

ENDORSEMENT OF THE CAMBRIDGESHIRE ECONOMIC ASSESSMENT

To: **Cabinet**

Date: **22 February 2011**

From: **Acting Executive Director: Environment Services**

Electoral division(s): **All**

Forward Plan ref: **N/A** *Key Decision:* **No**

Purpose: **To endorse the final version of the Cambridgeshire Economic Assessment following consultation.**

Recommendation: **Cabinet is recommended to:**

- a) approve the Cambridgeshire Economic Assessment**
- b) agree that the Assessment will be reviewed annually by the Service Director Environment and Regulation in consultation with the Cabinet Member for Economy and Environment**
- c) Agree that the Assessment will be refreshed when the review highlights that it needs substantial updating. The refreshed Assessment will be approved by Cabinet.**

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1 BACKGROUND

- 1.1 Following the passing of the Local Democracy, Economic Development and Construction Act in 2009, all upper tier local authorities must undertake an economic assessment of their local area, in partnership with district councils.
- 1.2 The primary purpose of the local economic assessment (LEA) is to provide the economic background, data and analysis to inform a range of county and district council plans and strategies. These include sustainable community strategies, local development frameworks, local transport plans, economic development strategies and skills strategies. As such, the assessment provides an evidence base to help inform economic interventions and investments in the county.
- 1.3 Since completion of the draft assessment, there has been some uncertainty over the new coalition government's view of the LEA duty and speculation that the legislation conferring it might be repealed. This has now been clarified after Housing Minister Grant Shapps wrote to councils to say the duty would remain but that the guidance would be scrapped, leaving councils to determine how they take forward their assessments "without interference from government." It was suggested however, that the assessments would play a key role in determining the functions and strategies of the new Local Enterprise Partnerships.

2 SCOPE

- 2.1 The core challenge for the Cambridgeshire Economic Assessment is to better understand the key drivers of the economy and the support required to improve local economic prosperity. A number of questions underpin this challenge which the assessment categorises under the three themes of:
 - Business (including levels of productivity and sectoral strengths);
 - People (including skills levels and patterns of deprivation and prosperity) and;
 - Place (including employment land provision and the impact of climate change and the environment).
- 2.2 A significant amount of information and intelligence already exists across both the County Council and district councils and from various research reports. The Cambridgeshire Economic Assessment aims to draw that information together, broaden our understanding and highlight any gaps in evidence that might exist.
- 2.3 Analysis has been undertaken at the level of the functional economic area (Greater Cambridge), county and district. In addition to the county profile covering business, people and place data, seven district profiles (Cambridgeshire's districts plus Forest Heath and St Edmundsbury) have been produced, resulting in a summary of key issues and a SWOT analysis of each district. A full set of the Cambridgeshire Economic Assessment documents can be found at:

www.cambridgeshire.gov.uk/business/economicandcommunitydev/ecodevelopment/economicassessment
- 2.4 Largely from the 'People' theme data a draft worklessness assessment has been produced and the Cambridgeshire Skills Priority Statement compiled, which has been used to try and influence Skills Funding Agency priorities. The worklessness assessment is now informing the development of a Worklessness

Strategy to guide and co-ordinate Council and partner activity supporting worklessness provision.

3 WORKING ARRANGEMENTS

- 3.1 An officer Project Board has guided the development of the assessment. It has been attended by the Research Group, the Corporate Policy team, the GCP, EEDA and economic development officers from each of the district councils making up the functional economic area
- 3.2 The Economic Development team have also met with key stakeholders from across the public, private and community sectors to both raise awareness of and seek engagement with, developing Cambridgeshire's Economic Assessment.

4 CONSULTATION

- 4.1 Working with the Project Board, a wide consultation exercise was undertaken with stakeholders invited to comment and provide feedback. The draft assessment was considered by the Growth and Environment PDG in September 2010 and the district profiles at 'In your Patch' meetings with district and county members during the autumn. District authorities also presented the draft assessment to Members through their various cabinet and committee processes.
- 4.2 In addition formal written responses have been summarised in appendix 1 and were received from the following stakeholders:
 - Cambridge City Council
 - East of England Development Agency
 - The Environment Agency
 - Fenland District Council
 - Huntingdonshire Chambers of Commerce
 - Huntingdonshire District Council
- 4.3 Responses have been carefully considered via further consultation with respondents, with minor amendments or updates to the assessment being made, and more substantive suggestions for additional indicators for instance, intended to be included in the review of the assessment during 2011. It should be noted that the assessment needs to be impartial and is not meant as a promotional document.

5 BRIEF SUMMARY OF ASSESSMENT'S FINDINGS

- 5.1 An Executive Summary of the assessment is included at appendix 2 while key conclusions are listed here.
- 5.2 Strengths of the Economy
 - High value occupations and high levels of skills in south and west of area
 - Relatively diverse economy in South Cambridgeshire and Hunts.
 - Retail growth in town centres across most districts
 - Crime levels decreasing across the county
 - GVA per capita above regional and national average
 - Strengths in internationally significant growth sectors:

- Double the national proportion of employment and business in pharmaceuticals and increasing
- Seven times the national proportion of employment in R&D
- Hi-tech and advanced manufacturing growth in firm size

5.2. Weaknesses of the Economy

- High and rising levels of incapacity benefit claimants
- Significantly lower earnings among women
- Pay gap and skills gap increasing between north and south
- Poor 14-19 and adult skills levels in some areas
- Low turnover and employment per enterprise
- Low housing affordability
- Poor broadband coverage
- Transport congestion costs millions per year in lost productivity

5.3 Threats to the Economy

- Business dependency on migrant workers
- Over-representation of 18-24 year olds among unemployed
- Town centre office space reductions
- Recent decrease in VAT registrations
- Skills shortages in technical and commercial skills
- High public sector employment in Cambridge City
- Fenland and East Cambridgeshire districts lack diversity of sectors and business 'churn'
- Higher than average carbon emissions per capita across all districts apart from Cambridge.
- Negative impact of climate change and 'peak peat' on the farming sector – an important source of employment in the north and east.

5.4 Opportunities and priorities for action

- Evidence of demand from business for higher skilled workforce in Fenland
 - Up-skilling of resident workforce vital. Needs consideration of access to education, quality of educational offer and raising aspirations.
- Support SMEs to up-skill their workforce and increase their resource efficiency.
 - Ensure supply of targeted managerial training, apprenticeships and investigate potential of Group Training Associations
- Full potential of labour market not realised
 - Investigate opportunities to engage the workless population in the north, high skilled graduates in the south and the underpinning causes for lower earnings among women
- Poor strategic and local transport links and broadband infrastructure constrains business growth, reduction in emissions and resident skills
 - Investigate, with colleagues and partners, alternative funding streams and approaches to addressing the issue.
- International strengths in growth sectors and significant export potential
 - Prioritise inward investment and building the capacity of local businesses to trade.
- Support the diversification of the business base in rural areas, particularly the opportunities for social enterprise.
 - Build the tourism offer, capitalise on positive opportunities from climate change, ensure quality business accommodation and infrastructure and

support more productive relationships between business and the voluntary/community sector.

6 REFRESH AND IMPLEMENTATION

- 6.1 It is intended that the Cambridgeshire Economic Assessment will be reviewed annually and refreshed when it becomes appropriate to do so e.g. following publication of the 2011 census.
- 6.2 Section 5.4 provides initial pointers for:
- an implementation plan
 - influencing the strategy and priorities of the emerging Greater Cambridge Greater Peterborough Local Enterprise Partnership
 - relevant strategies and action plans at district and county level

7 NEXT STEPS

- 7.1 Promotion – The assessment has been published on the County Council's website and key partners and contributors notified by e-mail alert. A notice was released to the press on completion.
- 7.2 As suggested in the letter to councils (see para 1.3), the assessment along with those completed by Peterborough City Council and Rutland County Council will support the ongoing development of the Local Enterprise Partnership and accompanying Economic Strategy.
- 7.3 The assessment will undergo an update and review annually each autumn by the Service Director, in consultation with the Cabinet Member for Economy and Environment. The assessment will be refreshed when the review highlights that it needs substantial updating. The refreshed Assessment will be approved by Cabinet.

8 SIGNIFICANT IMPLICATIONS

The following bullet points set out details of significant implications identified by officers

8.1 Resources and Performance

- Reviewing and refreshing the economic assessment will require resource from both within the economic development team and research group.
- Assessment supports and informs other areas of the Council's work.

8.2 Statutory Requirements and Partnership Working

- Completion of the economic assessment is a statutory duty of upper tier authorities but should be completed in partnership with district authorities.

8.3 Climate Change

- The economic assessment recognises the potential implications of climate change on the economy of the Cambridgeshire and it is hoped a number of

actions can be identified in the resulting plans and strategies it influences, that help to both publicise and mitigate the effects.

- The assessment can support develop the case for exploiting opportunities in the environmental sector and the need to embed principles of sustainable development in all economic development activity.

8.4 Access and Inclusion

- The assessment identifies access and inclusion as particular priorities in improving skills levels in the north of the county.

8.5 Engagement and Consultation

An initial round of engagement and consultation with officers and business informed the scope and priorities of the assessment. Further consultation was undertaken on the draft assessment to gather further feedback and inform priorities for action.

Source Documents	Location
Economic Assessment Worklessness Assessment Link to Economic Assessment Webpage www.cambridgeshire.gov.uk/business/economicandcommunitydev/ecodevelopment/economicassessment	42 Castle Street, Shire Hall, Cambridge

Appendix 1

Consultation Response Summaries

Cambridge City Council

1. Notes findings in LEA are generally consistent with those of Cambridge City and South Cambridgeshire Employment Land Review and draft report: 'The Cambridge Cluster – 50 Years On'.
2. LEA does not reference loss of industrial employment land in Cambridge City over time arising from demand from higher value uses (e.g. housing), and the potential implications of this. The City Council believes this to be a key finding potentially affecting its ability to provide a diverse range of employment opportunities.
3. Would like to see reference to Cambridge Northern Fringe East employment site and likelihood that it will be allocated as employment land.
4. Would like mention made of tight administrative boundary of Cambridge City and affect this has on economic data, e.g. reference to lack of hi-tech employment growth ignores employment on edge of city in S.Cambs, such as at Cambridge Science Park. City and S.Cambs effectively operate as one cohesive economic area.
5. Would like to see more mention of the Local Enterprise Partnership in the exec summary and of how the LEA can help from the economic vision of the LEP.
6. Would like to see mention of biotech and health under overview of Cambs economy section.
7. Says there is confusion between the planning definition of 'affordable housing' and the public perception of the term and that this needs clarifying in the document.
8. Would like reference to threat of the non delivery of Cambridge East and Northstowe in the SWOT analysis. Also the threat of university funding cuts to the economic viability of the region, including support for enterprise.
9. Under strengths and elsewhere, would like more mention of health sector and in particular Addenbrookes as a key employer. Is a sector of national importance.
10. Questions the value of comparing statistics on crime or housing stock with the other (rural) districts in the county.
11. Would like more made of the need to progress transport solutions in light of recent government decisions on transport investment.
12. Would like more made of the importance and value of Employment Land Reviews and their findings e.g. quantity of dormant R&D land in S.Cambs which could be returned to housing.

East of England Development Agency

1. Draw out national significance of Cambridge to the UK economy and recovery, alongside the very different but no less important roles of the county's market town economies.
2. Document not always clear about the real reasons and impacts of the issues raised.
3. Suggest may wish to break up sections into research questions to be answered by the assessment e.g. in people section, What are the impacts of demographic change? What are the barriers to educational attainment in Fenland?
4. Would like to see further sectoral analysis and not just of hi-tech sectors.
5. Proposes a range of additions to the transport section, including findings of Transport Economic Evidence Study (TEES). Should focus on economic value of strategic infrastructure.

6. Makes same point as Cambridge City Council in regard to question marks over development sites (Northstowe, Cambridge East) and implications of these not going ahead or being delayed/reduced.

The Environment Agency

1. Notes the economy is dependent on environmental goods and services to function. Thus would like to see interactions between environment and economy captured in the document.
2. Can do this by measuring carbon emitted per unit of GVA, water used/unit GVA and waste produced/unit of GVA.
3. Economic growth must be planned in the context of sustainability, taking account of environmental pressures and sustainability indicators (offers support in this area.)
4. Assessment should refer to latest UK Climate Projections (UKCP09) to help communities adapt to climate change.
5. Would like to see reference to national importance and economic value to UK plc of the Fens. Environmental threats mean economic value can not be guaranteed. Evidence can be gathered to support the long term biodiversity and productivity of the area.
6. Suggest inclusion of well being measure capturing social, environmental and economic prosperity equally, and examples of how environmental improvements in the area contribute to sustainable economic growth.

Fenland District Council

1. Would wish to see following included in the assessment:
 - data from Horizon's Renewable Energy Capacity Plan included.
 - data on commuting patterns between Fenland and West Norfolk.
 - data from housing stock conditions survey
2. Suggests a link be made between clean tech industry and environmental targets showing the expansion required in the former to achieve the latter.
3. Would like more mention of fuel poverty and drivers in Fenland (e.g. lack of connections to mains services)

Huntingdonshire District Council and Chamber of Commerce

1. Does not feel crime should be included in SWOT for Huntingdonshire – says is not a significant issue for residents or businesses when surveyed.
2. Contests assertion of relatively poor condition of housing stock in St Ives.
3. Would like some clarity on uses and intended meaning of term 'affordable housing.'
4. Would like the authority's commitment to the growth agenda noted.
5. Feels SWOT analysis is unduly negative.
6. Questions value of data used from 2008 or earlier.

Cambridgeshire's Economic Assessment

Executive Summary

Introduction

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

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

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

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

Cambridgeshire's functional economic area

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

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

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

Overview of Cambridgeshire's economy

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

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

However, the gap in prosperity and skills between the north of the county and the south of the county is growing, women earn significantly less than men and transport congestion costs businesses millions in lost productivity. Low housing affordability and inadequate broadband

access may severely restrict the capacity of the economy to grow and high carbon emissions will increase the vulnerability of business and residents to future hikes in energy prices.

The recession

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

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

- The recovery may make the gap between stronger and weaker economies even worse as it is anticipated that growth over the next ten years will be driven by knowledge-based industries such as:

- The creative industries
- Manu-services
- Low carbon industries
- High-tech and high-value added services.

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

- Cities whose economies are dominated by the public sector are expected to face challenges across all sectors, public and private. The Work Foundation argue that although Cambridge has a high proportion of public sector jobs, the higher value nature of that employment (high value higher education, teaching hospitals, other research led public sector bodies) means that the city is still likely to have robust growth in the future. However, Cambridge will not emerge unscathed. The Local Futures Group estimate that around 3500 to 4000 jobs will be lost from the public sector between 2010 and 2016. The high level of commuting into Cambridge from surrounding districts means that the impact of these job losses will be felt across the wider geography.

- Furthermore, the multiplier effect of reduced employment in public services will spread out to the wider local economies. Public sector contracts will reduce in value or dry up completely, while demand for locally produced goods and services, both from the public sector itself and public sector workers via consumption economies, will be affected². Research by Oxford Economics shows that at least 2.3m private sector jobs will be at risk, as a result of the spending cuts. This comprises 1.2m jobs directly supported by the sector and a further 1.1m jobs that depend on the supply chain of these companies.

- Cambridge start ups have traditionally attracted a large proportion of the UK's venture capital funding, however the availability of that funding has significantly reduced during the course of the recession, with many venture capitalists moving out of the relatively risky early stage market. The impact of this can be seen on 2008 start up figures, whether this trend continues remains to be seen.

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

¹ The Work Foundation, 2010

² The Local Futures Group, 2010

Strengths of the economy

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

Weaknesses of the economy

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

Opportunities for the economy

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

Threats to long term economic growth and prosperity

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

- Low likelihood of next generation broadband access across much of the county is likely to affect future business productivity, the ability of residents to work from home and the attractiveness of the area as a location for inward investment

Implications for future strategy

Target training and skills support for business

- Managerial training
- Apprenticeships and Group Training Associations

Maximise labor market potential

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

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

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

Maintain and build strengths in growth sectors

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

Build strengths in high value manufacturing and processing

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

Town centre vitality and tourism – diversify rural economies

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