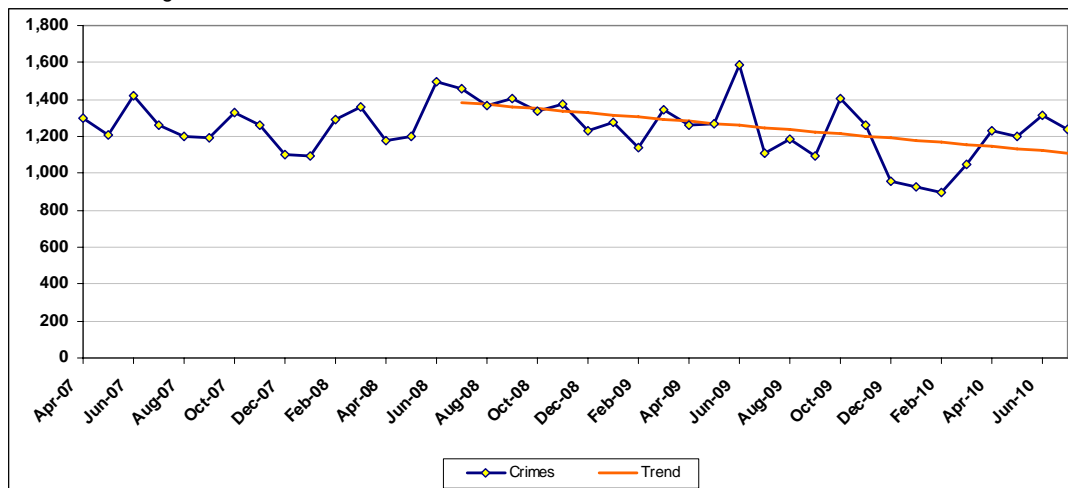
Cambridgeshire Police collate data for the Crime and Disorder Reduction Partnerships within the county on crime trends. The following graphs outline the progress each Crime and Disorder Partnership has made since 2007 with regards to all crime.

For Cambridgeshire overall, changes in all crime levels have been fairly similar for each Crime and Disorder Reduction Partnership. For all five districts we see that there has only been a nominal drop in all crime, with some seeing a slight increase over the more recent months.

The highest numbers of crime are recorded in Cambridge City and Huntingdonshire, the lowest in East Cambridgeshire and South Cambridgeshire. The highest rates of crime (i.e. numbers of crime recorded per 1000 residents) are in Cambridge City followed by Huntingdonshire and Fenland.

Figure 14: All Crime recorded in Cambridge City

Source: Cambridgeshire Police

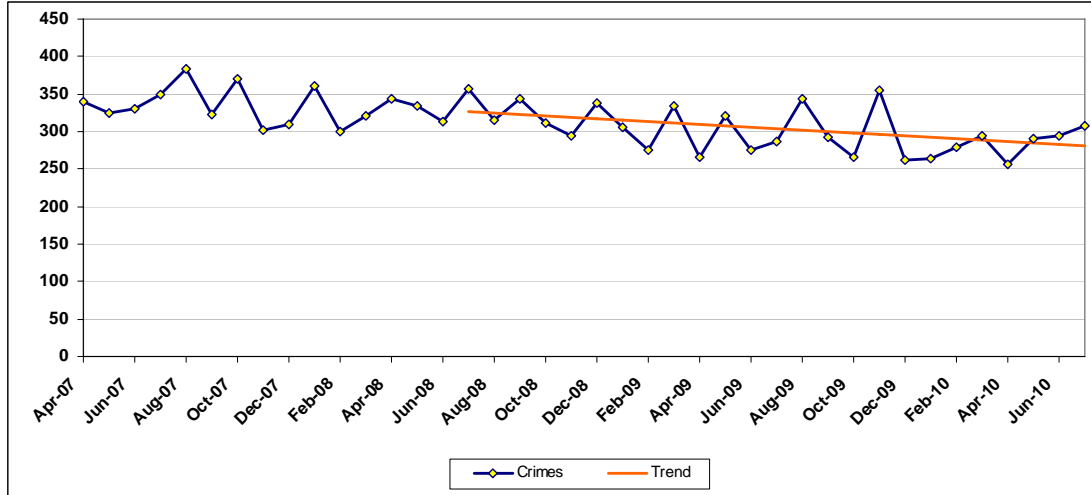


³ When examining crime data, crime counts are typically examined by Crime and Disorder Reduction Partnership (CDRP) areas. Within Suffolk, Forest Heath and St Edmundsbury come under the same CDRP area – Western Suffolk – which also covers Mid-Suffolk. When looking at Greater Cambridge, therefore, numbers will also include those from Mid-Suffolk.

In Cambridge City the overall number of crimes has decreased on average over the past two years. However, over the longer term, there is little change in numbers. The crime rate per 1000 residents at around 10.2 is significantly higher in Cambridge than in other districts.

Figure 15: All crime recorded in East Cambridgeshire

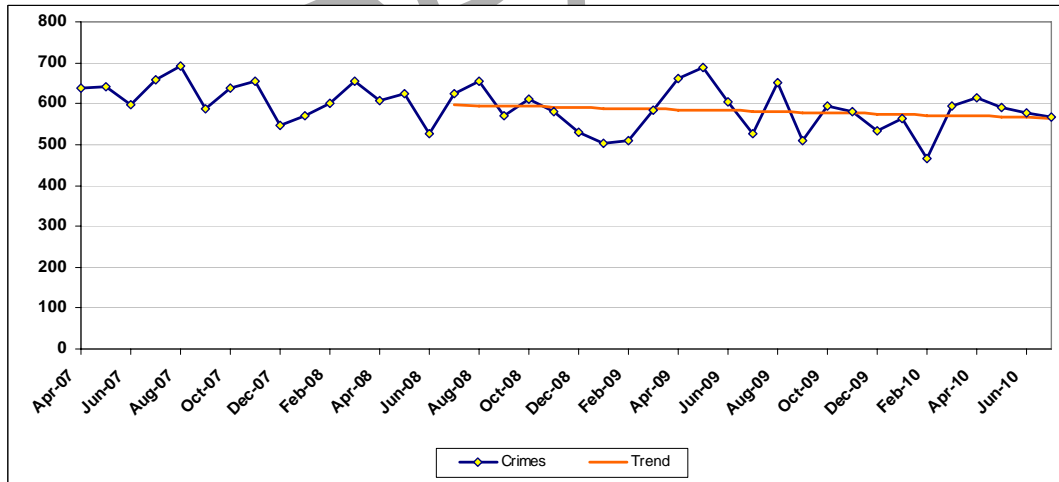
Source: Cambridgeshire Police



The level of crime overall in East Cambridgeshire has remained relatively unchanged over the past three years. Whilst there has been a slight decline over the past year, this may change due to the slow increase in cases over the past three months. The crime rate per 1000 residents is approximately 4.4, the second lowest in the county.

Figure 16: All crime recorded in Fenland

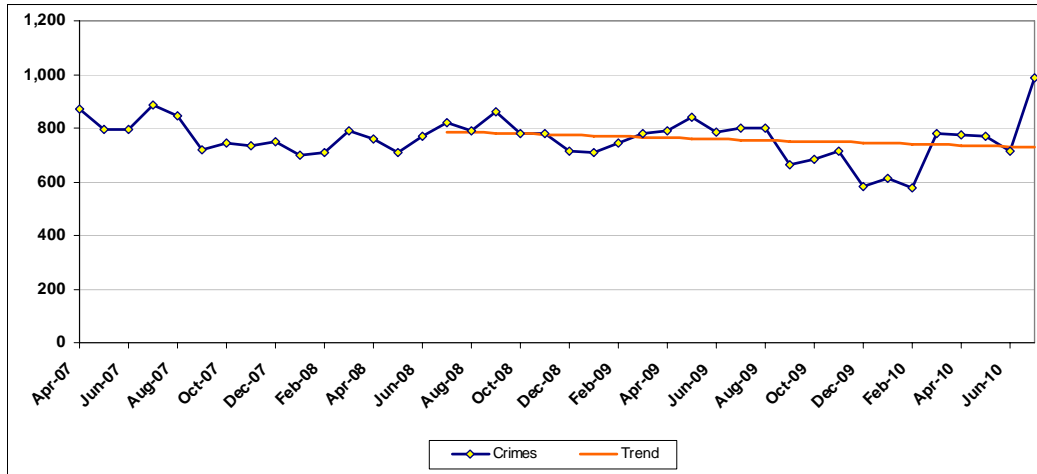
Source: Cambridgeshire Police



The level of crime in Fenland over the past three years has not changed significantly. The crime rate per 1000 residents is approximately 5.9, third highest in the county and only slightly behind Huntingdonshire's current rate of 6.1

Figure 17: All crime recorded in Huntingdonshire

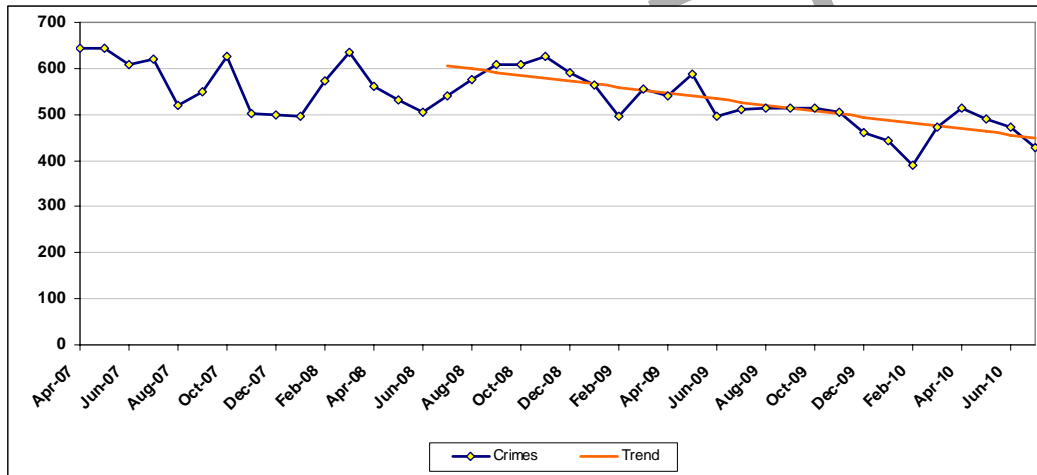
Source: Cambridgeshire Police



The level of crime in Huntingdonshire over the past three years has not changed significantly. Despite there being a promising drop in numbers at the start of 2010, numbers are now on the increase and are at their highest in July 2010. As of June 2010, the crime rate per 1000 residents was 6.1, the second highest in the county – prior to June 2010, the rate was closer to 4.2, the second lowest in the county.

Figure 18: All crime recorded in South Cambridgeshire

Source: Cambridgeshire Police



The level of all crime in South Cambridgeshire has decreased over the past three years, in what appears to be a steadily declining trend. The crime rate per 1000 residents is approximately 3.1, the lowest in the county.

Green Infrastructure/Major Sports Facilities/Arts and Culture

Green Infrastructure, sports facilities and arts and culture provision, are all recognised as important in maintaining and enhancing the quality of life of an area. A good quality of life is important in attracting and retaining the best talent and businesses for the benefit of the local economy.

Cambridgeshire Horizons have developed Green Infrastructure, Major Sports Facilities and Arts and Culture Strategies which can all be accessed below:

http://www.cambridgeshirehorizons.co.uk/useful_stuff/publications/horizons.aspx

The Green Infrastructure Strategy reviews the existing green infrastructure provision and puts forward recommendations and next steps to enhance and improve it.

The Arts and Culture Strategy includes a stock take of existing cultural facilities and puts forward plans to build on the area's cultural capacity.

The Major Sports Facilities strategy includes a needs analysis that identifies gaps/deficiencies and potential capacity issues with current provision, alongside opportunities for the provision of new facilities and recommendations at a district level.

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Worklessness Assessment

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Worklessness Assessment SWOT

Strengths	
A relatively resilient economy – See BUSINESS section	
Higher value industry in all districts – See BUSINESS section	
Crime levels are decreasing across the county	p38
Weaknesses	
Low qualifications in Fenland; NEET hotspots in Fenland, Huntingdon and Cambridge City	p31
High numbers of long term Incapacity Benefit claimants, particularly in Fenland and northern wards of Cambridge City - variations in pattern and nature of ESA/IB	p22
ESA/IB claimant rate increasing in Fenland compared with a steady decrease nationally	p22
Increasing employment inequalities: Fenland, Huntingdon North, Kings Hedges, St Neots and Littleport hit hardest by recession	p16
Fenland wards among most deprived in the country, however there are also significant pockets of education deprivation in Huntingdonshire and income deprivation in Cambridge.	p26
Growing ethnic minority groups are over-represented in the unemployed population and Traveller communities face significant difficulties accessing mainstream education and employment opportunities.	p12
Rural communities have limited access to jobs, education, training and employability services	p35
Opportunities	
Longer term demand in health, creative industries, agriculture, manufacturing	p33
Labour market links to the north and east of the county	p4
Although seasonal migrant labour in Fenland and Cambridge creates increased competition for jobs, there are some signs that migrant workers are beginning to return home. Initially this may threaten the productivity of those businesses dependent on them but it does create potential employment opportunities for the workless population	p6
Opportunities for the workless stemming from an ageing population in the north and associated decrease in levels of economic activity	p6
Highly entrepreneurial culture that currently is not reflected in VAT registration figures.	p32
Threats	
Over-representation of 18-24 among the unemployed, particularly in Fenland	p22
Cambridge is a regional centre of employment, particularly for public sector occupations. The impact of public sector redundancies is already being seen in the low levels of job vacancies advertised through Job Centre Plus.	p43
Limited availability of part-time work (plus possible competition from students in Cambridge) – an important route back into work for the unemployed	p32
The condition of housing stock is relatively poor in areas such as Littleport, St Ives, areas of Forest Heath and Wisbech. This reduces the attractiveness of these areas as somewhere to live and invest and can contribute to fuel poverty.	

Labour Market

Geography

Labour market links to the north and east of the county

Cambridgeshire as a whole has a relatively self contained labour market, however; the north of the county has strong commuting links with Peterborough and West Norfolk, East Cambridgeshire has strong commuting links with Forest Heath and Cambridge acts as a regional centre of employment; 20% of its workforce resides outside the county.

Cambridgeshire's labour market is relatively self contained, with 80% of Cambridgeshire's residents working in the county, and 81% of Cambridgeshire's workers living in the county. These figures have not changed significantly since 2001; however there has been a slight increase in the number of residents commuting to London, mainly from South Cambridgeshire and Huntingdonshire. Most other areas of the region have also experienced increased levels of commuting to London.

Cambridgeshire's most significant out-commuter flows continue, however, to be to Peterborough and Forest Heath. Around 30% of out-commuters (6% of residents) commute to Peterborough, and around 15% to Forest Heath (3% of residents). Strong two way commuting links exist between Peterborough, Fenland and Huntingdonshire (nearly a third of Fenland residents commute to Peterborough and Huntingdonshire to work), and between Forest Heath and East Cambridgeshire. In addition, Fenland draws a significant number of workers from Kings Lynn and West Norfolk.

Cambridge and South Cambridgeshire together have a relatively self contained labour market supply with 87% of Cambridge residents and 85% of South Cambridgeshire residents working in Cambridge or South Cambridgeshire. However, both districts also draw significant numbers of workers from Huntingdonshire, East Cambridgeshire and St Edmundsbury. Approximately 60% of Cambridge workers reside outside the district and nearly 20% reside outside the county, underlining Cambridge's importance as a regional centre of employment.

The Population of Cambridgeshire

Potential competition for part time work in Cambridge

While Cambridgeshire has a similar age structure to the region and country as a whole, Cambridge City's large student population significantly raises the proportion of the resident population who are of working age. Although undergraduate students at Cambridge University are not permitted to work during term time (and economic activity among the City's students is therefore much lower than among students nationally), the student population of both Cambridge universities may still exert a supply influence on the labour market for part-time work – to the potential detriment of unemployed people seeking similar openings.

Cambridgeshire has an overall estimated population of 595,700, 63% of which are estimated to be of working age – slightly higher than the national and regional average of 62% and 61% respectively. Huntingdonshire and South Cambridgeshire are the most populous districts in the county and East Cambridgeshire is the least populous. Within the county, the proportion of working age is lowest in Fenland and highest in Cambridge City, due to the student populations of both Cambridge and Anglia Ruskin universities.

In 2008, 17,600 students attended Cambridge University. Anglia Ruskin has a student population of 25,500, although this is split across two main campuses, one in Cambridge and one in Chelmsford.

Table 1: Mid-2008 population of Greater Cambridge and its constituent districts

Source: Cambridgeshire County Council Research Group mid-2008 population estimates and Office for National Statistics mid-2008 population estimates.

Area	Population Estimate	Working age population		Total	% population of working age
		Male (16-64)	Female (16-59)		
Cambridge City	117,700	44,700	39,100	83,800	71.2%
East Cambridgeshire	79,400	25,200	22,800	48,000	60.5%
Fenland	92,900	28,400	25,500	53,900	58.0%
Huntingdonshire	163,100	53,800	48,000	101,800	62.4%
South Cambridgeshire	142,500	46,000	40,200	86,200	60.5%
Cambridgeshire	595,700	198,100	175,500	373,600	62.7%
Forest Heath	64,700	22,300	18,500	40,800	63.1%
North Hertfordshire	123,800	39,000	36,100	75,100	60.7%
St Edmundsbury	103,700	33,500	28,300	61,800	59.6%
Uttlesford	73,700	23,300	20,600	43,900	59.6%
Greater Cambridge	961,600	316,200	279,000	595,200	61.9%
East	5,728,700	1,835,500	1,650,500	3,486,000	60.9%
England	51,446,200	16,751,000	15,186,500	31,937,500	62.1%

Box 1: Sources of population estimates

The official source of population data for local authorities in England is the Office for National Statistics, which publishes annual estimates. In addition, some local authorities, such as Cambridgeshire County Council, produce their own estimates, which are able to take account of local knowledge and local data. Differences between the ONS and Research Group estimates for Cambridgeshire in the past have mainly been attributed to long-running problems with ONS' method for estimating international out-migration. ONS recently revised their methodology, releasing revised population estimates for 2002-2008 in May 2010. The revisions bring the ONS estimates closer to the Research Group's figures for most districts, substantially reducing the previous discrepancies in Cambridge City, Huntingdonshire and South Cambridgeshire:

District	ONS original	ONS revised	Research Group	Previous difference	Current difference
Cambridge City	122,800	118,700	117,700	5,100	1,000
East Cambridgeshire	82,300	82,600	79,400	2,900	3,200
Fenland	91,800	91,600	92,900	-1,100	-1,300
Huntingdonshire	168,900	165,200	163,100	5,800	2,100
South Cambridgeshire	139,300	142,400	142,500	-3,200	-100
Cambridgeshire	605,100	600,600	595,600	9,500	5,000

Overall, Cambridgeshire has a similar age structure to the region and country as a whole. Most districts within the county follow the same pattern, with two main exceptions. Cambridge City has a much higher proportion of the population aged 15 to 24 than elsewhere, and the proportion aged 25 to 44 is also slightly higher. This is mainly due to the City's student population. Fenland has a slightly higher proportion of residents aged 65 plus.

Forecast Population Change

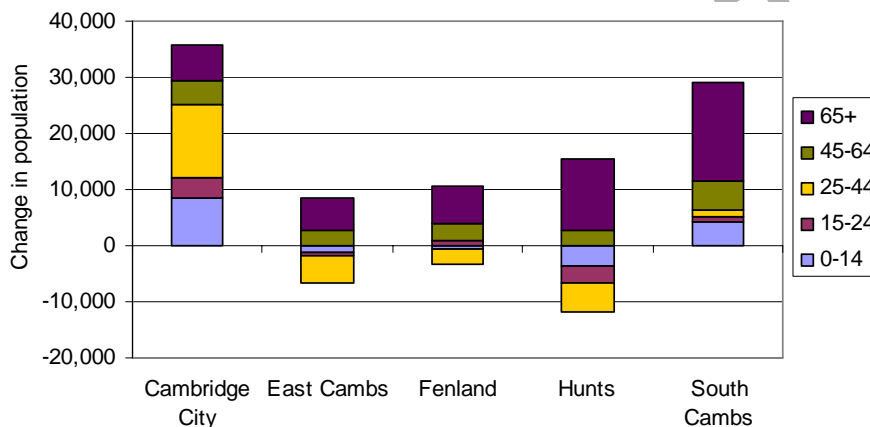
Opportunities for the workless stemming from an ageing population in the north and associated decrease in levels of economic activity.

The population aged over 45 is forecast to increase in absolute terms in all districts. Cambridge City is the only district forecast to see a marked increase in the population aged 25 to 44. This potentially means less competition for jobs in the north of the county and an opportunity to get more workless people into jobs.

Figure 1 compares future population change by age across the Cambridgeshire districts. This shows that Cambridge City and South Cambridgeshire will experience an absolute increase in the population of all age groups. Additionally, all districts will see an increase in the number of people in their population aged over 45. The increase will be most marked in the population aged over 65. In East Cambridgeshire, Fenland and Huntingdonshire, these increases will be offset by decreases in the number of people aged under 44, most notably among those aged 25-44. Cambridge City is the only district forecast to see a marked rise in the population aged 25-44. Across Cambridgeshire the 65+ age group formed 16% of the population in 2008 but by 2021 is forecast to form 21%. The impact of this ageing will be felt in all districts except Cambridge City.

Figure 1: Population change by age 2008-2021, Cambridgeshire districts

Source: CCC Research Group 2008-based forecasts



Migration

Competition from seasonal migrant labour in the north and east

International migration and migration within the UK are and will continue to be important drivers of population and economic growth in Cambridgeshire; the high tech sector is highly dependent on a supply of skilled labour which cannot be met within the region or country. In the north of the county migrant workers appear to stay temporarily, working in seasonal employment such as farming. This has meant increased competition in traditional areas of work for lower skilled workers, particularly Cambridgeshire's Gypsy/Traveller population. Although WRS registrations have fallen during the recession a decrease in vacancies and increase in NINo registrations will mean the impact on labour supply competition is probably unchanged but if the trend continues, the level of competition may reduce over the longer term.

Cambridgeshire County Council Research Group estimates that net migration (both internal and international) accounted for 70% of the county's population change between 2001 and 2008. Indicative figures from ONS suggest that around half of net migration was internal (from within the rest of the UK) and half was international. Migration is expected to remain an important driver for population growth in Cambridgeshire. The Research Group's 2008-based forecasts indicate that migration will account for 56% of

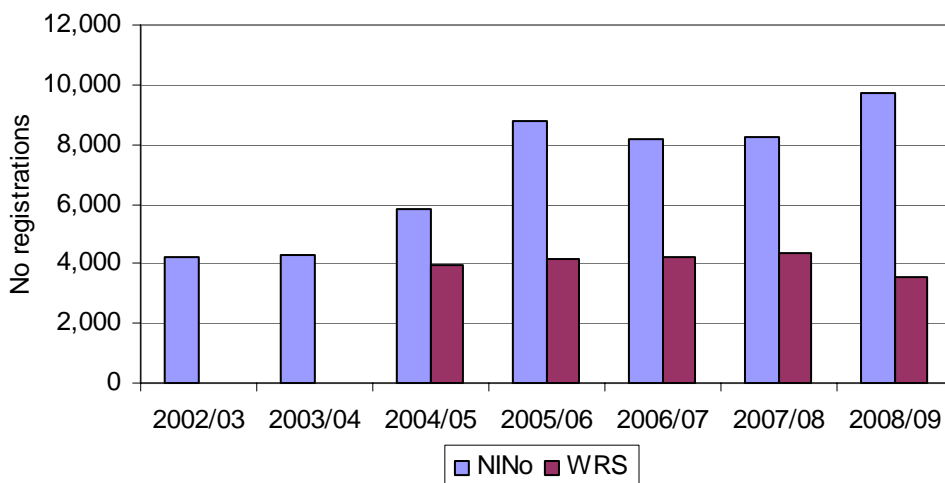
population growth between 2008 and 2021. International migration would be expected to remain a significant element of this.

Between 2002/3 and 2008/9, 49,200 overseas people registered for a National Insurance Number (NINo) in Cambridgeshire. Of these, 48% registered in Cambridge City, 14% in Fenland and approximately 12% each in Huntingdonshire, South Cambridgeshire and East Cambridgeshire. A rise in local NINo registrations between 2007/8 to 2008/9 (see Figure 2) runs counter to regional and national trends where migration declined following the recession.

Worker Registration Scheme (WRS) figures for Cambridgeshire show the highest numbers of WRS registrations were in Fenland, East Cambridgeshire and Cambridge City. In all districts, the highest number of registrations was from Polish migrants. The main sectors of employment were administration, business and managerial industries and agriculture in the north of the county and the hospitality sector in Cambridge City.

Figure 2: Number of National Insurance Number and Workers Registrations Scheme Registrations in Cambridgeshire

Source: DWP and Home Office (via Local Government Analysis and Research)



Although there are no sources showing the number of migrant workers leaving the county, and therefore no accurate way of establishing how many migrant workers reside in the county, the Annual Population Survey estimates that the proportion of residents born abroad has risen by 4 percentage points since the 2001 census, compared to 3 percentage points nationally. This would imply there are now an additional 25-30,000 migrants living in Cambridgeshire compared to 2001. The highest percentage point increase in the county has been in Cambridge City and the lowest in Fenland. The low increase in Fenland is interesting as there have been a relatively high number of NINo and WRS registrations in the district. This implies that many migrants do not remain in the area very long, reflecting the fact that many work in agriculture which experiences a high demand for seasonal employment. The high increase in Cambridge City may reflect the settling of highly skilled migrants who were originally recruited into the high tech and health industries, which are highly dependent on a supply of skilled labour that cannot be met within the region or country.

The 2001 Census recorded 91% of Cambridgeshire residents as White British, 5% White Irish or White other and 4% from ethnic groups other than White. The highest proportion of ethnic minority groups was found in Cambridge City, most likely reflecting the high number of international students, and the lowest was in Fenland. Cambridgeshire's largest ethnic minority group was Asian/Asian British.

Gypsies and Travellers

The 2001 Census did not allow Gypsies or Travellers to identify themselves as belonging to distinct ethnic groups. This means that the Census cannot provide a count of the size of Cambridgeshire's Traveller population. The best source of local information is the County Council's 2006 Cambridge Sub-Region Traveller Needs Assessment.

The following information is taken from paragraphs 2.2.4 and 2.3.1 of the Need Assessment:

The Need Assessment estimated the Gypsy/Traveller population in Cambridgeshire together with Peterborough, Forest Heath, St Edmundsbury and Kings Lynn and West Norfolk at around 6,800. This made them potentially the second largest ethnic minority in the study area, similar in size to the Indian population.

Most Gypsies/Travellers prefer self-employment, in such occupations as farm and land work, tree-logging, vehicle trading, tarmacking, carpet-dealing and external building work.

The survey found evidence that:

- a) Types of work had changed over the years, with a decline in traditional farm work, and increased competition from cheaper immigrant labour.
- b) Gypsies/Travellers find it increasingly difficult to make a living from traditional occupations, contributing to severe economic disadvantage and social exclusion.
- c) Difficulties in travelling, and being moved frequently, made it harder to get work. Some Gypsies now travel more to continental Europe, and Irish Travellers have entered the sub-region in search of work.
- d) Family networks and informal reciprocal arrangements are important for encouraging and sustaining economic activity.
- e) Seasonal social security benefits are important income sources, especially for those on council sites.
- f) Difficulties with the theory part of the driving test (because of low literacy levels) is affecting younger Gypsies/Travellers.

Traveller skills

Future economic opportunities for Traveller communities are strongly linked to access to flexible training and education

Traveller communities have a strong preference for self employment however a recent reduction in some employment opportunities has caused high levels of unemployment. Focus group work suggests that future economic opportunities were strongly linked to access to training and education that takes account of the difficulties of travellers in accessing mainstream service provision.

A piece of research recently undertaken by the Ormiston Trust looked at skills and employment among Traveller communities.

For many Gypsies and Travellers school is only one aspect within a broader concept of education. Some Travellers note that time spent in school is at the expense of "learning to be a successful Traveller". Teachers also need to recognise the 'adult' status of young people from Gypsy and Traveller communities and the importance to some pupils of learning the family business. Boys in particular are often encouraged to work with their fathers and learn life skills rather than stay in school.

Evidence from France, where distance learning materials have been more fully developed, has reported high levels of success in delivering education to Travelling families.

Very little research or consultation relating to Gypsies and Travellers and skills and employment exists. What research does exist suggests that there is a strong preference for self employment among communities and there is a broad skill base that goes unrecognised. There has been a reduction in some employment opportunities (such as agriculture) traditionally filled by Gypsies and Travellers. There is evidence of high levels of unemployment among those living on local authority sites. Opportunities to develop social enterprise, recycling initiatives and support for small businesses with Gypsy and Traveller groups should be explored further.

Focus group work with travellers identified that future economic opportunities were strongly linked to access to training and education. Among the focus group members there was unanimous support for greater access to adult learning opportunities, particularly in relation to basic skills and IT.

Current uptake by Gypsies and Travellers of existing training provision and further education appears to be extremely low. However this does not appear to reflect a lack of interest but rather a difficulty in accessing existing service provision. Studies examining post-16 learning opportunities within Hertfordshire highlighted a range of barriers. Of these, respondents identified childcare and family commitments as the major barrier (this could be reflective of a respondent group in which 80% were female). Other reasons given included a lack of access to transport, a lack of confidence, a lack of support, financial reasons, and a lack of time. In identifying strategies to help participation in formal learning opportunities, respondents identified the key factors as flexible times, childcare provision, transport, one to one lessons and personal support.

First hand work experience was recognised to be the preferred method of training for employment among many young Travellers and felt by many to be the most beneficial preparation for adult roles.

The Workless Population

Definition box

The Workless Population is defined by the Improvement and Development Agency for Local Government as all those people who are out of work but would like a job. This can include those labelled as 'economically inactive' in addition to the unemployed, labelled as 'economically active'.

A person is economically inactive if they are out of work and not seeking or available for work. This may be because, for example, they are a student; they are looking after their home or family or unable to work through sickness or disability. To be unemployed, a person must be out of work but available to start work in the next two weeks. They may be waiting to start a job or they may have been actively seeking work in the last four weeks.

Traditionally, the economically active population was thought to form the potential labour supply in an area, however more recently it has been acknowledged that a proportion of the economically inactive may wish/be able to work if they were given the right opportunity.

Unemployment and Economic Inactivity

Box 2: Sources of Unemployment Estimates

A number of different data sources can be used to measure or track unemployment. The Jobseekers' Allowance claimant count has traditionally been the official measure of unemployment. This is, however, a 'narrow' measure of unemployment, as it only includes those people who are actually entitled to claim, and do claim, Jobseekers' Allowance. This measure does not include those people who do not claim or are not entitled to claim, but who are actively seeking work. The Jobseekers' Allowance claimant count remains a useful indicator as counts are released monthly and for small areas; this data source will therefore be considered later in this section.

Unemployment in labour market terms has an internationally agreed definition as recommended by the International Labour Organisation (ILO). 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.

The ONS Annual Population Survey provides estimates of unemployment along with data on economic activity and inactivity as presented elsewhere in this report. As the APS has a relatively small sample size, however, and as the unemployed form only a small proportion of the population, measures from the APS can be prone to fluctuation and unreliability. To overcome this, the Office for National Statistics has developed a statistical model that provides more robust estimates of unemployment for local authorities by 'borrowing strength' from claimant count data. The model-based unemployment estimates cannot be broken down by population characteristics; however, therefore although the model-based estimates are the most reliable, data from the APS are also presented in this section.

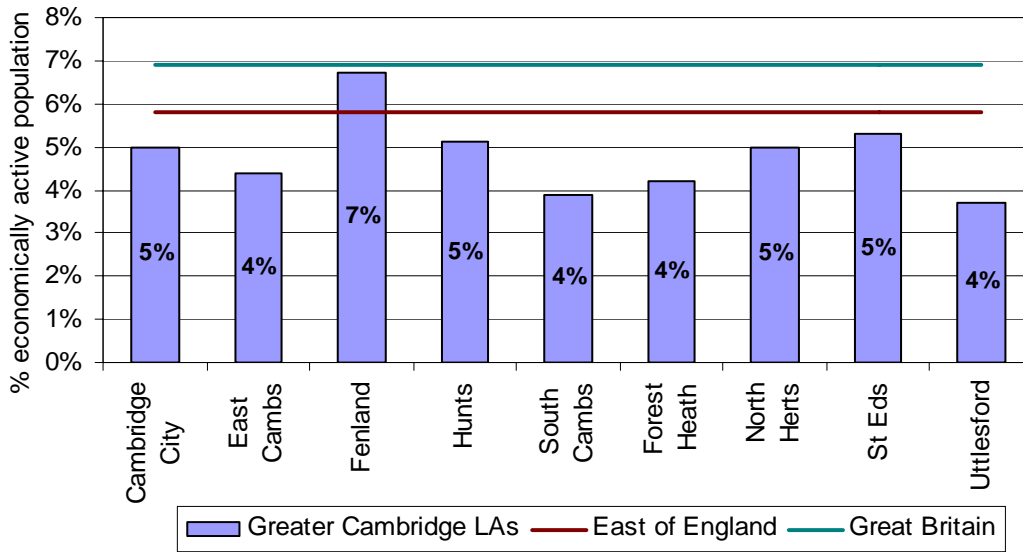
36,000 workless individuals

The unemployment rate in Fenland is close to the national average of around 7%. Unemployment across the rest of the county is low and relatively low economic inactivity rates across all districts means that there should be more opportunity to get the 36,000 residents that are workless into jobs when the economy recovers, providing they have the right skills.

In 2009, unemployment across most Cambridgeshire districts was well below the national average of 6.9%. The closest to the national average is found in Fenland, where 6.7% of the economically active population is unemployed. Within the county, unemployment is lowest in South Cambridgeshire at 3.9%.

Figure 3: Unemployment rate (% of economically active population)

Source: ONS model-based employment estimate July 2008-June 2009



APS figures suggest that men are slightly more likely to be unemployed than women in Cambridgeshire.

A lower proportion (16.7%) of Cambridgeshire's working age residents claimed to be economically inactive in 2009 than was the case regionally (18.2%). Cambridge City had much higher levels of economic inactivity, accounted for mainly by the large student population. Undergraduate students at Cambridge University are generally not permitted to work during term time.

Economic inactivity is defined as being out of work and not seeking work or being unavailable to start work, however the Annual Population Survey does ask those identified as economically inactive whether they want a job. For Cambridgeshire, the APS estimates that of the 63,000 economically inactive, 14,300 wanted a job.

Combining the economically inactive wanting a job with the total number of unemployed gives an indicative figure of just under 36,000 working age residents who are currently without work but who may be able to work, given the right opportunity.

Economic inactivity and unemployment by Ethnic Group

Minority groups face increased barriers to work

The ethnic minority population in Cambridgeshire is growing. For ethnic minorities, language barriers and cultural issues can make it difficult for individuals to engage in economic activity, resulting in overrepresentation of ethnic minority groups in the economically inactive and unemployed population. In Cambridgeshire, there appears to be greater inequality between the employment rate of minority groups and the White population than there is nationally, suggesting that greater efforts are needed to develop and deliver provision which targets the employability barriers of these groups.

For ethnic minorities, language barriers and cultural issues can make it difficult for individuals to engage in economic activity. Also inflexible and below standard support provision allied with cultural misconceptions can limit the opportunities available. (East of England Economic Participation study, completed by TERU, Glasgow University for EEDA, October 2009)¹.

Figure 4 compares levels of economic inactivity by ethnic group in the East of England and England. Cambridgeshire data are not presented due to small numbers in the Annual Population Survey. Across both the region and the country, people from ethnic minority groups are more likely to be economically inactive than the White population. While regional economic inactivity rates are lower than nationally among most groups, they are similar to the national level among the Pakistani/Bangladeshi population. It is likely that this reflects particularly low economic activity among women.

Figure 4: Economic inactivity by ethnic group, East of England and England

Source: ONS Annual Population Survey 2008-2009

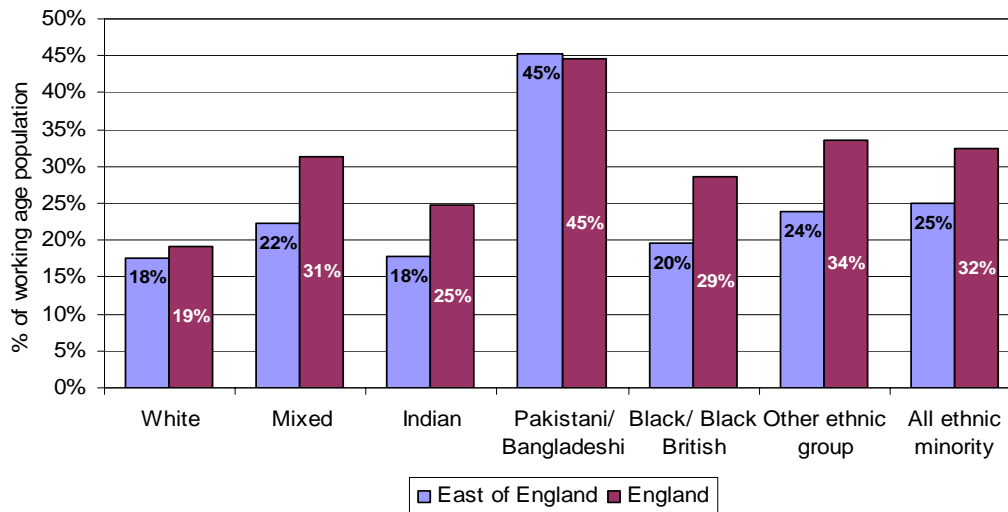


Figure 5 compares levels of unemployment by ethnic group across the region and country. People from Pakistani/Bangladeshi, Black/Black British and Mixed ethnic groups are more likely to be unemployed than the White population.

¹ <http://www.eeda.org.uk/3411.asp>

Figure 5: Unemployment by ethnic group, East of England and England

Source: ONS Annual Population Survey 2008-2009

Note: % of economically active 16+ population

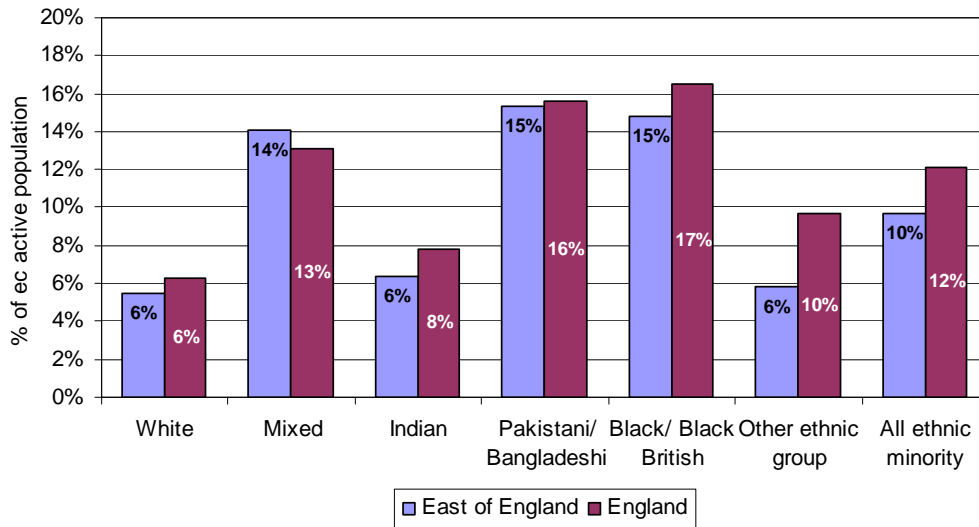


Table 2 compares summary measures of economic inactivity and unemployment by ethnic group. Across Cambridgeshire, ethnic minorities make up just under 7% of the working age population, but represent 8.5% of the economically inactive population and over 13% of the unemployed population. This means that ethnic minority groups are over-represented among those not in work. Similarly, while 16% of the White working age population is economically inactive, the proportion among ethnic minorities is 21%. While the APS indicates that 5% of the White population is unemployed, the comparable figure among ethnic minority groups is 12% (approximately 2400 individuals).

It is interesting to note that the APS suggests the employment rate among Cambridgeshire's ethnic minorities is the same as nationally, yet total unemployment in Cambridgeshire is lower. This suggests that the inequality between the employment rates of minority groups and the White population is wider locally than nationally.

Table 2: Economic inactivity and unemployment by ethnicity

Source: ONS Annual Population Survey 2008-2009

Note: Economic activity rate is as % of working age population; unemployment rate is as % of 16+ population

Area/ethnic group	% of working age population from ethnic group	% of ec inactive population from ethnic group	% of unemployed 16+ population from ethnic group	Economic Inactivity Rate of ethnic group	Unemployment rate of ethnic group
Cambs White	93.2%	91.5%	86.7%	16.4%	5.1%
Cambs ethnic minority	6.8%	8.5%	13.3%	20.9%	12.1%
East White	92.0%	89.1%	88.2%	17.6%	5.5%
East ethnic minority	8.0%	10.9%	11.8%	25.1%	9.7%
England White	86.9%	79.8%	81.0%	19.2%	6.3%
England ethnic minority	13.0%	20.2%	19.0%	32.4%	12.1%

Disability

High level of disability and incapacity benefit claimants in Fenland

One in four Fenland working age residents consider themselves disabled according to the Annual Population Survey; more than the national average of nearly one in five. However, the disabled population of all districts, including Fenland, are more likely to be in employment than is the case nationally. The high level of disability reported in Fenland reflects a particularly high proportion of residents claiming Incapacity Benefit/Employment Support Allowance.

When responding to the Annual Population Survey, nearly one in Cambridgeshire residents of working age consider themselves to have a work limiting disability and/or current disability that affects their day to day activities. This is similar to the national average. Rates vary from 16% in Huntingdonshire to nearly 25% in Fenland, although it should be noted that these estimates are based on relatively small sample sizes.

In all districts across Cambridgeshire, the economic activity and employment rate among disabled people is significantly higher than seen nationally.

Within Cambridgeshire, Cambridge City shows the lowest rates of economic activity and employment among disabled people, while East Cambridgeshire shows the highest.

Table 3: Economic activity and employment among disabled people (% working age pop)

Source: ONS Annual Population Survey, July 2008 to June 2009

Area	% of working age population that is disabled	Economic Activity Rate		Employment Rate	
		Disabled	Non-disabled	Disabled	Non-Disabled
Cambridge City	17.5%	61.5%	78.0%	58.5%	74.8%
East Cambridgeshire	16.0%	81.0%	88.9%	70.5%	85.0%
Fenland	25.4%	71.1%	89.6%	66.4%	81.7%
Huntingdonshire	15.5%	67.7%	88.2%	59.6%	82.8%
South Cambridgeshire	16.6%	65.5%	89.3%	61.7%	85.9%
Cambridgeshire	17.7%	68.2%	86.5%	62.5%	81.9%
Forest Heath	11.4%	73.3%	87.4%	73.3%	86.1%
North Hertfordshire	16.2%	76.6%	83.1%	73.9%	80.4%
St Edmundsbury	15.9%	73.6%	93.0%	66.4%	86.0%
Uttlesford	11.3%	74.1%	89.0%	59.7%	86.8%
Greater Cambridge	16.4%	70.3%	87.0%	64.7%	82.8%
East	17.3%	63.8%	85.6%	57.4%	81.0%
England	17.9%	56.8%	83.9%	50.9%	78.3%
United Kingdom	18.3%	55.0%	84.0%	49.3%	78.5%

Out of work benefit claimants

Definition box

Out of work benefit claimants include both those individuals classed as economically active (Jobseeker's Allowance claimants) and economically inactive (Lone Parents income support, Employment and Support Allowance, other income related benefits). More information on individual benefits can be found later in this section.

Worklessness concentrated in the west and north

Huntingdonshire and Fenland account for over 50% of the county's out of work benefit claimants. A high proportion of Fenland's working age residents claim Employment Support Allowance/Incapacity Benefit (ESA/IB) compared with local, regional and national figures. This reflects high levels of job loss and unemployment going back to the 1980s when claimants were first shifted onto Incapacity Benefit, and a traditional industrial structure of manual labour in sectors such as farming and manufacturing.

Table 4 below shows the total number of out of work benefit claimants, grouped by their primary benefit as determined by the Department for Work and Pensions. In practice there could be more individuals claiming Lone Parents or other income support but if they also claim ESA/IB or JSA they are grouped under one of these two headings in order to avoid double counting. Huntingdonshire and Fenland have the largest number of benefit claimants. Almost twice as many residents claim Employment and Support Allowance or Incapacity Benefit as claim Jobseeker's Allowance.

Table 4: Out of work benefit claimants

Source: DWP, 2009

Area	Economically Inactive			Economically Active		Total Out of Work Benefit Claimants
	Out of Work Benefit Claimants					
	Employment and Support Allowance/Incapacity Benefit	Lone Parents	Others on income related support	JSA claimants		
Cambridge City	3,430	840	220	1,940	6,430	
East Cambridgeshire	1,840	510	130	1,170	3,650	
Fenland	4,130	1,050	290	2,150	7,620	
Huntingdonshire	4,120	1,110	320	2,700	8,250	
South Cambridgeshire	2,750	660	160	1,490	5,060	
Cambridgeshire	16,270	4,170	1,120	9,450	31,010	

Table 5 shows that although the numbers claiming Employment and Support Allowance or Incapacity Benefit are very similar in Fenland and Huntingdonshire, the claimants make up a significantly larger proportion of the working age population in Fenland. All other benefit claimants within Fenland are at proportions equivalent to national figures. Fenland has a significantly higher proportion of JSA claimants and Lone Parent claimants than other districts across Cambridgeshire.

Table 5: Out of work benefit claimants as a proportion of working age population

Source: DWP, 2009 (2010, JSA claimants)

Area	Employment and Support Allowance/ Incapacity Benefit (%)	Lone Parents (%)	Others on income related benefits (%)	JSA (%)	Total Out of Work Benefits (%)
Cambridge City	3.8	0.9	0.2	2.2	7.2
East Cambridgeshire	3.7	1.0	0.3	2.4	7.4
Fenland	7.7	2.0	0.5	4.0	14.3
Huntingdonshire	3.9	1.0	0.3	2.6	7.8
South Cambridgeshire	3.2	0.8	0.2	1.8	6.0
Cambridgeshire	4.2	1.1	0.3	2.5	8.1
East	5.2	1.6	0.4	3.3	10.5
England	6.7	1.9	0.5	4.0	13.2

Jobseeker's Allowance claimants

Definition box

Jobseeker's Allowance is the main benefit for people of working age who are out of work. To qualify, recipients must be: available for and actively seeking work; between 18 and State Pension age; and working less than 16 hours per week on average. Recipients must be capable of work – those too ill to work may now receive Employment and Support Allowance (ESA) or other benefits for people who are sick or disabled.

JSA claimants are considered a 'narrow' measure of unemployment. As not all unemployed people claim JSA, claimant rates are lower than shown by 'broad' measures such as the ONS model-based estimates.

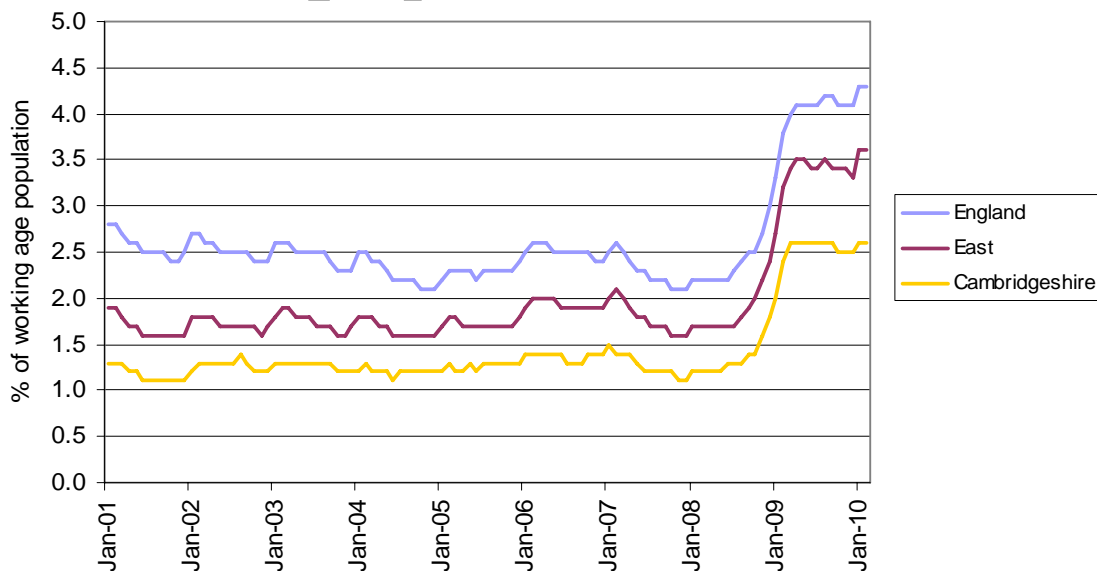
Increasing employment inequalities

The highest increases in JSA claimant rate have occurred in those areas with the highest rates, notably Fenland, Huntingdon North and Kings Hedges, along with parts of St Neots and Littleport. The recession is therefore likely to have increased employment inequalities across the county and employability service provision needs to reflect this. Younger (18-24) claimants are over-represented within the JSA claimant population, particularly in Fenland where the resident age profile is older than average. Data suggests that a significant proportion of ethnic minority unemployed people are not claiming benefits, meaning they are unlikely to be engaging with mainstream employability provision.

Figure 6 shows the trend in proportion of the working age population claiming Jobseeker's Allowance over the last ten years. JSA claimant rates in Cambridgeshire continue to be below the national average, however nationally, the claimant rate fell slightly over much of the decade, narrowing the gap relative to Cambridgeshire. Post recession, rates in Cambridgeshire have been consistently lower and have increased less than nationally.

Figure 6: Jobseeker's Allowance claimants as % working age population, 2001-2010

Source: JSA Claimant Count, Nomis



As displayed in Table 6 and Figure 7, the recession has had varying impacts on the Cambridgeshire districts in terms of the claimant count rate.

Table 6: Number of Jobseeker's Allowance claimants, January 2008 to January 2010

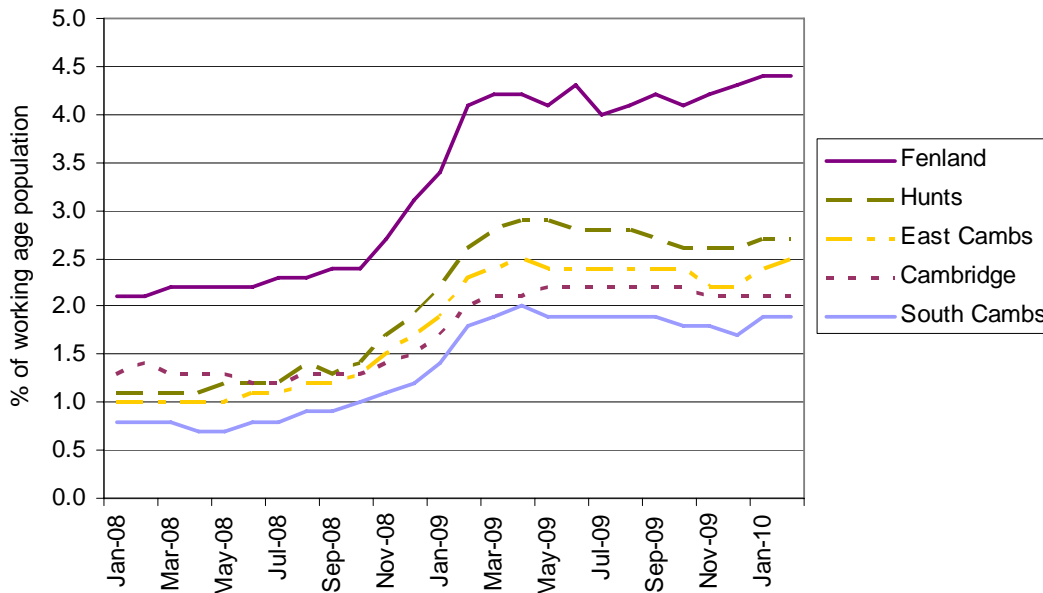
Source: JSA Claimant Count, Nomis

Area	Number of claimants					% change Jan 08-Jan 10
	Jan-08	Jul-08	Jan-09	Jul-09	Jan-10	
Cambridge	1,213	1,089	1,487	1,963	1,917	58.0%
East Cambridgeshire	502	554	964	1,167	1,211	141.2%
Fenland	1,131	1,205	1,807	2,135	2,352	108.0%
Huntingdonshire	1,151	1,310	2,290	2,987	2,893	151.3%
South Cambridgeshire	644	688	1,179	1,621	1,592	147.2%
Cambridgeshire	4,641	4,846	7,727	9,873	9,965	114.7%
Forest Heath	418	404	808	1,007	1,064	154.5%
North Hertfordshire	876	979	1,675	2,288	2,380	171.7%
St Edmundsbury	875	972	1,617	1,829	1,747	99.7%
Uttlesford	315	353	627	950	957	203.8%
Greater Cambridge	7,125	7,554	12,454	15,947	16,113	126.1%
East	58,229	59,870	95,475	118,930	124,473	113.8%
England	690,667	722,897	1,065,839	1,311,098	1,369,811	98.3%
United Kingdom	830,542	871,288	1,282,645	1,573,139	1,654,025	99.2%

All Greater Cambridge districts except Fenland have shown a lower percentage point increase in the claimant rate than the national average. The increases in Cambridge City and South Cambridgeshire have been particularly low at just 0.8 and 1.1 percentage points respectively. Fenland is the only district to show an increase in the claimant rate on a par with the national increase, taking the overall claimant rate in January 2010 to 4.4%, just higher than the national figure.

Figure 7: Cambridgeshire's Jobseeker's Allowance claimants as % working age population

Source: JSA Claimant Count, Nomis



Another impact of the recession has been underemployment. The recession is causing more people to take on jobs below their skill level, impacting negatively on individuals with lower skills competing for the same jobs. Furthermore, many individuals are being encouraged or choosing to undertake Level 4 qualifications even when their desired job doesn't require it.

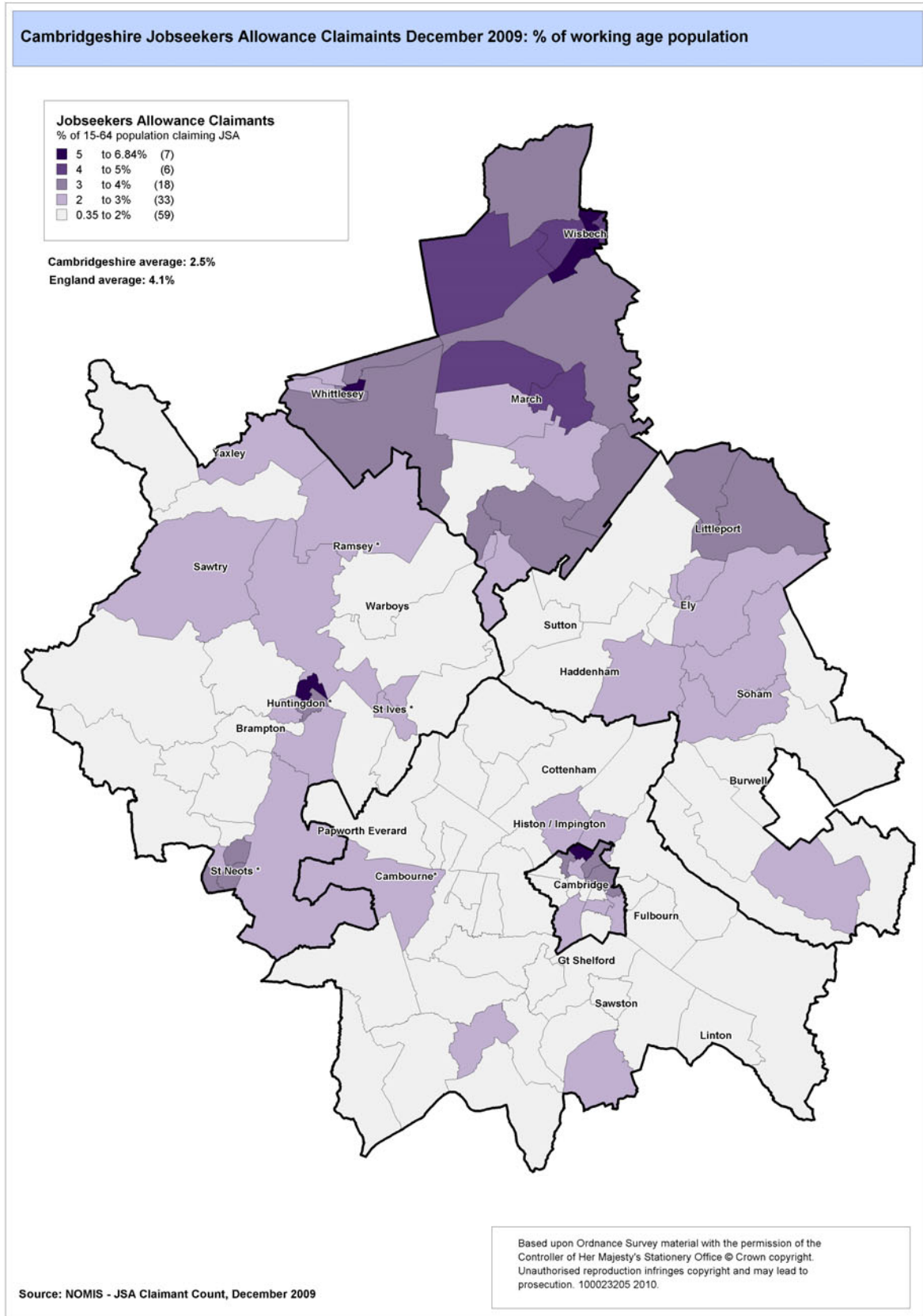
The distribution of JSA claimants within Cambridgeshire is explored further in Map 1 overleaf, which compares the claimant rate across the county's electoral wards. This shows that the claimant rate is low (under 2%) across most of South Cambridgeshire and rural parts of East Cambridgeshire and Huntingdonshire. Areas where the rate is similar to or higher than the national average are concentrated in the north of Cambridge, Huntingdon North, parts of March and Whittlesey and much of Wisbech and its surrounding rural area.

Map 2 shows the percentage point change in the claimant rate over the two years from December 2007 to December 2009. This shows clearly that the highest increases have been concentrated in the areas with the highest rates, notably Fenland, Huntingdon North and King's Hedges along with parts of St Neots and Littleport. The implication of this is that the recession has had a more profound impact on communities that were already doing less well. In this sense the recession is likely to have increased inequalities across the county.

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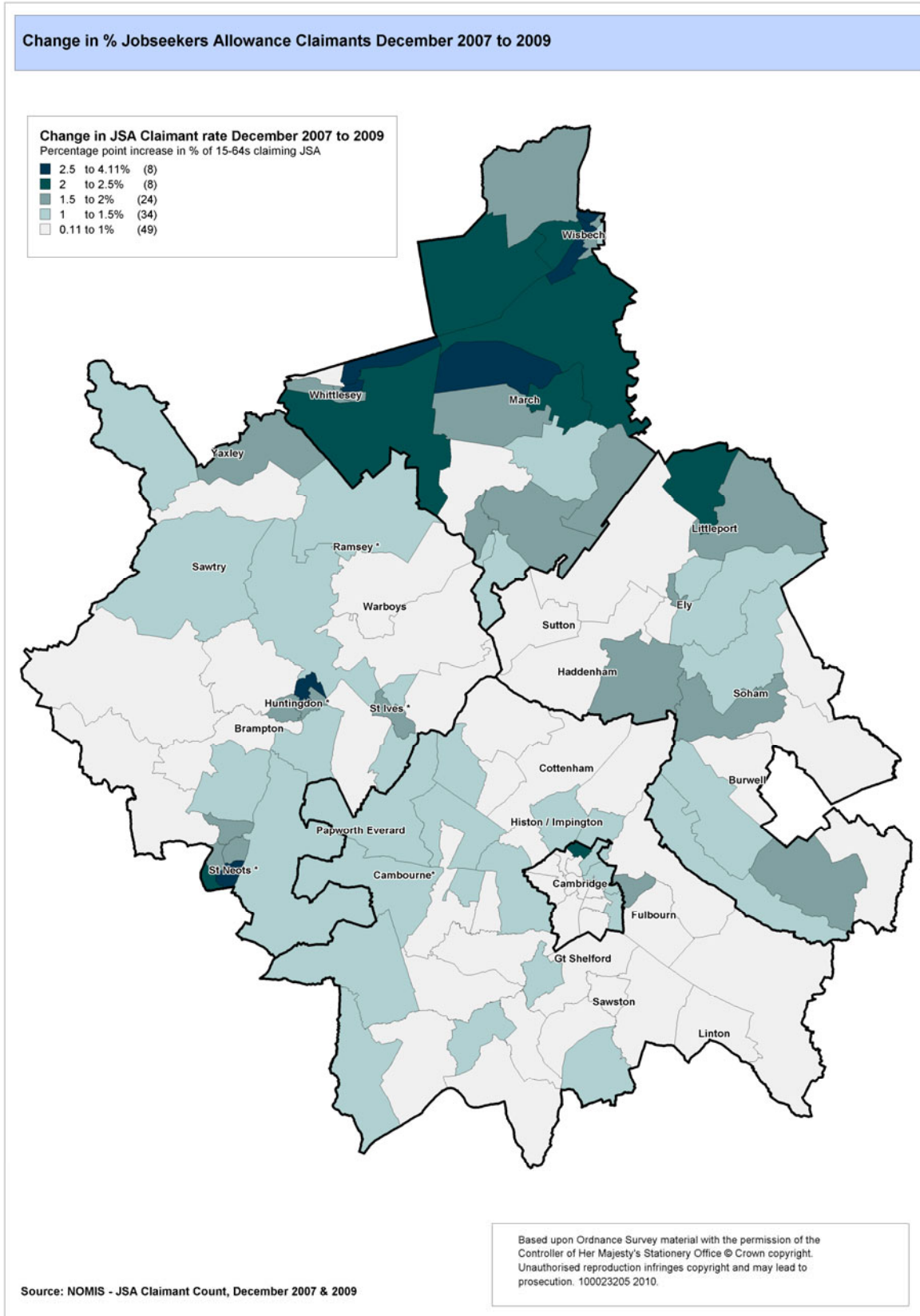
Map 1: % working age population claiming JSA, by ward, December 2009

Source: JSA Claimant Count December 2009, Nomis; rates based on CCC Research Group ward population estimates



Map 2: Percentage point change in the JSA claimant rate, by ward, December 2007 - 2009

Source: JSA Claimant Count December 2007 & 2009, Nomis; rates based on CCCRG ward population estimates



Around 70% of JSA claimants are male in all Cambridgeshire districts, reflecting the national breakdown. The majority of JSA claimants are in the 25-49 age bracket, however Fenland has a slightly higher proportion of younger claimants (18-24) than is seen nationally, indicating an overrepresentation of this age group in the JSA claimant population given that they make up a small proportion of the total resident population. Since the onset of the recession, increases in the number of JSA claimants have been fairly equitable across all age ranges.

Across Cambridgeshire, just under 5% of JSA claimants are from ethnic minority groups, yet APS data suggests ethnic minorities make up 13% of the unemployed population. On comparing the proportion of JSA claimants from minority groups with the proportion of the working age population from minority groups, ethnic minorities are over-represented among JSA claimants nationally, yet under-represented across Cambridgeshire. It seems likely that the figures at least partly reflect lower uptake of benefits to which people are entitled.

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Incapacity Benefit, Severe Disablement Allowance & Employment Support Allowance Claimants

Definition box

Incapacity Benefit (IB) is a payment for people who become incapable of work while under State Pension age. Employment and Support Allowance (ESA) was introduced on 27 October 2008 and replaces Incapacity Benefit for new claimants. Existing IB recipients will move to the new benefit between 2010 and 2013. Severe Disablement Allowance (SDA) has not been available to new claimants since 2001, but some people who began claiming prior to then still receive it. New claimants would since have received IB instead, now replaced by ESA.

ESA/IB claimant rate increasing

Of particular concern is a steady increase in the ESA/IB claimant rate in Fenland since 2000, compared with a steady decrease nationally. JSA claimant rates across Cambridgeshire increased significantly with the recession, but the rate of increase was no higher, and for most districts, lower, than that seen nationally, indicating a relatively resilient economy across most of the county. One impact of the recession has been many people taking jobs lower than their skill level, impacting negatively on people with lower skills levels competing for the same jobs.

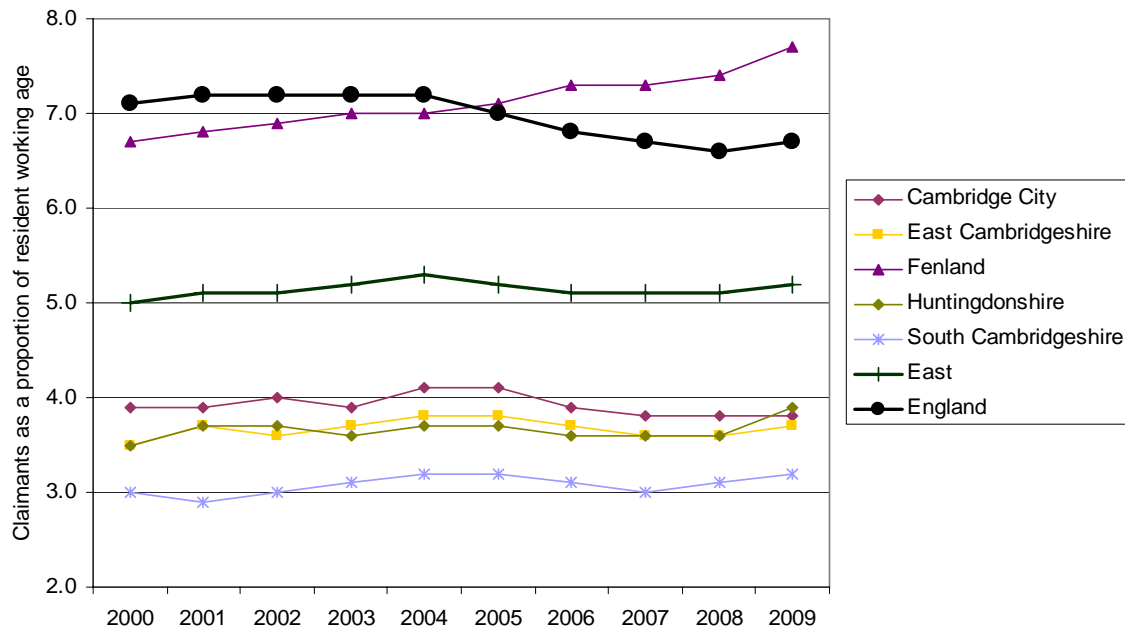
The number of residents claiming out of work benefits increased steadily from 2000, with a sharp increase from 2008 to 2009 caused by increased numbers of JSA claimants, reflecting the impact of the recession.

Employment Support Allowance / Incapacity Benefit (ESA/IB) claimants form a significant proportion of all out of work benefit claimants and are responsible for much of the steady increase from 2000, yet as a proportion of the working age population, the ESA/IB claimant rate has remained fairly constant across most districts in Cambridgeshire apart from Fenland.

From 2000 to 2009, the number of ESA/IB claimants in Fenland increased at a faster rate than any other district in the sub region and Fenland is the only district to see a steady increase in claimants as a proportion of the resident working age population. This contrasts with a steady decrease nationally.

Figure 8: Incapacity Benefit and Employment Support Allowance claimants as a proportion of resident working age population

Source: DWP, 2000-2009



Long term claimants – variations in pattern and nature of ESA/IB claims between Fenland and Cambridge City

Nearly 8% of Fenland's working age population claim IB/SDA/ESA, over 4000 individuals. Over half of these claimants have been claiming for over five years. A higher than average proportion of Fenland-based IB/ESA claims are for musculoskeletal disorders, reflecting the district's background in agriculture and heavy industry. A high proportion of Cambridge City based IB/ESA claims are for mental/behavioural disorders. Cambridge City also has a higher than average proportion of male IB/ESA claimants aged between 25 and 49. Provision of support for IB/ESA clients needs to ensure it is sensitive to these variations.

Figure 9 shows how the proportion of the working age population claiming one of these benefits varies by district. The proportion of claimants in Fenland is approaching double that of Cambridge City, which has the next highest proportion in the county. In contrast, the rates in South Cambridgeshire and Uttlesford are around half of the national average.

Figure 9: % working age population claiming IB/SDA/ESA, by district

Source: DWP, Nomis, year to August 2009

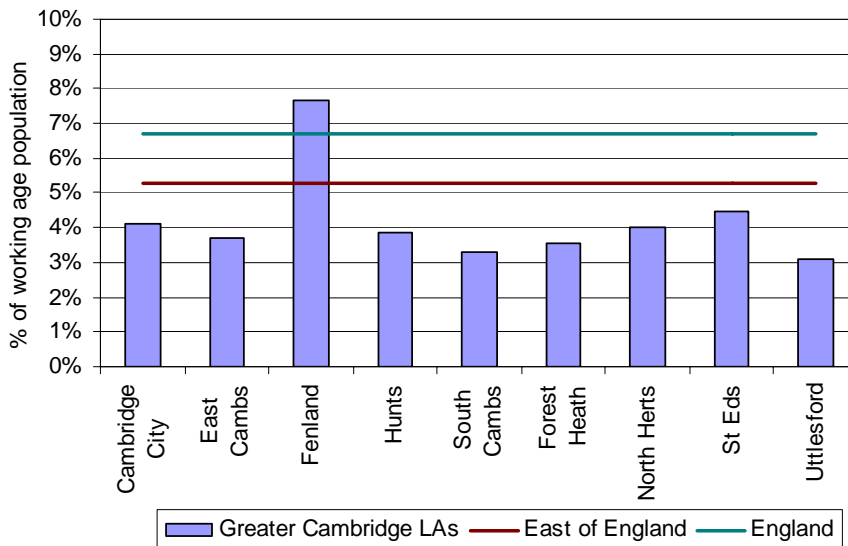
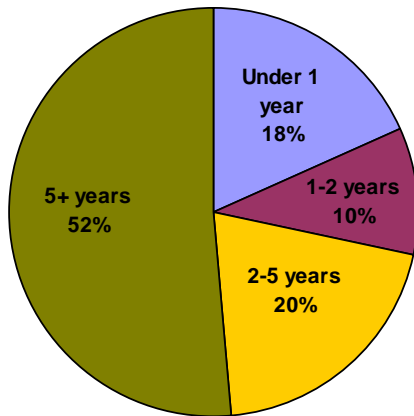


Figure 10 shows the duration of IB/SDA/ESA claims across Cambridgeshire. Over 50% of people have been claiming one of these benefits for over five years and just 18% began claiming within the last year. The distribution seen for Cambridgeshire overall is close to the national average and there is remarkably little variation by district.

Figure 10: Duration of IB/SDA/ESA claim

Source: DWP, Nomis, year to August 2009



The most common conditions associated with an IB/SDA claim in Cambridgeshire are mental and behavioural disorders. 42% of claims are made for this reason, which is a similar proportion to nationally. In Cambridge City, however, the proportion is much higher at 57%. The proportion of people claiming due to diseases of the musculoskeletal system or connective tissue disease is higher than nationally in Fenland. Claims related to diseases of the nervous system are more common than nationally in Uttlesford. Other proportions are broadly similar to nationally.

Table 7: Incapacity benefit and Severe Disablement Allowance claimants by condition

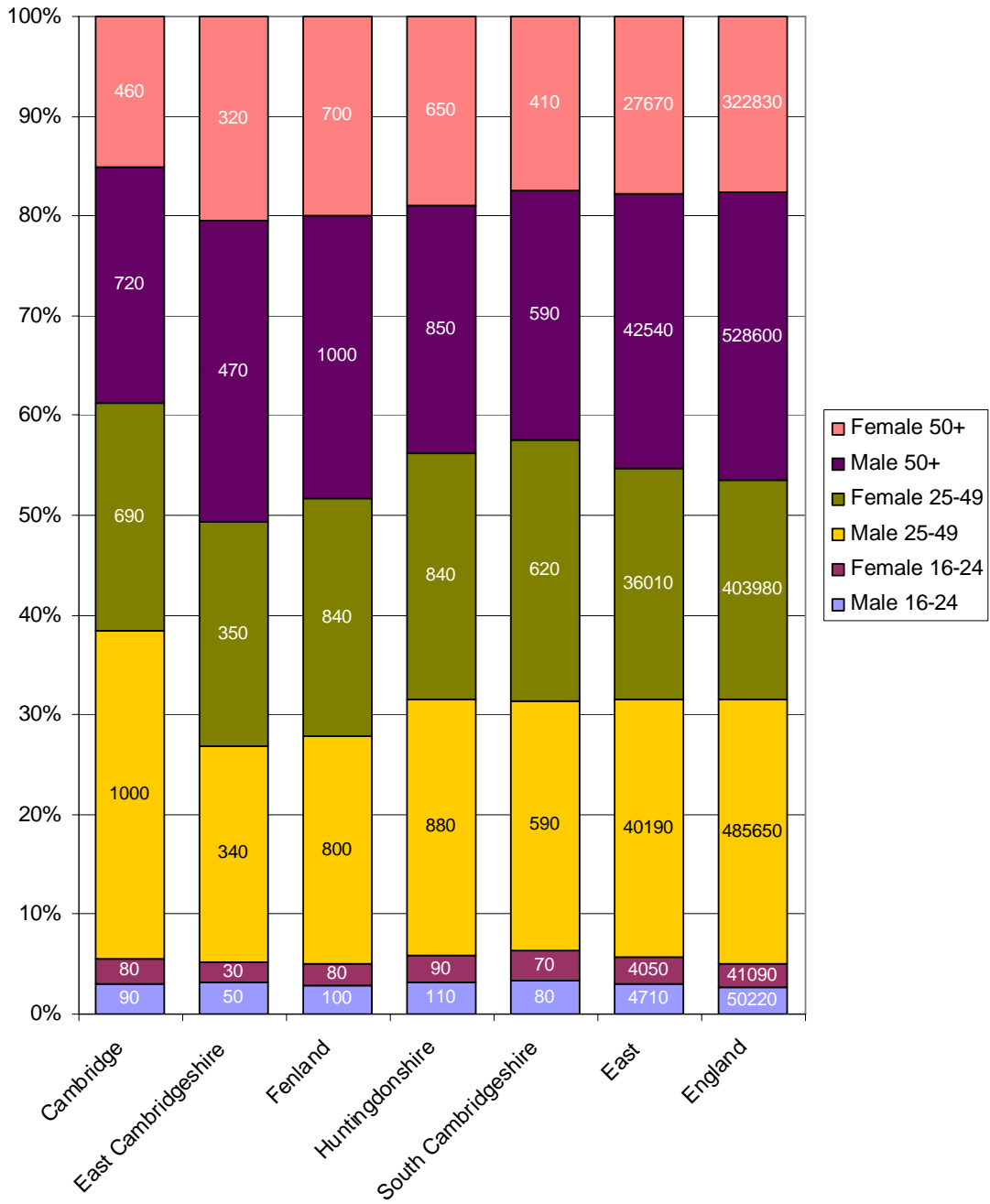
Source: DWP, Nomis, year to August 2009. Note: Data do not include ESA (new) claimants.

Area	Mental and behavioural disorders	Nervous system diseases	Circulatory system diseases	Musculoskeletal & connective tissue diseases	Other symptoms, signs & abnormal findings	Injury, poisoning & other external causes	Other
Cambridge	56.6%	6.9%	2.3%	9.9%	10.9%	3.9%	9.5%
East Cambs	35.5%	8.4%	4.5%	18.1%	14.8%	5.8%	12.9%
Fenland	34.9%	7.1%	4.6%	22.6%	14.6%	6.0%	10.3%
Hunts	37.4%	9.6%	4.4%	16.7%	14.6%	5.6%	11.7%
South Cambs	42.6%	9.7%	3.4%	13.9%	13.1%	4.6%	12.7%
Cambridgeshire	41.6%	8.3%	3.7%	16.3%	13.5%	5.1%	11.4%
Forest Heath	40.0%	7.5%	4.2%	17.5%	11.7%	5.8%	13.3%
North Herts	44.7%	9.5%	3.6%	15.4%	11.5%	3.6%	11.9%
St Eds	41.1%	8.2%	4.3%	17.3%	11.3%	6.1%	11.7%
Uttlesford	40.0%	12.2%	3.5%	16.5%	9.6%	6.1%	12.2%
Greater Cambridge	41.8%	8.6%	3.8%	16.3%	12.7%	5.2%	11.5%
East	42.6%	8.3%	4.3%	17.1%	10.6%	5.0%	12.2%
England	43.1%	6.7%	4.8%	17.1%	11.1%	4.9%	12.3%

Figure 11 shows claimants of Incapacity Benefit and Sever Disabled Allowance broken down by gender and age. Broadly the distribution across age and gender of Cambridgeshire claimants matches the national and regional distribution; however Cambridge has a particularly high proportion of male claimants aged between 25 and 49.

Figure 11: Incapacity benefit and Severe Disablement Allowance claimants by age and gender

Source: DWP, Nomis, year to August 2009. Note: Data do not include ESA (new) claimants



Indices of Deprivation 2007

The Indices of Deprivation, published by Communities and Local Government, present a comprehensive measure of relative deprivation across small areas of England. The Indices contain seven 'domains' of deprivation, which are combined to give the overall Index of Multiple Deprivation (IMD). The IMD allows direct comparison between areas while recognising the multidimensional nature of deprivation. The seven individual domains are: income deprivation; employment deprivation; health deprivation and disability; education, skills and training deprivation; barriers to housing and services; living environment deprivation; and crime.

The Indices of deprivation measure deprivation at lower super output area (LSOA) level. Each LSOA is made up of a grouping of Census output areas and contains, on average, about 1,500 residents. There are 365 LSOAs in Cambridgeshire and 32,482 in England.

Each domain of the Indices is composed of a number of different indicators, which are combined to give each LSOA a score. The scores are then ranked, with the LSOA ranked 1 being the most deprived. It is this *relative* position that is key to the Indices of Deprivation; the scores do not allow absolute deprivation to be determined, but allow comparison of an area's deprivation relative to other areas.

More information on the Indices of Deprivation is available on the CLG website: <http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/>

In addition, further maps and analysis for Cambridgeshire are available on the County Council's website: <http://www.cambridgeshire.gov.uk/business/research/economylab/deprivation/IMD2007.htm>

Fenland wards among most deprived in the country

There is a clear geographical pattern to deprivation in Cambridgeshire, with more deprived areas clustering to the north and east of the county and less deprived areas clustering to the south and east. Fenland is the only district that contains small areas among the most deprived in national terms.

Table 8 summarises the number of LSOAs in each district that fall within the most deprived 20% nationally on a selection of domains. On the overall Index of Multiple Deprivation, Fenland is the only district with LSOAs among the most deprived. This means that these three LSOAs are the only ones in the sub-region that would be considered 'deprived' in national terms. More LSOAs feature among the most deprived for individual domains. 23 LSOAs are among the most deprived nationally in terms of education, skills and training. These are mostly located in Fenland and Huntingdonshire.

Table 8: Number of LSOAs among most deprived 20% nationally

Source: CLG, ID2007

Area	Total number of LSOAs	Number of LSOAs among most deprived national 20%				
		IMD	Income	Employment	Education	Health
Cambridge	68		3	1	1	
East Cambridgeshire	47				1	
Fenland	54	3	4	4	12	3
Huntingdonshire	106		2		9	
South Cambridgeshire	90					
Forest Heath	34				4	
North Hertfordshire	79		2	2	5	
St. Edmundsbury	61		1		12	
Uttlesford	43					
Total	582	3	12	7	44	3

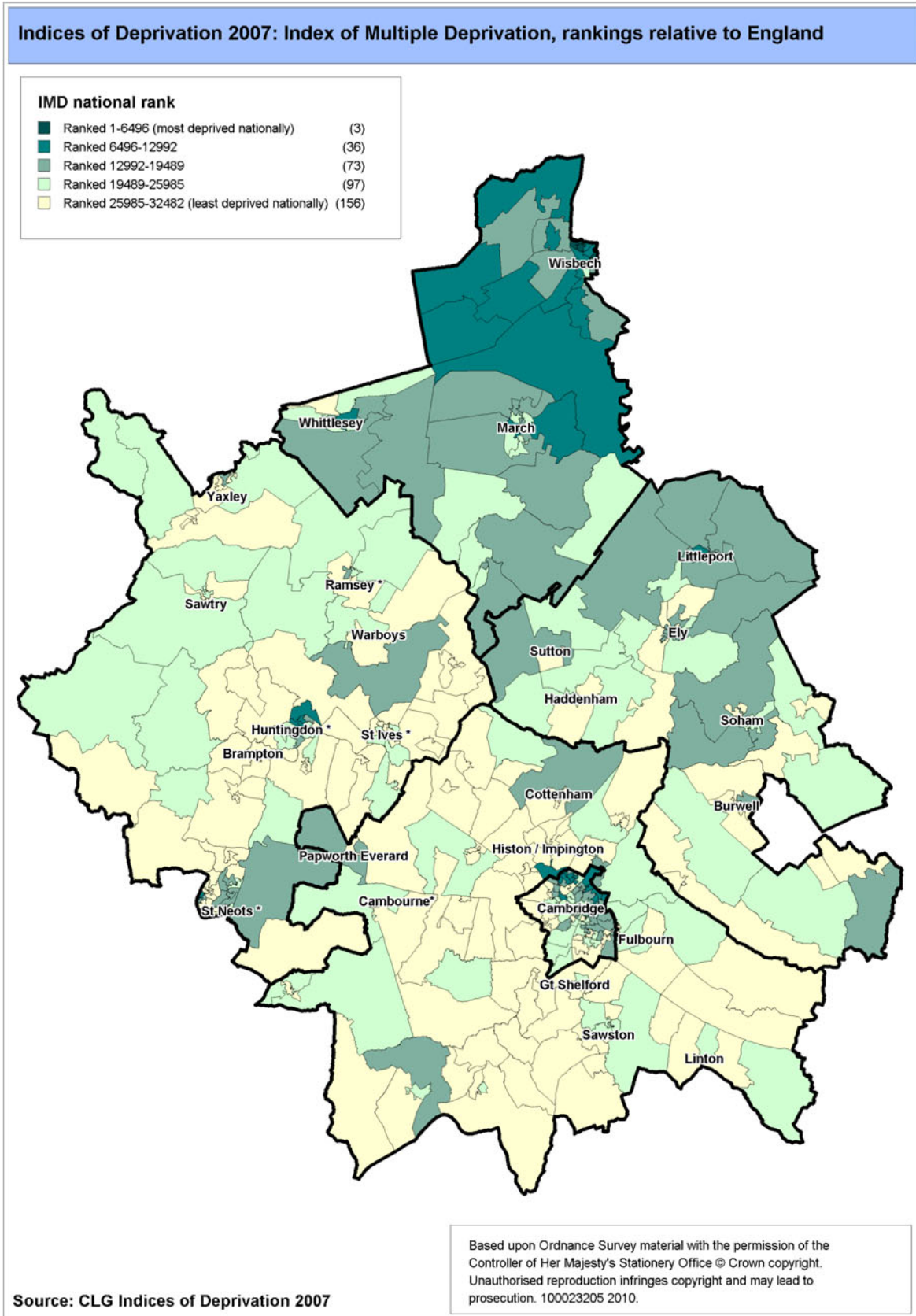
Maps 3 to 5 overleaf show the Index of Multiple Deprivation by LSOA in Cambridgeshire and a selection of individual domains. These are shaded relative to national deprivation quintiles, so only those LSOA among the most deprived nationally are shaded the darkest colour.

Overall, there is a consistent geographical pattern seen across all the maps, which is broadly shared with the income and benefit claimant maps presented previously. In all cases, areas to the north and east of the county tend to rank among the more deprived nationally, while areas to the south and west tend to rank among the less deprived. The same pattern can be seen within Cambridge City. The main exceptions to this geographical trend tend to be parts of Huntingdon and St Neots. In addition, an LSOA covering Papworth scores among the more deprived in terms of employment and health. This may be because of the Papworth Trust, which provides accommodation for disabled people.

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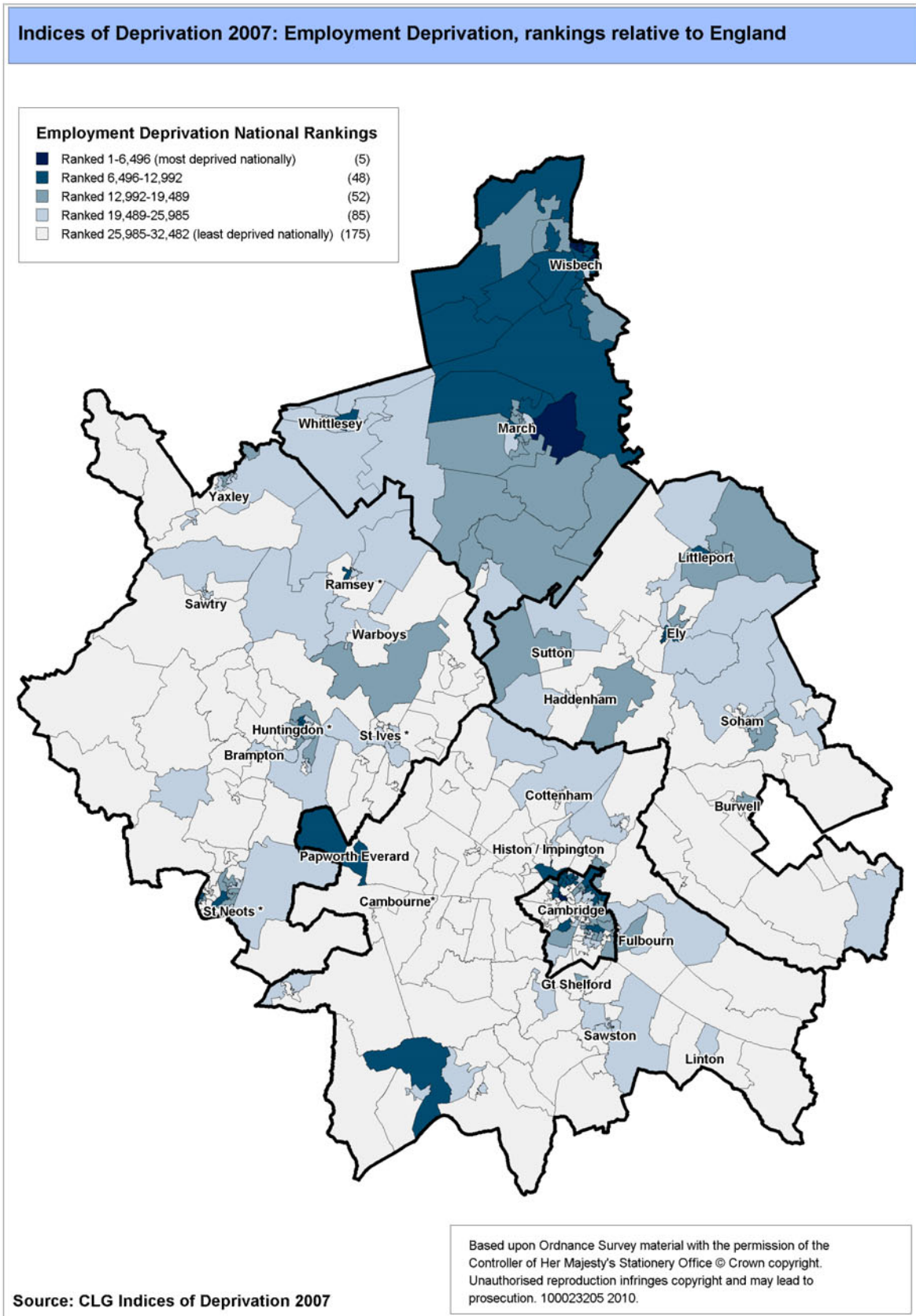
Map 3: Index of Multiple Deprivation 2007

Source: CLG ID2007



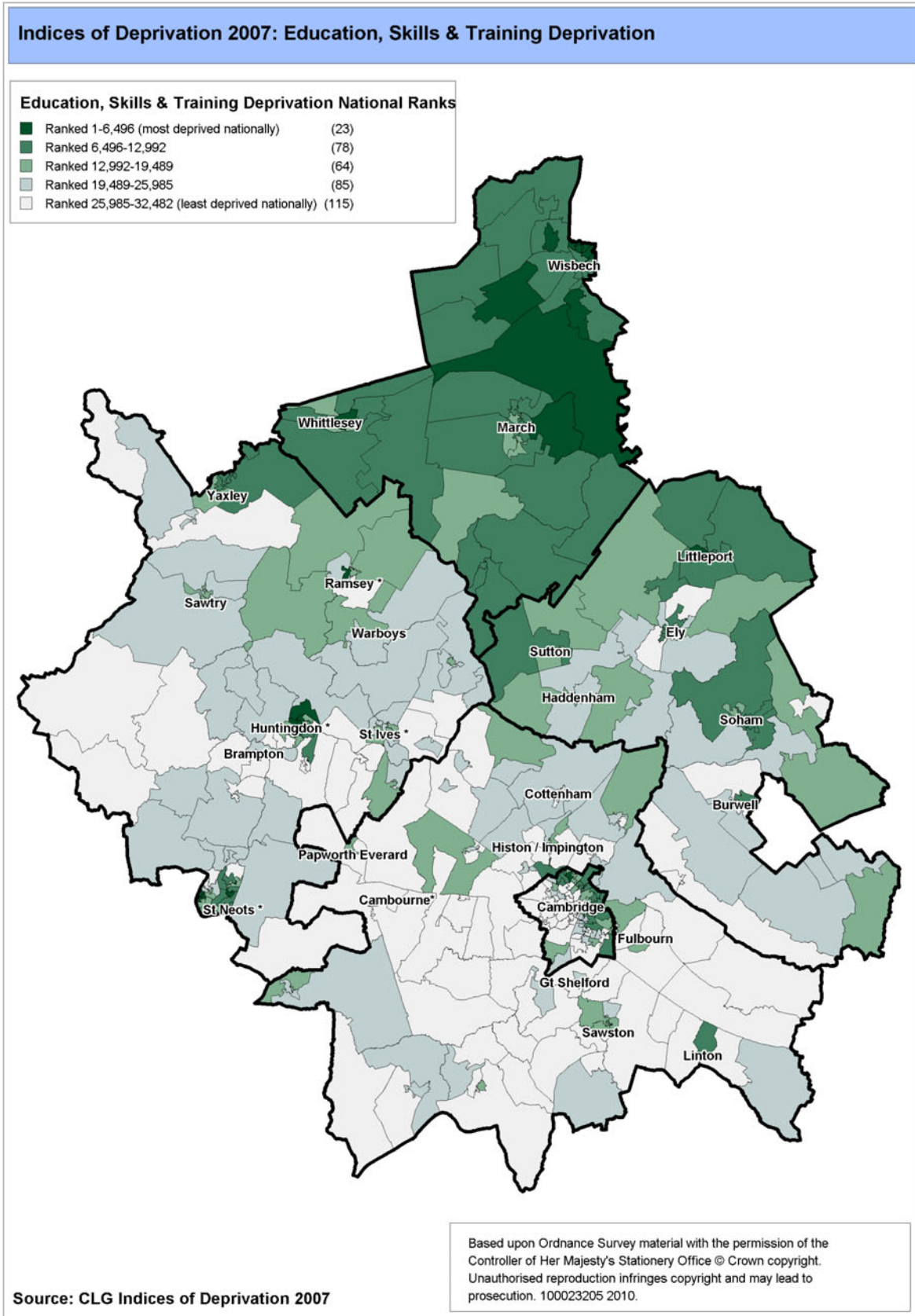
Map 4: Employment Deprivation

Source: CLG ID2007



Map 5: Education, Skills and Training Deprivation

Source: CLG ID2007



Employment and Skills

Skills and Participation in Education, Employment and Training

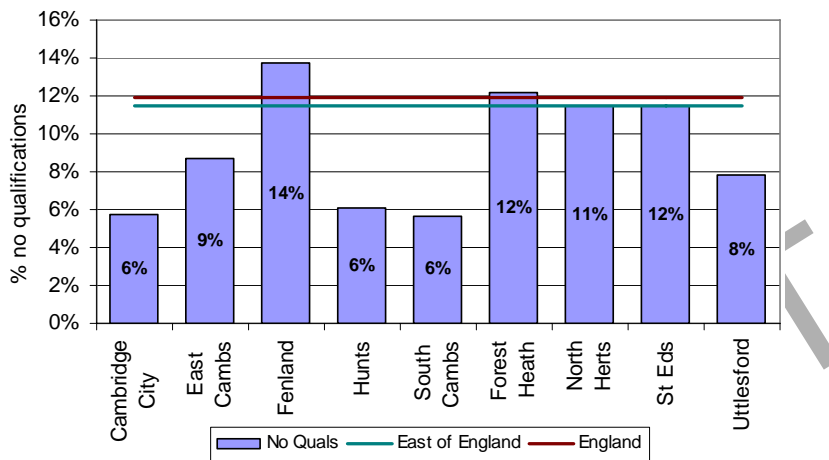
Low qualifications in Fenland; NEET hotspots in Fenland, Huntingdon and Cambridge City

A higher proportion of Fenland's working age population has no qualifications than seen nationally and proportions of 16-19 year olds that are NEET are highest in Fenland and Cambridge City. As individuals with low skill levels are limited in their employment opportunities it will be important to raise skills levels in these districts in order to reduce future economic and social exclusion.

Across England 12% of adults have no qualifications. This proportion is lower across all districts in Cambridgeshire except Fenland, where 14% of the population has no qualifications.

Figure 12: % 19-59/64 population with no qualifications

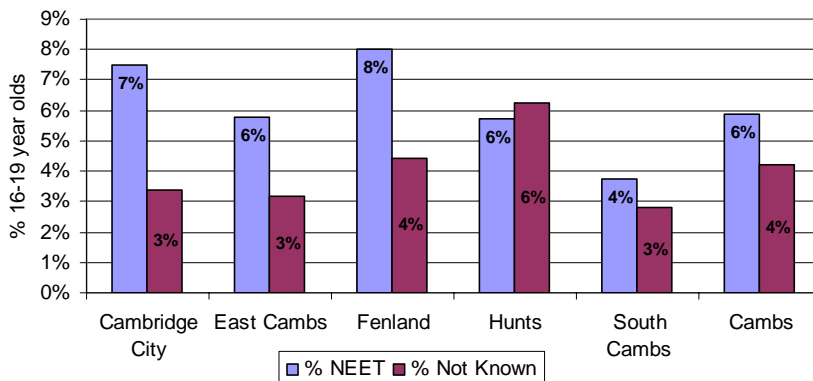
Source: ONS Annual Population Survey Jan-December 2008



Local data on the numbers and proportions of young people that are not in education, employment or training (known as NEET) are available from Cambridgeshire Connexions. Figure 13 compares proportions across the Cambridgeshire districts. Note that the data shown here may not be comparable to that published elsewhere as time periods, age coverage and denominators may vary. Proportions of young people NEET are highest in Fenland (8%) and Cambridge City (7.5%) and lowest in South Cambridgeshire (3.7%).

Figure 13: % of 16-19 year olds NEET by Cambridgeshire district, December 2009

Source: Cambridgeshire Connexions Q32009



Individuals with low skills levels are limited in their employment opportunities, which in turn limit income levels. Low skills are linked with poor health, crime and low social cohesion. Low skills also impact on the productivity and competitiveness of business and economies. Consequently, the number of young people who are NEET is a major predictor of future economic and social exclusion (EP Study, 2009²).

² <http://www.eeda.org.uk/3411.asp>

Employer Demand Issues

High levels of entrepreneurialism but low levels of part time working

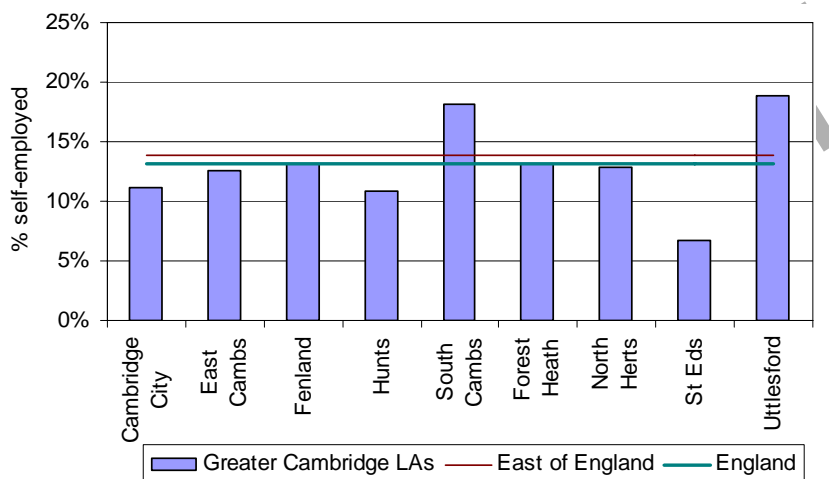
A similar proportion of Cambridgeshire residents are self-employed to that seen nationally, with levels highest in South Cambridgeshire and lowest in Huntingdonshire, however the Global Entrepreneurship Monitor rates the East of England as one of the most entrepreneurial in the UK, so it is perhaps surprising that self employment is not higher. The proportion of people working part time is generally lower in Cambridgeshire than nationally. Part time work can be an important route back into work for the unemployed, including parents.

The ways in which people offer jobs (i.e. flexibly) can have a significant impact on worklessness.

13% of Cambridgeshire's employed residents are self-employed. This is the same proportion as nationally. Within the county proportions vary from 11% in Huntingdonshire and Cambridge City to 18% in South Cambridgeshire, as shown in Figure 14. The 2008 Global Entrepreneurship Monitor (GEM) report regarded the East of England as one of the most entrepreneurial in the UK, with particularly high rates of business start ups among people aged between 18-24 and women, so it is surprising that self employment rates are not slightly higher.

Figure 14: Proportion of employed residents who are self employed

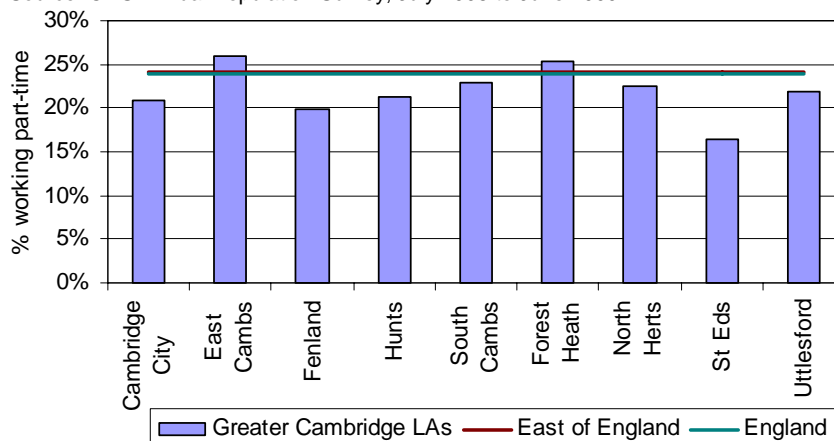
Source: ONS Annual Population Survey, July 2008 to June 2009



Part-time working is slightly less common in Cambridgeshire than nationally, with 22% of local residents working part-time compared to 24% nationally. Just East Cambridgeshire and Forest Heath have a higher proportion of part-time workers than nationally. St Edmundsbury has a particularly low proportion of part-time workers at just 16%. A lack of part-time opportunities could act to the detriment of unemployed people, particularly parents, seeking more flexible hours.

Figure 15: Proportion of employed residents working part-time

Source: ONS Annual Population Survey, July 2008 to June 2009



Skills demand and forecasting

Skills demand in health, retail, tourism, creative industries, agriculture, manufacturing.

Pre-recession, education and health, business services and construction saw the largest growth, however the recession hit construction and business services hard, and higher education budgets have recently been significantly reduced. In the short and medium term, health, retail and business services are likely to provide the greatest number of opportunities for employment however recent vacancy levels are significantly lower than those previously seen, limiting the opportunities available for the unemployed. Longer term, health, tourism, creative industries, agriculture and high value manufacturing may be the sectors that pull Cambridgeshire out of the recession.

Drawing on labour market statistics, local strategic documentation and the focus group with local stakeholders, this section considers where future employment opportunities are most likely so that future ESF and mainstream provision can be designed to support and prepare workless individuals towards and into real, sustainable jobs.

Recent Employment Trends

Learning first from the five years leading up to the start of the recession, employment growth in Cambridgeshire was greatest in:

- *By industry:* public administration; education and health; financial and business services; and construction.
- *By occupation:* professional occupations; and managers and senior officials.

In contrast, manufacturing employment declined but by only 4% suggesting that Cambridgeshire's high-tech manufacturing is more robust than the traditional manufacturing functions elsewhere. By occupation declines were greatest in lower-skilled service sector occupations such as administrative and secretarial, sales and customer service, and personal service occupations.

Current and Short-Term Opportunities

Using Jobcentre Plus vacancy data and local input, the greatest numbers of opportunities currently or recently available are in:

Health and Care sector. The sector is widely viewed as a growing employment sector but struggles to recruit and retain staff due to the perceived negative image of the sector.

Retail sector. The retail sector has been affected by the recession with a number of prominent high street chains closing, but the high turnover rates within the sector mean there is a regular flow of entry-level vacancies in Cambridgeshire.

Business and professional services. The sector, which spans ICT, legal, finance and accounting, marketing and advertising, and real estate services, is a major employer in Cambridgeshire and had a high number of vacancies in 2009.

Elementary occupations. Jobs such as seasonal agricultural jobs in Fenland and security jobs will continue to become available.

However, in mid-late 2010 the number of vacancies advertised through Job Centre Plus has significantly reduced. This will inevitably start to impact on JSA claimant figures as people increasingly struggle to find work.

Longer-Term Opportunities

Looking further forward, the local focus group highlighted opportunities from the *New Industry, New Jobs* growth sectors and a 'high-tech' cluster developing around biotechnology, software, instruments & engineering, ICT non-software, sound & imaging, materials, printing and packaging, and environmental goods and services. However, it was recognised that the number of lower-skilled jobs within these sectors may be limited. The local construction industry is also expected to pick up – especially around the

ecotown development at Northstowe (the UK's first ecotown), where there are plans for approximately 9,500 new homes. Beyond these, the *Greater Cambridge Sub-Regional Economic Strategy 2009-2012* (Greater Cambridge Partnership, 2009) put forward the following potentially important sectors.

- **Health** – linked to the biotechnology cluster.
- **Tourism and hospitality** – with particular benefits flowing from the 2012 Olympics.
- **Creative industries** – in particular publishing, computer games and software.
- **Agriculture** – remains an important sector with future opportunities from building on the existing success of the agri-business sector and in diversifying into biorenewables.

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Accessibility and Quality of Life

Cambridgeshire is partly a rural county. The rural geographies have low population densities and this impacts on residents' access to jobs and education, training and employability services (EP study, October 2009³).

Rural communities are characterised by low levels of economic participation due to the lack of local opportunities. Limited access to jobs and education, training and employability services means individuals without access to private transport and on low incomes are particularly affected. Many young people move away from rural areas because of the limited job opportunities. Access to transport is likely to be a key barrier to the economic participation rate in rural areas. In Cambridgeshire 17% of the economically inactive 16 to 74 year olds live in a household without access to a private car (2001) (EP study, October 2009⁴).

Access to education

Accessibility data collected by the DfT suggests that ease of access to both secondary and further education is lowest in East Cambridgeshire, Fenland, South Cambridgeshire and Forest Heath.

85% of Cambridgeshire residents participating in Further Education do so in Cambridgeshire, with 11% travelling to surrounding counties, predominantly to Peterborough Regional College, the Norfolk Campus of the College of West Anglia and Bedford College. Early year data for 2009/10 shows that Cambridgeshire residents were more likely to leave the area to take Level 2 courses, with 22% attending FE provision outside the area, compared with 13% travelling for Level 3 courses and 11% travelling for Level 1 courses. However, the main reason for the travel to learn patterns appears to be geographical proximity, with some element of choice around Level 2. The proportion of Cambridgeshire residents that travel out of the area to study in school sixth forms is much higher than the other Local Authorities in the Peterborough, Cambridgeshire, Norfolk and Suffolk Sub Region. 9% of Cambridgeshire residents travel to neighbouring counties, predominantly to Stanground College, the Kings School in Peterborough, King Edward VII School in Norfolk and Newmarket College in Suffolk.⁵

Most of the out-commuting for learning seems to be to counties to the north of Cambridgeshire, suggesting movement out from Fenland. It is currently unclear whether young people that travel out of an area to study are more likely to drop out than people that do not.

Access to employment

Accessibility of employment is relatively low

Accessibility of jobs by public transport, cycling or walking is relatively low across Cambridgeshire, as it is in many other rural counties. Residents of Cambridge City are most likely to be able to access jobs by sustainable means while residents of East Cambridgeshire are least likely.

National indicator 176 measures the percentage of people of economically active age with access within a reasonable time to more than 500 jobs by public transport, cycling and/or walking.

³ <http://www.eeda.org.uk/3411.asp>

⁴ *ibid*

⁵ ILR LO1 and Termly School Census SO2, quoted in YPLA Strategic Analysis 2010.

79% of Cambridgeshire residents are able to access more than 500 jobs within a reasonable time by public transport, cycling and/or walking. This is within the lower quartile of all authorities monitoring this indicator within their Local Area Agreement, but is on a par with many of the more rural authorities. Within the county, residents of Cambridge City have the greatest access to employment with 86% of residents and 85% of JSA claimants able to access employment by public transport, cycling or walking. In contrast, 72% of East Cambridgeshire and 76% of Fenland residents are able to access employment by the same means.

Table 9 Accessibility of employment

Source: DfT core accessibility data, 2008

Area	% of working aged people who have access to job by alternative travel mode	% of Jobseekers who have access to jobs by alternative travel mode	Number of jobs accessible by:		
			Public transport or walking	Cycle	Car
Cambridge City	86%	85%	> 5000	> 5000	> 5000
South Cambridgeshire	78%	79%	> 5000	>1000	> 5000
East Cambridgeshire	72%	73%	> 5000	>1000	> 5000
Huntingdonshire	78%	80%	> 5000	>1000	> 5000
Fenland	76%	76%	> 5000	>1000	> 5000
Cambridgeshire	79%	79%			
Forest Heath	80%	82%	> 5000	>1000	> 5000
St. Edmundsbury	79%	81%	> 5000	>1000	> 5000
North Hertfordshire	80%	81%	> 5000	>1000	> 5000
Uttlesford	78%	80%	> 5000	>1000	> 5000
Great Cambridge	79%	80%			

Housing stock condition

Condition of housing stock relatively good but with some poorer pockets and risks of fuel poverty in some rural areas.

Generally housing stock condition is equal to or better than the national average, although with some issues around energy efficiency and fuel poverty in rural areas. Within districts there exist pockets of poorer condition housing; such as in Littleport, St Ives and Wisbech.

Housing stock condition was examined as part of the Strategic Housing Market Assessment. The key elements considered included; fabric cost of repair, level of unfitness, facilities and services, energy efficiency, houses in multiple occupation, health and safety and environmental assessment. The general condition of housing stock can have a significant impact on the health and well-being of residents. The following conclusions were made by district regarding housing stock condition:

Cambridge City: Generally similar dwelling conditions and better energy performance to that found nationally – possibly due in part to the universal access of areas to mains gas.

East Cambridgeshire: The highest rate of 'unfitness' was found to be in the Littleport and north area – the poorest condition housing appeared to be in isolated pockets rather than across a broad area. Many occupiers of dwellings requiring extensive repair and renewal were found to have low household incomes

Huntingdonshire: Stock was of poorer condition in St Ives and the north sub-area however generally housing condition was above the national average, particularly across rural areas.

South Cambridgeshire: The vast majority of stock was found to be in good condition. Energy efficiency was the most common problem identified by the stock condition survey.

Forest Heath: Particularly problems were found in Icen and Manor warms, particularly with respect to energy efficiency.

Fenland: In many respects, the condition of dwellings in Fenland follows the national profile however the district as a whole had levels of 'unfitness' slightly above the national rate – mainly due to disrepair. The Wisbech sub-area had an unfitness level above the district average and the lowest levels of energy efficiency. Not all rural parishes had a mains gas supply.

St Edmundsbury: Homes in rural parishes were found to consume far more energy than the urban centres; the report identified fuel poverty as a specific issue for the district.

For more information on housing stock, condition and tenure type, see chapters 11 and 12 of the [Strategic Housing Market Assessment](#) (SHMA).

Fuel Poverty

The government target is to move all fuel-poor vulnerable households out of fuel poverty by 2010. The bulk of fuel poverty is in the private sector. Fuel poverty is recorded when a household spends over 10% of their net household income on heating and hot water.

Fuel poverty often leads to poor health, especially in the very old, very young and the disabled. Each winter there are over 40,000 additional deaths compared to the average mortality rate for the rest of the year.

The Strategic Housing Market Assessment identified the risk of fuel poverty as a specific issue within St Edmundsbury, however low energy efficiency housing was also identified as an issue within South Cambridgeshire, Forest Heath and Fenland. In areas where average incomes are lower, poor energy efficiency could raise the risk of fuel poverty within these districts. The JSNA and Cambridgeshire Child Poverty Assessment will include a more detailed analysis of fuel poverty and its impact on deprivation.

Crime in Cambridgeshire

Crime levels decreasing across the county.

Generally crime levels are decreasing across Cambridgeshire but rose in West Suffolk between 2009 and 2010. By district, the highest numbers and rates of crime were recorded in Cambridge City.

A recent business survey undertaken by Cambridgeshire County Council revealed that crime is a significant factor determining where businesses would choose to locate.

Consistent with previous years, the 2009/10 British Crime Survey (BCS) shows the risk of being a victim of any household crime was higher for households living in the most deprived areas compared with those in the least deprived areas in England (19% compared with 14%). In the most deprived areas of the country:

Between April and June 2010, 16,773 crimes were committed across Greater Cambridge. This is compared to 17,380 in the same period of 2009. There was a reduction of crime in most Crime and Disorder Reduction Partnership areas across Greater Cambridge, with the one exception being within Western Suffolk, where numbers increased by 12%. :⁶

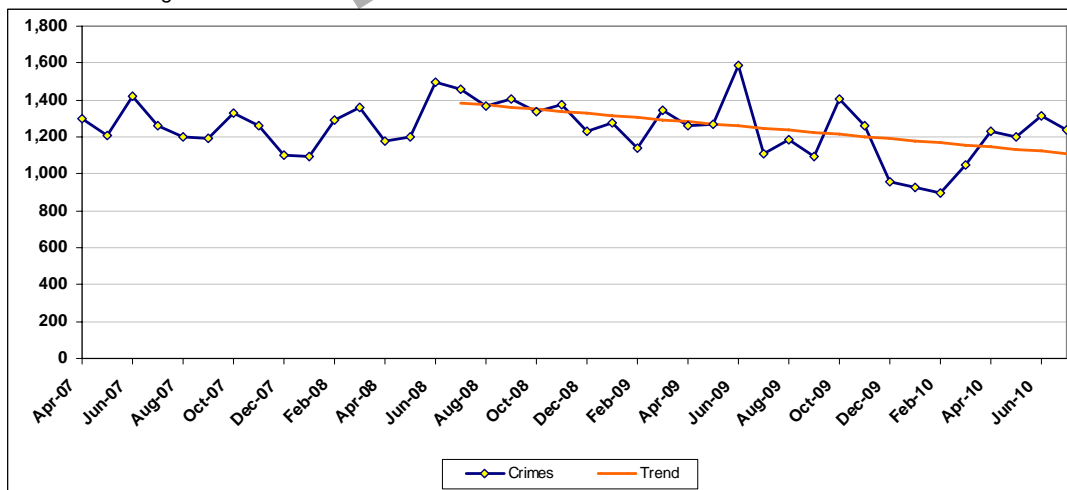
Cambridgeshire Police collate data for the Crime and Disorder Reduction Partnerships within the county on crime trends. The following graphs outline the progress each Crime and Disorder Partnership has made since 2007 with regards to all crime.

For Cambridgeshire overall, changes in all crime levels have been fairly similar for each Crime and Disorder Reduction Partnership. For all five districts we see that there has only been a nominal drop in all crime, with some seeing a slight increase over the more recent months.

The highest numbers of crime are recorded in Cambridge City and Huntingdonshire, the lowest in East Cambridgeshire and South Cambridgeshire. The highest rates of crime (i.e. numbers of crime recorded per 1000 residents) are in Cambridge City followed by Huntingdonshire and Fenland.

Figure 16: All Crime recorded in Cambridge City

Source: Cambridgeshire Police



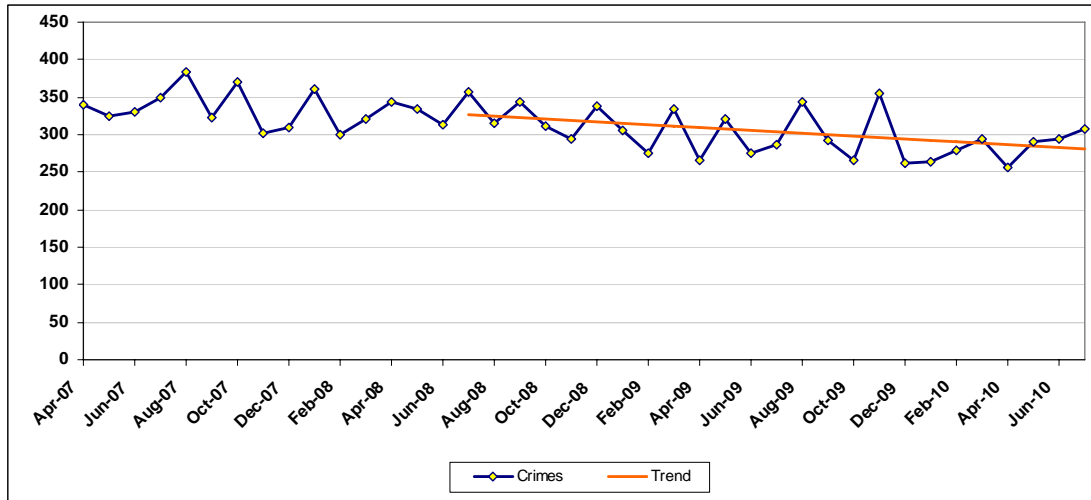
In Cambridge City the overall number of crimes has decreased on average over the past two years. However, over the longer term, there is little change in numbers. The crime

⁶ When examining crime data, crime counts are typically examined by Crime and Disorder Reduction Partnership (CDRP) areas. Within Suffolk, Forest Heath and St Edmundsbury come under the same CDRP area – Western Suffolk – which also covers Mid-Suffolk. When looking at Greater Cambridge, therefore, numbers will also include those from Mid-Suffolk.

rate per 1000 residents at around 10.2 is significantly higher in Cambridge than in other districts.

Figure 17: All crime recorded in East Cambridgeshire

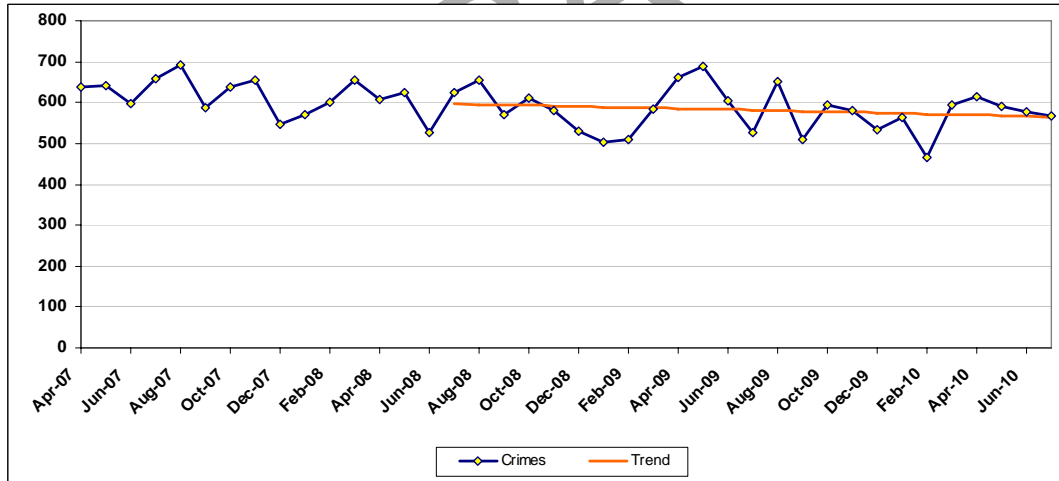
Source: Cambridgeshire Police



The level of crime overall in East Cambridgeshire has remained relatively unchanged over the past three years. Whilst there has been a slight decline over the past year, this may change due to the slow increase in cases over the past three months. The crime rate per 1000 residents is approximately 4.4, the second lowest in the county.

Figure 18: All crime recorded in Fenland

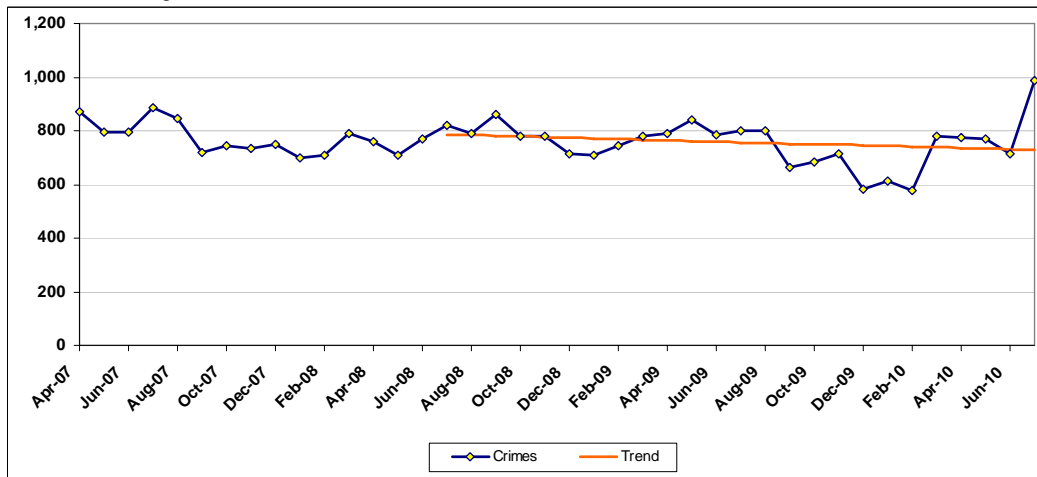
Source: Cambridgeshire Police



The level of crime in Fenland over the past three years has not changed significantly. The crime rate per 1000 residents is approximately 5.9, third highest in the county and only slightly behind Huntingdonshire's current rate of 6.1

Figure 19: All crime recorded in Huntingdonshire

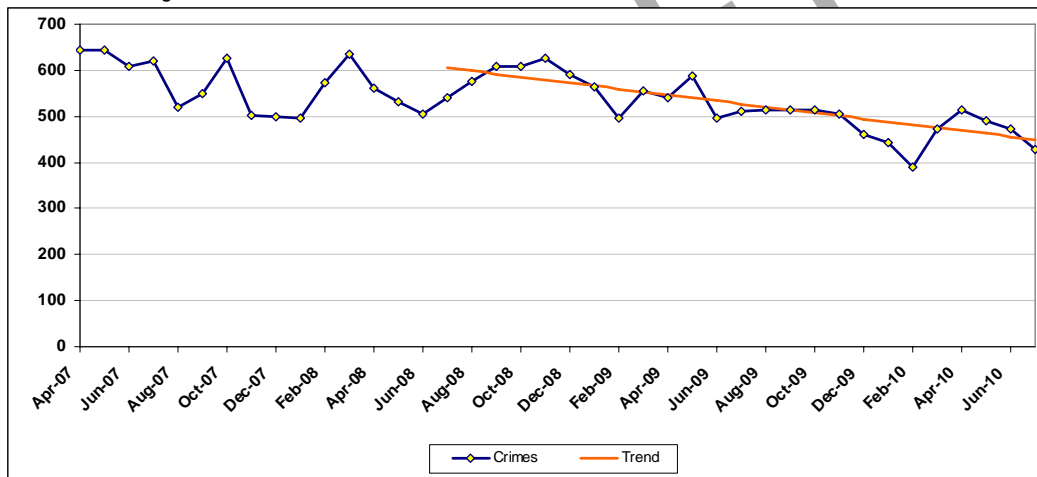
Source: Cambridgeshire Police



The level of crime in Huntingdonshire over the past three years has not changed significantly. Despite there being a promising drop in numbers at the start of 2010, numbers are now on the increase and are at their highest in July 2010. As of June 2010, the crime rate per 1000 residents was 6.1, the second highest in the county – prior to June 2010, the rate was closer to 4.2, the second lowest in the county.

Figure 20: All crime recorded in South Cambridgeshire

Source: Cambridgeshire Police



The level of all crime in South Cambridgeshire has decreased over the past three years, in what appears to be a steadily declining trend. The crime rate per 1000 residents is approximately 3.1, the lowest in the county.