









Forest Heath Profile

Patterns of economic activity and nature of economy	Overall employment rate (aged 16-64)	 High (71.6%) and increasing green
	Average employee earnings (workplace)	 Low (£417) and falling red
	Jobs density	 Average (0.71) and falling amber
Entrepreneurial culture	Level of self employment	 Low (13%) but rising amber
	New business registrations per 10,000 adults	 Low (45) but rising amber
Skills levels and aspirations	Population aged 19-59/64 qualified to at least level 2 or higher	 Average (71%) but rising green
Patterns of unemployment and deprivation	People aged 16-64 on out of work benefits	 Low (7.8%) but rising amber
Housing affordability	Ratio of median house price to median earnings	 Average (7.24) and rising amber

Key Issues

- Low adult skills, particularly at level 4+, the level recognised as necessary to drive business competitiveness
- Low levels of educational attainment, with below average performance at age 14-16, particularly among those educated in the district
- Low and falling jobs density
- Low average workplace and resident employee earnings
- A significant difference in earnings between male and female full-time workers
- Dependence on a small number of industry sectors

ECONOMIC ASSESSMENT OVERVIEW	Cambridge City			East Cambridgeshire			Fenland			Huntingdonshire			South Cambridgeshire		
	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel
PEOPLE															
Overall employment rate (aged 16-74)			↑			↑			↑			↓			↑
People aged 16-64 on out of work benefits			↓			→			↑			↓			→
Proportion of population aged 19-59/64 qualified to at least level 2 or higher			↑			↑			↓			↓			↑
Proportion of population aged 19-59/64 qualified to at least level 4 or higher			↑			↓			↑			↑			↓
5+ A*-C grades at GCSE inc English and Maths			↓			↓			↑			↓			↑
BUSINESS															
New business registration rate (2011)			↑			↑			↑			↑			↑
Percentage of small businesses in an area showing employment growth (discontinued) (2008)			→			→			→			→			→
Labour productivity (2010)			↓			↑			↑			↑			↑
Jobs density (2011)			↑			↑			↓			↓			↓
Median earnings of employees in the area (2012)			↑			↓			↑			↓			↑
PLACE															
CO2 emissions per head (2009)			↑			↑			↑			↑			↑
Housing affordability			↓			↑			↑			↓			↑
GVA per capita (2010)			↓			↑			↑			↑			↑
Place Survey results			-			-			-			-			-

	Forest Heath			St Edmundsbury			North Hertfordshire			Uttlesford		
	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel	Performance against Cambridgeshire average	Performance against national average	Direction of travel
PEOPLE												
Overall employment rate (aged 16-74)			↑			↓			↑			↑
People aged 16-64 on out of work benefits			↓			↑			↓			↑
Proportion of population aged 19-59/64 qualified to at least level 2 or higher			↑			↑			↑			↑
Proportion of population aged 19-59/64 qualified to at least level 4 or higher			↑			↑			↑			↓
5+ A*-C grades at GCSE inc English and Maths			↓			↑			↑			↑
BUSINESS												
New business registration rate (2011)			↑			↑			↑			↑
Percentage of small businesses in an area showing employment growth (discontinued) (2008)			→			→			→			→
Labour productivity (2010)			↑			↑			↑			↑
Jobs density (2011)			↓			↑			→			↑
Median earnings of employees in the area (2012)			↓			↓			↑			↑
PLACE												
CO2 emissions per head (2009)			↑			↓			↑			↑
Housing affordability			↓			↑			↑			↓
GVA per capita (2010)			→			↑			↑			↓
Place Survey results			-			-			-			-

KEY

Better than average

Similar to average

Worse than average

↑→↓ Direction of travel

Forest Heath SWOT

Strengths

A small resident population, but relatively high proportion of working age.

Low unemployment and relative resilience to the impact of the recession.

Low levels of incapacity benefit claimants.

Businesses have higher average employment than within most other Greater Cambridge districts.

Weaknesses

Generally low levels of prosperity.

Relatively low levels of resident satisfaction.

Some pockets of housing and skills deprivation.

Low adult skills levels, particularly at level 4+, the level recognised as necessary to drive business competitiveness.

Opportunities

National strengths in horse racing and veterinary activities.

Productivity levels within the district might increase if higher value employment could be developed within the district to attract higher skilled residents.

Housing is relatively cheap, however housing affordability is only average, due to low wages.

Threats

Low levels of educational attainment, particularly among those educated in Forest Heath.

Recent slight increase in recorded crime levels.

Dependence on lower value tourism and manufacturing sectors.

Low amount of business floorspace, with the majority allocated for warehouse and factory use. This may limit the ability of office based, higher value businesses to locate in the area.

Low business and jobs densities which may affect the ease of doing business in the district.

Labour market, prosperity and crime

A small resident population, but relatively high proportion of working age

- Forest Heath is the least populous of the Greater Cambridge districts with an estimated population of 60,000 residents.
- A relatively high proportion (65%) of the population is of working age, compared with other districts in Greater Cambridge, reflecting the large armed forces presence in the district.

Strong two way commuting links exist between East Cambridgeshire and Forest Heath

- However levels of commuting out of the district to work are not as high as for many other districts across Greater Cambridge.

Generally low levels of prosperity

- The East of England Forecasting Model estimates that both labour productivity and GVA per capita (a measure of general prosperity) are significantly lower in Forest Heath than the averages of both Cambridgeshire and the UK.
- Forest Heath has the lowest average resident weekly pay of all Greater Cambridge districts, although average weekly workplace pay in Forest Heath is marginally higher than in Fenland.
- Forest Heath and Fenland have lower average household incomes than the rest of the Greater Cambridge area. [Map 1]

Relatively low levels of resident satisfaction

- The 2008 Place Survey recorded that 77% of Forest Heath residents were satisfied with their local area as a place to live, second lowest across Greater Cambridge and below the national average of 80%.

Relatively low crime rate

- When examining crime data, crime counts are typically examined by Crime and Disorder Reduction Partnership areas. Within Suffolk, Forest Heath and St Edmundsbury come under the same area – Western Suffolk, which also covers Mid Suffolk.
 - Western Suffolk as whole has a crime rate of 46.38 per 1000 people, which is lower than the Cambridgeshire average rate. The rate of crime in the Western Suffolk area fell in the year 2012/13.
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Skills levels and education

Low adult skills levels

- Skills levels within Forest Heath are low. Only around 71% of the population aged 19-59/64 are qualified to at least NVQ level 2 or higher – below both the Cambridgeshire average and the national average.
- The district has one of the highest proportions of residents with no qualifications within Greater Cambridge, second only to Fenland.
- Only around a quarter of the 19-59/64 resident population are qualified to NVQ level 4+, slightly higher than Fenland but significantly below the national average and lower than all other Greater Cambridge districts.

Low levels of educational attainment, particularly among those educated in Forest Heath

- Attainment levels among young people studying in the district are below average with 42% of 15 year olds reaching level 3 by age 19, compared with 48% across England as a whole.
- In terms of attainment at age 14-16, performance is well below average among pupils studying in Forest Heath, with just 37% of pupils resident in Forest Heath achieving 5+ GCSEs graded A*-C including Maths and English, well below the national average of 59% and by far the lowest of all Greater Cambridge districts.
- Performance in this category is still lower amongst pupils attending schools in Forest Heath rather than resident in Forest Heath, which implies that Forest Heath pupils opting out of local schools tend to do better.

Patterns of unemployment and deprivation

Below average unemployment and relative resilience to the impact of the recession but with slight increase in Jobseeker's Allowance claimants

- The unemployment rate across Forest Heath is around average for Cambridgeshire in 2011, with 3.6% of residents aged 16-74 in unemployment compared with a national average of 5.2%.
- Unlike most of Greater Cambridgeshire, Forest Heath saw an increase in Jobseeker's Allowance claimants from December 2011 to December 2012. The number of claimants rose 0.8% during this time. The only other Greater Cambridgeshire districts to see an increase in claimants was North Hertfordshire, where numbers rose by 2.4%.

Average level of out-of-work benefit claimant rate

- 3,000 out-of-work benefit claimants in February 2012 is one of the lowest totals in the Greater Cambridge area. However, this corresponds to a rate of 7.8%, which is just above the rate for Cambridgeshire.

Some pockets of housing deprivation

- The most deprived Lower Super Output Areas in the district, according to the Index of Multiple Deprivation, are concentrated in Mildenhall and Newmarket. [Map 4]

High levels of fuel poverty in some areas

- Fuel poverty is influenced by three factors: low incomes, high fuel costs and thermal efficiency of the housing stock. In 2010, around a sixth of households were in fuel poverty in Forest Heath.
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Nature of the economy

Relatively low value economy compared with Greater Cambridge as a whole

- Below average proportion working in high value occupations (55%), in knowledge intensive occupations (8%) and below average public sector employment (28%).
- Median earnings are among the lowest of all Greater Cambridge districts, with a 30% difference in earnings between male and female full-time workers. This is the second highest pay-gap across Greater Cambridge and significantly higher than the national gap of 18%.
- The East of England Forecasting Model estimates that both labour productivity and GVA per capita (a measure of general prosperity) are lower in Forest Heath than the averages of both Cambridgeshire and the UK.

Dependence on tourism, manufacturing and horse racing – mainly lower value industries

- The arts, entertainment, recreation and other services sector accounts for the largest number of businesses. However, this sector only provided the fifth highest number of employees in 2011.
- Dominant employment sectors are accommodation and food services, manufacturing (almost twice the national average) and retail.
- Particular niches within the district are camping, short stay accommodation and forestry activities, each with a proportion of employment significantly above the national average. Other key niches which also employ significant numbers are sporting activities (employing over 2,000, with Newmarket a major employer) and veterinary activities, reflecting Newmarket's horse racing heritage.

Low business and jobs densities

- In 2012 there were 2,625 local units in VAT and/or PAYE based enterprises in Forest Heath, the smallest business population of all Greater Cambridge districts. There was a total of 28,000 jobs in 2011.
- 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 Forest Heath is amongst the lowest in Greater Cambridge and is below the regional average. Significantly, Forest Heath has seen some of the lowest increases in business density in Greater Cambridge. From 2004 to 2012 business density increased by just under 5%, compared to nearly 15% for Greater Cambridge as a whole.
- Forest Heath's jobs density in 2011 was 0.71. This means that the district's labour demand is not as high as its available workforce. Furthermore jobs density within the district decreased between 2003 and 2011 – this was a result of a fall in total jobs as well as an increase in resident population.

Businesses have higher average employment than most other Greater Cambridge districts

- Businesses in Forest Heath are generally larger than in most other districts across Greater Cambridge with a higher than average proportion in the 10-49 employment size bracket. Within Greater Cambridge, only Cambridge City and St Edmundsbury have higher proportions of businesses in both the 10-49 and 50-259 employment brackets.
- The proportion of enterprises with employment less than 50 showing employment growth in 2008 was similar to regional and national figures at just over 14%, but one of the highest proportions among Greater Cambridge districts.

Low level of self-employment

- At 9.9%, the birth rate of new enterprises (measured as births per 100 active enterprises) in Forest Heath was similar to that of Greater Cambridge as a whole in 2011.
 - Around 13% of Forest Heath's employed residents are self-employed – a lower proportion than seen nationally and the joint lowest proportion seen among Greater Cambridge districts.
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Business development, infrastructure and housing

High proportion of private tenants, reflecting the US Air Force personnel and racing industry

- In most of the sub-region, around 70% of the population are owner occupiers, but this proportion is smaller in Cambridge City and Forest Heath. These areas have large proportions of private tenants reflecting the generally younger population in Cambridge City and US Air Force personnel and the racing industry in Forest Heath.

Lower price housing but average housing affordability due to low wage levels

- Forest Heath is the second cheapest district in the sub-region after Fenland. The average house price from Aug 2012 to Jan 2013 was £186,625.
- The lower quartile house price to lower quartile income ratio for Forest Heath as a whole is 8.83 which is lower when compared to 9.73 for the East of England as a whole, although still greater than the 3.5 house price to income ratio defined as affordable by Communities and Local Government.
- The least affordable ward in the district, which is the thirteenth least affordable ward in the sub-region, is South ward, with a ratio of 11.98. The most affordable ward in the district, which is the thirty-seventh most affordable ward in the sub-region, is Brandon East ward, with a ratio of 7.15. [Map 5]

Low allocation of business floorspace

- In 2008 Forest Heath had the lowest amount of business floorspace in the sub-region.
- At nearly 70%, a slightly higher proportion of business floorspace in Forest Heath is allocated for warehouse and factory use than is seen across Greater Cambridge as a whole or nationally.

Slightly higher accessibility of jobs by sustainable means, compared with Cambridgeshire districts

- Accessibility of jobs by public transport, cycling or walking is relatively low across Cambridgeshire, as it is in many other rural counties.
- A slightly higher percentage of residents of Forest Heath are classed as being able to access employment by public transport, cycling or walking than the rural Cambridgeshire districts.

Relatively low CO2 emissions per head compared with other districts across Greater Cambridge

- CO2 emissions per head are lower in Forest Heath than most other sub-region districts, and have been decreasing in recent years, but remain higher than the per capita figure for the UK.

Future prospects

Increase in employment

- The East of England Forecasting Model forecasts that, within Greater Cambridge, Forest Heath will see the smallest increase in employment between 2011 and 2031.

Increase in GVA

- GVA growth forecasts suggest Forest Heath will have the third lowest rate of growth among Cambridgeshire districts between 2011 and 2031.

Employment demand in caring personal service occupations

- Occupational forecasts for Suffolk based on the East of England 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.

Gradually ageing population

- By 2031 forecasts suggest the district will experience a large increase in the population aged 65 and over.
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Appendices

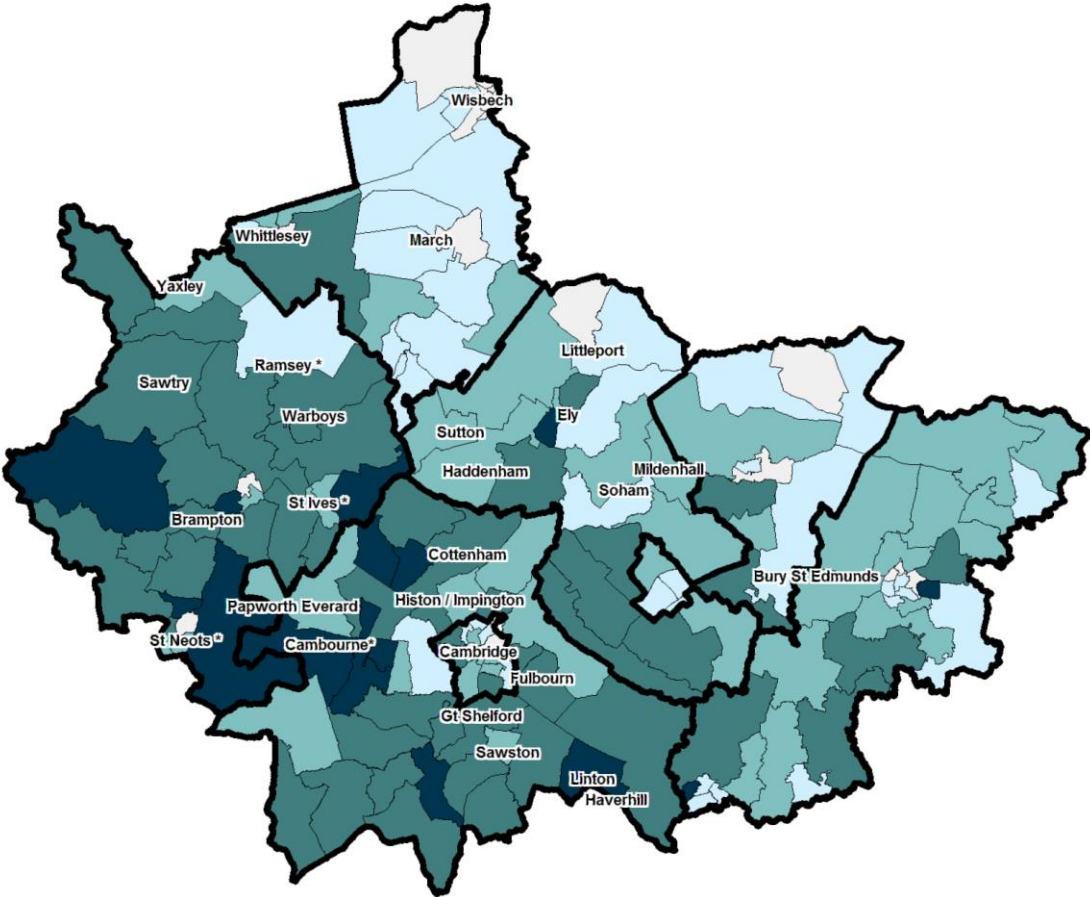
Map 1: Median household income, 2010

Source: CACI PayCheck 2010

Median Household Income 2010, by electoral ward

Median Household Income (£)

- 40,000 to 47,900 (15)
- 35,000 to 40,000 (49)
- 30,000 to 35,000 (47)
- 25,000 to 30,000 (39)
- 0 to 25,000 (18)



Source: CACI PayCheck 2010

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Map 2: Change in percentage Jobseeker's Allowance claimants, May 2011 to 2013

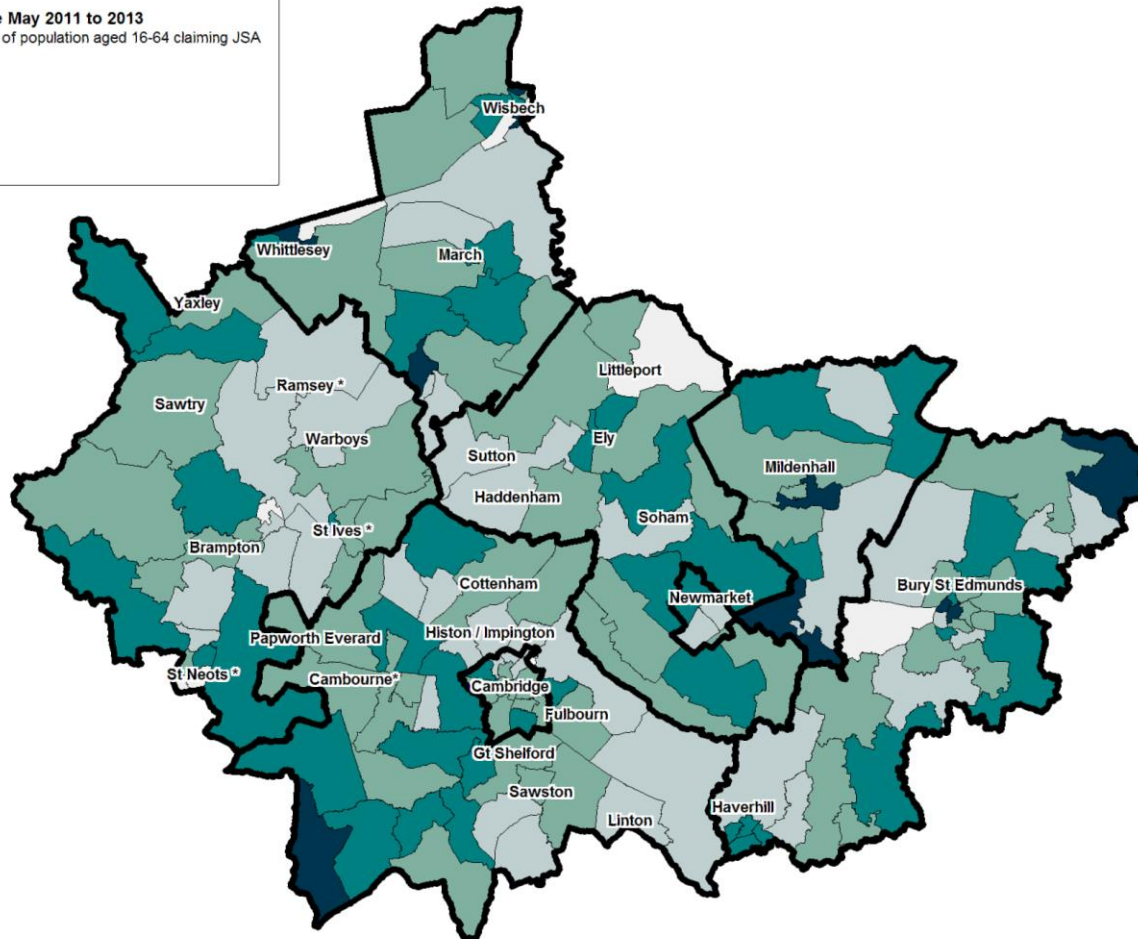
Source: Nomis - JSA Claimant Count

Change in % Jobseeker's Allowance Claimants May 2011 to 2013

Change in JSA Claimant rate May 2011 to 2013

Percentage point change in the % of population aged 16-64 claiming JSA

- 0.75 to 1.6% (11)
- 0.25 to 0.75% (45)
- 0.25 to 0.25% (62)
- 1 to -0.25% (41)
- 1.5 to -1% (9)



Source: NOMIS - JSA Claimant Count

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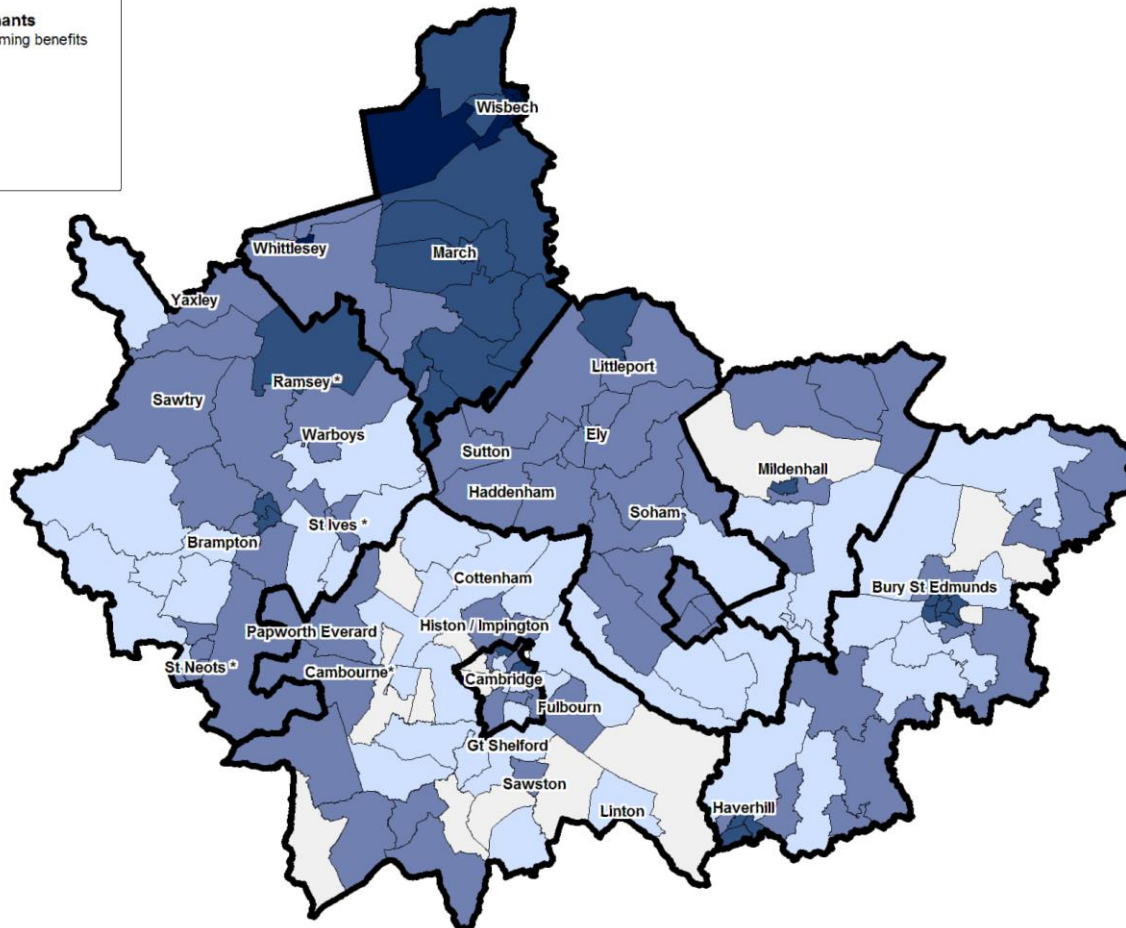
Map 3: Working age benefit claimants, November 2012

Source: Nomis - DWP Work & Pensions Longitudinal Study

Working Age Benefit Claimants November 2012: % working age population claiming benefits

Working Age Benefit Claimants
% of population aged 16-64 claiming benefits

- 18 to 23.7% (8)
- 12 to 18% (29)
- 7 to 12% (71)
- 5 to 7% (45)
- 0.8 to 5% (15)



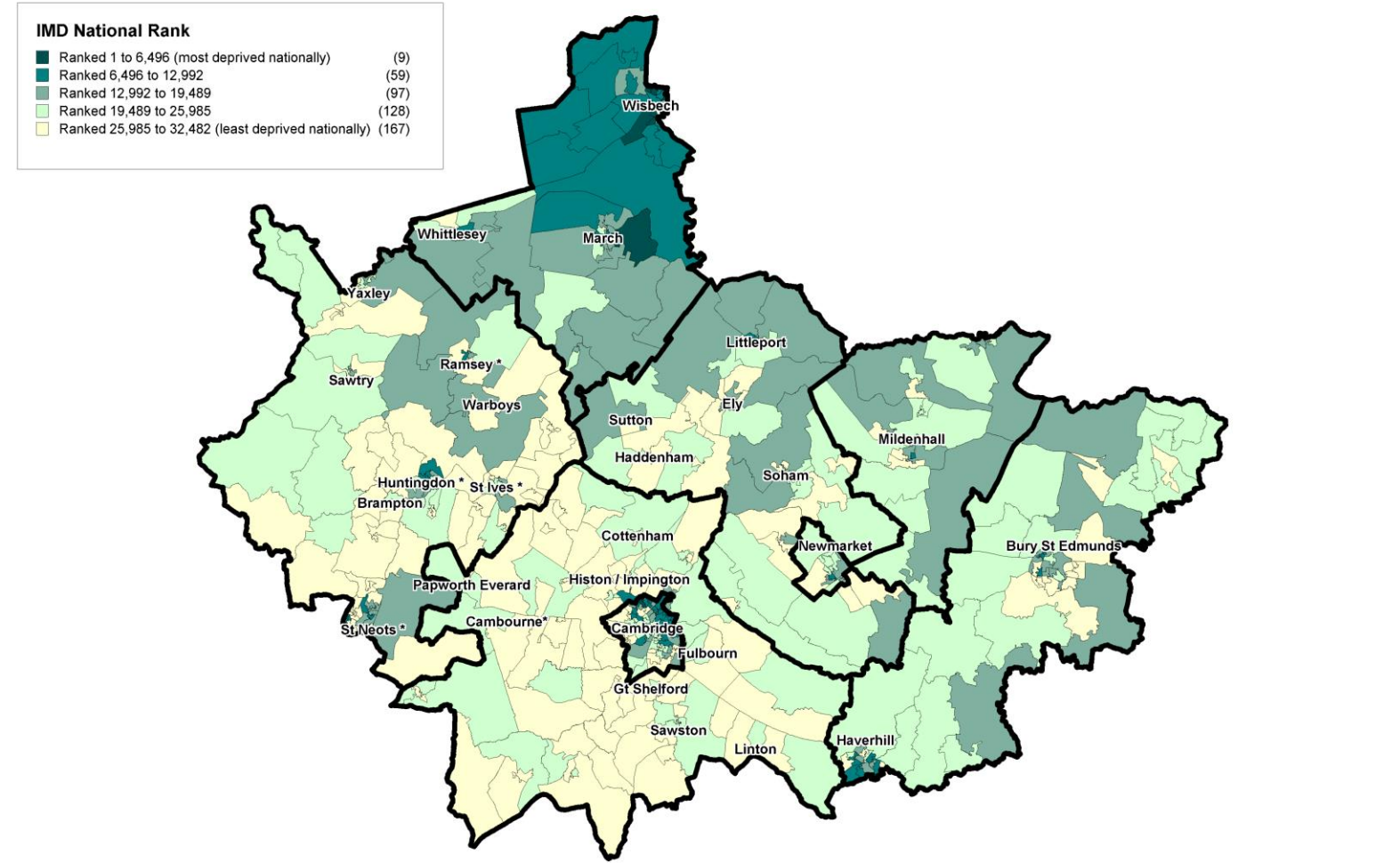
Source: NOMIS - DWP Work & Pensions Longitudinal Study

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Map 4: Index of Multiple Deprivation, 2010

Source: CLG ID2010

Indices of Deprivation 2010: Index of Multiple Deprivation, rankings relative to England



Source: CLG Indices of Deprivation 2010

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Map 5: Lower quartile house price to lower quartile income ratio by ward, April 2012 – March 2013

Source: Hometrack

