South Cambridgeshire Profile

Patterns of economic activity and proportions employed in high value jobs	Overall employment rate	High and stable (77%) **green**
	Average employee earnings	High (£599) and rising **green**
	Jobs Density	High (0.9) and rising **green**
Entrepreneurial Culture	Levels of self employment	High (14%) and increasing **green**
	Vat registrations*	High and stable (but v recent drop) **green**
Skills levels and aspirations	16-18 year olds who are not in education, employment or training*	Low **green**
	Working age population qualified to at least level 2 or higher *	High (68%) and rising **green**
Patterns of unemployment and deprivation	Working age people on out of work benefits*	Low (5%) but rising **green**
Housing affordability	Housing affordability	Low but becoming more affordable (7.5 ratio to earnings) **red**

Key Issues

- High dependence on migrant workers, threatened by increasingly tight visa restrictions
- Significant earnings disparities between men and women
- High levels of traffic congestion
- Low housing affordability

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															
NI151 Overall Employment rate (working age)	Amber	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	Red	↑
NI 163 Proportion of working age population qualifed to at least Level 2 or higher	Amber	Green	↑	Red	Green	↑	Amber	Green	↑	Red	Red	→	Dark red	Dark red	→
NI165 Proportion of working age population qualifed to at least Level 4 or higher	Amber	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	↑	Amber	Green	↑	Red	Amber	→	Green	Green	↑	Dark red	Red	↑
BUSINESS															
NI171 New business registration rate	Green	Green	→	Red	Red	↓	Red	Red	↓	Red	Red	↓	Dark red	Dark red	↓
NI172 Percentage of small businesses in an area showing employment growth	Amber	Red	↑	Amber	Red	↑	Green	Green	↑	Amber	Red	↑	Amber	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	↑	Amber	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	Amber	→
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												
NI151 Overall Employment rate (working age)	Red	Green	→	Green	Green	→	Amber	Green	↑	Red	Green	→
NI 152 Working age people on out of work benefits	Amber	Green	↑	Amber	Green	↑	Green	Green	→	Amber	Green	↑
NI 163 Proportion of working age population qualifed to at least Level 2 or higher	Red	Amber	↑	Dark red	Dark red	→	Amber	Green	↑	Red	Amber	→
NI165 Proportion of working age population qualifed to at least Level 4 or higher	Red	Amber	↑	Dark red	Dark red	↓	Amber	Green	↑	Red	Amber	→
NI 75 5+ A*-C grades at GCSE inc Eng and Maths	Red	Amber	↓	Dark red	Red	↑	Green	Green	→	Amber	Green	→
BUSINESS												
NI171 New business registration rate	Amber	Red	↓	Red	Dark red	↓	Green	Green	→	Green	Green	↑
NI172 Percentage of small businesses in an area showing employment growth	Green	Amber	↑	Green	Amber	↑	Green	Amber	↑	Amber	Red	↑
Labour productivity	Red	Red	↑	Red	Red	↑	Green	Green	↑	Amber	Red	↑
Job Density Ratio	Green	Green	↑	Dark red	Dark red	↓	Green	Green	↑	Red	Red	↓
NI 166 Median earnings of employees in the area	Red	Red	↑	Dark red	Dark red	↑	Red	Amber	↑	Amber	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	Amber	Amber	↑	Red	Red	↑	Green	Green	↑	Red	Red	↑
Place Survey Results	Green	Green		Dark red	Red		Green	Green		Green	Green	

KEY

Green	Better than average
Amber	Similar to average
Red	Below average
Dark red	Significantly below average
↑→↓	direction of travel over the past 5 years

South Cambridgeshire SWOT

Strengths

A relatively large, fast growing, but slowly ageing population, with forecasts suggesting the largest population increases over the next 10 years will be in the population aged over 65.

Generally high levels of prosperity marked by high household income and GVA per capita

High levels of resident satisfaction with the local area as a place to live, high levels of volunteering and low levels of recorded crime

Very highly qualified resident population and very high levels of pupil attainment

Low levels of deprivation and unemployment and relative resilience to the impact of the recession to date.

A diverse and high value economy with national strengths in R&D, high value manufacturing and software consultancy with high forecast GVA and employment growth.

A globally significant high tech and bio-tech economy that provides around 20%% of employment in the district. Many businesses move to the district from Cambridge.

Long term and more recent gains in business floorspace, predominantly office space.

Weaknesses

Large Gypsy/Traveller population living with severe economic disadvantage and social exclusion, but with the potential to make a positive contribution to the economy through self employment opportunities.

Significant levels of earning disparities between men and women

Relatively low accessibility of jobs by public transport, cycling or walking.

Low housing affordability

Increasing traffic congestion affecting business productivity and the number of traffic related casualties.

Opportunities

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

High business density and relatively high jobs density, although the business population is dominated by micro businesses

Relatively strong performance in the birth rate and growth of enterprises compared with neighbouring districts, however the birth rate of new enterprises is lower than the national rate.

Recent increase in housing completions following a steep fall between 2007 and 2009

Threats

High levels of commuting out of and into the district causes high levels of traffic congestion

A very low proportion of retail floor space in the district will encourage more traffic movement to the city centre. With regard to office space, recent research suggests that there may be a trend for hi-tech employment away from science parks and towards the city centre.

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

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

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

Risk of fuel poverty an issue in some wards, linked to low energy efficiency in some housing stock.

Low likelihood of next generation broadband access, could threaten future business productivity, particularly with high tech industries dependent on international markets.

Low likelihood of next generation broadband access could restrict future business growth and the ability of residents to work from home.

High CO_2 emissions per capita could cause numerous problems for residents and businesses as fuel prices continue to increase.

Labour market, prosperity and crime

A relatively large, fast growing, but gradually ageing population

- South Cambridgeshire is the second most populous of the Greater Cambridge districts with an estimated population 142,500.
- 60.5% of the population are of working age – a slightly lower proportion than seen nationally (62%)
- According to forecasts based on the levels of house-building set out in the East of England Plan, South Cambridgeshire will see it's population grow by a quarter between 2006 and 2021, however the largest increase is likely to be in the population aged over 65.

Strong labour market links with Cambridge City and significant in-commuting from the surrounding districts

- 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.

High dependence on migrant workers in the health and high tech industries.

- The high tech and health sectors are highly dependent on a supply of skilled labour
- 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, 2009)

Large Gypsy/Traveller population living with severe economic disadvantage and social exclusion.

- The Communities and Local Government bi-annual count of Gypsy and Traveller caravans shows the majority of sites are based in South Cambridgeshire and Fenland. The Gypsy/Traveller population in Cambridgeshire is estimated at 6800, the second largest ethnic minority in the area.
- Most gypsies/travellers prefer self-employment, in such occupations as farm and land work.
- A decline in traditional farm work and increased competition from cheaper immigrant labour means Gypsies/Travellers find it increasingly difficult to make a living from traditional occupations, contributing to sever economic disadvantage and social exclusion.

Significant levels of earning disparities between men and women

- Women, both resident and working, earn around 30% less than men, the second greatest disparity in the county and greater than within England as whole where the gap is 20%.

Generally high levels of prosperity

- 44% of residents are employed in managerial or professional occupations and 64% of residents are employed in 'high value' occupations, higher proportions than seen nationally.
- Median weekly pay and average household income in South Cambridgeshire is the highest in the county, nearly 50% higher than in Fenland, and has risen faster than any other district.
- GVA per capita, a measure of general prosperity, is also high, but is slightly lower than that of Cambridge City, reflecting the high jobs density in Cambridge City.

High levels of resident satisfaction and high levels of volunteering

- The 2008 place survey recorded that 90% of residents were satisfied with their local area as a place to live, highest in the county, second to Uttlesford within Greater Cambridge and above the national average of 80%.
- The survey also revealed a relatively high proportion of residents had given unpaid help at least once per month over the last 12 months.

Low levels of recorded crime

- Cambridgeshire Police collate data for the Crime and Disorder Reduction Partnerships within the county on crime trends.
- Across Greater Cambridge the lowest numbers of crime are recorded in South Cambridgeshire and East Cambridgeshire and the level of crime in South Cambridgeshire is steadily decreasing.

Skills levels, education and skills demand

Very highly qualified resident population

- South Cambridgeshire residents are the best qualified of all Greater Cambridge districts, with nearly 50% of working age residents qualified to degree level or above, compared to 30% nationally.
- There has been a clear rise in the proportion qualified to at least Level 2 since 1999.
- Only 6% of residents have no qualifications, half the national average.

Very high levels of pupil attainment

- In terms of pupil attainment at Key Stage 4, 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 of just above 50%.
- The district has the lowest proportion of 16-19 year olds Not in Employment, Education or Training in the County, at 4%.

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.

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

- Each district in Cambridgeshire (particularly Cambridge) has a lower than average proportion of its population holding level 3 (recognised as 'intermediate level') as their highest qualification.
- 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.

Patterns of unemployment and deprivation

Low levels of unemployment or benefit claimants

- South Cambridgeshire has a low proportion of unemployed residents at 3.9%
- The proportion of the population claiming Incapacity Benefit or Employment and Support allowance is very low at 3.3%, about half of the national average.

Evidence of some resilient to the impact of the recession to date.

- South Cambridgeshire continues to have the lowest proportion of Job Seekers Allowance claimants in the county, although since the recession, numbers have increased at a slightly higher rate than Cambridge City. Impending public sector cuts may impact on these numbers..
- Between December 2007 and 2009, the recession appeared to have the greatest impact in wards to the west of the district, bordering with Huntingdonshire and North Hertfordshire, however that impact was very slight compared with other districts.

Low levels of deprivation

- The Papworth Lower Super Output Area scores among the more deprived in terms of employment and health however this may be because of the Papworth Trust, which provides accommodation for disabled people.

Risk of fuel poverty an issue in some wards

- The vast majority of housing stock in South Cambridgeshire were found to be in good condition, however energy efficiency was the most common problem identified by the stock condition survey.
- The district council estimate that there are at least 10,600 households at risk of fuel poverty in the district. Those who suffer from fuel poverty are unable to afford fuel to make sure that they are warm enough, particularly in winter.

Nature of the economy

A diverse economy with national strengths in R&D, high value manufacturing and software consultancy

- South Cambridgeshire is both a regional and national centre for R&D.. The sector employs over 5,000 and has a share of employment around 18 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).
- The district also has a significant number of businesses in the construction and agriculture industries.
- Manufacturing is the sector accounting for the largest proportion of employment (nearly twice the national average at around 18%) followed by professional, scientific and technical.

A high value, productive and resilient economy

- The wide, mainly knowledge intensive industrial mix, means that the district is the key driver of productivity within Cambridgeshire and the wider region. A more diverse industry mix means the greater the ability to withstand external shocks.
- The East of England forecasting model estimates that labour productivity in South Cambridgeshire is higher than any other Greater Cambridge district and significantly above the national figure for labour productivity.

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, 20,175 in South Cambridgeshire representing around 27% of total employment in the district. [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.

High business density and high jobs density, although a high proportion of micro businesses

- 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 in South Cambridgeshire has been consistently high since 2001 and saw a particularly high increase in density between 2004 and 2008.
- In March 2009 South Cambridgeshire had around 7690 local units in VAT and/or PAYE based enterprises creating around 77,000 jobs. PACEC research completed for the district council shows that following a decline of circa 5,000 jobs in the recession (2008 -2010), total jobs are predicted to to rise to c. 77,000 in 2014
- 86.5% of businesses have an employment size of 0-9 – a significantly higher proportion of micro businesses than seen regionally or nationally.
- With a jobs density figure of 0.9, the districts labour demand is not quite as high as its available workforce but is still among the highest in Greater Cambridge.

Relatively strong performance in the birth rate of enterprises and employment growth.

- Per capita VAT 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 birth rate of new enterprises (measured as births per 100 active enterprises) was similar in South Cambridgeshire to that across the wider Greater Cambridge area, yet lower than the national rate.
- Levels of self employment are particularly high in South Cambridgeshire, approximately 5% higher than regional and national levels and higher than the rest of the county.
- The proportion of enterprises with employment less than 50 showing employment growth was around 14% in 2008, very similar to regional and national figures

Business development, infrastructure and housing

Relatively low accessibility of jobs

- Accessibility of jobs by public transport, cycling or walking is relatively low across Cambridgeshire, as it is in many other rural counties.
- South Cambridgeshire performs relatively well compared with the other rural Cambridgeshire districts, however the proportion of working age people who have access to jobs by alternative travel modes is still estimated to be relatively low at 78%.

Long term and more recent gain in business floorspace

- 71% of the total net increase in business floor space between 1999 and 2009 occurred in Huntingdonshire and South Cambridgeshire, and between 2008 and 2009, South Cambridgeshire had the highest net increase in business floorspace of all Cambridgeshire districts.
- The majority of this was B1 office space, most significantly at Cambridge Science Park but also in business parks at Fulbourn, Abington and Cambourne.

High proportion of office space, low proportion of retail space.

- In terms of total business floorspace in 2008, South Cambridgeshire had one of the highest proportion of office space across the Greater Cambridge districts
- The proportion of retail space was half that of any other Greater Cambridge district and over three times less than the proportion seen nationally.

Low likelihood of next generation broadband access

- Around two thirds of South Cambridgeshire wards, particularly those furthest from Cambridge are at risk of not receiving next generation broadband access through likely future market rollout.

Low housing affordability

- Cambridge City is the most housing expensive area followed by South Cambridgeshire.
- 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 Barton Ward, The Wilbrahams Ward and the Balsham ward and most affordable in the Bourn ward.
- In fact, the Bourn ward is the fifth most affordable housing ward in the housing sub region reflecting the high proportion of affordable housing built at Cambourne. The house price to income ratio in this ward is 4.87, still above the 3.5 income to household ratio defined by CLG as ‘affordable’.[Map3]

Recent increase in housing completions following a steep fall between 2007 and 2009

- Huntingdonshire is the only Cambridgeshire district to have seen a steady increase in the number of dwelling completions from 2001 to 2010.
- South Cambridgeshire saw a steep fall in the number of dwelling completed over 2007-2009 with a small increase 2009-2010.

Increasing traffic congestion affecting business productivity and number of casualties

- 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).
- 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.
- 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.

High CO2 emissions per capita

- CO_2 emissions per capita are highest within South Cambridgeshire than other Greater Cambridge districts
- The decrease in carbon emissions per head in South Cambridgeshire between 2005 and 2007 was one of the lowest of all Greater Cambridge districts.

Future prospects

A rapidly growing, gradually ageing, resident population

- 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 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.
- By 2021 forecasts suggest the district will experience an absolute increase in the population of all age groups, but the increase will be largest in the population aged over 65. It is anticipated that the 65+ will make up 21% of the county's resident population, up from 16% in 2008.

High forecast GVA and employment growth based on past trends

- The East of England forecasting model forecasts that of the Cambridgeshire districts, South Cambridgeshire will see one of the highest levels of employment growth in percentage terms between 2009 and 2021. However, these forecasts may not fully account for the impact of public sector cuts on the private and public sector employment, particularly public sector R&D investment.

Employment demand in managers 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:

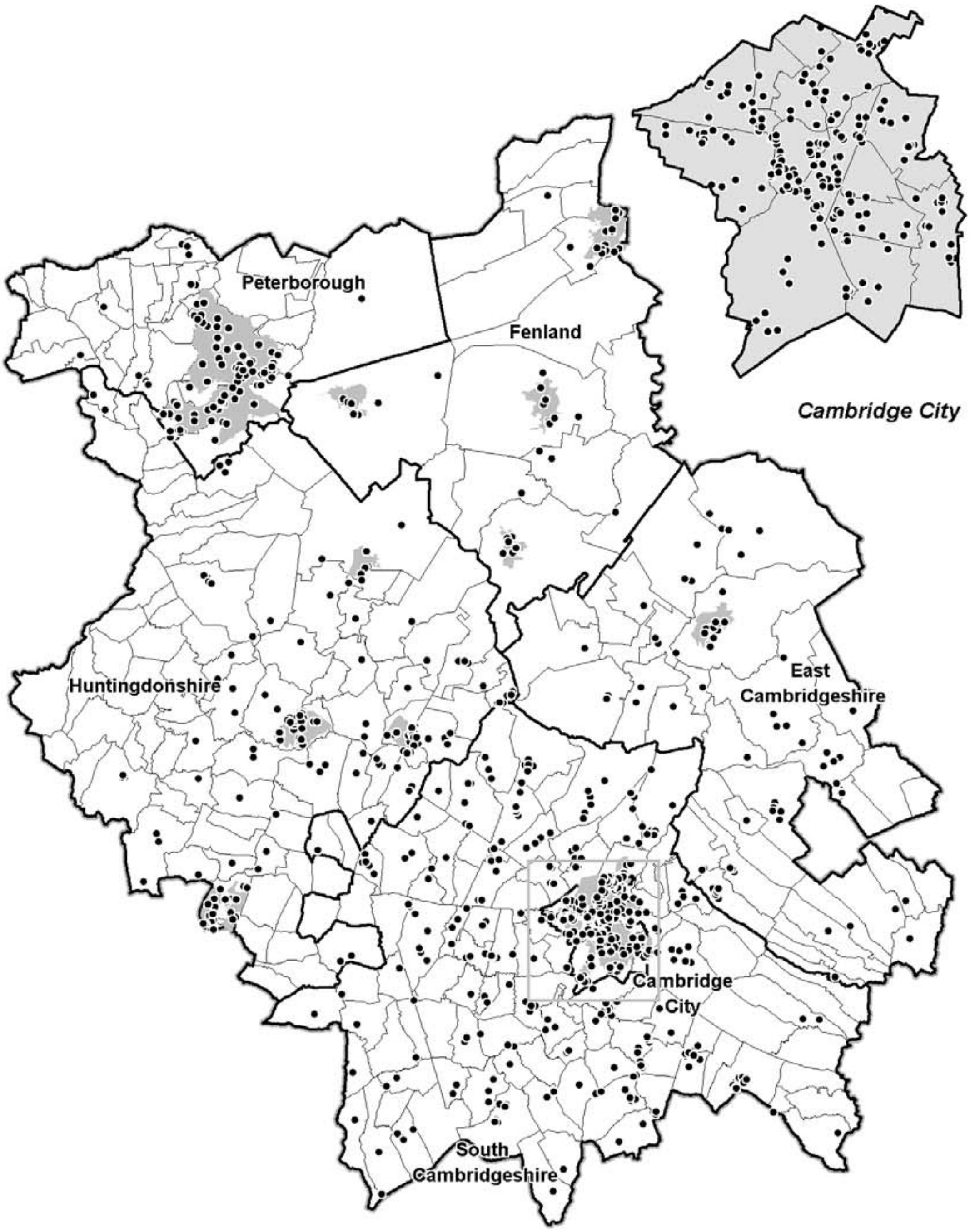
- Caring personal service occupations
- Managers and senior officials
- Associate technical and professional occupations
- Professional occupations
- Sales and customer service occupations

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

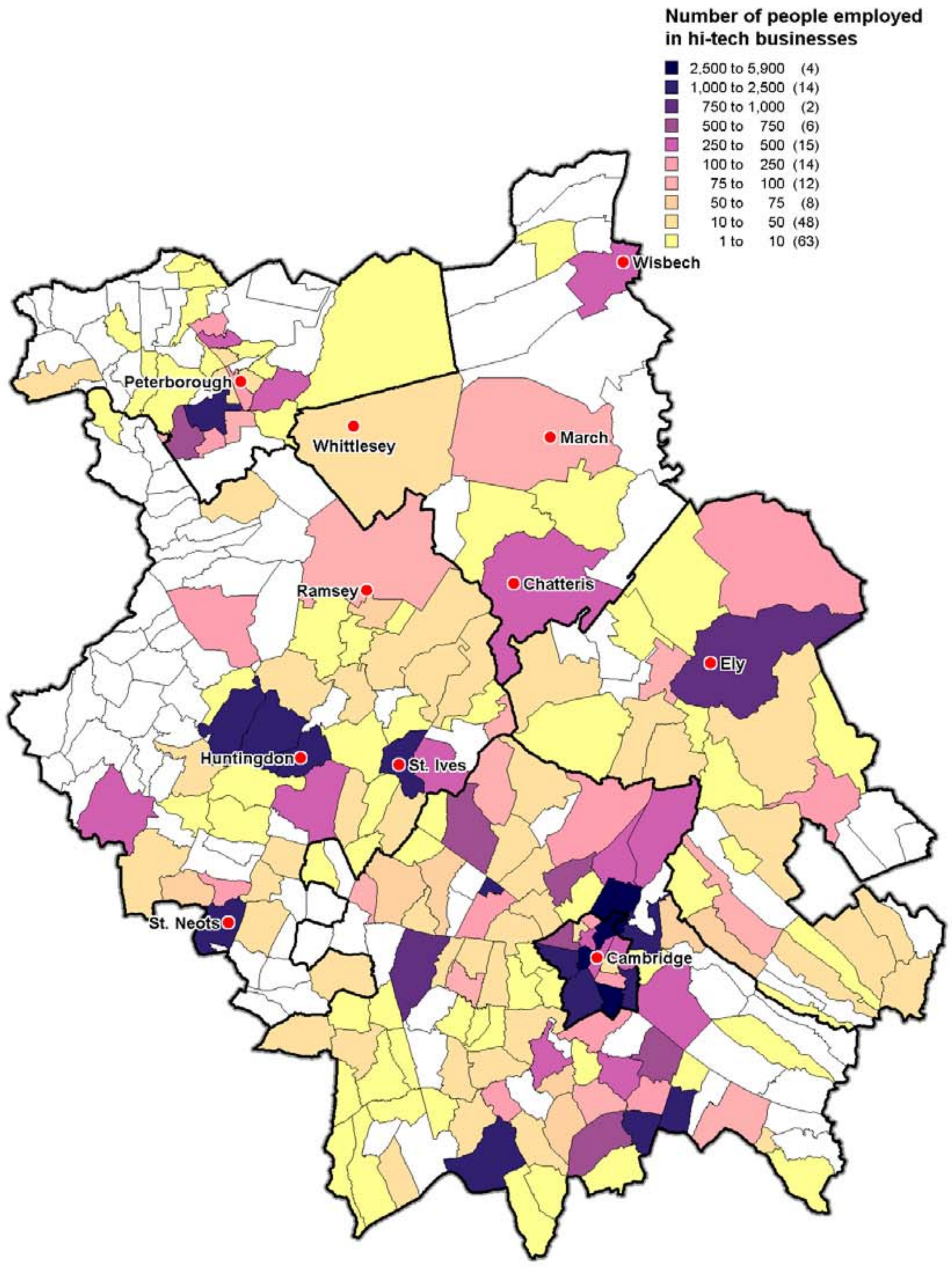
Appendices

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

Source: Cambridgeshire County Council Research Group



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



Map 3: Lower quartile house price to lower quartile income ratio by ward
Source: Hometrack