South Cambridgeshire Profile

Patterns of economic activity and nature of economy	Overall employment rate (aged 16-64)	High (73.4%) and increasing **green**
	Average employee earnings (workplace)	High (£606) and increasing **green**
	Jobs density	High (0.86) but falling **amber**
Entrepreneurial culture	Level of self employment	High (16.3%) and increasing **green**
	New business registrations per 10,000 adults	High (56) and increasing **green**
Skills levels and aspirations	16-19 year olds who are not in education, employment or training	Low (2.9%) and stable **green**
	Population aged 19-59/64 qualified to at least level 2 or higher	High (83%) and increasing **green**
Patterns of unemployment and deprivation	People aged 16-64 on out of work benefits	Low (5.1%) and stable **green**
Housing affordability	Ratio of median house price to median earnings	High (7.6) but improving **amber**

Key Issues

- Fall in business floorspace over the previous year
- High dependence on migrant workers, threatened by increasingly tight visa restrictions
- Significant earnings disparities between men and women, particularly amongst residents
- CO_2 emissions per head are amongst the highest in the county
- Low housing affordability, however, this is becoming more affordable

ECONOMIC ASSESSMENT OVERVIEW

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

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

KEY

Green	Better than average
Orange	Similar to average
Red	Worse than average
↑→↓	Direction of travel

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 hi-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.
Rural areas suffer from relatively low accessibility of jobs by public transport, cycling or walking.
Housing is relatively unaffordable.
Increasing traffic congestion affecting business productivity and the number of traffic related casualties.
Opportunities
The hi-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.
Increased availability of next generation broadband access, which could have a positive impact on future business growth and the ability of residents to work from home, and which could have a positive impact on future business productivity, particularly with hi-tech industries dependent on international markets.
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 hi-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 is an issue in some wards, linked to low energy efficiency in some housing stock.

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 of 148,800.
- 63.6% of the population is of working age – a slightly lower proportion than seen nationally (64.8%).
- Recent demographic and economic-led forecasts suggest that South Cambridgeshire will see its population grow by around 25% between 2011 and 2031, with by far the largest increase 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 88% of Cambridge residents and 79% 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.

Importance of migrant workers in the health and hi-tech industries

- Hi-tech and health sectors are highly dependent on a supply of skilled labour.
- There is a risk that the hi-tech sector might face increased labour and skills shortages in the future. Overseas students have traditionally filled a proportion of vacancies in the hi-tech sector but tighter new work visa and student visa regimes may 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).

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

- The 2011 Census showed that there are around 1,500 people in Cambridgeshire identifying themselves as having a Gypsy or Irish Traveller ethnic origin. The majority of Traveller sites are based in South Cambridgeshire and Fenland.
- 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 severe economic disadvantage and social exclusion.

Significant levels of earning disparities between men and women

- Women, both resident and workplace, earn around 27% less than men, the second greatest disparity in the county and greater than within England as a whole where the gap is less than 20%.

Generally high levels of prosperity

- 40% of residents are employed in managerial or professional occupations and 63% of residents are employed in ‘high value’ occupations, significantly higher proportions than seen nationally.
- Average household income in South Cambridgeshire is the highest in the county; resident weekly pay is the second highest in the county, around 45% higher than in Fenland.
- GVA per capita, a measure of general prosperity, is also high, but is slightly lower than that of 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 county’s Crime and Disorder Reduction Partnerships.
- Across Cambridgeshire the second lowest number of crimes is recorded in South Cambridgeshire; this corresponds to it having the lowest crime rate in the county.

Skills levels, education and skills demand

Very highly qualified resident population

- South Cambridgeshire residents are the second best qualified of all Greater Cambridge districts after Cambridge City, with 43% of residents aged 19-59/64 qualified to degree level or above, compared to 35% nationally.
- Only 4% of residents aged 19-59/64 have no qualifications, which is less than half the national average.
- Since 2001, South Cambridgeshire has seen the highest growth in the percentage of 19-59/64 population with a level 2 qualification or higher. It now has the highest level in the county.

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 averages of 59% and 58% respectively.
- The district has the lowest proportion of 16-19 year olds not in education, employment or training in the county, at 3%.

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.

Patterns of unemployment and deprivation

Low levels of unemployment and out-of-work benefits claimants

- South Cambridgeshire has a low proportion of its population in unemployment: 2.7% of residents aged 16 to 74 were unemployed in 2011. The proportion of the population claiming out-of-work benefits is very low at 5.1%, less than half of the national average.

Evidence of some resilience to the impact of the recession to date

- South Cambridgeshire continues to have the lowest proportion of Jobseeker's Allowance claimants in the county: as a proportion of the working age population, claimants peaked at just 1.8% in mid-2009 and rates have since decreased steadily.
- Between 2009 and 2011 the wards towards the south of the district have been most affected by the recession with Comberton, Orwell and Barrington having been most impacted in terms of population claiming Jobseeker's Allowance. From 2011 to 2013, Bassingbourn, Melbourn and Barton wards have shown the highest percentage point change in the Jobseeker's Allowance claimant rate with no particular pattern across the district as a whole.

Low levels of deprivation

- South Cambridgeshire is the only district in Cambridgeshire to have no areas scoring among the most deprived in terms of income, employment, education and health.

Risk of fuel poverty an issue in some wards

- Fuel poverty is influenced by three factors: low incomes, high fuel costs and thermal efficiency of the housing stock. Because incomes are relatively high and thermal efficiency is relatively good, there is less fuel poverty in South Cambridgeshire than in the country as a whole (DECC 2009).
- In 2012, three South Cambridgeshire Lower Super Output Areas (in Gamlingay, Bassingbourn and The Wilbrahams) more than 25% of households are in fuel poverty.

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 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.
- The professional, scientific and technical sector accounts for the largest proportion of employee jobs (more than twice the national average at around 16%) followed by manufacturing (at around 15%).

A high value, productive and resilient economy

- The wide, mainly high value industrial mix means that the district is the key driver of productivity within Cambridgeshire and the wider region. A more diverse industry mix means a greater 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 2010. 20,647 of these jobs were in South Cambridgeshire representing 25.5% of total employment in the district. [Maps 1 and 2]
- 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, bio-tech and clean-tech.

High business density and high jobs density, with 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 and saw a particularly high increase between 2004 and 2009, but like all Greater Cambridge districts has seen a small decrease between 2009 and 2012.
- In 2012 South Cambridgeshire had around 7,615 local units in VAT and/or PAYE based enterprises, and the district had 82,000 total jobs in 2011.
- 85% of businesses have an employment size of 0-9 – a slightly higher proportion of micro businesses than seen regionally or nationally.
- With a jobs density figure of 0.86, the district's labour demand is not quite as high as its available workforce but is still among the highest in Greater Cambridge.

Mixed performance in the birth rate of enterprises and but employment growth in small businesses

- Enterprise births per 10,000 residents have remained the highest in Cambridgeshire since 2004, with South Cambridgeshire being the only Cambridgeshire district to perform above regional and national levels in 2011.
- However, the birth rate of new enterprises (measured as births per 100 active enterprises) in 2011 was the second lowest in the Greater Cambridge area and was also below the national average.
- 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 other rural Cambridgeshire districts however, as 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 gains, but recent loss, in business floorspace

- Between 1999 and 2012 South Cambridgeshire saw the highest net increase in business floorspace of all Cambridgeshire districts. The majority of this was made up by gains in the research and development sector.
- However, between 2011 and 2012 South Cambridgeshire recorded a negative net change in business floorspace. Although this period saw a positive net change in research and development and storage and distribution sectors, this was cancelled out by losses in general industry and offices.

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 proportions 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. This is likely because South Cambridgeshire does not have any defined town centre areas.

Increased availability 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. However Cambridgeshire County Council has received a grant to provide high speed broadband access throughout the county, with the aim of delivering 100% broadband coverage by 2015, with a minimum 90% being superfast broadband.

Low housing affordability

- South Cambridgeshire is the second most expensive area in the sub-region after Cambridge City. The average house price in Aug 2012 to Jan 2013 was £303,672.
- One of the ten least affordable wards in the sub-region is in South Cambridgeshire – Barton has a lower quartile house price to lower quartile income ratio of 15.26.
- Bourn ward is the third most affordable ward in the sub-region with a ratio of 6.37, which is still greater than the 3.5 house price to income ratio defined as affordable by Communities and Local Government. [Map 3]

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

- South Cambridgeshire saw a steep fall in the number of dwellings completed annually over the 2007-2009 period.
- Since this point, dwelling completions have steadily recovered to around 700 in 2011/12.

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 (motorways and trunk roads) within the county has occurred on the A428 (40%), which is related to the development of Cambourne, although the A14 at Swavesey continues to have the highest daily traffic flows.

High CO2 emissions per capita

- South Cambridgeshire has some of the highest per capita CO2 emissions in Cambridgeshire. However, from 2007 to 2009, there have been reductions in this rate which is forecast to continue in the future.

Future prospects

A rapidly growing, gradually ageing, resident population

- Cambridgeshire's population is forecast to grow considerably in coming years; the County Council Research Group's 2013 Population, Housing & Employment Forecasts Technical Report, which considers all relevant demographic and economic-led forecasts, suggests that the county's population will grow by 23% between 2011 and 2031. The highest levels of growth will be in South Cambridgeshire (26%) and Huntingdonshire (22%), as these are where the most house-building is expected.
- By 2031 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.

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 the highest level of employment growth between 2011 and 2031.

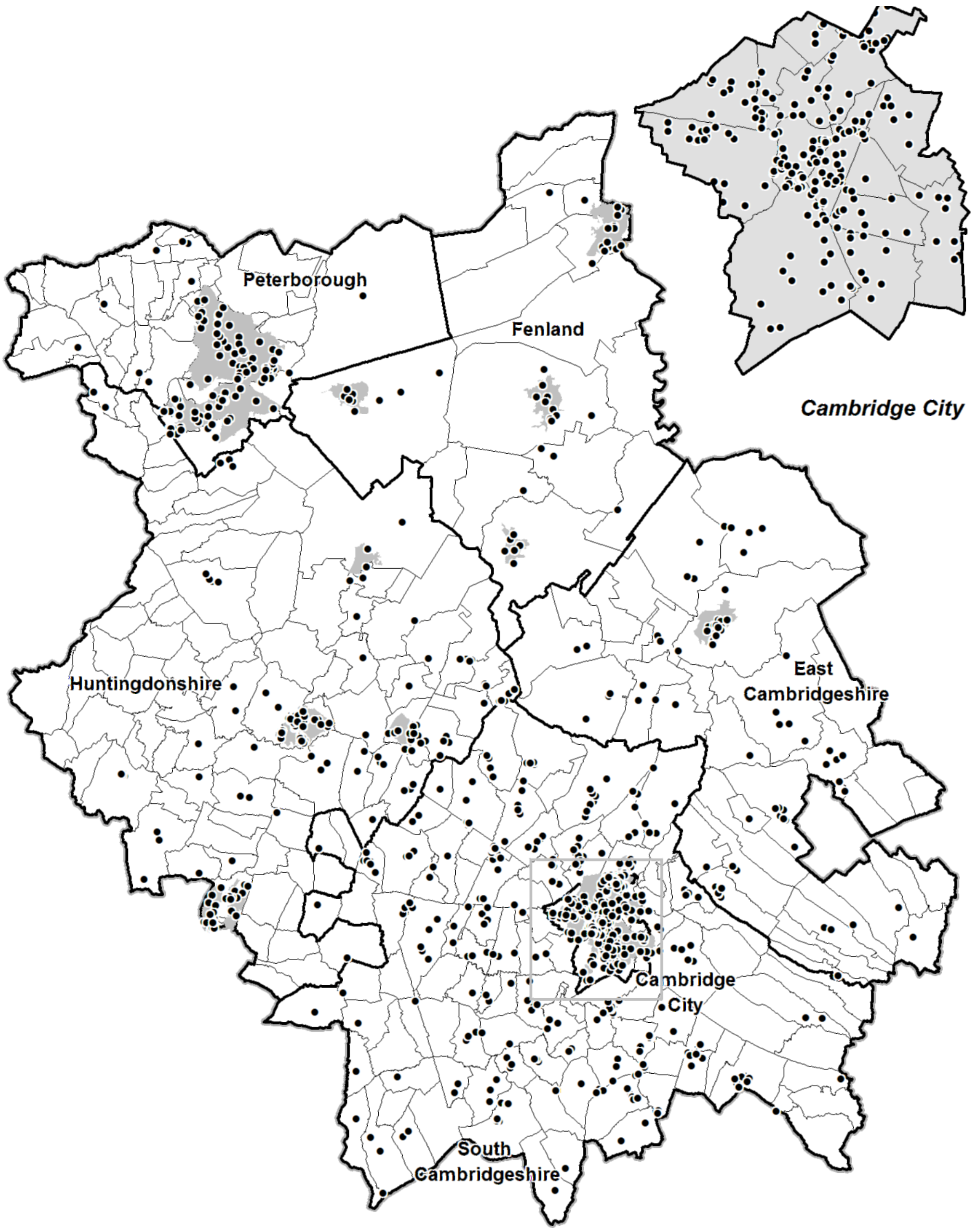
Employment demand in managers and professional occupations

- Occupational forecasts for Cambridgeshire 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.

Appendices

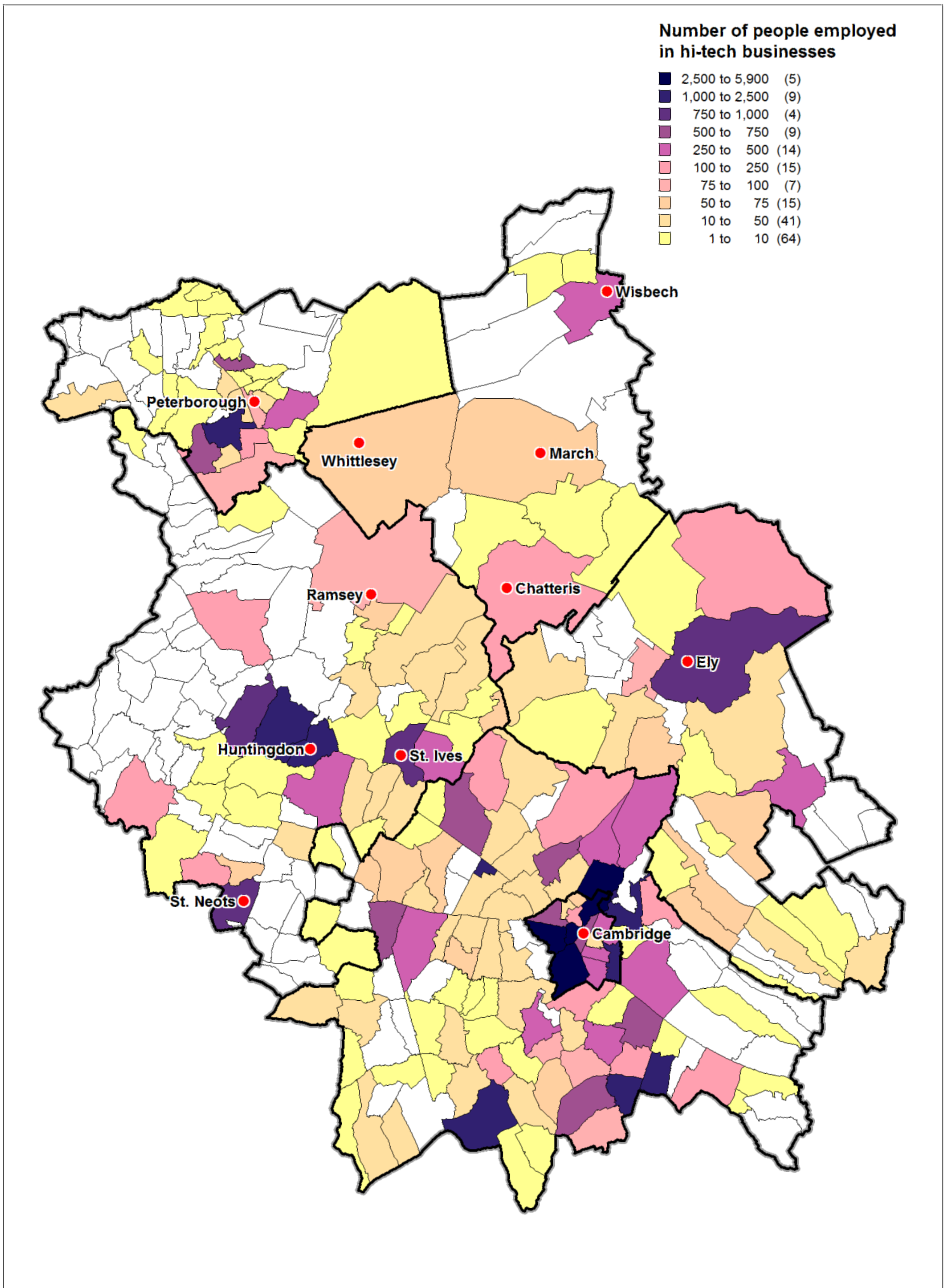
Map 1: All Hi-tech 'Community' Businesses in Cambridgeshire and Peterborough 2010

Source: Cambridgeshire County Council Research Group



Map 2: Employment in the Hi-tech 'Community', 2010

Source: Cambridgeshire County Council Research Group



Map 3: Lower quartile house price to lower quartile income ratio by ward, April 2012 – March 2013
Source: Hometrack