Economic and demographic context

Interest and relevance

- This chapter includes economic and demographic data, which provides economic and demographic context for our housing sub-region.
- Some of this data is used in the calculations in Chapter 13 *Identifying affordable housing need*.

Headline messages

- The Cambridge functional economic area (which covers the housing sub-region) continues to thrive, both nationally and internationally. The labour market is fairly self-contained, with Cambridge acting as a regional centre of employment. It is a diverse economy with some significant strengths, but some weaknesses too. Housing is both a positive and a negative force within our economy. This edition of the SHMA is based on 2010/11 and 2011/12 data. It therefore reflects the economic situation at that time and cannot show the full impact of the recession or of the apparent beginnings of economic recovery.
- Population growth is evident in all districts, and is projected to continue.

Changes over time

- Our economy continues to prove resilient though the benefits of the slow growth due to the 2008 recession are yet to be seen clearly within the SHMA.
- Our population and number of households across the sub-region continue to increase, partly due to natural growth from existing residents and partly due to people moving in to our area for various reasons.
- Our population (similar to other areas) is generally ageing and this brings with it issues for the housing market and how it will accommodate a huge shift in demographic profile in the medium to long term.
- Future development of the SHMA will continue to track and examine economic and demographic trends.

Future monitoring points

- This update takes account of the main results of the Census 2011, though some detailed results have yet to be released and will be fed into future updates.
- Economic and demographic projections are covered in detail in Chapter 12, *Forecasts for homes of all tenures* and in the supporting Technical Report 2013.
- More detail on our economy is provided in the Cambridgeshire Local Economic Assessment, which includes West Suffolk districts and therefore covers the whole housing sub-region.
- Once the March 2014 data is available on commuting patterns, a more reliable comparison of change in patterns over time can be made than is currently possible.

SHMA contents

Please visit http://www.cambridgeshireinsight.org.uk/housing/shma/shma-current-version to read other SHMA 2013 chapters

3 Economic and demographic context

3.1 Introduction

- This chapter sets out the economic and demographic background to our housing sub-region and provides some context to Chapter 12 *Forecasts for homes of all tenures*.
- It sets out movement in the local demography and economy, notably between 2001 and 2011 Censuses.
- Taking this ten-year view is useful because we can use Census data to measure change in longer term trends, smoothing out some short-term peaks and troughs which may occur.
- As such the chapter provides vital context for the rest for our strategic assessment of the housing market. The economic context (business activity, growth, potential or decline) and predictions for our population (size, numbers, household formation, migration in to our area, and rate of growth coming from existing residents) will determine the numbers, types and sizes of homes most needed in future, as set out in Chapter 12.
- The data for this chapter relates to the financial year 2011/12 – that is, April 2011 to March 2012. Many of the updates are based on 2011 Census data.
- The CLG's guidance on producing a robust and credible SHMA and the National Planning Policy Framework require and assume an understanding of local issues and context in order to create a useful assessment of housing trends and markets. This chapter contributes to that understanding.

3.2 Facts and figures

3.2.1 Economic profile of our housing sub-region: an overview

Our strategic housing market area includes the city of Cambridge, a number of market towns and numerous villages. Cambridge is at the heart of a city region of international importance and reputation. It includes a world-class university, a strong knowledge-based economy and a built and natural environment that is second to none.

The area's economy has, as a whole, historically outperformed the national and regional economy and this continues to be the case, despite the challenges brought about by recession.

However, economic prosperity is not spread evenly with the south and west of the area developing faster economically than the north and east, although these latter areas have seen housing growth in recent years supporting the wider Cambridgeshire economy. A large part of the area's land is in agricultural production.

The Enterprise Zone at Alconbury in Huntingdonshire established in 2011 will be a particular point of focus for future economic growth.

Many of the market towns in the south, including Huntingdon, St Neots, Ely and Newmarket look to the Cambridge economy and services, although they continue to develop and strengthen their own local economic, retail and service offers. To the north there is a strong relationship between places such as Ramsey and Whittlesey with Peterborough, while Wisbech is closer to King's Lynn.

The area contains a diverse range of natural environments. The Ouse and Nene Washes are of international importance for wildfowl and migratory birds, while low-lying fenland areas provide unique landscapes. Significant new and expanded habitat and green-space creation is a major objective for the area. Strategic examples include the award-winning Great Fen and Wicken Fen.

The area's economic strengths, in particular the established Cambridge high tech cluster, and related population growth have led to significant and continued pressure for growth over recent years. The development strategy established in the 2003 Cambridgeshire and Peterborough Structure Plan is currently being implemented (see 'Policy Drivers' section below), with major urban extensions to Cambridge and the new town of Northstowe coming forward. Cambridge University is planning a strategic expansion area to the north-west of the city, while the Addenbrooke's biomedical campus has enhanced the institution's international reputation.

Planned growth at market towns is also making good progress, with urban extensions proposed at Ely, St Neots and Huntingdon. March, Soham, Bury St Edmunds and Haverhill have experienced regeneration and growth over the same period. Housing affordability is an acute issue in many parts of the market area, particularly to the south and focused on Cambridge. Relatively lower market house prices away from Cambridge play an important part in meeting housing needs associated with the economic success of the area. It remains an important objective for the authorities to maximise affordable housing provision to support the social and economic well-being of the area and of local communities. Delivery challenges include housing viability especially in the north of the housing market area.

The strategic road network is extremely busy and a number of key routes suffer congestion at peak times particularly are a result of commuting in to Cambridge. The local authorities are working with

Section 3.2 Facts and figures

government to address the current capacity challenges on the A14. There have been some successes in public transport, with the opening of the Cambridgeshire Guided Busway, Peterborough's TravelChoice Initiative, and increased use of park and ride services. However, public transport services and use vary across the county. In rural areas, bus services tend to be less frequent with longer journey times, therefore these areas often rely on the private car for transport. The area is well served by the strategic rail network, with the East Coast Main Line, Fen Line and others providing links to London, Ipswich, Norwich and further afield.

Within the Strategic Housing Market 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, according to the 2001 Census. 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.

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. The Fenland and Huntingdonshire patterns overlap significantly with those of Peterborough.

Analysis within Cambridgeshire's Economic Assessment 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. The Local Economic Assessment was updated in Spring 2013 to take account of the Census 2011 results and other changes. Census 2011 travel to work data was not available at the time of update.

The full 2013 updated assessment is available at:
http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments

3.2.2 Overview of the area's economy

The area has 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 area and the south of the area is growing; women earn significantly less than men and transport congestion costs businesses millions in lost productivity.

High house prices and inadequate broadband access may severely restrict the capacity of the economy to grow. High carbon emissions will increase the vulnerability of businesses and residents to possible future increases in energy prices. Table 1 shows the percentage of the economy in each district attributed to seven major economic classifications, at 2012.

Section 3.2 Facts and figures

Table 1 **Proportions of employees working in broad industrial sectors, 2012**

	Cambridge	East Cambs	Fenland	Huntingdon-shire	South Cambs	Forest Heath	St Edmunds-bury
Manufacturing	3.1%	16.1%	21.4%	15.6%	15.1%	11.7%	14.6%
Construction	1.6%	5.9%	4.4%	4.0%	5.4%	6.1%	3.6%
Distribution	19.4%	20.9%	23.4%	21.5%	17.5%	30.3%	21.7%
Transport	10.0%	12.2%	8.6%	8.1%	12.3%	4.6%	5.4%
Finance	22.0%	21.7%	17.9%	17.5%	25.0%	19.3%	26.9%
Public Admin	40.7%	18.4%	20.3%	29.7%	21.4%	19.7%	24.5%
Other	3.1%	4.4%	2.4%	3.6%	3.2%	7.3%	3.2%

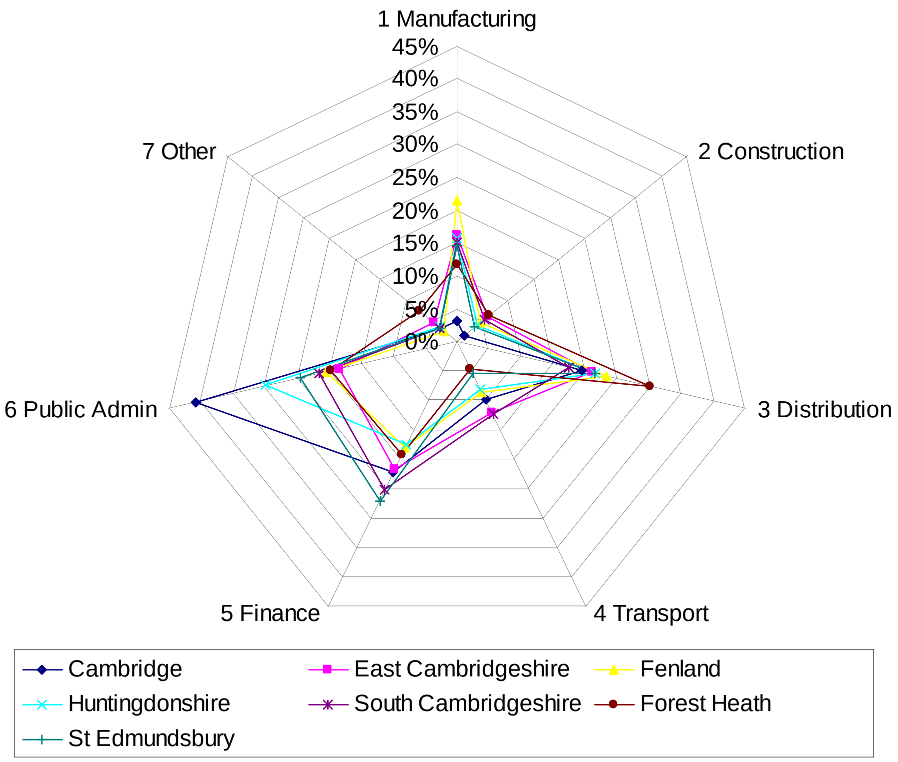
Source: NOMIS BRES 2012

These data are used to provide background to our assessment of St Edmundsbury and Forest Heaths' in-migrant / natural growth demographic trends, described in section 3.2.11.

The high proportion of people employed in "other" sectors in Forest Heath (7.3%) includes people employed in the horseracing industry.

Table 1 and Fig 1 show that by comparing types of employment as defined in Table 1 in the two Suffolk districts the profile is similar to the rest of rural Cambridgeshire (i.e. excluding Cambridge which has a very different profile).

Fig 1 **NOMIS BRES 2012 Economic Profile**



Source: NOMIS BRES 2012

Section 3.2 Facts and figures

3.2.3 Employment and unemployment

Across the housing sub-region, the percentage of residents in employment aged 16-74 increased very slightly between 2001 and 2011 from 68.4% to 68.9%, remaining at a higher level than the national figure of 64.7%. This slight increase, however, does not qualify the type of employment in the area. Between 2001 and 2011, there has been a shift away from full-time towards part-time employment. At a district level Huntingdonshire and St Edmundsbury were the only districts in the sub-region to experience a fall in the employment rate between 2001 and 2011, from 72.5% to 71.0% in Huntingdonshire and 70.1% to 69.8% in St Edmundsbury.

Table 2 **Rates of employment and unemployment as a proportion of all residents aged 16-74; 2001 & 2011**

	In employment			Unemployed		
	2001	**2011**	**% point change**	**2001**	**2011**	**% point change**
Cambridge	57.7%	60.5%	2.8	2.8%	3.5%	0.7
East Cambridgeshire	70.0%	72.3%	2.3	2.4%	3.3%	0.9
Fenland	63.2%	64.3%	1.1	2.9%	4.8%	1.9
Huntingdonshire	72.5%	71.0%	-1.5	2.2%	3.6%	1.4
South Cambridgeshire	72.9%	73.4%	0.5	1.8%	2.7%	1.0
Cambridgeshire	**67.8%**	**68.5%**	**0.7**	**2.3%**	**3.5%**	**1.2**
Forest Heath	70.8%	71.6%	0.8	2.4%	3.6%	1.2
St Edmundsbury	70.1%	69.8%	-0.4	2.3%	3.5%	1.2
SHMA area	**68.4%**	**68.9%**	**0.5**	**2.3%**	**3.5%**	**1.2**
England	**63.2%**	**64.7%**	**1.6**	**3.7%**	**5.2%**	**1.5**

Source: Census 2001 and 2011

Unemployment rates between 2001 and 2011 increased in all districts. The lowest increases were seen in Cambridge and East Cambridgeshire, with rises of 0.7 and 0.9 respectively. The highest increases were seen in Fenland and Huntingdonshire, with rises of 1.9 and 1.4 respectively. Fenland already had the highest unemployment rate in 2001. The economic inactivity level across the housing market area fell from 2001 to 2011. It seems that the increase in unemployment rates noted above was been influenced by a rise in the number of people who were previously inactive now looking for work, not by a fall in the proportion in employment.

Table 3 shows unemployment claimant rates in the working age population, for the sub-regional districts, the Greater Cambridgeshire - Greater Peterborough LEP, the New Anglia LEP and England, for the last month of each quarter from March 2008 to December 2013.

Table 3 **Working age unemployment, 2008 to 2013**

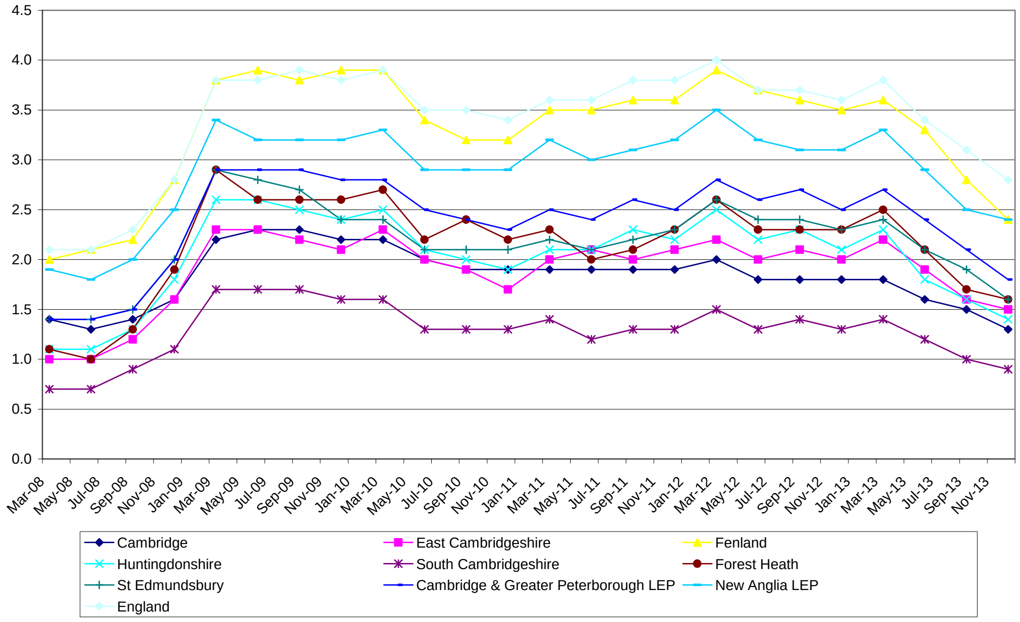
	Cambridge	East Cambs	Fenland	Hunting-donshire	South Cambs	Forest Heath	St Edmunds-bury	GC-GP LEP	New Anglia LEP	England
Mar 2008	1.4%	1.0%	2.0%	1.1%	0.7%	1.1%	1.4%	1.4%	1.9%	2.1%
Jun 2008	1.3%	1.0%	2.1%	1.1%	0.7%	1.0%	1.4%	1.4%	1.8%	2.1%
Sept 2008	1.4%	1.2%	2.2%	1.3%	0.9%	1.3%	1.5%	1.5%	2.0%	2.3%
Dec 2008	1.6%	1.6%	2.8%	1.8%	1.1%	1.9%	2.0%	2.0%	2.5%	2.8%

Section 3.2 Facts and figures

	Cambridge	East Cambs	Fenland	Hunting-donshire	South Cambs	Forest Heath	St Edmunds-bury	GC-GP LEP	New Anglia LEP	England
Mar 2009	2.2%	2.3%	3.8%	2.6%	1.7%	2.9%	2.9%	2.9%	3.4%	3.8%
Jun 2009	2.3%	2.3%	3.9%	2.6%	1.7%	2.6%	2.8%	2.9%	3.2%	3.8%
Sept 2009	2.3%	2.2%	3.8%	2.5%	1.7%	2.6%	2.7%	2.9%	3.2%	3.9%
Dec 2009	2.2%	2.1%	3.9%	2.4%	1.6%	2.6%	2.4%	2.8%	3.2%	3.8%
Mar 2010	2.2%	2.3%	3.9%	2.5%	1.6%	2.7%	2.4%	2.8%	3.3%	3.9%
Jun 2010	2.0%	2.0%	3.4%	2.1%	1.3%	2.2%	2.1%	2.5%	2.9%	3.5%
Sept 2010	1.9%	1.9%	3.2%	2.0%	1.3%	2.4%	2.1%	2.4%	2.9%	3.5%
Dec 2010	1.9%	1.7%	3.2%	1.9%	1.3%	2.2%	2.1%	2.3%	2.9%	3.4%
Mar 2011	1.9%	2.0%	3.5%	2.1%	1.4%	2.3%	2.2%	2.5%	3.2%	3.6%
Jun 2011	1.9%	2.1%	3.5%	2.1%	1.2%	2.0%	2.1%	2.4%	3.0%	3.6%
Sept 2011	1.9%	2.0%	3.6%	2.3%	1.3%	2.1%	2.2%	2.6%	3.1%	3.8%
Dec 2011	1.9%	2.1%	3.6%	2.2%	1.3%	2.3%	2.3%	2.5%	3.2%	3.8%
Mar 2012	2.0%	2.2%	3.9%	2.5%	1.5%	2.6%	2.6%	2.8%	3.5%	4.0%
Jun 2012	1.8%	2.0%	3.7%	2.2%	1.3%	2.3%	2.4%	2.6%	3.2%	3.7%
Sept 2012	1.8%	2.1%	3.6%	2.3%	1.4%	2.3%	2.4%	2.7%	3.1%	3.7%
Dec 2012	1.8%	2.0%	3.5%	2.1%	1.3%	2.3%	2.3%	2.5%	3.1%	3.6%
Mar 2013	1.8%	2.2%	3.6%	2.3%	1.4%	2.5%	2.4%	2.7%	3.3%	3.8%
Jun 2013	1.6%	1.9%	3.3%	1.8%	1.2%	2.1%	2.1%	2.4%	2.9%	3.4%
Sept 2013	1.5%	1.6%	2.8%	1.6%	1.0%	1.7%	1.9%	2.1%	2.5%	3.1%
Dec 2013	1.3%	1.5%	2.4%	1.4%	0.9%	1.6%	1.6%	1.8%	2.4%	2.8%

Source: Nomis JSA claimants rates against population 16-64 (the officially recognized denominator). Downloaded January 2014

Fig 2 **Working age unemployment, Jan 2008 to December 2013**



Source: Nomis JSA claimants rates against population aged 16-64 (the officially recognized denominator). Downloaded January 2014

Section 3.2 Facts and figures

Fig 2 shows unemployment rates rising significantly from July 2008 to March 2009, lowering from March 2010 then increasing again from May 2011 until March 2013, then falling to December 2013.

Although the degree of change varies by district and LEP area, this pattern seems to occur for all lines on the chart.

Within the housing sub-region Fenland consistently has highest percentage claimant rate and South Cambridgeshire the lowest.

New Anglia LEP area has a consistently higher rate than Greater Cambridgeshire - Greater Peterborough LEP area. The Fenland rate is similar to the national (England) rate.

3.2.4 Commuting

Definitive commuting data will be available when the 2011 Census workplace population figures are released in March 2014.

At present only a partial picture is available based on total job and total employed resident figures. While these figures enable broad inferences to be made about commuting patterns, between 2001 and 2011 there has been a shift away from full-time towards part-time employment. Some caution should therefore be applied to any conclusions about net commuting drawn from a comparison of changes in total jobs and employed residents. Once the March 2014 data is available, a more reliable comparison can be made.

Table 4 **Change in total jobs 2001-11 and employed residents 2001 to 2011**

	Number of jobs			Number of employed residents			Net out commuting 2001 (approx.)	Net out commuting 2011 (approx.)	Change in net out comm-uting 2001 to 2011
	2001	2011	Difference 2001 to 2011	2001	2011	Difference 2001 to 2011			
Cambridge	96,000	98,000	2,000	49,000	59,000	10,000	-47,000	-39,000	8,000
East Cambridgeshire	26,000	29,000	3,000	37,000	44,000	7,000	11,000	15,000	4,000
Fenland	33,000	35,000	2,000	38,000	45,000	7,000	5,000	10,000	5,000
Huntingdonshire	74,000	81,000	7,000	82,000	89,000	7,000	8,000	8,000	0
South Cambridgeshire	67,000	82,000	15,000	69,000	79,000	10,000	2,000	-3,000	-5,000
Cambridgeshire total	**296,000**	**325,000**	**29,000**	**276,000**	**316,000**	**40,000**	**-20,000**	**-9,000**	**11,000**
Forest Heath	28,000	28,000	0	28,000	32,000	4,000	0	4,000	4,000
St Edmundsbury	55,000	68,000	13,000	50,000	56,000	6,000	-5,000	-12,000	-7,000

Source: ONS Jobs Density, Census 2001 and 2011

Changes in total jobs numbers and numbers of employed residents suggest that commuting patterns have changed over the past 10 years. In general, the number of jobs has risen at a lower rate than the number of employed residents.

Section 3.2 Facts and figures

This infers an increase in net out-commuting particularly from Cambridge, Fenland, East Cambridgeshire and Forest Heath. On the other hand, South Cambridgeshire and St Edmundsbury saw a higher increase in jobs than in the number of employed residents, which infers a reduction in net out-commuting. One possible explanation for this pattern is that people are moving to areas such as East Cambridgeshire, where house prices are cheaper and commuting to work in South Cambridgeshire.

Percentage changes in the method of travel to work between 2001 and 2011 show that there has been a large relative increase in train travel across the county, with the highest increases in Cambridge and East Cambridgeshire. Detailed information on commuting patterns based on the 2001 Census can be found in Chapter 2 *Defining our market area* and will be updated once detailed data is issued based on 2011 Census updates

3.2.5 Our economy: looking back from 2001 to 2011

The 2001 Census indicates a broad balance of employed residents and workforce in the seven districts comprising the sub-region. This is fully analysed in the SHMA 2010 *Economic context and forecasting*, available at http://www.cambridgeshireinsight.org.uk/housing/shma/previous-shma-chapters.

The evidence provided there suggests a relatively close balance between the sub-region's workplace population and numbers of employed residents – suggesting that between 2001 and 2008, both groups have increased by around 30,000.

The two groups of maps below provide economic context for our sub-region, using 2001 Census and 2011 Census results.

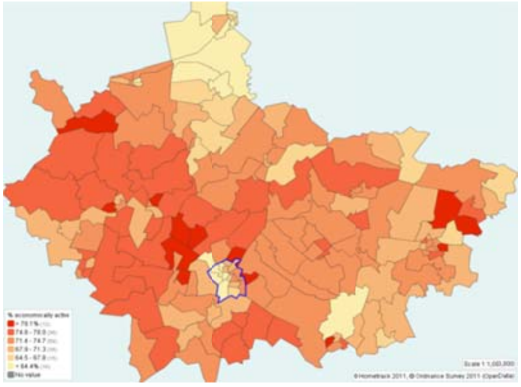
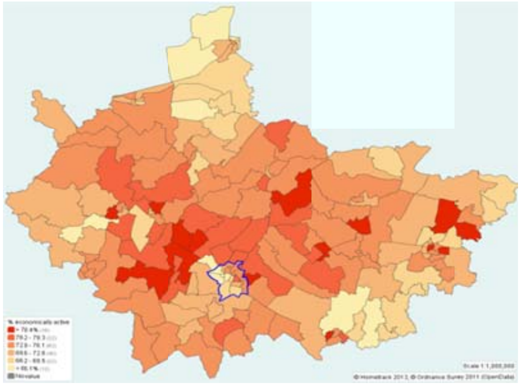
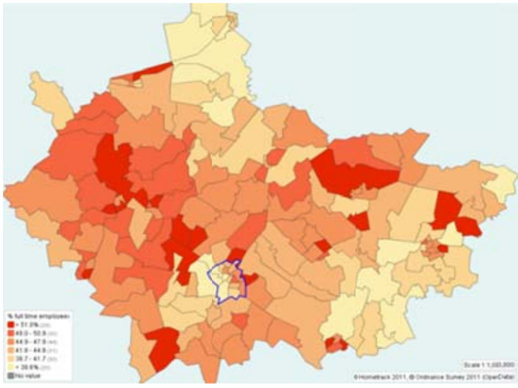
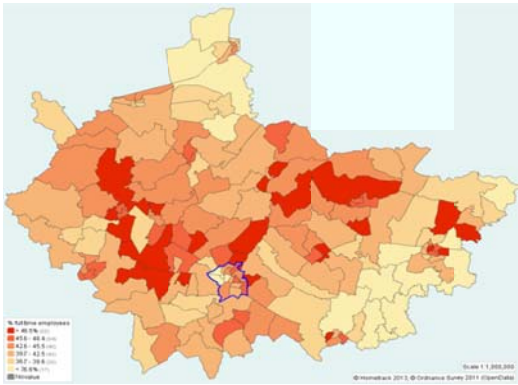
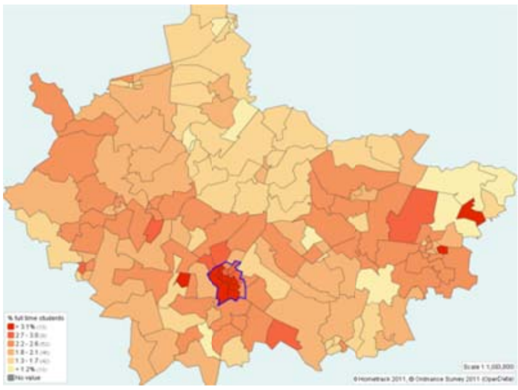
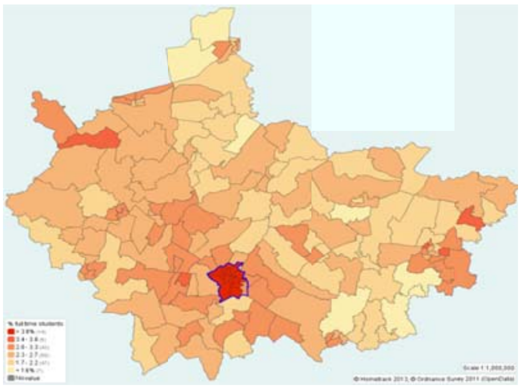
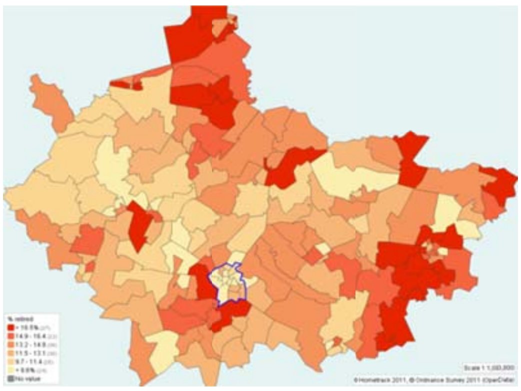
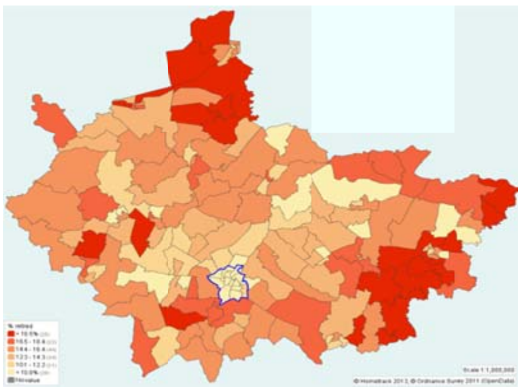
The maps show that:

- The percentage of the population being economically active increased across the sub-region between the 2001 and 2011 Census. In 2001, 12 wards had over 78.1% economically active. In 2001 this had risen to 16 wards having over 79.4% economically active.
- The highest percentages of the population being economically active are shown in a broad band across the southern part of the sub-region.
- Areas where there are lower percentages of the population being economically active tend to have a higher percentage of retired households, such as in South Cambridgeshire and the north of Fenland.
- The percentages of full-time employees fell in many parts of the sub-Region between the 2001 and 2011 Census. In 2001, 20 wards had over 51.0% in full time employment, by 2011 this had fall to 22 wards having 48.5% in full time employment.
- The higher percentages of full time employees in 2011 Census are shown in a broad band across the centre of Cambridgeshire and north of Forest Heath. The eastern part of the sub-region, including some of Forest Heath and St Edmundsbury, have comparatively low rates of full time employment, along with the north of Fenland.
- In general, the percentages of full time students increased between the 2001 and 2011 Census, though the percentages appear to have lowered in parts of West Suffolk.

(Continued on page 14)

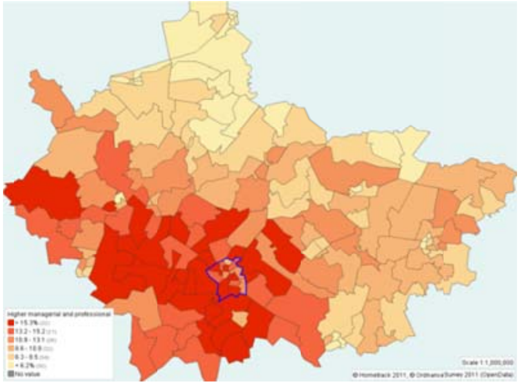
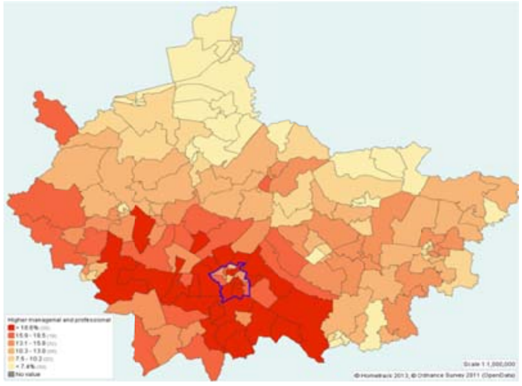
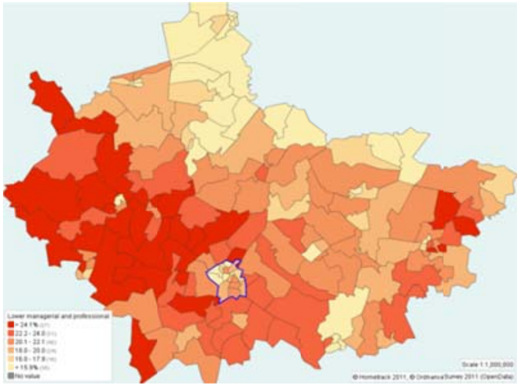
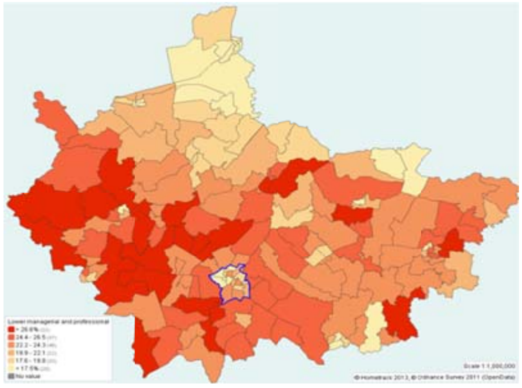
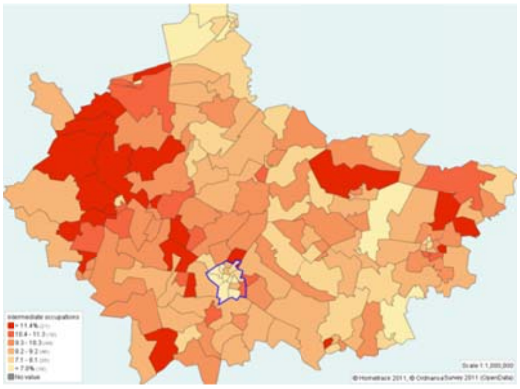
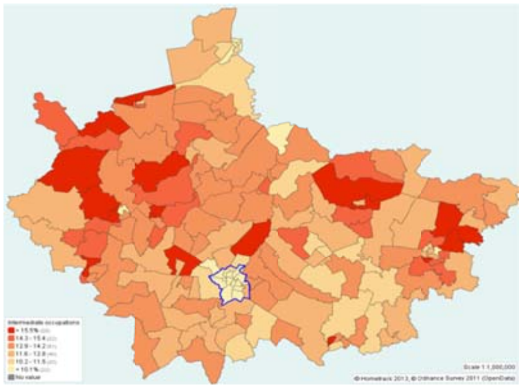
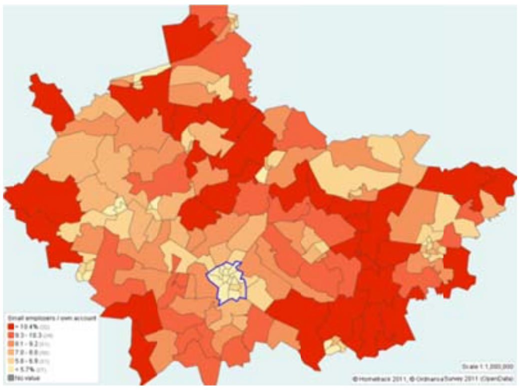
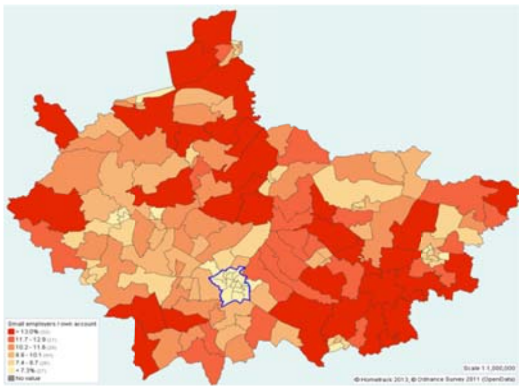
Section 3.2 Facts and figures

Map 1 **Maps showing economic status by ward, 2001 and 2011**

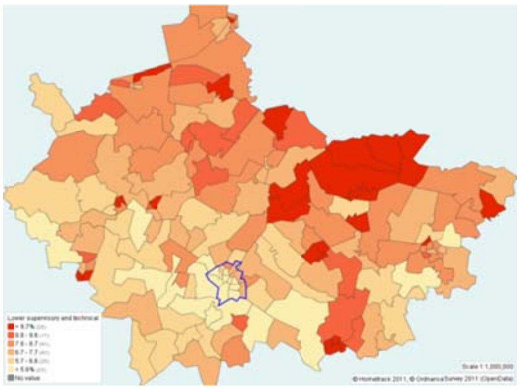
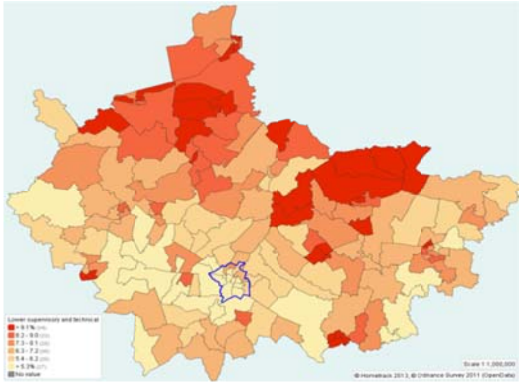
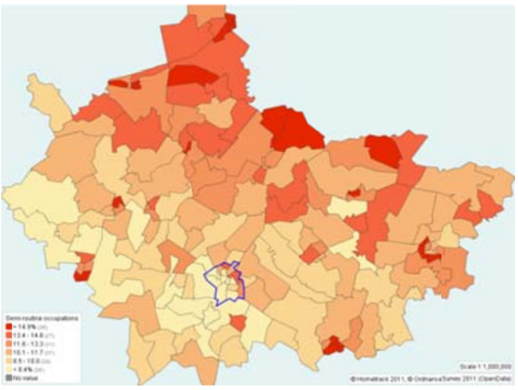
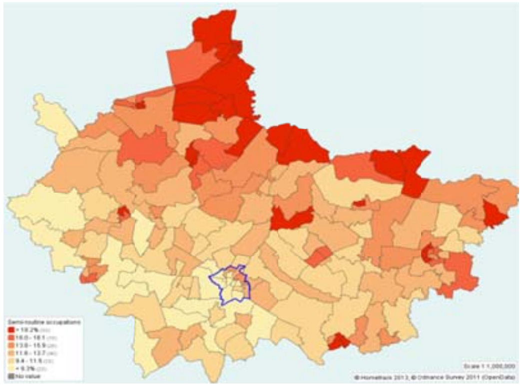
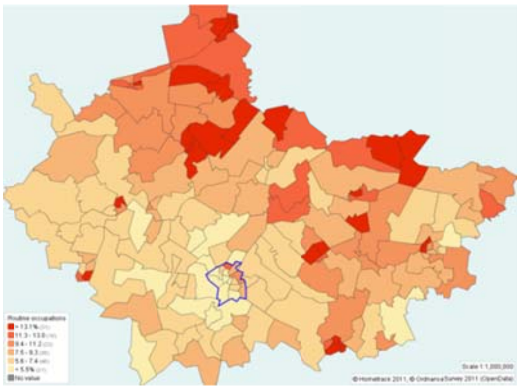
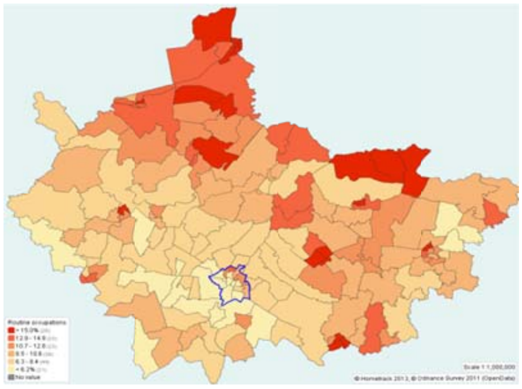
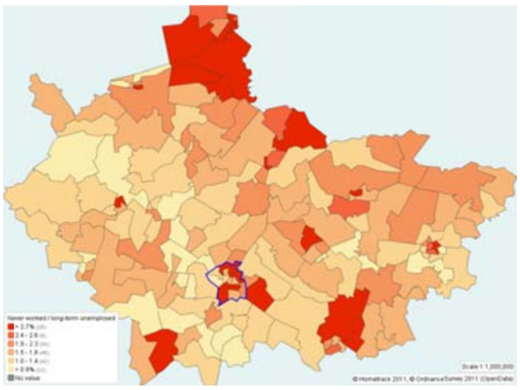
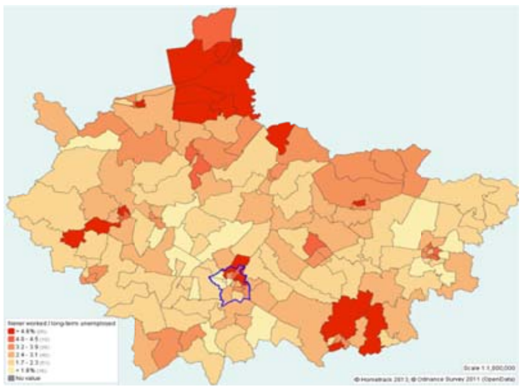
	2001 Census	2011 Census
% economically active		
% full time employees		
% full time students		
% retired		

Section 3.2 Facts and figures

Map 2 **Maps showing socio-economic status, 2001 and 2011**

	2001 Census	2011 Census
% higher managerial and professional		
% lower managerial and professional		
% intermediate occupations		
% small employers/ own account		

Section 3.2 Facts and figures

	2001 Census	2011 Census
% lower supervisory and technical		
% semi-routine occupations		
% routine occupations		
% never worked / long-term unemployed		

Source for maps on pages 11 12 and 13: Census 2001 and Census 2011, via Hometrack downloaded December 2013

Section 3.2 Facts and figures

(continued from page 10)

- All but one ward in Cambridge City had over 3.9% students in the 2011 Census. The actual percentages will be far higher in some wards. In 2001, 5 wards had under 3.1% students.
- In general, the percentage in higher managerial or professional employment increased across the sub-region. These are concentrated to some extent in the south and west of Cambridgeshire (Cambridge City, South Cambridgeshire and Huntingdonshire). In 2001, 22 wards had over 15.3% in higher managerial and professional employment. By 2011, 20 wards had over 18.6% and a further 19 wards had more than 15.8% in managerial and professional employment.
- Similarly, there was an increase in the percentage of Lower managerial and professional jobs between 2001 and 2011. This increase is spread evenly across the sub-Region, although the higher percentages are still concentrated in the south of Cambridgeshire and West Suffolk.
- Intermediate occupations increased across the sub-Region between 2001 and 2011 Census, including in the north of the sub-Region. In 2001, 21 wards had over 11.4% employed in intermediate occupations. By 2011 this had risen to 20 wards having over 15.5%. Intermediate occupations remain a comparatively low proportion of employment in Cambridge City.
- Small employers including own account employment also increased across the sub region, with 22 wards in 2001 having over 10.4% small employers compared to 22 wards with over 13% in 2011. This is most prevalent in a band from the north west of Cambridgeshire to the south east of West Suffolk, including north Fenland. There are comparatively small percentages in Cambridge City.
- The percentages of lower supervisory and technical employment decreased between 2001 and 2011. Higher percentages are shown in the north compared to quite low percentages in the south of the sub-Region. In 2001, 28 wards had over 9.7% in lower supervisory and technical compared to 24 wards having over 9.1% in 2011.
- In general, the percentages of semi-routine occupations increased between 2001 and 2011 Census, though the picture is more mixed than for some other occupational groups. The higher prevalence is shown across the north of the sub-Region. In 2001, 26 wards had over 14.9% while in 2011, 33 wards had over 18.2%.
- Routine occupations are concentrated in a band across the north of the sub-Region. In general wards in 2011 contain higher percentages than in the 2001 Census of people employed in routine occupations. There appears to have been a concentration of routine occupations, with higher percentages being recorded in fewer wards in 2011 compared to 2001 Census. In 2001, 31 wards had over 13.1% routine occupations compared to 25 wards having over 15.0% routine occupations in 2011 Census.
- Unemployment increased between 2001 and 2011 Census and is shown to be higher in a band across the north of the sub-Region and the south east part of the sub-Region. In 2001, 26 wards had over 2.7% unemployed compared to 26 wards having 4.6% unemployed in 2011.

Section 3.2 Facts and figures

3.2.6 The recession and current local economic assessment

The information in this section is drawn from the Greater Cambridge economic area Local Economic Assessment 2013, available at http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments.

The Greater Cambridge economic area includes the seven Cambridgeshire and West Suffolk districts as in the SHMA Housing Market Area.

Although the Cambridgeshire economic assessment published in September 2013 used the latest available data, some of this data was from 2008. Where possible trend data was used to gain a "direction of travel" rather than rely on a snapshot in time, however it is important to recognise that the UK fell into recession in the last two quarters of 2008[1] 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 housing market 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 and 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.
- 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 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 3,500 to 4,000 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 a wider area.
- The multiplier effect of reduced employment in public services will spread out to the wider local economies. Public sector contracts will reduce in value and number while demand for locally produced goods and services, both from the public sector itself and public sector workers via consumption economies, will be affected. 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 risky 'early stage' market. The impact of this was seen on 2008 start-up figures. In 2010 and 2011 the number of start-ups increased. Though the growth rate in number of start-ups per 10,000 adults in Cambridgeshire was lower than the rate for all England or for the East of England, that could be for reasons such as fewer redundancies and so could reflect the strength of the Cambridge area economy rather than a weakness.

[1] http://news.bbc.co.uk/1/hi/business/7846266.stm and http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/economic-recovery/recovery-from-recession/

Section 3.2 Facts and figures

- Table 5 summarises key findings into Strengths, Weaknesses, Opportunities and Threats, highlighting housing issues (underlined) while taking into consideration what further impacts of the recession we might see on the local economy of the Greater Cambridge economic area.

Table 5 **Overall SWOT analysis for our economy**

Strengths • Generally high business density across most of the functional economic area, with all Cambridgeshire districts seeing an increase in business density between 2004 and 2012. • Enterprise births per 10,000 residents increased for the first time in three years. • A relatively resilient economy, evidenced by an above average increase in jobs in Cambridgeshire between 2001 and 2011, compared with the national picture. • Evidence of an increase in hi-tech firm size between 2008 and 2010. • GVA per capita above regional and national average. • The East of England became the third highest exporting region by value in 2011 with the pharmaceutical industry providing an important source of high value exports. • High proportion of residents employed in high value occupations throughout commuter belt. • Cambridgeshire has a higher than average employment rate. • Generally high skills levels in the south and east of the county. • Convergence in economic activity levels between men and women. • Generally high levels of resident satisfaction in their local area as a place to live. • Crime levels are decreasing across the county. • <u>Increasing proportion of new homes built on 'brownfield' sites.</u> • 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.	**Weaknesses** • Large discrepancy in GVA per capita and labour productivity between north and south of county. • Jobs growth distributed unevenly across Cambridgeshire; Fenland and Cambridge in particular saw only limited jobs growth between 2001 and 2011. • Relatively low proportion of part-time jobs across the county may restrict the ability of certain people to enter the workforce, e.g. those with families. • Significant pay gap between men and women across most of Greater Cambridge. • Very low attainment levels of school children from poorer backgrounds – among lowest in England. • Minority groups (including Travellers) face barriers to work and education, their economic potential is not realised. • Lower economic activity rates and significantly lower earnings among women. • Pay gap significant between residents in the north and south of the county. • Low proportions of residents qualified to intermediate skills level (NVQ level 3) across Greater Cambridge could mean skills shortages for businesses needing skilled trade/professionals. • Very poor 14-19 and adult skills levels in Fenland and in parts of Huntingdon, St Neots and Cambridge. • Relatively low levels of resident satisfaction in Fenland and Forest Heath. • <u>In the majority of wards across the sub-region, housing is less affordable than across the East of England as a whole and is particularly expensive in the south of the county. This is a significant constraint for people wishing to move into the area to work or set up a business.</u> • 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.
Opportunities • Prior to the recession, high jobs growth in all Cambridgeshire districts, with highest rate in East Cambridgeshire. Continued employment growth forecast in all districts. • 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. • Targeted managerial training for potential high growth companies may support higher rates of business growth in small businesses. • High labour market demand for people with NVQ level 3 and above skills levels.	**Threats** • High public sector employment in Cambridge, 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. • East Cambridgeshire and Fenland economies lack diversity and are dependent on lower value manufacturing and processing industries. • Birth of new enterprise rate is below that seen regionally and nationally. • 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.

Section 3.2 Facts and figures

Opportunities *(ctd)*	**Threats** *(ctd)*
• There has been an increase in further education/apprenticeship take up of engineering, science and technology subjects. • Growing apprenticeship and further education participation gives opportunity to meet business needs and improve employment outcomes. • Awareness of need to strengthen workplace and technical skills of young people leading to emergence of new school and college business initiatives (e.g. Fenland Enterprise in Education, CAP Employer Project, University Technical College at CRC). Opportunity for business to be directly involved in improving employment prospects of young people. • An economy regarded as highly entrepreneurial, yet UK entrepreneurial performance lags behind the most rapidly growing international economies. • 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. • Planned major broadband updates across the county will have a positive impact on future business productivity, the ability of residents to work from home and the attractiveness of the area as a location for inward investment. • <u>Land values are substantially lower in districts outside Cambridge and South Cambridgeshire – low development costs may attract new companies to locate in these districts.</u> • There is currently no shortage of business land committed for development in Cambridgeshire. By far the largest individual business commitment is the outline planning permission at Alconbury Airfield which covers the area of the newly designated Enterprise Zone.	• Continued lack of demand from the EU for East of England exports may adversely affect regional businesses. • 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. • Patterns of population growth and economic activity likely to compound differences in economic prosperity between the south and north of the county. • Over-representation of 18-24 year olds among the unemployed, particularly in Fenland and very low educational attainment among young people from deprived backgrounds. • <u>A reduced rate of house-building due to the recession could make it harder for first-time buyers to get on the housing ladder.</u> • Increasing trend of part-time workers brings the problem of underemployment. • High levels of income inequality. • <u>Low proportion of detached and semi-detached housing in Cambridge may impact negatively on inward investors wishing to move to the city with existing staff and families.</u> • Reduction in occupied office space in town centres, particularly Cambridge 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. • Food and farming and transport industries are particularly susceptible to the negative impacts of climate change. • CO_2 emissions per head are generally higher than average across most of Greater Cambridge which could cause numerous problems for residents and businesses. • Loss in net business floorspace recorded for Cambridgeshire in 2011/12 for the first time in recent history. • <u>Diminishing level of affordable housing being built post-recession.</u>

Source: Greater Cambridge Local Economic Assessment at http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments

3.2.7 The GC-GP LEP economic strategy

In April 2013, the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP) finalised its Operational Plan for the year, which identified five priority areas for the LEP[2]:

- Enabling the development and occupation of Alconbury Enterprise Zone in line with partners' vision for the site.
- Advocating and influencing improvements to our area's transport infrastructure.

[2] http://www.yourlocalenterprisepartnership.co.uk/how-can-we-help/economic-vision/

Section 3.2 Facts and figures

- Enabling business-led skills provision and improving the work readiness of the unemployed in target areas.
- Promoting enterprise growth and innovation.
- Improving international promotion, increasing inward investment and exporting.

The Growth Strategy is due to be published in Spring 2014.

3.2.8 The draft New Anglia LEP Strategic Economic Plan

St Edmundsbury and Forest Heath are also part of the New Anglia LEP area.

In January 2014, the New Anglia LEP published its consultation draft Strategic Economic Plan with a vision for New Anglia in 2025 to have 'more jobs, more businesses and more prosperity'. The draft plan is available at http://www.newanglia.co.uk/wp-content/uploads/2014/01/SEP-Consultation-Draft-Jan-14-without-Apprendix-2-web-version2.pdf.

To achieve this, the aims in the draft Plan are that 'by 2025 the New Anglia economy will:

- Have a highly skilled and flexible workforce that can respond to the changing demands of our leading technology sectors.
- Be an international hub for renewable and offshore energy and its supply chains.
- Host an internationally significant cluster for research and application of ICT and digital technologies and develop a new strength in agri-tech ICT applications.
- Be recognised as a UK cluster for agri-tech, biotechnology and advanced manufacturing.
- Have grown its already significant presence in the financial services industries, taking advantage of proximity to London.
- Be a strong net contributor to the UK economy with high earning potential and low unemployment.

Section 3.2 Facts and figures

3.2.9 Demography: looking back 2001 to 2011

There are two sources of information on population change between 2001 and 2011. The first is the national Census and the second is the mid-year population estimate series produced by the Office for National Statistics (ONS).

Table 6 compares Census data on the population living in the districts in the housing sub-region for 2001 and 2011.

Table 6 **Resident population 2001 and 2011**

	2001	2011	Change 2001 to 2011	% change	% of 2011 population
Cambridge	108,900	123,900	15,000	13.8%	15.6%
East Cambridgeshire	73,200	83,800	10,600	14.5%	10.6%
Fenland	83,500	95,300	11,800	14.1%	12.0%
Huntingdonshire	157,000	169,500	12,500	8.0%	21.4%
South Cambridgeshire	130,100	148,800	18,700	14.4%	18.8%
Forest Heath	55,500	59,700	4,200	7.6%	7.5%
St Edmundsbury	98,200	111,000	12,800	13.0%	14.0%
Cambridge sub-region	**706,400**	**792,000**	**85,600**	**12.1%**	**100.0%**

Source: Census 2001 and 2011

- Census results suggest that the sub-region's population increased by around 85,000 or 12% between 2001 and 2011.
- South Cambridgeshire experienced the highest growth in terms of numbers, with an additional 18,700 people recorded in 2011 compared to 2001. Much of this will be attributable to the new settlement of Cambourne.
- Cambridge, St Edmundsbury and Huntingdonshire also experienced high population growth of more than 12,000.
- Mid-year population estimates produced by ONS for 2001 and 2011 resulted in a slightly different profile, as Table 7 shows:

Table 7 **Mid-year population estimates for 2001 and 2011 ('000)**

	2001	2011	Change 2001to 2011	% change
Cambridge	110.1	122.7	12.6	11.4%
East Cambridgeshire	73.4	84.2	10.8	14.7%
Fenland	83.7	95.5	11.8	14.1%
Huntingdonshire	157.2	170	12.8	8.1%
South Cambridgeshire	130.5	149.8	19.3	14.8%
Forest Heath	56.2	60	3.8	6.8%
St Edmundsbury	98.3	111.4	13.1	13.3%
Cambridge sub-region	**709.4**	**793.6**	**84.2**	**11.9%**

Source: ONS 2001 and 2011

Section 3.2 Facts and figures

The ONS figures suggest the 2001 sub-regional population was 3,000 higher than the 2001 Census estimate and 1,600 higher in 2011. ONS also shows population growth over the decade to be around 84,200. The largest difference between the two figures is in Cambridge where a lower growth of 11.4% is shown between 2001 and 2011 by ONS mid-year estimates compared to 13.8% in Census estimates. This could be related to how students are counted in the two estimates. Smaller differences between the two estimates can be seen in some other districts.

Cambridge has the highest proportion of its population aged 16-24 and 25-39 of all seven districts in the sub-region. This is due to the large student population which has a significant 'distorting' effect on the district's overall age structure.

Table 8 shows the number of private households, according to the Census in 2001 and 2011.

Table 8 **Number of private households, 2001 and 2011**

	2001	2011	Change 2001 to 2011	% change	% of 2011 households
Cambridge	42,700	46,700	4,000	9.4%	14.5%
East Cambridgeshire	29,800	34,600	4,800	16.1%	10.7%
Fenland	35,200	40,600	5,400	15.3%	12.6%
Huntingdonshire	63,100	69,300	6,200	9.8%	21.5%
South Cambridgeshire	52,200	60,000	7,800	14.9%	18.6%
Forest Heath	23,000	25,400	2,400	10.4%	7.9%
St Edmundsbury	40,600	45,800	5,200	12.8%	14.2%
Cambridge sub-region	286,600	322,400	35,800	12.5%	100.0%

Source: Census 2001 and 2011

Table 8 indicates an increase of around 35,800 households across the sub-region, equivalent to 12.5% of the 2001 figure.

- East Cambridgeshire recorded the highest rate of increase at 16% followed by Fenland and South Cambridgeshire, both around 15%.
- East Cambridgeshire had also experienced the highest growth rate between 1991 to 2001 at 24%.
- Four of the seven districts recorded increases of 5,000 or more households between 2001 and 2011.
- Forest Heath experienced significantly lower growth numerically, though had still grown by over 10%.

0 looks at changes in the main types of household over the period 2001 to 2011 by district. It breaks households down into three types:

- single people
- couples (without children)
- others, such as couples and lone parents with children, several adults and more than two generations living together as a household.

Section 3.2 Facts and figures

Table 9 **Change in household types and overall net change, 2001 to 2011**

	Singles	Couples	Others	Total change
Cambridge	580	2,309	1,167	4,056
East Cambridgeshire	1,673	2,552	609	4,834
Fenland	1,947	1,967	1,514	5,428
Huntingdonshire	2,330	2,149	1,792	6,271
South Cambridgeshire	2,070	4,296	1,413	7,779
Forest Heath	526	808	1,024	2,358
St Edmundsbury	1,204	2,141	1,897	5,242
Cambridge sub-region	**10,330**	**16,222**	**9,416**	**35,968**

Source: Census 2001 and 2011

0 shows an increase in each type of household in each district.

- The number of couples (all without children) increased by over 16,000 whereas between 1991 and 2001, the number of couples decreased in virtually every district apart from those experiencing high rates of household growth overall (East Cambridgeshire and Huntingdonshire).
- Across the sub-region, the number of households composed of single people increased by over 10,000 compared to an increase of over 28,000 between 1991 and 2001.
- Similarly, there was lower growth in the number of 'other' households, which increasing by over 9,000 compared to over 14,000 between 1991 and 2001. This category includes single parent households, couples with children and other households, both with and without children.

3.2.10 Demographic data used to calculate affordable housing need

The tables in this section provide information used in our calculations in Chapter 13 *Identifying affordable housing need*.

Table 10 presents 2011 Census data on the number of households in each district with at least one usual resident along with the percentage of overcrowded households. This is used in our estimate of the number of overcrowded households in each district. The figure used is the number of households in the 2011 Census multiplied by the percentage which are overcrowded to give a number which are overcrowded. We then apply an affordability test to estimate the number of overcrowded households who cannot afford to provide their own housing solution and therefore require affordable housing.

Table 10 **Households by district, 2011 and % overcrowded**

	Number of households, 2011	% overcrowded
Cambridge	46,714	5.8%
East Cambridgeshire	34,614	2.3%
Fenland	40,620	3.4%
Huntingdonshire	69,333	2.4%
South Cambridgeshire	59,960	2.2%
Forest Heath	25,376	3.9%
St Edmundsbury	45,802	3.0%
Cambridge sub-region	**322,419**	**3.2%**

Source: Census 2011 Tables PHP01 and QS412EW

Section 3.2 Facts and figures

Table 11 sets out estimates of household growth between 2011 and 2031, provided by the Technical Report. Table 11 divides household growth into two categories:

- "natural growth" which comes from the current resident population of the area; and
- "in-migrant" growth which is due to households moving into the district in question – from a neighbouring district, county, from across the UK or elsewhere.

Both are vital to our understanding of local communities and economies and to our knowledge of movement of people into and out of our sub-region, for work and other reasons. These figures are used in the calculation of the amount of affordable housing need.

Table 11 **Future household growth, annualised and attributed to natural and in-migrant growth**

	Households 2011	Households 2031	Change 2011 to 2031	Average change per year	Natural growth per year to 2031	In-migrant growth per year to 2031
Cambridge	48,780	61,070	12,290	615	372	243
East Cambridgeshire	35,702	47,277	11,575	579	175	404
Fenland	41,982	54,839	12,857	643	30	613
Huntingdonshire	71,519	86,593	15,074	754	451	303
South Cambridgeshire	61,488	81,602	20,114	1,006	365	641
Forest Heath	27,512	32,802	5,290	265	199	66
St Edmundsbury	47,034	61,156	14,122	706	248	458

Source: Technical Report Tables 32 and 34/35 to 48/49

Further detail on the calculation used to inform Table 11 is provided in Section 3.4.4 Table 12 and 0.

The calculation of affordable housing need takes the amount of growth from natural growth and from in-migration separately then calculates the need for households moving in to different tenures based on affordability. For example, all recent in-migrants who have bought a house are taken as being able to afford owner occupation, while a proportion of those who have moved into private rented accommodation will struggle to afford it and will need affordable housing of some form.

3.2.11 A note about natural growth and in-migration in Suffolk

Cambridgeshire County Council produces household estimates for Cambridgeshire districts where it is possible to establish growth from in-migration and natural growth.

While overall estimates of household growth are available for Forest Heath and St Edmundsbury, they do not currently have comparable data about natural growth and in-migration. Household growth estimates are used in the calculation of newly arising need for affordable housing. As in-migrants and existing households are treated differently in this calculation, some estimate was required. Therefore for Forest Heath and St Edmundsbury, ONS migration figures were used, taken from ONS Census Day 2011 to Mid-2011 Population Estimates: Components of population change for local authorities in England.

Section 3.3 Analysis

3.3 Analysis

Economic context

- The Cambridge functional economic area (which covers the whole housing sub-region) continues to thrive, both nationally and internationally. The labour market is fairly self-contained, with Cambridge acting as a regional centre of employment. It is a diverse economy with some significant strengths, but some weaknesses too.
- Housing is both a positive and a negative force within our economy. This edition of the SHMA, based on 2011/12 data, reflects the economic situation at that time, so cannot reflect the full impact of the recession or its recovery.

Demographic context; summary by district

- Cambridge's population and number of households continue to grow and are predicted to grow further to 2031. Cambridge includes a large student population, so it has a larger than usual proportion aged between 16 and 39. In the 2011 Census, 60.5% of the population aged 16 to 74 was in employment. In December 2013, 1.3% of the working age population were claiming JSA, down from 1.8% in December 2012. The 2011 Census counted 46,700 households.
- East Cambridgeshire's population is growing now, and to 2031. The largest age band is 40-64 at present, and it is forecast that by 2031 there will be a significant increase in the 65 to 74 and 75+ age bands. The 2011 Census showed a high 72.3% of the population aged 16 to 74 in employment. In December 2013, 1.5% of the working age population were claiming JSA, down from 2.0% in December 2012. The 2011 Census counted 34,600 households.
- In Fenland the population is increasing, with similar age pattern as East Cambridgeshire. The 2011 Census showed 64.3% of the population aged 16 to 74 in employment. In December 2013, 2.4% of the working age population were claiming JSA, down from 3.5% in December 2012. The 2011 Census counted 40,600 households.
- Huntingdonshire's population is growing but at a slower rate than other districts. Shows a similar age pattern to other districts, though in Huntingdonshire ONLY the older age groups are predicted to increase in future, all the younger age groups are predicted to decline as a proportion of the population. The 2011 Census showed 71% of the population aged 16 to 74 in employment, one of two districts showing a small decrease in the previous decade. In December 2013, 1.4% of the working age population were claiming JSA, down from 2.1% in December 2012. The 2011 Census counted 69,300 households.
- South Cambridgeshire sees an increasing population. The largest age groups are 25 to 39 and 40 to 64 years old. At 73.4% this district has the highest level of the population aged 16 to 74 in employment shown in the 2011 Census. In December 2013, 0.9% of the working age population were claiming JSA, down from 1.3% in December 2012. The 2011 Census counted 60,000 households.
- Forest Heath saw the greatest growth of all the districts in Suffolk, based on June 2010 estimates, at 12% growth. Whilst the population is ageing, the district has a more youthful profile than the rest of the region, with almost two thirds of the population being working age (15-64). The USAF bases in Mildenhall and Lakenheath have a significant effect on the district's demography. In the 2011 Census a high 71.6% of the population aged 16 to 74 was in employment. In December 2013, 1.6% of the

Section 3.3 Analysis

working age population were claiming JSA, down from 2.3% in December 2012. The 2011 Census counted 25,400 households.

- St Edmundsbury has a growing population. The 2011 Census showed 69.8% of the population aged 16 to 74 in employment In December 2013, one of two districts showing a small decrease in the previous decade. In December 2013, 1.6% of the working age population were claiming JSA, down from 2.3% in December 2012. Haverhill is the fastest growing town in Suffolk, but has a relatively high rate of NEETs (not in education, employment or training). Around 43% of the population lives in the rural areas of St Edmundsbury. The 2011 Census counted 45,800 households.

Changes over time

- Our economy continues to prove resilient though the slow recovery from the 2008 recession is yet to be seen clearly within the SHMA.
- Changes between the 2001 and 2011 Census suggest a move towards higher skilled jobs, partly at the expense of the lower supervisory and technical employment. In many parts of the sub-region there was an increase in the percentage of people employed in routine occupations, possibly reflecting the agricultural economy. Overall, the percentage employed in most occupational groups ward by ward appears to have increased between 2001 and 2011. This may be partly because of a drop in full-time employment and increase in part-time employment, including workers with more than one job.
- Our population and number of households across the sub-region continue to increase, partly due to natural growth from our existing residents, and partly due to people moving in to our area for economic social and other reasons.
- Our population (similar to other areas) is generally ageing and this brings with it issues for the housing market and how it will accommodate this huge shift in demographic profile in the medium to longer term.
- The affordable need calculation in Chapter 13 uses "natural growth" and "in-migrant" figures to model the formation and movement of households each year who are in housing need, across the housing sub-region. This chapter sets out the figures used in Chapter 13 and shows and how the figures used were arrived at.

3.4 Background information

3.4.1 Links and references

Correct at March 2014

Technical Report http://www.cambridgeshireinsight.org.uk/housing/current-version/PopHseEmp_TechReport2013

Cambridgeshire's economic assessment (September 2013) accessed at http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments

Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership, at http://www.yourlocalenterprisepartnership.co.uk/

GC-GP operational plan at http://www.yourlocalenterprisepartnership.co.uk/how-can-we-help/economic-vision/

New Anglia Local Enterprise Partnership at http://www.newanglia.co.uk/

New Anglia LEP Strategic Economic Plan (consultation draft) http://www.newanglia.co.uk/wp-content/uploads/2014/01/SEP-Consultation-Draft-Jan-14-without-Apprendix-2-web-version2.pdf

ONS Census Day 2011 to Mid-2011 Population Estimates: Components of population change for local authorities in England, for Forest Heath and St Edmundsbury, accessed at http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-england-and-wales/mid-2011--2011-census-based-/stb---mid-2011-census-based-population-estimates-for-england-and-wales.html

Section 3.4 Background information

3.4.2 Definition of terms

Term used	Abbreviation	Meaning, source or link to relevant website
NOMIS Business Register and Employment Survey	BRES	http://www.nomisweb.co.uk/articles/784.aspx
Nomis Job Seekers Allowance claimant rates	JSA	http://www.nomisweb.co.uk/
Gross Value Added	GVA	Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom. It is used in the estimation of Gross Domestic Product (GDP). http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/gva/index.html
Enterprise births		Enterprise births are defined as new businesses registering for either VAT and/or PAYE for the first time. See the Business Profile of the Local Economic Assessment: http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments
Greater Cambridge		In this case, the Greater Cambridge Area used in the Local Economic Assessment (LEA), which includes all Cambridgeshire districts plus Forest heath and St Edmundsbury. See the Place Profile of the LEA: http://www.cambridgeshireinsight.org.uk/economy/localeconomicassessments
Local Enterprise Partnership	LEP	Local enterprise partnerships are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area. https://www.gov.uk/government/policies/supporting-economic-growth-through-local-enterprise-partnerships-and-enterprise-zones/supporting-pages/local-enterprise-partnerships

Section 3.4 Background information

3.4.3 Data issues

Main sources of data

- Census 2001
- Census 2011
- ONS Jobs Density, Census 2011
- ONS mid-year population estimates
- Cambridge economic area's functional economic assessment
- NOMIS BRES 2012
- NOMIS JSA Claimant rates January 2014

Recent changes to data

- Census travel to work data is due for release at the end of March 2014.

Planned changes to data

- The Census travel to work data is due for release at the end of March 2014. Once analysed, this will be used to re-assess and is expected to support the Cambridge Housing Market Area and Greater Cambridge Area used in the Local Economic Profile
- We will continue to liaise with Suffolk County Council over figures for natural growth and in-migration in West Suffolk districts. In the absence of other figures we will continue to use ONS migration figures.
- The Cambridge area Local Economic Assessment is updated annually and will provide an annual analysis to monitor the local effects of the 2008 recession and progress in growing the local economy.

Section 3.4 Background information

3.4.4 Additional information

Table 12 **Natural growth and in-migration: figures used**

	Cambridge	East Cambs	Fenland	Huntingdon-shire	South Cambs	Forest Heath	St Edmunds-bury
A. Occupancy ratio 2011	2.54	2.35	2.27	2.37	2.42	2.17	2.36
B. Occupancy ratio 2031	2.43	2.24	2.17	2.26	2.31	2.07	2.25
C. Total population 2011	123,900	83,900	95,300	169,500	148,800	59,700	111,000
D. Natural growth 2031	136,600	87,800	92,400	182,000	158,900	65,200	117,000
E. In-migration 2031	11,800	18,100	26,600	13,700	29,600	2,700	20,600
F. Total population 2031	148,400	105,900	119,000	195,700	188,500	67,900	137,600
G. Households 2011	48,780	35,702	41,982	71,519	61,488	27,512	47,034
H. Households 2031 (total)	61,070	47,277	54,839	86,593	81,602	32,802	61,156
I. Households 2031 (from natural growth)	56,214	39,196	42,581	80,531	68,788	31,498	52,000
J. Households 2031 (from in-migration)	4,856	8,080	12,258	6,062	12,814	1,304	9,156
K. Households change per year (total)	615	579	643	754	1,006	265	706
L. Households change per year (from natural growth)	372	175	30	451	365	199	248
M. Households change per year (from in-migration)	243	404	613	303	641	65	458

Source: Technical Report Tables 32 and 34/35 to 48/49

Table 13 **How the natural growth and in-migration calculation works**

	Source or calculation	Calculation	Source in Technical Report
A.	Occupancy ratio 2011		Table 32
B.	Occupancy ratio 2031		Table 32
C.	Total population 2011 from 2011 Census figures		Tables: T34, T36, T38, T40, T42, T44, T46
D.	Natural growth 2031 from the CCC natural change figure (revised)		Tables: T35, T37, T39, T41, T43, T45, T47
E.	Total population 2031 from the Census trend figure (revised)		Tables: T35, T37, T39, T41, T43, T45, T47
F.	In-migration 2031 = Total population 2031 minus Natural growth 2031	(f = e – d)	
G.	Households 2011 = Total population 2011 divided by Occupancy ratio 2011	(g = c / a)	
H.	Households 2031 (total) = Total population 2031 divided by Occupancy ratio 2031	(h = e / b)	
I.	Households 2031 (from natural growth) = Natural growth 2031 divided by Occupancy ratio 2031	(i = d / b)	
J.	Households 2031 (from in-migration) = Households 2031 (total) minus Households 2031 (from natural growth)	(j = h – i)	
K.	Households change per year (total) = Households 2031 (total) minus Households 2011 then divided by 20 years	(k = (h – g) / 20)	
L.	Households change per year (from natural growth) = Households 2031 (from natural growth) minus Households 2011 then divided by 20 years	(l = (i – g) / 20)	
M.	Households change per year (from in-migration) = Households change per year (total) minus Households change per year (from natural growth)	(m = k – l)	

Source: Technical Report Tables 32 and 34/35 to 48/49