Central Bedfordshire Local Economic Assessment

September 2012

Central Bedfordshire Council
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Local Economic Assessment

Chapter One: Executive Summary

Executive Summary

1.1 Ensuring that Central Bedfordshire remains a great place for business and that our communities prosper is a key priority for Central Bedfordshire Council. Employment and job creation remains a keystone of the Sustainable Communities Strategy. Given the public funding pressures it is essential that the impact of every public intervention is maximised, whether funded centrally or locally and that any decision is based on a robust evidence base. This local economic assessment provides that comprehensive evidence base and a summary of the key points from each chapter can be found below.

1.2 This Local Economic Assessment has been undertaken in wider macro economic conditions that have seen the UK re-enter recession, on going Euro Zone economic uncertainties impacting long term growth and a period of public sector austerity.

Central Bedfordshire's Economy

Demography

1.3 Central Bedfordshire has a population of over a quarter of a million, which has increased by 9.2% since the last census and continues to grow. This is a growth rate well above national levels.

1.4 Population growth is forecast to be highest in the over 65 age group which, coupled with policy changes and evidence of more people over 65 remaining in work, has implications for the wider economy and labour market.

1.5 Central Bedfordshire has a relatively low level of ethnic diversity, over 90% of the population is white, and there have historically been low levels of economic in-migration from European and Non European member states.

Business - Supporting businesses to grow and thrive

1.6 There are over 11,000 active businesses in Central Bedfordshire and businesses have a higher chance of surviving in the area than nationally and regionally. Business survival rates in Central Bedfordshire are the best in the East of England.

1.7 There has, however, been a 2.3% fall in business numbers in Central Bedfordshire in the past year, but there is overall optimism among businesses for future growth, with businesses keen to use support services to grow – 95% accessed some form of support in the past year and increasing numbers are using Central Bedfordshire Council for this support.

1.8 Business turnover in Central Bedfordshire has been increasing steadily over the past 10 years and the area currently contributes an estimated £4 billion to the UK economy. Businesses report improved performance in the past year, in particular manufacturing businesses appear to have both seen improvements and predict future improvements.

1.9 In contrast, the finance and insurance sector appears to have suffered more from the recession than other sectors with a fall in turnover and less optimism about future performance.

1.10 The majority of local businesses are small – 97.4% employ fewer than 50 people – and the area has high levels of self employment, however the area does have some very large, successful employers such as Cranfield University, Amazon and Lockheed Martin.

1.11 Central Bedfordshire generally has a high business start up rate, but examination of smaller areas shows low levels of start ups in more deprived areas.

1.12 Businesses generally rate Central Bedfordshire as a good place to do business and the best rated aspects of the area are its strategic road network, proximity to London, airport access and attractive surroundings.

1.13 Businesses do have concerns about certain aspects of the area and the top four poorly rated aspects are rent and rates, local support available to businesses, support on planning applications and public transport.

Labour Market - Getting our residents into work

1.14 The labour market in Central Bedfordshire is relatively strong compared to the national picture. Employment and economic activity rates have fallen since the 2008 recession and currently stand at 77.3% and 82.0% of the working age population respectively, but remain above comparator areas.

1.15 At the same time, the percentage of people working part time has seen a notable increase, with the male rate having more than doubled to 10.3%. Also, more people than ever before are remaining in work past the age of 65.

1.16 Unemployment rates in Central Bedfordshire are below comparator areas at 5.6%, but again have risen above historical levels for the area. The rate varies between males and females, with large fluctuations in the female rate in recent years including periods where it has risen above the national female unemployment rate. The unemployment rate has been particularly high for females aged 20-24. In comparison, the male rate has remained below comparator areas and well below the Central Bedfordshire female rate.

1.17 Young people in Central Bedfordshire (aged 16-24) have also been affected by difficult macro economic conditions in terms of increased unemployment. The figure now stands at 10.8%, which is below comparator areas, but has recently been as high as 19.1% when it matched the national level.

1.18 The Jobseekers Allowance claimant count in Central Bedfordshire rose immediately post recession, but has remained relatively steady since then and is below comparator areas. The increase in female unemployment has not been matched by a similar increase in JSA claimant count. People in the age group 16-24 account for 27% of all people claiming JSA in Central Bedfordshire, reinforcing the point above that young people have been disproportionately affected by the recession; however there are signs of improvement.

1.19 The distribution of claimants across Central Bedfordshire shows that the claimant count in some wards is above both the average for the area and the level for comparator areas. In a number of wards in the South of Central Bedfordshire levels stand at between 5% and 7%.

1.20 More than 6,000 people are economically inactive as a result of work-limiting illness and the number of people claiming Incapacity Benefit and Employment Support Allowance is consistently higher than those claiming Jobseekers Allowance.

1.21 The area has seen high levels of jobs growth but job density is below the national level. This is mainly due to high levels of out-commuting arising from Central Bedfordshire's predominantly rural nature, lack of a large urban centre and the close proximity of major employment centres such as Bedford, Milton Keynes, Luton, Stevenage and London.

1.22 With regard to future jobs growth, the industries forecasted to employ the most people in the area in 2031 are Professional Services, Education and Construction.

1.23 People in Central Bedfordshire generally earn above national levels, with an average income of £560 per week, but there are large discrepancies between the earnings of those who live in Central Bedfordshire but may work elsewhere and those who work in the area. Earnings are also significantly higher in parts of the North of the area than they are in the South.

Skills - Increasing our supply of skilled people

1.24 Central Bedfordshire generally performs well with regard to skills and academic achievement and at all levels is higher than nationally or regionally. The Business Survey reported a recent increase in skills gaps and shortages in the local workforce, but, more positively, it also found an increase in work related training. This contrasts with a national survey which found a fall in work related training, particularly in the private sector.

1.25 There has been an increase in GCSE attainment and Central Bedfordshire is in the top 40% nationally. High overall achievement levels, however, mask lower attainment in more deprived areas where fewer children achieve 5 or more GCSEs than in affluent areas.

1.26 Reflecting national policy to increase the level of apprenticeships, it is positive to note that there has been a 58% increase in apprenticeship starts at all levels and the Business Survey shows that more local businesses are both employing apprentices and have an appetite to do so in future. The increase has, however, not been as great as in neighbouring areas.

1.27 Local businesses are generally keen to engage with local schools and there has been an increase in the number of businesses who provide work experience placements and those who would consider doing so in future.

Place - Providing a range of land and premises

1.28 Central Bedfordshire is a predominantly rural location, reflected in the fact that almost half of businesses are located in rural areas. Businesses frequently cite the attractive surroundings as one of the best things about their location and this is important to the thriving visitor economy. The physical location of Central Bedfordshire, with easy access to major road, rail and air transport links, is also a draw for businesses to the area.

1.29 The M1 motorway runs north-south through Central Bedfordshire, and provides a strategic freight and distribution link. The A1, A6 and A5 also provide north-south connections through the area. Rail connections from London to the north are via the West Coast Mainline, East Coast Mainline and the Midland Mainline.

1.30 East-west movements through the area are less well served. The primary road connections across Central Bedfordshire are via the A507 and A421 with other minor A and B roads providing links to the motorway, trunk roads and settlements. The A421 has recently had significant improvements. The Marston Vale Line between Bedford and Bletchley, which is primarily a local passenger service, is the only east-west rail connection. This line is due to be upgraded as part of the Bedford to Oxford East-West rail link.

1.31 In terms of commercial floorspace for businesses, there has been more recent development in the North than the South of Central Bedfordshire and the majority of development has been in B1 (general office) space. The most commercial property deals for offices were for small units, reflecting the size of businesses in Central Bedfordshire's economy. There is a need to consider how the growth of non-B space jobs (including retail, leisure and education facilities) can be supported, reflecting the growing importance of these areas to future economic growth.

1.32 Studies have shown that Central Bedfordshire is prone to large amounts of retail spend leakage, with 80% of comparison retail spend spent in centres outside of Central Bedfordshire – namely Luton, Bedford and Milton Keynes – highlighting the need to continue regeneration work in our town centres. In spite of this, there are relatively low levels of retail vacancies in Central Bedfordshire, though Dunstable levels do exceed the national average.

1.33 Broadband access is a critical issue for local businesses, particularly in rural areas, and although the area has above or comparable broadband access and speeds compared to the national average, there is a need for enhanced roll out of superfast broadband services to ensure that 90% of residents and business in Central Bedfordshire have access to superfast services by 2015.

SWOT Analysis

1.34 Overall, the economic profile of Central Bedfordshire has a number of strengths, weaknesses, opportunities and threats:

Strengths

- World leading education institutions and businesses
- Strategic location, with strong transport links including access to Luton airport, strategic highways network and strong rail links
- Diverse and relatively resilient economy with strengths in manufacturing and engineering
- High business survival rates and continued high levels of business turnover
- High levels of employment, including an above average proportion of high level managerial occupations, and relatively low levels of overall unemployment
- High levels of private sector employment and jobs growth
- Attractive surroundings and natural environment valued by businesses
- High levels of educational attainment, increasing year on year

Weaknesses

- Low overall levels of unemployment mask high levels of female and youth unemployment and hotspots in some areas
- Disparities between the earnings of those who live in Central Bedfordshire and those who work in the area
- Relative affluence of the area masks pockets of deprivation in both urban and rural areas which have been getting worse in recent years
- Businesses have noted an increase in skills shortages in the local labour market

- Leakage of retail (comparison) spend to other areas
- The growth in apprenticeship take up has not been as high as in other areas
- Significant underrepresentation of businesses in the finance and insurance sectors which have seen a large decrease in turnover

Opportunities

- Central Bedfordshire's Economic Development Plan is now in place to help grow the economy and create local jobs
- Activity focusing on employer engagement and taking an Open for Business approach will help businesses to grow
- New Development Strategy focussing on promoting sustainable economic growth
- Significant forecasted future population growth leading to growth in the local labour market
- Town Centre regeneration programmes progressing
- High forecasted jobs growth in professional services and the construction industry and opportunities in the low carbon sector
- Build on high levels of self employment and business start ups
- Use natural assets to further grow the visitor economy
- Roll out of superfast broadband

Threats

- Ongoing and extended austerity measures
- Ongoing uncertainty over wider macroeconomic conditions, including financial restructuring and access to funding
- Unemployment levels for some groups and in some areas in Central Bedfordshire continue to remain above historical levels
- Capacity of local infrastructure to deliver growth

1.35 The evidence provided in this LEA provides a basis to enable Central Bedfordshire Council and partners to take advantage of the area's opportunities and strengths, while tackling the weaknesses and threats, to grow the economy and jobs in the area.

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Local Economic Assessment

Chapter Two: Introduction

Introduction

2.1 Ensuring that Central Bedfordshire remains a great place for business and that our communities prosper is a key priority for Central Bedfordshire Council. Employment and job creation remains a keystone of the Sustainable Communities Strategy. Given the public funding pressures it is essential that the impact of every public intervention is maximised, whether funded centrally or locally. To do this we need a robust local assessment, shared with our partners, to steer our plans to prosperity.

2.2The 2012 LEA therefore provides an overview of the performance of the Central Bedfordshire economy and gives a picture of changes to the economy in the past year. This LEA also monitors each of the performance indicators set out in the Economic Development Plan to provide an annual benchmark upon which the plan's progress can be monitored.

2.3A key part of the 2011 LEA was to identify challenges and barriers in the Central Bedfordshire economy that might prevent the area from achieving its economic potential. In response to these challenges, Central Bedfordshire's Economic Development Plan[1] was produced and approved by the Council as a key policy document in November 2011.

2.4 Central Bedfordshire Council's Economic Growth, Skills and Regeneration Team consulted colleagues and partners on their use of the 2011 LEA, finding that it had been widely used as an evidence base and that a 2012 edition would be welcomed. We have therefore worked closely with partners in production of this LEA and the content reflects the wider economic evidence needs of Central Bedfordshire.

The Economic Development Plan

2.5The Economic Development Plan provides the framework to support sustainable economic growth in Central Bedfordshire and outlines nine key workstreams to put in place the conditions that enable private and voluntary and community sectors to invest and grow in Central Bedfordshire and support our residents to be able to benefit from new economic growth.

2.6 There are four priority themes in the Economic Development Plan:

- Supporting businesses to grow and thrive
- Getting our residents into work
- Increasing our supply of skilled people
- Providing a range of land and premises

[1] The Economic Development Plan is available online at http://www.centralbedfordshire.gov.uk/lconomy

2.7 As the Economic Development Plan moves into the implementation stages, a monitoring system has been established to show movement towards meeting the vision for Central Bedfordshire and supporting 27,000 additional jobs to 2031. The Economic Development Plan contains a series of monitoring indicators and the LEA will provide the annual benchmark for each of these, setting them in the context of the wider economy of Central Bedfordshire. More concise quarterly monitoring reports will also be produced as more regular updates on the indicators.

2.8 The monitoring indicators are:

- **Number of people in employment**

  This stands at 126,700 people aged 16-64 and increases to 132,600 when taking into account all people over the age of 16. The rate witnessed a fall in the first six months of the past year, but has seen a recent increase and remains above the national, regional and SEMLEP employment rate.

- **Number of out of work benefit claimants**

  There are 12,590 people claiming out of work benefits in Central Bedfordshire. The level fluctuates slightly each quarter, but overall has remained stable for a number of years, following a similar pattern to all comparator areas, albeit with lower claimant rates in Central Bedfordshire.

- **Economic Activity Rate**

  The Economic Activity Rate – all people in work or unemployed but seeking work – is relatively high at 82% but in spite of a rise in the last quarter, remains below pre-recession levels. As with the employment rate, Central Bedfordshire's economic activity rate is above all comparator areas.

- **Number of People in apprenticeships**

  There were 1,630 apprenticeship starts at all levels in the 2010/11 academic year. This is an increase of 600 people, or 58.3% from the previous year. Although this is positive, the rate of increase is below neighbouring authorities, the region and the country as a whole.

2.9 In addition to the LEA a series of Quarterly Economic Monitoring Reports have been produced, to both monitor the key performance measures of the EDP and provide regular updates on the national and Central Bedfordshire Economy. The LEA and quarterly economic monitoring reports, available at http://www.centralbedfordshire.gov.uk/local-business/business-information-and-advice/local-economic-information-policy.aspx, are utilised together to provide the necessary information to support economic policy and activity development, to enable Central Bedfordshire to achieve its economic potential.

Our Plan for Central Bedfordshire 2012-16

2.10 The LEA will also allow monitoring of the relevant priorities within Central Bedfordshire Council's Medium Term Plan 'Delivering your Priorities'. The Medium Term Plan sets out how Central Bedfordshire Council will align resources and services to deliver the priorities that matter most to local people. The plan contains a number of targets, many of which are looked at in this LEA:

- To ensure the current employment rate of Central Bedfordshire remains 5% higher than the national average
- To be in the top 25% nationally of key stage 4 results for the measure 5 x A* - C outcomes including English and Maths at GCSE.
- To limit the number of young people on a year by year basis who are not in education or employment (NEET).
- To complete the production of all Town Centre Master Plans and demonstrate progress on all 5.
- To achieve 90% access to superfast broadband by 2015/16.
- To achieve 100% access to at least 2MB broadband by 2015/16.

Comparator Areas

2.11 To place the Central Bedfordshire Economy in context, this LEA will make comparisons with England, the East of England and for the first time, the South East Midlands Local Enterprise Partnership (SEMLEP) area where data is available.

2.12 Since publication of the 2011 LEA there have been changes to the economic development landscape in England, most notably with the abolition of Regional Development Agencies and subsequently less data is expected to be collected at a regional level in future.

2.13 In October 2010 Local Enterprise Partnerships (LEPs) were established across England and a limited amount of statistical data, labour market data in particular, is now available at LEP level. LEPs are led by businesses and local authorities across natural economic areas. They provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in their area. Activities carried out by a LEP could include ensuring that planning and infrastructure investment support business needs, and working with Government to support enterprise, innovation, global trade and inward investment. By combining business leadership with groups of local authorities whose planning, regulatory and public realm roles are critical to growth, the Government's intention is that these bodies will bring an integrated approach across real economic geographies.

2.14 As of June 2012 there are 39 LEPs in England. Central Bedfordshire is part of the South East Midlands Local Enterprise Partnership (SEMLEP). SEMLEP brings together businesses, universities and colleges, community groups, social enterprises and local government in Central Bedfordshire, Bedford Borough, Luton, Milton Keynes, Northampton, East Northants, Cherwell, Corby, Daventry, Kettering and Aylesbury Vale.

This LEA will therefore compare Central Bedfordshire to the overall SEMLEP area where that is possible.

Partnership

2.15 Data for the LEA is gathered from a range of sources, mainly the Office for National Statistics and Government Departments. This is supplemented by qualitative data from partners across Central Bedfordshire providing evidence of real experiences of the economy to supplement the statistics. Interviews took place with a number of key partners to ascertain their views and a detailed business survey of over 300 local businesses was also undertaken to inform the LEA.

2.16 Close working with colleagues across Central Bedfordshire Council throughout the preparation, research and analysis stages has also allowed for production of an LEA containing information that will be most useful to partners in all fields.

2.17 This joint working is essential if partners are to deliver the conditions to support business growth, new investment in Central Bedfordshire's infrastructure, an entrepreneurial culture, skills development and new employment opportunities for local residents.

Economic Background

2.18 This LEA research was conducted within the wider context of a fragile UK economy that witnessed a return to recession in the first three months of 2012, following a slow rate of recovery from the recession.

2.19 In March 2012Consumer Price Index (CPI) annual inflation stood at 3.5% in March 2012, up from 3.4% in February 2012 and the first increase in five months, but lower than the same time a year ago (4.0% in March 2011). The largest upward pressures to the change in CPI annual inflation came from increases in the price of food (particularly fruit, bread & cereals and meat), clothing and recreation & culture. The largest downward pressures to the change in CPI annual inflation between February and March came from electricity, gas & other fuels and transport. Budgetary measures that come into force in 2012/13 will add an estimated 0.38 percentage points to the CPI.

2.20 The headline value of national retail sales in March 2012 increased by 5.7% compared with March 2011, while sales volumes increased by 3.3% over the same period. Sales volumes and values were driven predominantly by sales from automotive fuel stores, this includes petrol forecourt sales at supermarkets. Internet sales values (non-seasonally adjusted) in March 2012 increased by 15.2% compared with March 2011. Internet sales are now estimated to account for 8.5% of all retail sales values, excluding automotive fuel.

2.21 Public sector net borrowing, excluding financial interventions, was £18.2 billion in March 2012, £0.2billion higher than in March 2011. Public sector net debt at the end of

March 2012 was £1022.5 billion, 66.0% of GDP compared to 60.5% of GDP at the end of March 2011. Austerity measures already in place to bring down public sector borrowing are likely to continue for some time.

2.22 Despite the contraction in economic output evidence of a return to recession in the UK, the OECD in its half yearly update on the global economy, maintained its previous 0.5% growth forecast for the UK in 2012 and raised its 2013 forecast slightly to 1.9%. However, OECD highlighted a number of risks including the impact of a weaker global economy on exports.

2.23 A European Commission report largely echoed the OECD figures, forecasting that UK economic activity would “remain subdued with growth of 0.5% this year before regaining momentum in 2013”. However, its figure of 1.7% growth next year was lower than both the OECD’s 1.9% and the 2% projected by the independent Office for Budget Responsibility (OBR). Robert Chote, the Chair of the OBR, has underlined the difficulties of economic forecasting at this time in particular with the uncertainties surrounding the Eurozone and the possibility of a Greek exit from the single currency.

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Chapter Three: Demography

Demography

Key Issues

- Population of Central Bedfordshire is 254,400
- Increased by 8.9% since last census and continues to grow – predicted 14.5% increase by 2021
- Population growth will be highest in the 65+ age group – 41.5% growth
- Low levels of diversity – 91.4% of population is white
- Low levels of in-migration

Population

3.1 The population of Central Bedfordshire was 254,400 in 2011. This is an increase of approximately 20,700 (8.9%) since the last Census took place in 2001. This is a rate of growth greater than regional (8.2%) and national (6.3%) levels. Central Bedfordshire has a higher percentage of working age people within its population (65.1%) than regional (63.7%) and national (64.8%) levels. Central Bedfordshire is the 18th largest unitary council in England by population size and 11th largest unitary council by area.

Population of Central Bedfordshire, estimates by age and gender, 2010

Age	Male	Female	All
0-15	25,500	24,600	50,000
16-64	83,200	82,900	166,100
65+	17,800	21,400	39,100
Total	126,400	128,800	255,200

Source: Office for National Statistics, Mid-Year Population Estimates, 2010
Figures are rounded to the nearest hundred, so may not exactly sum to total

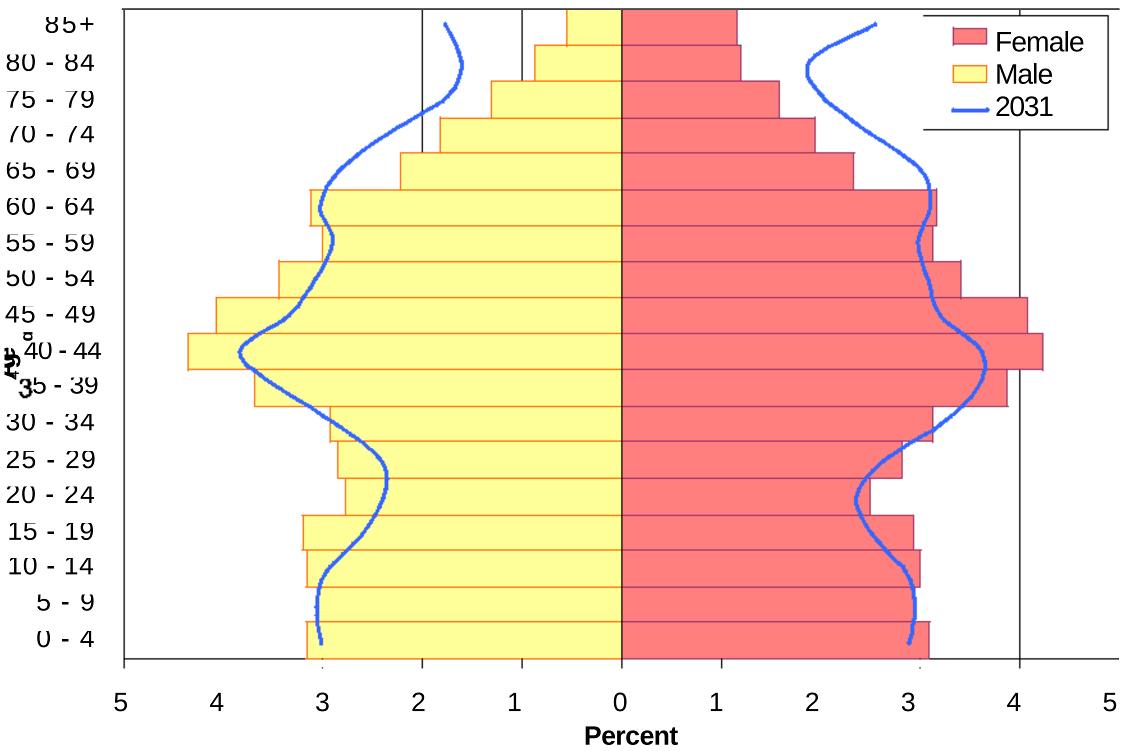
3.2 While Central Bedfordshire is a predominantly rural area, the area's population is similar to large cities such as Reading, Plymouth, Derby and Southampton, and above neighbouring local authorities Bedford, Milton Keynes and Luton.

3.3 The largest settlements in Central Bedfordshire are highlighted below:

Town	Population Estimate 2010
Leighton Linslade	37,410
Dunstable	35,300
Houghton Regis	16,620
Biggleswade	16,600
Flitwick	13,550
Sandy	11,700

Source: BBC, CBC & LBC Bedfordshire Population Model

Population of Central Bedfordshire in 2009 and 2031 by age and gender



Source: BBC, CBC & LBC Bedfordshire Population Model and ONS population estimates

3.4 Between 2010 and 2021, the total population of Central Bedfordshire is set to increase by just over 14.5%.

Summary of Population Change in Central Bedfordshire, 2010-2021

	2010	2021	% change
0-15	50,000	55,700	11.4%
16-64	166,100	181,000	9.0%
65+	39,100	55,300	41.4%
Total population	**255,200**	**292,100**	**14.5%**

Source: Office for National Statistics, Mid-Year Population Estimates, 2010 and Central Bedfordshire Council, Population Estimates and forecasts report 2010. Figures are rounded to the nearest hundred, so may not exactly sum to total

3.5 The biggest proportionate increase in population, however, is in the number of people aged 65 and over. This is expected to increase by 41.4% between 2010 and 2021. While this is in line with national and regional trends, it is important to note the impact this will have on the labour market as the retirement age is raised, health improves for older people and people continue to work longer.

Ethnicity

3.6An estimated 13.3% of people in Central Bedfordshire were from ethnic minority communities in 2009. The largest of these groups are White Other (not British or Irish, 3.5%); Indian (1.9%); and Black African (1.3%). (Source: Office for National Statistics, Resident Population Estimates by Ethnic Group, All Persons, Experimental Statistics, 2009). There is also some variation by age group: younger age groups have a higher proportion of people from ethnic minority groups, compared with the older age groups.

Central Bedfordshire population by ethnic group, 2009

Ethnic group	Total	
	000s	**%**
White	231.1	91.4%
Mixed	4.2	1.7%
Asian or Asian British	9.8	3.9%
Black or Black British	4.7	1.9%
Chinese or other ethnic group	3.0	1.2%
Total	**252.9**	

Source: Office for National Statistics, Resident Population Estimates by Ethnic Group, All Persons, Experimental Statistics, 2009 Figures are rounded to the nearest hundred, so may not exactly sum to total

3.7The south of Central Bedfordshire has a slightly higher proportion of people from minority ethnic groups (14.6%), with 85.4% of people in the 'White British' ethnic group.

3.8At the 2001 Census, 2.7% of people in Central Bedfordshire were from BME groups. The pre-2009 wards with the highest proportions of people from BME groups were Parkside (7.3%), Tithe Farm (5.2%) and Cranfield (7.1%). (Source: Office for National Statistics, 2001 Census)

Migrant workers

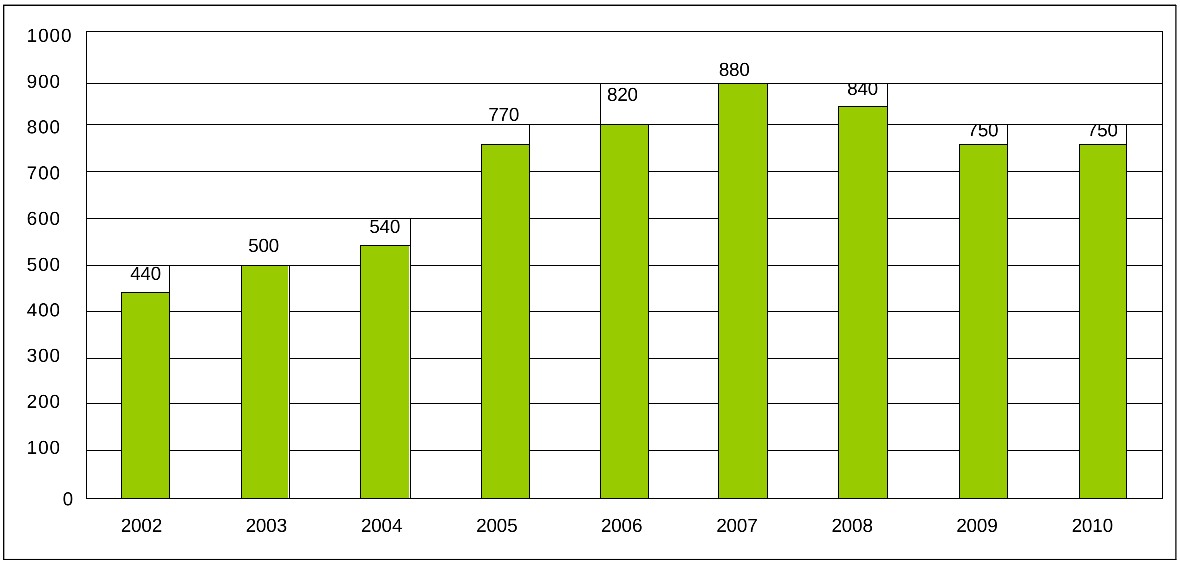
3.9 In 2010 295 working migrants from the eight new EU accession states entered Central Bedfordshire, compared to 205 in 2009, according to Worker Registration Scheme (WRS) approved applications. Almost two thirds of these migrant workers were from Poland. Up to March 2011 there had been an additional 65 registrations, 2.2% of the regional total. The main industries these relate to are:

- Administration, Business and Managerial Services
- Hospitality and Catering

(Source: Local Government Analysis and Research, Worker Registration Scheme data, Jan 2009 – March 2011).

3.10 The numbers of migrant workers (from all countries) entering Central Bedfordshire increased each year between 2002 and 2007, but declined in 2008 and 2009 and remained at the same level in 2010. Between January and March 2011 240 migrant workers entered Central Bedfordshire. These figures are based on allocations of national insurance numbers (NINo). A NINo is generally required for overseas nationals of any country looking to work or claim benefits or tax credits in the UK, including the self employed or students working part time.

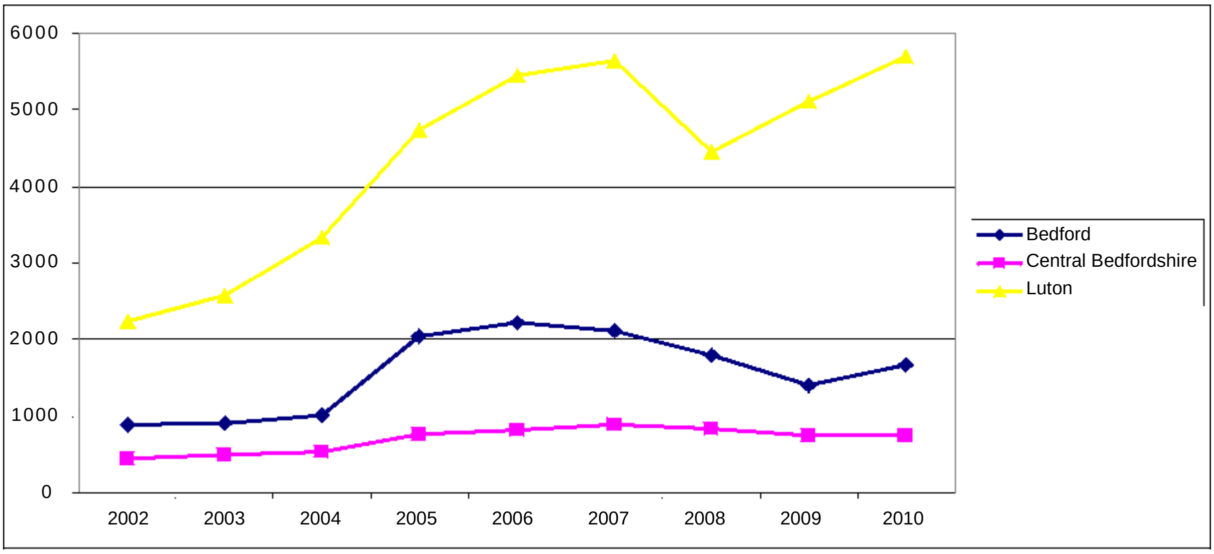
NINo registrations to adult overseas nationals, Central Bedfordshire, 2002-2010



Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, 2011

The level of NINo registrations is consistently lower than neighbouring authorities.

NINo registrations 2002-2010



Source: Department for Work and Pensions, NINo Registrations to Adult Overseas Nationals entering the UK, 2011

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Chapter Four: Business

Supporting businesses to grow and thrive

Business
Supporting businesses to grow and thrive

Key Issues

- There are 11,295 active businesses in Central Bedfordshire and the economy remains in a strong position
- Over 97% of local businesses are small businesses
- Business survival rates are higher than national and regional survival rates
- Business turnover has increased in the past year
- The recession has led to a decline in the number of businesses but local businesses are optimistic about future performance
- Around 80% of manufacturing businesses have seen improved performance in the past year and expect performance to further improve in the next year.
- The finance and insurance sector appears to have suffered more from the recession than others, with a fall in turnover and less optimism about future performance
- Central Bedfordshire is the top local authority in the UK in terms of exporting businesses
- The area has a high start up rate, but no start ups in most deprived areas
- The number of businesses accessing Central Bedfordshire Council for support has more than trebled in the past year
- Businesses generally rate Central Bedfordshire as a good place to do business and the best rated aspects of the area are:
    - Strategic road network
    - Proximity to London
    - Airport access
    - Attractive surroundings
- Businesses do have concerns about certain aspects of the area and the top four poorly rated aspects are:
    - Good value rent and rates
    - Local support available to businesses
    - Support on planning permissions
    - Public transport
- There has been a 5% fall in the number of people employed in the public sector in Central Bedfordshire
- Levels of self employment are higher than comparator areas

4.1 To monitor the impact of our Economic Development Plan we will look at a number of indicators on an annual or quarterly basis. To monitor the general level of business start-ups, growth and performance in Central Bedfordshire, our Economic Development Plan contains a commitment to monitor the following two indicators annually as part of the LEA:

- Number of businesses (registration and stock)
- 1-5 year business survival rate.

4.2To provide a wider evidence base, this chapter of the LEA will also look at a number of other areas to give a broader picture of the Central Bedfordshire business landscape:

- Business size
- Business turnover
- Business performance
- Productivity
- New businesses
- Business support
- Business sectors and job growth
- Sector specialism
- Public sector employment
- Self employment
- Economic resilience
- Social enterprise
- The rural economy
- Innovation
- Tourism

Number of Businesses

4.3 In 2011 there were 11,295 active enterprises in Central Bedfordshire. This level has decreased by some 270 businesses (2.3%) since 2010 (source: ONS UK Business Activity, Size and Location 2011). Numbers fell more sharply in Central Bedfordshire than across the region (1.2%) and the country as a whole (1%.)

4.4 The businesses that have been lost in Central Bedfordshire are mainly micro enterprises, with a fall of 125 businesses employing 0-4 people and a fall of 120 employing 5-9 people.

4.5 There is a disparity between the North and South of Central Bedfordshire as the South experienced a greater decline in business numbers between 2010 and 2011 (2.9%) than the North (1.9%).

4.6 Industries in Central Bedfordshire with the greatest number of 'local units' in 2011 (similar to workplaces) are Construction (1,755), Professional, Scientific & Technical (1,710) and Retail (885).

Business Survival Rates

4.7 The five year survival rate for new businesses in Central Bedfordshire was 51.4% in 2009 (based on businesses started in 2005). This was the highest rate in the region (among top tier authorities), and above the regional (46.1%) and national averages (44.1%). The table below indicates that business survival rates were higher than regional and national levels at all age of business (one to four year) with one year business survival rates of 97.2%.

Business Survival Rates of businesses started in 2005

	One Year Survival rate %	Two Year Survival rate %	Three Year Surviva l rate %	Four Year Survival rate %	Five Year Survival rate %
Central Bedfordshire	97.2	83.8	72.5	61.9	51.4
England	95.9	79.9	64.6	53.7	44.1
East Of England	95.6	80.5	66.0	55.4	46.1

Source: Office for National Statistics, Business Demography, 2010

4.8 Further data gathered by Experian as part of a national study 'Local Growth' commissioned by the BBC in March 2012, measured business insolvencies across England. In the twelve months to February 2012, 0.8% of businesses became insolvent in Central Bedfordshire; compared to 1.1% nationally, further highlighting the strong survival rates of local businesses.

Business Size

4.9 Business size can be defined in a number of ways, including number of employees and turnover. Statistically the number of employees is most often used to define business size. A small enterprise is defined as one with fewer than 50 employees, with micro-enterprises having fewer than 10 employees. A medium enterprise is defined as one with 50 or more employees, but fewer than 250, and a large enterprise as one having 250 or more employees.

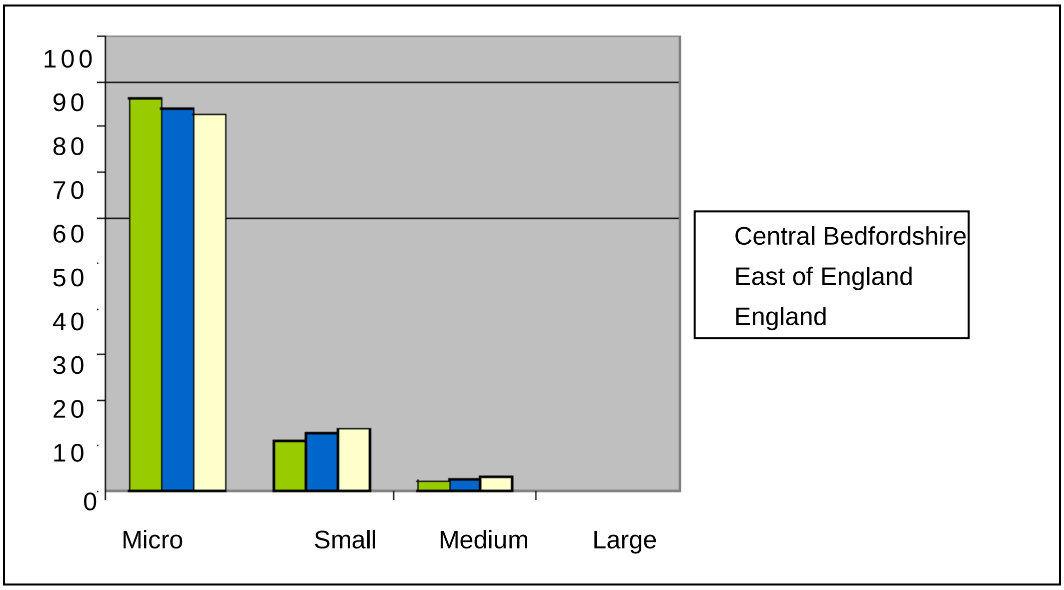
Number of businesses in each size band in Central Bedfordshire

Number of employees	Number of businesses	% of all businesses
0-4	8,370	74.1
5-9	1,385	12.3
10-19	755	6.7
20- 49	490	4.3
50-99	185	1.6
100-249	75	0.7
250 -499	25	0.2
500-999	5	0.1
1000+	0	0
Total	**11,290**	

Source: Office for National Statistics, UK Business Activity, Size and Location 2011

4.10 The figures from the UK Business Activity, Size and Location showing business size by number of employees are rounded up or down to the nearest 5, which is the likely explanation for the appearance of no businesses over 1000 employees in Central Bedfordshire. Using data from the Inter Departmental Business Register 2011 (IDBR), further analysis shows that there are likely to be 3 businesses within Central Bedfordshire employing more than 1000 people.

Percentage of businesses in each size group



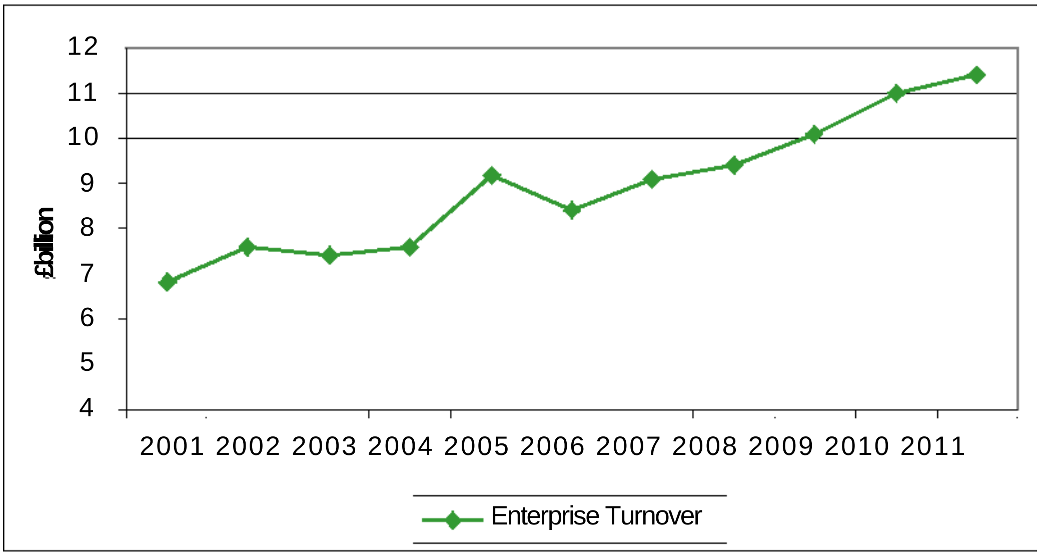
Source: Office for National Statistics, UK Business Activity, Size and Location 2011

4.11 86.4% of businesses in Central Bedfordshire were micro, more than regional (84.1%) and national (83.0%) levels. Small businesses account for a further 11% of local businesses, indicating that 97.4% of businesses in Central Bedfordshire employ fewer than 50 people, compared to 96.5% nationally and 96.9% regionally.

Business Turnover

4.12 Business turnover in Central Bedfordshire has witnessed an upward trend over the last ten years and does not appear to have suffered as a result of the recession. In 2011, businesses in Central Bedfordshire collectively turned over £11,354,473,000. This is a 2.8% increase on 2010 and shows the continuing strength of the local economy. In contrast, turnover in England fell by 3.8% between 2010 and 2011 and in the East of England fell by 0.7%, highlighting the strength of the Central Bedfordshire economy. (Source: IDBR 2011)

Business Turnover in Central Bedfordshire



Source: Office for National Statistics, IDBR 2011

4.13 In 2011 the sectors which saw the largest turnover were construction, production and wholesale. The construction industry saw a 5.2% increase on 2010 and production increased by 3.9%. The wholesale sector, despite remaining high, saw a fall of 11.2% from 2010. It should be noted that one of the strongest performing industries in 2010 was the accommodation and food services industry (£2,099,141,000 turnover) however data for 2011 is deemed to be disclosive and is therefore unavailable. 2011 data on the turnover of the public administration sector is also unavailable, although in 2010 this industry had the lowest turnover in Central Bedfordshire of just £4,981,000.

4.14 The industries which saw the highest growth in turnover from 2010 were education (56.0%), arts, entertainment, recreation & other services (25.8%) and retail (16.8%).

The largest falls in turnover were seen in finance & insurance (-72.9%), and information and communication (-20.3%).

Turnover change 2010-2011

Industry Sector	2010 Turnover £000s	2011 Turnover £000s	% change
Construction	2,548,679	2,680,255	5.2
Production	1,931,752	2,007,052	3.9
Wholesale	1,164,867	1,034,163	-11.2
Motor Trades	530,982	531,590	0.1
Business administration and support services	455,447	437,525	-3.9
Professional, scientific & technical	416,038	436,096	4.8
Education	214,529	334,610	56.0
Property	307,987	333,727	8.4
Retail	277,422	324,046	16.8
Arts, entertainment, recreation and other services	218,436	274,708	25.8
Information & communication	296,798	236,642	-20.3
Health	168,719	163,096	-3.3
Transport & Storage (incl postal)	174,879	160,730	-8.1
Agriculture, forestry & fishing	133,968	138,106	3.1
Finance & insurance	99,479	26,929	-72.9
Accommodation & food services	2,099,141	N/A	
Public administration and defence	4,981	N/A	

Source: ONS Analysis showing the Count and Turnover (£000`s) of VAT and/or PAYE based Enterprises in the UK by SIC2007, obtained by CBC March 2012

Business Performance

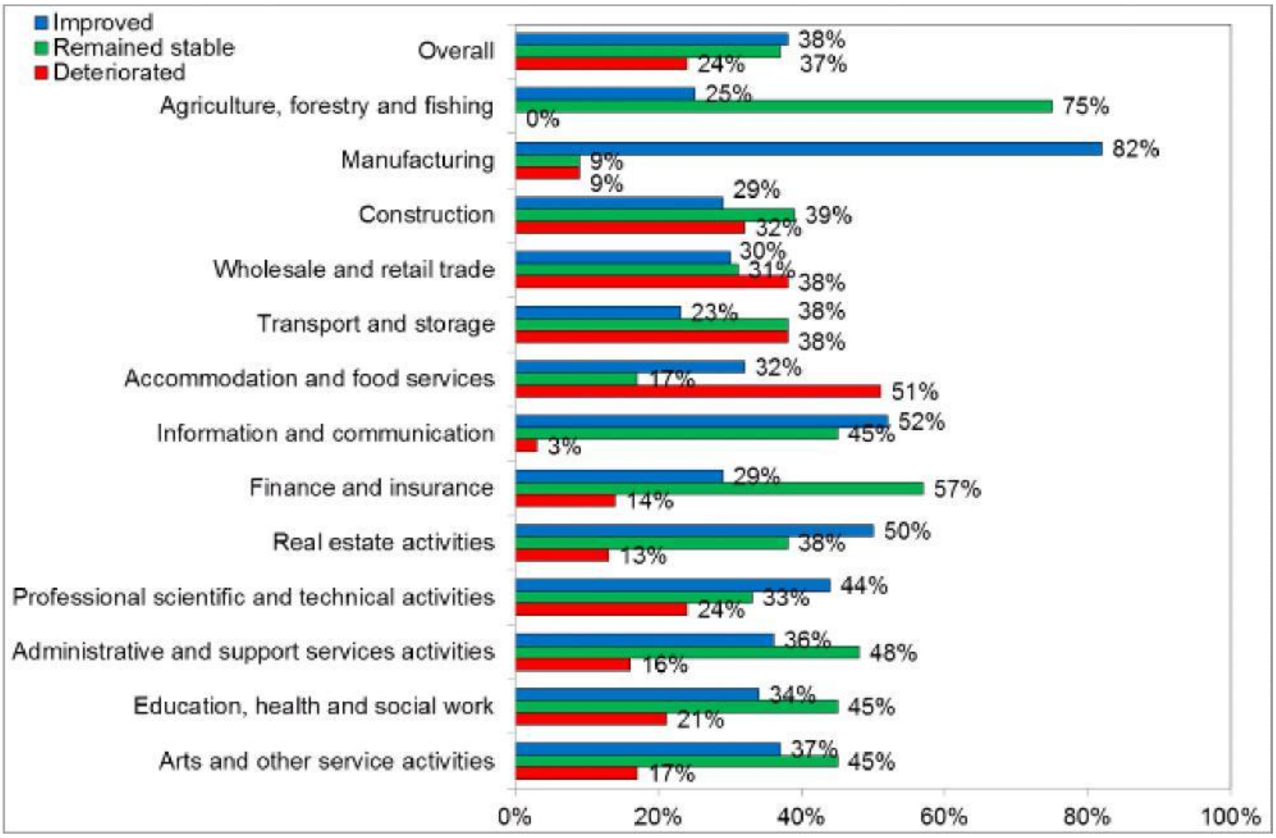
4.15 As part of the LEA the Central Bedfordshire Business Survey 2012 was commissioned by Central Bedfordshire Council and conducted in March 2012. This survey follows 2011 and 2010's Business Surveys and allows for a comparison of results and analysis of changes to Central Bedfordshire businesses over the past 12 months. Overall, 303 interviews were completed across Central Bedfordshire with a range of business sectors and sizes.

4.16 The survey results indicate that 38% of businesses reported an improved business performance over the past 12 months (compared to 42% in 2011), with 37% reporting that business performance has remained stable (compared to 35% in 2011) and 24% reporting a deterioration in business performance (compared to 23% in 2011).

4.17 Larger businesses were far more likely than smaller businesses to report an improved performance with 83% of businesses with 25-49 employees and 88% of businesses with 50+ employees reporting an improved business performance.

4.18 The business sectors that reported the best performance over the past 12 months (2011-12) were manufacturing (82% cited an improved performance), Information and communication (52% cited an improved performance) and Real estate activities (50% cited an improved performance). The sectors which reported the worst performance were Accommodation and food services (51% cited a deteriorated performance), Transport and storage (38% cited a deteriorated performance) and Wholesale and retail trade (38% cited a deteriorated performance).

Business performance in the last 12 months, by sector



Source: Central Bedfordshire Business Survey 2012

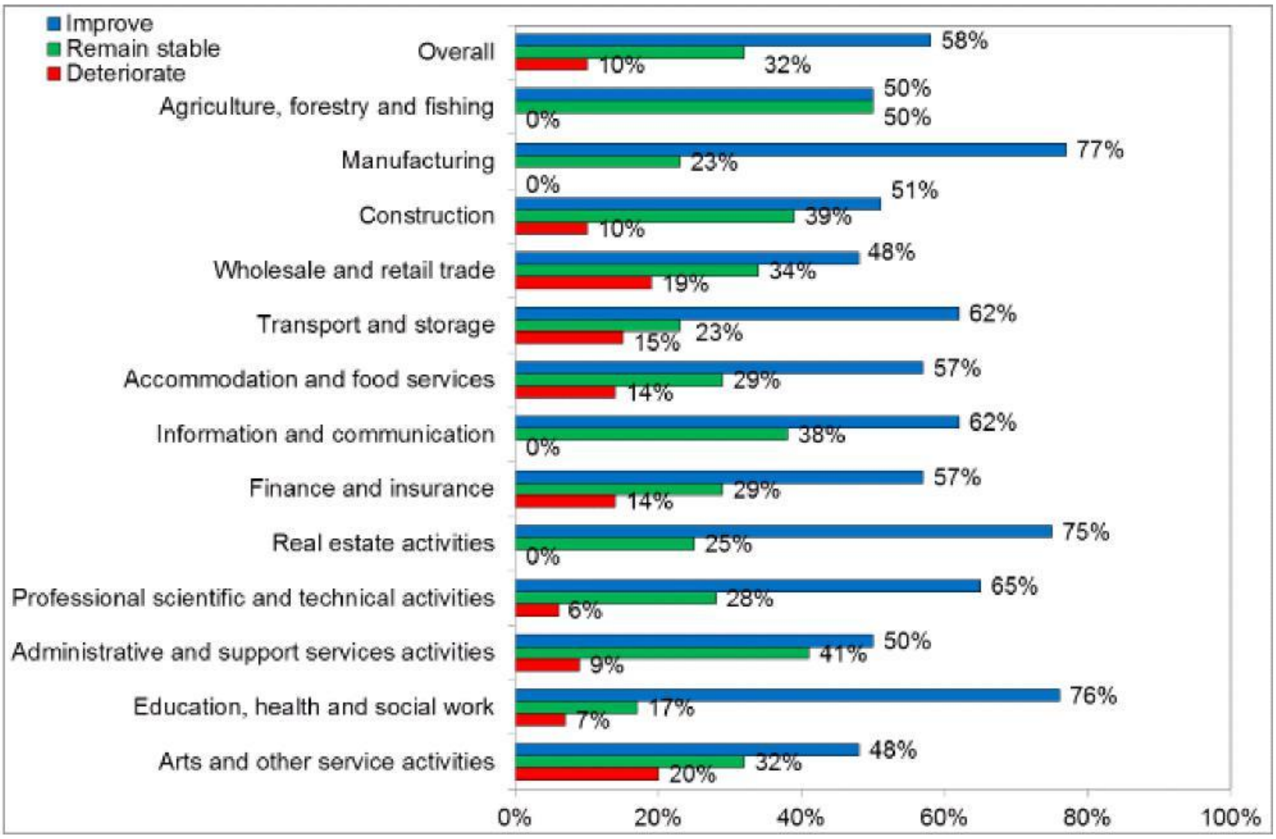
4.19 Businesses are overall optimistic about future performance. 58% anticipate an improvement in business performance in the next 12 months, 32% expect it to remain stable and 10% expect business to deteriorate. This represents a slight improvement on 2011 and 2010 where 50% of businesses expected performance to improve.

4.20 Larger businesses tend to be more optimistic (or less pessimistic) than other businesses, with no businesses with 25+ employees expecting business to deteriorate in the next 12 months.

4.21 Discussions with the Bedfordshire and Luton Chamber of Commerce reinforce the findings of local optimism. The Chamber reports that member businesses are generally keen to grow and feel they are no longer hampered by the economy and the recession.

4.22 The sectors that are most optimistic about future business performance are Manufacturing (77% expect future performance to improve), Education, health and social work (76%) and Real estate activities (75%). The sectors that are most pessimistic about the future are Arts, entertainment, recreation and other service activities (20% expect future performance to deteriorate), Wholesale and retail trade (19%), Transport and storage (15%), Accommodation and food services (14%) and Finance and insurance (14%).

Expectations of business performance in the next 12 months, by sector



Source: Central Bedfordshire Business Survey 2012

4.23 Businesses were asked what they believed would constrain future growth, and the two factors that are most likely to be considered constraints on growth for Central Bedfordshire businesses are the economic climate and transport costs.

4.24 65% of businesses cited the general economic climate as a constraint on business growth, followed by 58% of businesses citing transport costs, 49% citing the high cost of energy, 47% citing red tape and 42% citing increasing competition. These constraints (except the general economic climate which was not included in previous years) were the top rated constraints in 2011 and 2010.

4.25 In terms of a national comparison, the Federation of Small Businesses Survey (February 2012) identifies similar constraints with 66% of small businesses citing the general economic climate as a constraint, but with all the other constraints identified also.

4.26 Information from local business representative organisations the Federation of Small Businesses (FSB) and the Chamber of Commerce on the issues facing their members in Central Bedfordshire are similar to the findings in the business survey.

4.27 FSB members frequently cite congestion and parking as an issue. They also frequently raise local procurement and the opportunities local authorities could present to help smaller companies to bid for contracts.

4.28 Members of the Bedfordshire Chamber of Commerce cite their key issues and barriers as access to finance, red tape and transport and congestion.

4.29 In terms of opportunities for growth, Experian data collected for the BBC 'Local Growth' report in March 2012 found that 1.5% of Central Bedfordshire's businesses could be considered 'High Growth Champions'. This is the same as the national level but below areas like the North East which have substantially more growth champions. The key characteristics of high growth champion businesses are:

- young, small companies – those less than 10 years old and with less than 50 employees – have the highest possible probability of becoming a champion;
- firms with directors showing entrepreneurial appetite and experience in other recent successful business ventures are more likely to achieve champion status;
- chances are also increased if the firm is part of a wider corporate network in which sister companies have also experienced recent growth;
- involvement in some form of international activity is another key characteristic associated with champions.

4.30 Experian also identified potential for growth in high growth knowledge sectors in Central Bedfordshire and found that 26.4% of businesses are in these sectors, compared to 24.9% in England.

4.31 The business survey also asked businesses for their views on the area as a place to do business. A majority (58%) of those responding to the survey rate Central

Bedfordshire as a good place to do business. This has fallen, however, from 64% in 2011 and 66% in 2010.

4.32 When asked about the best and worst aspects of the area, location and travel are the most positively cited aspects of Central Bedfordshire as a business location, which is consistent with the findings from 2011 and 2010. The highest ratings were for the strategic road network, proximity to London, airport access, rail network and the local road network. However, relatively low ratings were received for public transport with 34% rating it as good and 39% rating it as poor.

4.33 Businesses were also surveyed on the support the Council could provide to assist growth. The most common response (24%) was lower business rates, followed by better communication with businesses (12%), more financial support (11%) and more support and advice generally (10%). In terms of a national comparison, the Federation of Small Businesses Survey (February 2012) identified that 29% of small businesses would like to see improved business support services from their Council, which suggests this issue is not unique to Central Bedfordshire.

Proportion of respondents that rated key aspects of the area as good year by year (ordered by the most highly rated).

Indicator	2012 Good	2011 Good	2010 Good
Strategic road network (292)	78%	67%	65%
Proximity to London (288)	77%	69%	59%
Airport access (278)	66%	69%	53%
Attractive surroundings (283)	64%	63%	57%
Rail network(268)	61%	61%	50%
Good quality Schools/Colleges (238)	61%	68%	49%
Local road network(294)	61%	55%	44%
Accessibility for products/customers (262)	52%	43%	45%
Ease of transportation of freight (193)	48%	N/A	N/A
Walking/cycling routes (263)	47%	N/A	N/A
Proximity to Universities (232)	45%	39%	26%
Availability of suitable premises (253)	43%	46%	33%
Supply Chain located locally (237)	42%	54%	42%
Skilled Staff (237)	34%	43%	40%
Availability of local services (277)	34%	45%	40%
Public transport (240)	34%	34%	24%
Average pay scales / wage levels (236)	28%	31%	22%
Availability of affordable housing (224)	25%	N/A	N/A
Local support available to businesses (259)	23%	19%	20%
Good value rent and rates (264)	23%	26%	15%
Support on planning permissions (157)	19%	21%	11%
Overall/Average	**46%**	**50%**	**41%**

Source: Central Bedfordshire Business Survey 2012

4.34 Consistent with 2011 and 2010, the lowest ratings were for support on planning permissions (19% rated good / 45% rated poor), good value rent and rates (23% rated good / 53% rated poor) and local support available to businesses (23% rated good / 49% rated poor). Skilled staff (34% rated good / 29% rated poor) and the availability of suitable premises (43% rated good / 37% rated poor) also received relatively low ratings.

4.35 With regard to planning performance it must be noted that the survey does not measure whether respondents have used the planning service. Data available on the actual performance of the planning service indicates that up to June 2012 72% of minor applications had been dealt with within 8 weeks, 33% of major applications had been dealt with within 13 weeks and 88% of other applications had been dealt with in 8 weeks. In terms of the percentage of planning applications satisfied with the service received from the planning department, data for 2011/12 indicates that 81% were satisfied, reflecting a much stronger perception of planning services from those who have accessed them compared to the business survey.

Proportion of respondents that rated key aspects of the area as poor year by year (ordered by the most poorly rated)

Indicator	2012 Poor	2011 Poor	2010 Poor
Good value rent and rates (222)	53%	40%	41%
Local support available to businesses (216)	49%	42%	34%
Support on Planning Permissions (131)	45%	25%	25%
Public transport (200)	39%	30%	35%
Availability of suitable premises (211)	37%	19%	22%
Availability of affordable housing (186)	37%	N/A	N/A
Availability of local services (231)	31%	18%	22%
Supply Chain located locally (197)	30%	13%	14%
Skilled Staff (197)	29%	19%	15%
Walking/cycling routes (221)	24%	N/A	N/A
Local Road network (246)	22%	21%	22%
Proximity to Universities (192)	22%	17%	25%
Average pay scales / wage levels (196)	20%	19%	12%
Rail network (225)	17%	17%	19%
Accessibility for products/customers (219)	16%	16%	10%
Ease of transportation of freight (161)	16%	N/A	N/A
Attractive surroundings (236)	15%	15%	14%

Good quality Schools/Colleges (198)	13%	7%	8%
Strategic Road network (244)	12%	14%	15%
Airport access (232)	7%	8%	13%
Proximity to London (240)	3%	3%	9%
Overall/Average	26%	26%	27%

Source: Central Bedfordshire Business Survey 2012

Productivity

4.36 Gross Value Added (GVA) is a measure of the value of the goods and services produced in the economy, and is measured both as total value and a per employee calculation. GVA is measured by European Union nomenclature of territorial units for statistics (NUTS) at the Bedfordshire level. The total GVA of the Bedfordshire economy was £6,527,000,000 in 2009. This represents an overall increase of 35% since 2001, but a fall in total GVA of 3.1% since 2008. GVA in Bedfordshire accounts for some 6.1% of the total GVA in the East of England and 0.6% of the total GVA in England. (Source: Office for National Statistics, NUTS3 Regional GVA, 1997-2009)

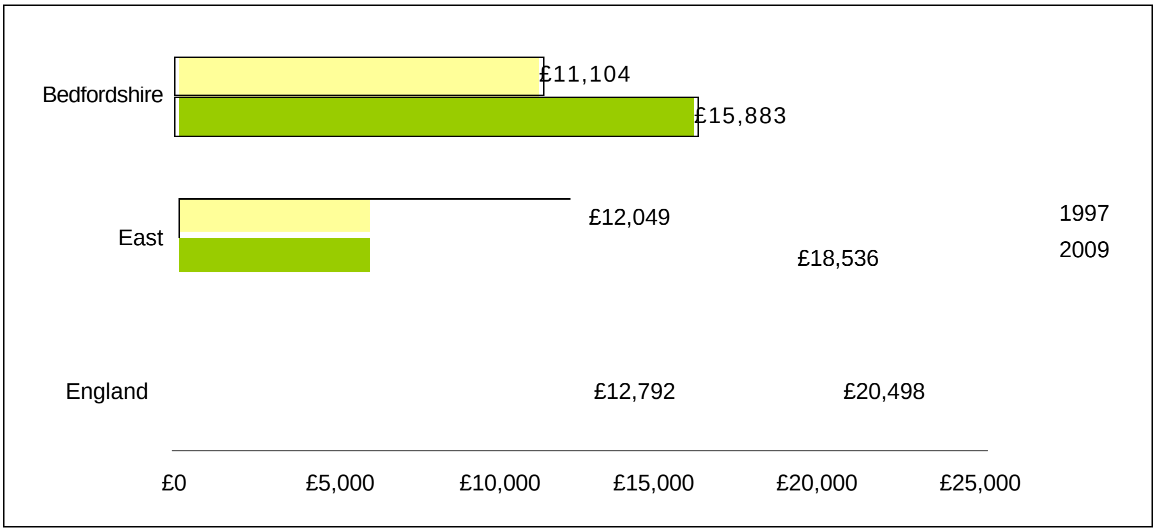
4.37 Figures for Central Bedfordshire are not yet available, though changes in the NUTS will potentially provide data for Central Bedfordshire from 2013. Population figures can be used to estimate the Central Bedfordshire GVA. In 2009 this was estimated to be £4,016,810,700. This is similar to Luton's GVA and above Bedford. Central Bedfordshire has the fourth highest estimated GVA of the eleven local authorities in SEMLEP.

4.38 Data from the East Of England Forecasting Model - Spring 2012 - highlight that forecast GVA in 2011 was £4,202.400,000. This is an increase of 4.3% compared to the forecast level for 2010. It must be noted however that these figures are forecasts and are subject to a range of assumptions which may mean that the actual figures will be different. Further detail on the East of England forecasting model is available at http://www.cambridgeshire.gov.uk/business/research/economylab/Economic+forecasts.htm

4.39 Per employee GVA per head calculations are often used as a measure of the productivity of the local labour market. In terms of GVA per head, the economy of the former Bedfordshire county area is growing at a slower rate than regional and UK averages.

4.40 Between 1997 and 2009, GVA per head increased by 43.0% in Bedfordshire, compared with 53.8% in the East of England and 60.2% in England.

GVA (£) per head, 1997 and 2009



Source: Office for National Statistics, Gross Value Added per head by NUTS3 area at current basic prices by Region, 1997-2009.

New businesses

4.41 In 2010, there were 1,010 business ‘births’ in Central Bedfordshire. This equates to 49.2 new businesses per 10,000 residents aged over 16. This is often used as a measure of entrepreneurial activity in an area and Central Bedfordshire levels are higher than both the regional (47.7 per 10,000) and national (48.9 per 10,000) figures, but have fallen from 2008 when there were 61.5 new businesses per 10,000 residents aged over 16. SEMLEP has higher levels of new business start ups, with 59.1 per 10,000 residents over 16. In 2010, there were also 1,200 business ‘deaths’, giving a net overall decrease according to this data source of 190 businesses in the year. (Source: Office for National Statistics, Business Demography, 2010)

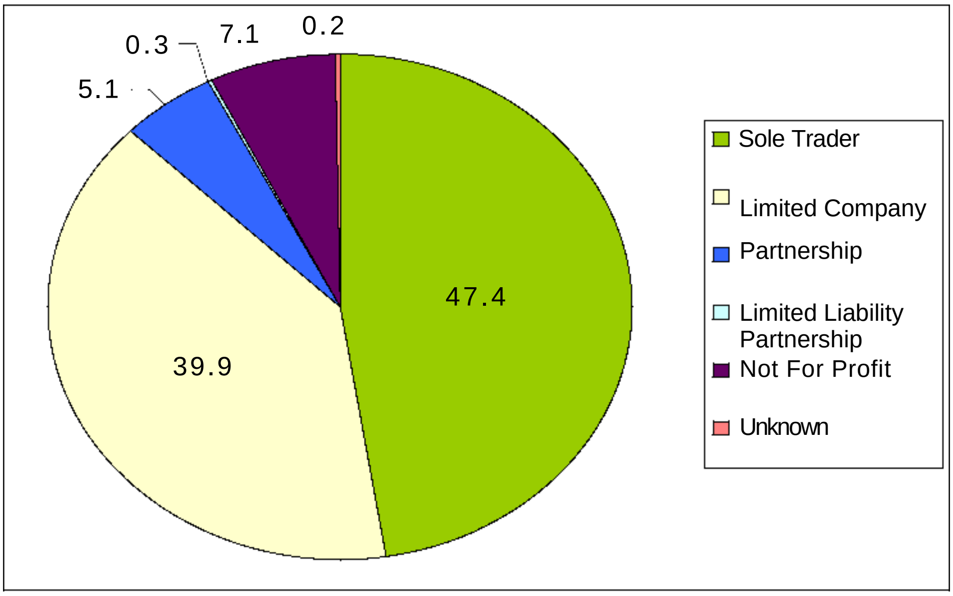
4.42 Data on business start ups acquired by the company Banksearch and collected from the main suppliers of business banking services: Barclays, Co-operative Bank, HSBC, Lloyds Banking Group, Royal Bank of Scotland Group and Santander, albeit from a different source, can provide a more recent picture of start ups in Central Bedfordshire. A ‘start-up’ in this instance reflects the opening of a first current account from a small business banking product range and is a business new to banking or who previously operated through a personal account. The data exclude businesses operating through personal accounts, those without banking relationships or those banking with other institutions.

4.43 The Banksearch data shows that there were 2,586 start ups in Central Bedfordshire in 2011, an increase of 11.6% on the previous year. This includes not-for-profit businesses. There are wide variations in the number of start-ups across England. In 2011, London (+10.5%), East of England (+5.9%) and South East (+5.7%) saw the strongest regional annual growth rate compared with the previous year. Central Bedfordshire has therefore witnessed a stronger start up growth rate than each of these areas.

4.44 In the first five months of 2012, Banksearch recorded 1,009 start ups in Central Bedfordshire, 9.2% fewer than in the corresponding period in 2011.

4.45 Of the Central Bedfordshire start ups in 2011, 184 were classed as not-for-profit businesses (7.1%) and 1,227 were sole traders (47.4%).

Start ups by business type, 2011



Source: Banksearch Small Business Start Ups Survey, May 2012

4.46 The industry with the most start ups in 2011 was real estate, professional services & support activities with 753 start ups. This was followed by recreational, personal & community service (438) and construction (390). There were no start ups in the insurance companies and pension funds industry and only one in each of the mining & quarrying and fishing industries.

4.47 The wards with the highest number of start ups in 2011, based on pre-2009 ward boundaries, were Dunstable Downs, 178 start ups, and Stotfold and Arlesey, 165.

4.48 Start ups in 2011 were predominantly in the least deprived areas of Central Bedfordshire. 54% of start ups were in areas classed as being in the 20% least deprived wards in Central Bedfordshire. There were no start ups in the 20% most deprived areas in Central Bedfordshire.

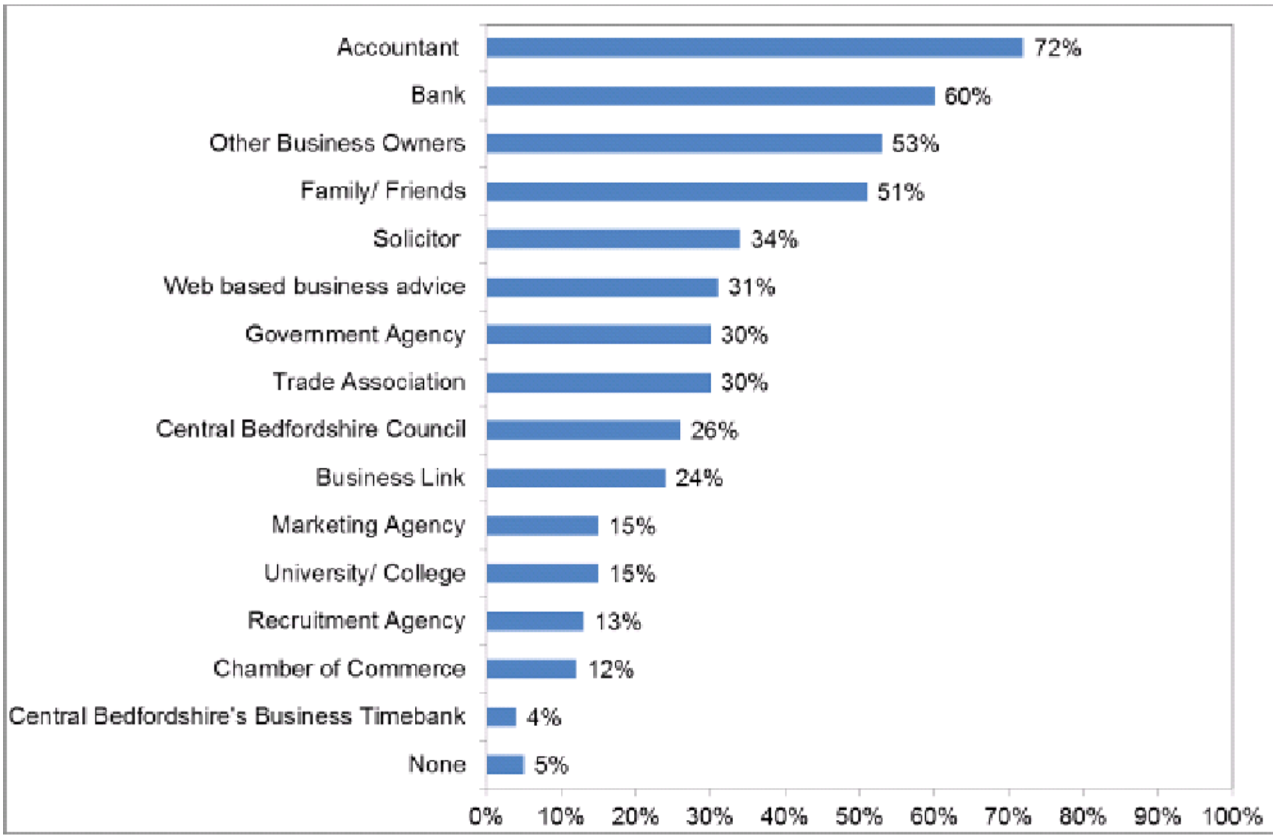
4.49 To address the apparent lack of start ups in deprived areas, Central Bedfordshire Council has put in place a programme funded through the European Social Fund, which is delivered across Bedfordshire by Exemplas and aims to provide employment support to 420 individuals through enterprise to enable them to set up their own business as a route out of unemployment or inactivity. The programme has a target of

40% participation from deprived areas across Bedfordshire. In May 2012, 226 individuals had enrolled on the programme, of which 30 had been referred to business support services and 36 had proceeded to a job or self employment.

Business Support

4.50 The 2012 Central Bedfordshire Business Survey highlights that 95% of businesses in Central Bedfordshire have used some form of business advice or support in the past 12 months. This is an increase on 2011 (88%) and 2010 (89%). The most commonly used source of advice is an accountant, with 72% of respondents citing this source. The percentage of businesses using Central Bedfordshire Council as a source of business support has risen from 7% to 26% from 2011 to 2012.

Sources of business advice or support used in the last 12 months



Source: Central Bedfordshire Business Survey, 2012

4.51 The number of business support services provided by the Government has diminished in the last year as a result of policy changes which led to the abolition of Regional Development Agencies and associated support services, such as regional Business Link, leading to a potential requirement for private sector business support and Central Bedfordshire Council is working with local providers to implement a new Business Timebank to fill this gap.

4.52 Nationally the Federation of Small Businesses (FSB) 'Voice of Small Business' member survey in February 2012 found that the three most commonly cited sources of business support were customers (76%), accountants (75%) and suppliers (71%), which differs from the local survey in the inclusion of customers and suppliers as a source of support.

Business Sectors and Job Growth

4.53 Central Bedfordshire is home to world leading companies such as B/E Aerospace, Lockheed Martin, Nissan Technical Centre Europe, Amazon and The Jordan and Ryvita Company.

4.54 The main industries in Central Bedfordshire, in terms of employee numbers, according to the 2010 Business Register and Employment Survey, are education (14,500), retail (9,000) and manufacturing (8,300). The education sector is employment made up of Primary Education (5,300), Secondary Education (3,300) and Higher Education.

4.55 The 2010 Business Register and Employment Survey reports that between March 2009 and March 2010 Central Bedfordshire experienced one of the largest increases in jobs in the country – a total of 6,700 new jobs, or 8.2% overall growth. This compares favourably to the East of England at -1.3% growth and England as a whole, -0.2%. This level of growth is significantly higher than between 2008 and 2009, when the number in Central Bedfordshire fell by 3.3%. Some sectors – public administration & defence, education and property – have experienced large increases in jobs. Others – construction, financial & insurance, and information & communications – have seen large decreases, as can be seen in the table below.

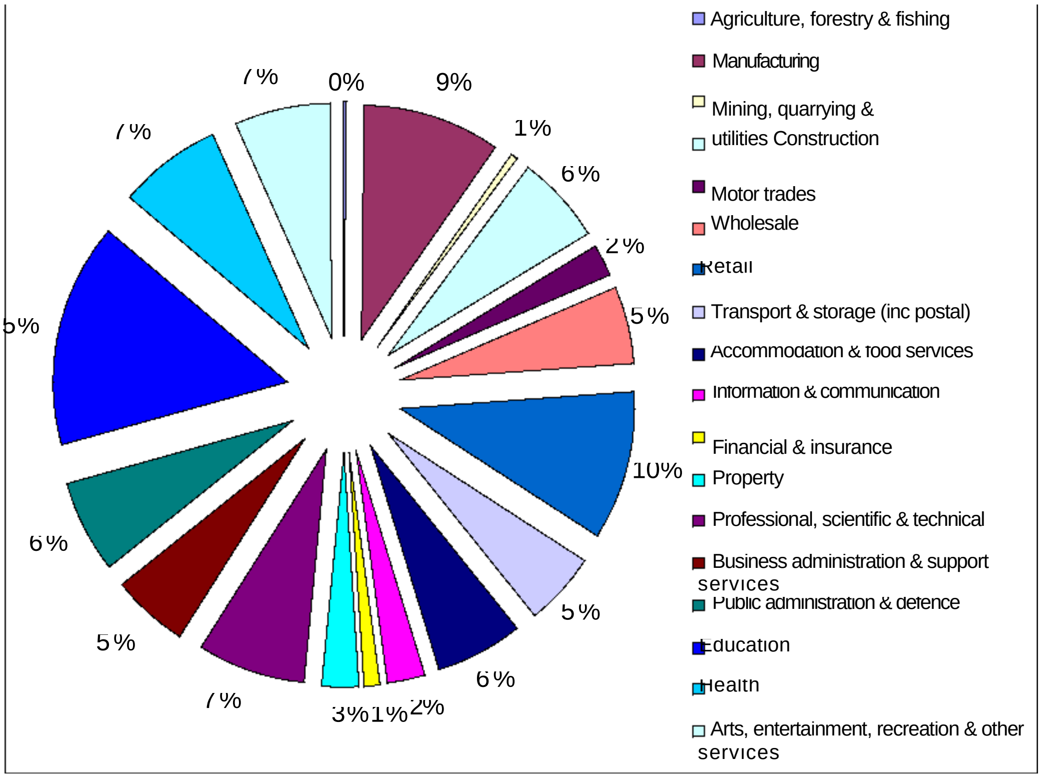
Industry Sector	Number of jobs 2009	% of all jobs 2009	Number of jobs 2010	% of all jobs 2010	% change
Agriculture, forestry & fishing	300	0.4	300	0.3	-6.4
Mining, quarrying & utilities	500	0.6	500	0.6	-0.8
Manufacturing	8,600	10.6	8,300	9.5	-2.7
Construction	5,700	7.1	4,600	5.3	-18.2
Motor trades	1,800	2.3	1,700	1.9	-10.3
Wholesale	4,400	5.5	4,900	5.5	9.2
Retail	8,600	10.6	9,000	10.2	4.3
Transport & storage (inc postal)	5,400	6.6	4,400	5.0	-17.9
Accommodation & food services	5,700	7.0	5,500	6.2	-4.7
Information& communication	2,600	3.2	2,000	2.2	-25.7
Financial & insurance	1,200	1.4	900	1.0	-26.7
Property	1,500	1.9	2,100	2.4	38.6
Professional, scientific & technical	6,100	7.5	6,000	6.9	-0.9
Business administration & support services	5,300	6.6	4,700	5.3	-12.2
Public administration & defence	2,300	2.8	6,100	7.0	171.2

Education	9,600	11.8	14,500	16.5	50.6
Health	6,000	7.4	6,800	7.7	13.2
Arts, entertainment, recreation & other services	5,500	6.8	5,700	6.5	3.9
Total	81,200		88,000		8.2

Source: Business Register and Employment Survey 2010 (job numbers are rounded to the nearest hundred)

4.56 The growth in the public sector (including education and health) appears to be considerably higher than any other sector and does not correspond to local intelligence on jobs growth or wider data on public sector employment. This has been raised with ONS and will be monitored. A possible reason could be that this data has been skewed as a result of the creation of Central Bedfordshire Council unitary authority. A revision of these figures is due in 2012 and that may alter the data.

Percentage of all jobs in Central Bedfordshire by industry 2010



Source: Business Register and Employment Survey 2010

Sector Specialism

4.57 Location quotients are used to analyse the share of employment in a sector within Central Bedfordshire, compared to the share of employment throughout the UK, and indicate how important a sector is to local employment – in other words, how specialised Central Bedfordshire is in a particular sector.

4.58 Location Quotients (LQ) can be interpreted as follows:

- if the location quotient is equal to 1 then the local area has an average share of employment
- if it is less than 1 then the area is relatively unspecialised in that sector compared to the UK as a whole
- If it is greater than 1 then the area is relatively specialised in that sector.

4.59 It should be noted that the large decrease apparent in the table below in the LQ of the agriculture, forestry and fishing sector between 2008 and 2010 is due to a change in data collection methods. The 2008 data is from the Annual Business Inquiry (ABI) which included Defra farm figures. The ABI has since been replaced by the Business Register and Employment Survey (BRES) and this does not gather data on Defra farms.

Central Bedfordshire Location Quotients

SIC 2007 Industry	2008 CB LQ	2010 CB LQ
Agriculture, forestry & fishing	1.4	0.2
Mining, quarrying & utilities	0.4	0.6
Manufacturing	1.2	1.1
Construction	1.2	1.3
Motor trades	1.5	1.2
Wholesale	1.4	1.3
Retail	1.0	1.0
Transport & storage	1.0	1.1
Accommodation & food services	1.0	0.9
Information & communication	0.9	0.6
Finance & insurance	0.3	0.3
Property	1.0	1.6
Professional, scientific & technical	1.1	1.0
Business administration & support services	0.8	0.7
Education	1.4	1.7
Health	0.6	0.6
Public admin & defence	0.9	1.3
Arts, entertainment, recreation & other	-	1.4

Source: Analysis of BRES 2010 (note: Arts, Entertainment, Recreation & Other is a new category in 2010)

4.60 The table above highlights Central Bedfordshire has a number of specialisms, at broad industrial level. However further detailed analysis, highlights the following more specific specialisms:

- Manufacture of paper and paper products (LQ 2.5)
- Libraries, archives, museums and other cultural activities (LQ 2.3)
- Manufacture of rubber and plastic products (LQ 2.0)
- Veterinary activities (LQ 2.0)
- Personal service activities (LQ 1.7)
- Real estate activities (LQ 1.7)
- Education (LQ 1.7)
- Manufacture of furniture (LQ 1.7)
- Architectural and engineering activities; technical testing and analysis (LQ 1.6)
- Professional, scientific and technical activities (LQ 1.6)
- Rental and leasing activities (LQ 1.6)
- Repair of computers and personal and household goods (LQ 1.5)
- Manufacture of fabricated metal products, except machinery and equipment (LQ 1.5)
- Civil engineering (LQ 1.4)
- Land transport and transport via pipelines (LQ 1.4)

4.61 These specialisms reflect Central Bedfordshire's strengths in the engineering/ manufacturing sectors as well as indicating the continued importance of the rural economy, particularly through leisure and tourism based and veterinary activities. Data also indicates a potential underrepresentation in certain sectors, notably business services and finance and insurance.

Public Sector Employment

4.62 The preferred source of statistics for public sector employment is the Quarterly Public Sector Employment Survey (QPSES) and external sources, however, figures from this source are only provided at regional level by the Office for National Statistics. ONS therefore use the Annual Population Survey to determine the public/private sector employment split at a local level. Individuals in the Annual Population Survey (APS) are classified to the public or private sector according to their responses to the survey. Consequently, the classification of an individual's sector may differ from how they would be classified in QPSES statistics. Official estimates of public sector employment compiled from QPSES are generally lower than estimates available from APS. This is partly because many people who work within public sector premises, whilst being employed by private sector organisations, will classify themselves as working in the public sector, e.g. cleaners or security guards employed by a contractor to work at public sector premises.

4.63 The Local Government Association provides a split of the QPSES into local authority areas and analysis shows an estimated 9.8% of the workforce as employed in the public sector in 2011 in Central Bedfordshire, which is an 18% decrease from 2010. This is higher than nationally, where the number fell at a rate of 5% between 2010 and 2011.

4.64 Historically the percentage of people employed in the public sector in Central Bedfordshire has been below national levels. For example, analysis of the Annual Population Survey in 2008 showed 16.5% of people employed in the public sector, compared to 24.1% nationally.

4.65 In September 2011, however, the Annual Population Survey records the number of people employed in the public sector in Central Bedfordshire as 25% of all people in employment, above the national rate (23.8%), although caution should be taken with these figures as per the note above.

Self Employment

4.66 The Annual Population Survey in September 2011 shows 23,700 people in Central Bedfordshire as self employed. This accounts for 17.9% of all people in employment and is an increase of 36.3% from the same time in 2010. Of these people, 15,600 are male (65.8%) and 8,000 are female (33.8%). Nationally, 70.3% of all those in employment who are self employed are male and 29.7% are female.

4.67 A possible reason for this increase may be that people made redundant during the recession, have established themselves as self-employed consultants as an alternative method of finding work post-redundancy. It will be important to monitor these figures to see if this trend is upheld over time, or whether there are changes alongside any improvements in the job market.

4.68 Central Bedfordshire compares well to SEMLEP (13.6%), England (13.9% and the East of England (14.2%). Over the past year the number of people considered self employed in the East has fallen, while in England and SEMLEP it has risen slightly but at a slower rate than in Central Bedfordshire.

Economic Resilience

4.69 The variety of employment across a range of sectors is an indicator of the resilience to economic shocks of the Central Bedfordshire economy. It is generally accepted that the more diverse the nature of employment the more resilient a local economy is to economic shocks, such as large employer closures and global economic conditions.

4.70 When this sector diversity is considered in line with the Central Bedfordshire’s strong skills profile, high level of employees in professional occupations, high levels of business start up and growth and economic assets, such as its higher and further education facilities, transport infrastructure and future growth plans, the Central

Bedfordshire economy is considered to be well placed to continue to perform strongly and be resilient to future economic shocks.

4.71 Previously we have used the UK Competitiveness Index – an index that reflects a measurable criteria of place competitiveness – to determine Central Bedfordshire's resilience to economic shocks, however the authors will not be producing an update to the index for 2011. The 2010 index (included in 2011's LEA), ranked Central Bedfordshire as 134th out of 379 most competitive local authorities in the UK. This represents a fall from its position in 2009 (116th) but is higher than Luton (226th) and comparable with Bedford (132nd).

4.72 Following a project commissioned by the BBC in 2010, the research company Experian analyse local authorities and rank them in order of their resilience to public sector cuts. Central Bedfordshire's position in 2011 is 118th most resilient of 324 local authorities, a rise from 133rd in 2010[2]. This is based on the area's ranking in four broad criteria, in each of which Central Bedfordshire has risen in position since 2010 and ranks:

- Business 135th
- Community 171st
- Place 172nd
- People 48th

4.73 The 2010 Experian report also looked at additional factors which we have been unable to update for 2011, but one of the key points in 2010 was that Central Bedfordshire ranks 1st of all local authorities with regard to exporting businesses.

Social Enterprise

4.74 Data from the 2012 *Social What? Defining and Mapping the characteristics of Social Enterprise in Central Bedfordshire* (Voluntary and Community Action) indicates that there are 166 organisations identified as operating, emerging or potential social enterprises. This is a net increase of just one social enterprise since 2008, though this may be due to a number of new enterprises being started being counter balanced by mergers, closures and changes in definitions and shows that there is churn in the sector. These organisations employ 1,625 staff on a full time basis, 1,424 part time staff and over 6,000 volunteers.

4.75 A social enterprise is defined as:

'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to

[2] Caution should be taken with direct comparisons as there have been additions to the data collected and analysed in 2011.

maximise profit for shareholders and owners' (accepted Government definition taken from Hansard Parliamentary Reports, December 2011)

4.76 Social enterprises tackle a wide range of social and environmental issues and operate in all parts of the economy, including health and social care, arts and design, childcare, sport and leisure, finance and transport. Central Government, as part of their Big Society strategy, believes that social enterprises have a role to play in helping create a strong, sustainable and socially inclusive economy.

4.77 The predominant trading activities of social enterprises in Central Bedfordshire are:

- Advice, guidance and information
- Education, training, learning and skills
- Children's work
- Volunteering
- Health and Social Care

4.78 In their report, Voluntary and Community Action highlight a number of policy developments and drivers for change affecting the social enterprise sector:

- In May 2010, the then newly elected Coalition Government, committed to involving civil society organisations in the design and delivery of public services to an unprecedented scale. Their strategy is centred on creating the Big Society.
- Major government initiatives include the creation of the Big Society Bank, National Citizen Service pilots, the creation of Community Organisers and a programme of support for the creation of public service mutuals.
- Interest in the social enterprise sector has grown steadily over the past decade. Successive governments have encouraged and promoted social enterprise as a model for public service innovation. Nationally and locally, within local authorities, the enthusiasm for social enterprises in the delivery of public services is growing rapidly.
- The Government has committed to put more power into people's hands by: giving public sector workers a new right to form employee-owned cooperatives and bid to take over the services they deliver. This will empower millions of public sector workers to become their own boss and help them to deliver better services. Building the Big Society (May 2010).
- The Localism Act is of particular interest to social enterprises as it includes the community right to challenge, under which a local authority will have to consider an expression of interest (EOI) to provide a service on behalf of that authority in relation to one or more of its powers and duties.
- The Government's Open Public Services White Paper (July 2011) is committed to opening up the delivery of public services by a range of (existing and new) providers in the public sector, voluntary and community sector or the private sector.

- The Government's commitment to modernising and transforming social care by having all service users on personal budgets, preferably as direct payments, by 2013.

4.79 Voluntary and Community Action further outline the implications of these policy changes on social enterprises in Central Bedfordshire:

- The personalisation agenda means many organisations will have to become more 'person-centred' in a way that requires them to transform their culture, systems and processes.
- Many organisations do not understand the new operating environment and remain under-developed with regard to winning contracts.
- A survey by the Voluntary Works Consortium found that income generation is the most pressing concern for social enterprises. The reduction in public funding was seen as the most significant change in the environment.
- The Voluntary Works survey also found that collaborative working is increasingly seen as the future and opportunities for networking and peer-to-peer support with similar organisations emerged as the highest need. Opportunities to be part of collaborative funding bids also emerged strongly.

4.80 Specifically, of the 166 organisations identified as operating, emerging or potential social enterprises in Central Bedfordshire, 55 identified at least one or more of the following support needs, with marketing and promotion the most frequently identified need:

- Business plan development
- Company registrations
- Constitutions and governing documents
- Financial management
- Full cost recovery
- Marketing and promotion
- Partnership/collaborative working
- Public sector contracting and procurement
- Quality assurances
- Social enterprise activity and trading

The other 111 organisations need help to identify their development support needs.

The Rural Economy

4.81 Analysis of the 2011 IDBR shows that 49.2% of businesses in Central Bedfordshire are based in wards that are classed as rural and 40.7% of all people employed in Central Bedfordshire are employed in wards classed as rural, therefore the rural economy is of critical importance to the overall economy of Central Bedfordshire.

4.82 The 2012 Central Bedfordshire Business Survey allowed for comparison of results by urban and rural businesses. A rural business is one based within any settlement that has a population below 10,000, defined according to Department for the Environment, Food and Rural Affairs urban/rural split.

4.83 Generally, rural businesses tend to be more optimistic than urban businesses, especially around perceptions that the area is improving as a business destination and satisfaction with the Council. 66% of rural businesses rated Central Bedfordshire as an area that is good for business, compared with 58% of urban businesses. When asked about specific aspects of the area, rural and urban businesses shared similar top and bottom rated aspects, however rural businesses are more likely to rate aspects of the area more positive overall. There are also some specific aspects where differences between rural and urban businesses are notable. For example, 73% of businesses rated attractive surroundings as good compared to 52% of urban businesses; 72% of rural businesses rated schools as good, compared to 53% of urban businesses; and 72% of rural businesses rated the local road network as good, compared to 53% of urban businesses.

Elements of the local area rated as good by urban and rural businesses (ordered by highest scoring overall)

Indicator	Urban	Rural
Strategic road network	75%	85%
Proximity to London	75%	78%
Airport access	63%	73%
Attractive surroundings	52%	73%
Rail network	61%	62%
Good quality Schools/Colleges	53%	72%
Local road network	53%	72%
Accessibility for products & customers	52%	52%
Ease of transportation of freight	39%	67%
Walking/cycling routes	49%	50%
Proximity to Universities	37%	48%
Availability of suitable premises	42%	46%
Supply Chain located locally	40%	54%
Skilled Staff	31%	35%
Availability of local services	30%	40%

Public transport	41%	29%
Average pay scales / wage levels	20%	34%
Availability of affordable housing	27%	18%
Local support available to businesses	27%	17%
Good value rent and rates	22%	20%
Support on planning permissions	24%	11%
Overall	44%	51%

Source: Central Bedfordshire Business Survey 2012

4.84 In terms of possible constraints on future growth, again urban and rural businesses shared similar top and bottom rated constraints on business growth. There were notable differences with regard to red tape, an issue for 45% of rural businesses compared to 58% of urban businesses. Lack of customer demand was a constraint for 39% of urban businesses, compared to 27% of rural businesses, and the lack of transport infrastructure was seen as a constraint for 24% of urban businesses but just 14% of rural. Similarly, 46% of rural businesses said that cash flow was a constraint compared to 34% of urban businesses, 41% said that the lack of IT infrastructure/broadband was a constraint compared to 15% of urban businesses and 27% said that access to public transport was a constraint compared to 13% of urban businesses.

Constraints on business growth by urban and rural businesses

Constraint	Urban	Rural
The general economic climate	73%	74%
Transport costs e.g. fuel etc	64%	65%
High cost of energy	52%	60%
Over regulation/red tape	58%	45%
Increasing competition	44%	47%
Business rates	44%	42%
Cash flow	34%	46%
Interest rates/cost of finance	34%	38%
Reduction in public sector expenditure	36%	36%
Lack of customer demand	39%	27%
Access to finance	33%	34%
Constraints with premises or location	30%	26%

Lack of appropriate business support	28%	27%
High cost of labour	23%	30%
IT infrastructure/lack of Broadband	15%	41%
Lack of skilled labour	21%	27%
Transport infrastructure (road, rail and sea)	24%	14%
Lack of training available locally	16%	20%
Access to public transport	13%	27%
Difficulties with obtaining planning permission	14%	24%

Source: Central Bedfordshire Business Survey 2012

Innovation

4.85 Business links with higher and further education can fuel innovation in new products and processes, in turn delivering improvements in business productivity. The Bedfordshire and Luton Business Survey 2012 shows that there has been a further increase in the number of businesses that have links with universities or colleges for R&D purposes – from 6%in 2010 to 10% in 2011 and 12% in 2012. This proportion increases to 28% of businesses with 25-49 employees and 47% with 50+ employees.

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4.86 Respondents to the Business Survey were also asked whether they had introduced a new product, service or significantly improved process in the last 12 months and 44% of local businesses had done so, compared to 30% in 2011. At a national level, the FSB 'Voice of Small Business' member survey in February 2012 found that 68% of businesses have introduced a new or improved product or service, which is higher than in Central Bedfordshire.

Tourism

4.87 Tourism is an important sector of the economy in Central Bedfordshire with major attractions such as ZSL Whipsnade Zoo, Woburn Abbey and Safari Park, and a raft of historic towns and villages, country houses, outdoor attractions and activities for people of all ages. It will become an increasingly important sector with the opening of Center Parcs holiday village in the area in 2013.

4.88 Central Bedfordshire's attractive natural environment is cited as one of the best aspects of the area by local businesses in the 2011 Business Survey and brings visitor spend into the economy each year. In 2009 there were 5,269,100 trips to Central Bedfordshire either just for a day or to stay longer. This is an increase of 5.5% on 2008 (Source: East of England Tourism, Economic Impact of Tourism in Central Bedfordshire, 2009).

4.89 This figure is made up of 4,789,000 day trips and 480,100 staying trips. Of these staying trips, 101,100 were from overseas visitors, a fall of 7,700 from 2008. The number of UK visitors, however, rose by 31,000 in the same time. In total the staying trips accounted for 1,510,000 nights spent in Central Bedfordshire.

4.90 When taken together, all visits and associated spend accounted for £264,144,000 visitor spend in the Central Bedfordshire economy. When added to the supplier and income induced spend related to the visitor economy, the total value of tourism in Central Bedfordshire in 2009 was £312,280,000 – a 5.9% increase since 2008. The tourism economy in Central Bedfordshire supports some 6,035 jobs, accounting for 4.9% of total employment in the area.

Central Bedfordshire Council
www.centralbedfordshire.gov.uk

Local Economic Assessment

Chapter Five: Labour Market

Getting our residents into work

Labour Market

Getting our residents into work

Key Issues

- Central Bedfordshire has a comparatively high employment rate with 132,600 residents in work and the labour market consistently outperforms national, regional and LEP areas
- The employment rate is consistently more than 5 percentage points above the national level
- There is an ageing working force in Central Bedfordshire with more people remaining in work over the age of 65 than ever before
- However, unemployment, although below comparator areas, is higher than historically with a significant rise in the female rate especially among the 20-24 year old age group
- Youth unemployment is high and matched national levels at the end of 2010
- Worklessness levels, in particular those who are not working and do not want a job, are rising
- Locally, Jobcentre Plus continues to find that those seeking work in the area are limited in their options because of transport and accessibility
- The area has seen high levels of jobs growth but the job density, although it witnessed a recent increase, remains low with large amounts of people commuting out of Central Bedfordshire
- The area is prosperous with low overall deprivation levels, however more areas are now classed as deprived than before the recession
- More than 6,000 people are economically inactive as a result of work limiting illness and the number of people claiming incapacity benefit and employment support allowance is consistently higher than those claiming Jobseekers Allowance
- Earnings are high in Central Bedfordshire at an average of £560 per week, but there are large discrepancies between the earnings of residents and workers and the earnings of people living in parts of the South compared to parts of the North of Central Bedfordshire.
- In terms of future jobs growth, the industries forecast to employ the most people in Central Bedfordshire in 2031 are Professional Services, Education and Construction.
- The level of out-commuting is a weakness in the local economy and is mainly due to Central Bedfordshire's predominantly rural nature, lack of a large urban centre and the close proximity of major employment centres such as Bedford, Milton Keynes, Luton, Stevenage and London.

5.1 To monitor the impact of our Economic Development Plan we will look at a number of indicators on an annual or quarterly basis. To monitor the performance of the labour market and the ability of people to access employment in Central Bedfordshire, our Economic Development Plan contains a commitment to monitor the following indicators annually as part of the LEA:

- Number of people in employment
- Number of out of work benefit claimants
- Economic activity rate
- Number of people who are unemployed or economically inactive accessing information, advice and guidance on volunteering through volunteer centres
- Levels of youth unemployment

5.2A key target for Central Bedfordshire Council's Sustainable Communities Directorate is also to maintain the employment rate of Central Bedfordshire at 5% higher than the national average and the LEA will monitor this.

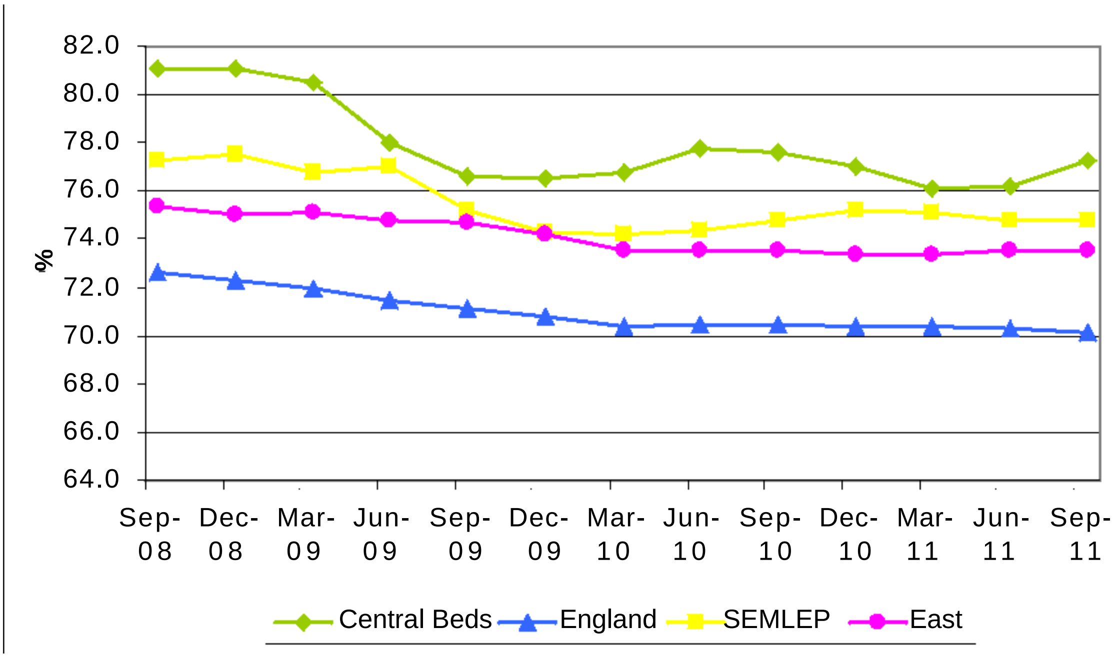
5.3As a wider evidence base, this chapter of the LEA will look at a number of other areas to give a broader picture of the Central Bedfordshire business landscape:

- Unemployment
- Worklessness
- Jobseekers' Allowance claimant count
- Job vacancies
- Work programme
- Job density
- Indices of deprivation
- Income
- Insolvency and bankruptcy
- Poverty

Employment

5.4 In September 2011 there were 126,700 people in employment in Central Bedfordshire of a total working age population (aged 16 to 64) of 163,800 – 77.3%. This is higher than England (70.4%), the South East Midlands (74.8%) and the East of England (73.5%) and has historically been consistently higher than these areas – over 5 percentage points higher than the national figure – demonstrating high levels of participation in the labour market in Central Bedfordshire. The number of people in employment is, however, significantly lower than it was prior to the recession in 2008 when levels were above 81%.

Employment rate as a percentage of working age people (16-64), change over time



Source: ONS Annual Population Survey September 2011, via Nomis

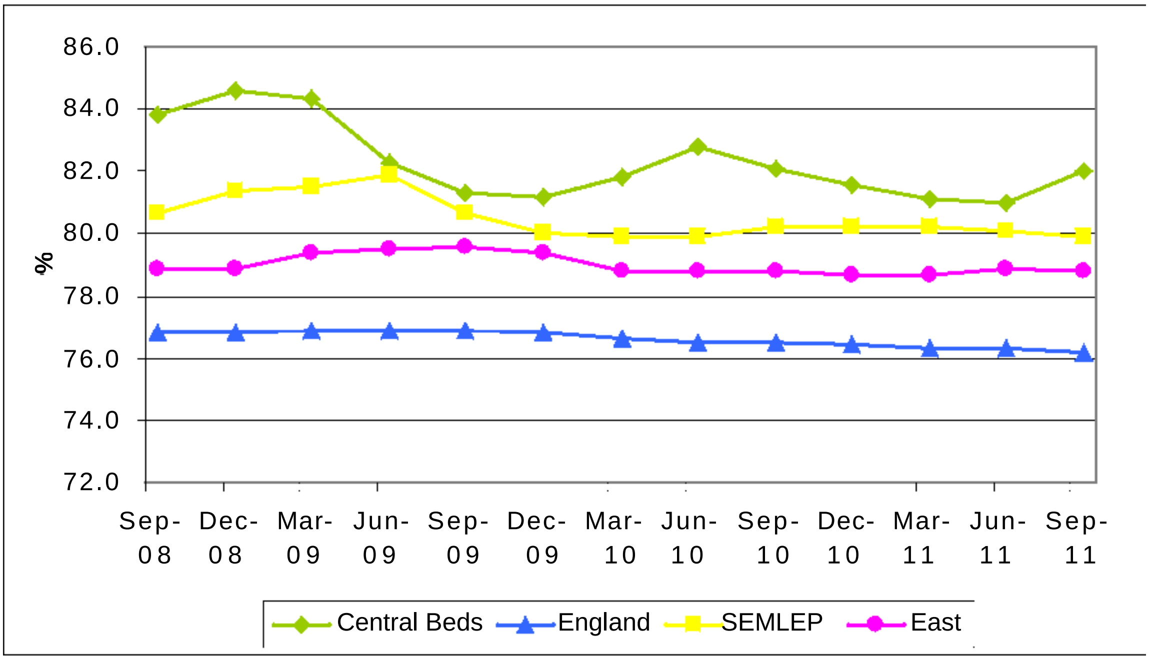
5.5 The number of people in employment rises when taking into account those people who remain in work beyond the age of 65. In September 2011, the number of people in employment increased by 5,900 to 132,600 when looking at all people in work over the age of 16. This figure has more than doubled in the past two years from an extra 2,600 people over 65 in work in September 2009, and shows that more people than ever are choosing to remain in work past the age of 65 in Central Bedfordshire.

5.6 The employment rate can also be split into full time and part time employees. In September 2011 the percentage of the workforce in part time employment was 26.7%, or 33,800 people. This has increased from 22.3% in the three years from September 2008 and appears to show that an effect of the recession has been a change from full time to part time employment for a section of the workforce. The percentage of men working part time more than doubled in the same time, from 5.6% in September 2008 to 10.3% in September 2011. Although the female part time employment rate has historically been higher than the male rate, there was also an increase from 41.2% to 45.6%. (ONS Annual Population Survey, September 2011, via Nomis) The male part time rate remains below England (11.3%), SEMLEP (10.5%) and the East of England (10.9%), however the female part time employment rate is slightly above all other areas – England 42.3%, SEMLEP 42.0% and East of England 44.2%.

Economic Activity

5.7 A person is defined as economically active if they are either employed, or unemployed but seeking work in a particular period. Many analysts regard the economic activity rate as a more accurate indicator of what is happening to the labour market than the employment rate alone. The economic activity rate in Central Bedfordshire is higher than in comparator areas, and in spite of a rise in quarter to September 2011, remains below pre-recession levels. The rate in September 2011 was 82.0% of working age population, or 134,300 people. This is above England (76.2%), SEMLEP (79.9%) and the East of England (78.8%). All areas have witnessed a fall in the economic activity rate; however Central Bedfordshire has seen a steeper fall than other areas, reflecting the ongoing impact of wider economic conditions on Central Bedfordshire.

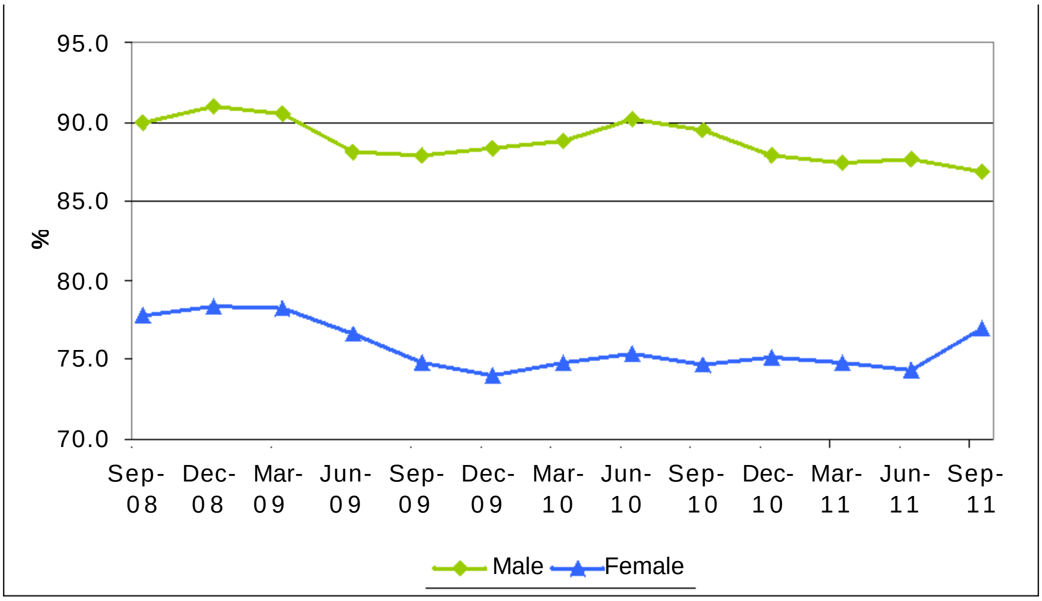
Economic Activity Rate as a percentage of working age people (16-64) change over time



Source: Annual Population Survey September 2011, ONS via Nomis

5.8 The economic activity rate of males and females in Central Bedfordshire varies, with the male rate (86.9% in September 2011) consistently higher than the female rate (77.0%). This is true at regional, national and SEMLEP levels too and, in line with the overall economic activity rate, both male and female rates are higher in Central Bedfordshire than in comparator areas.

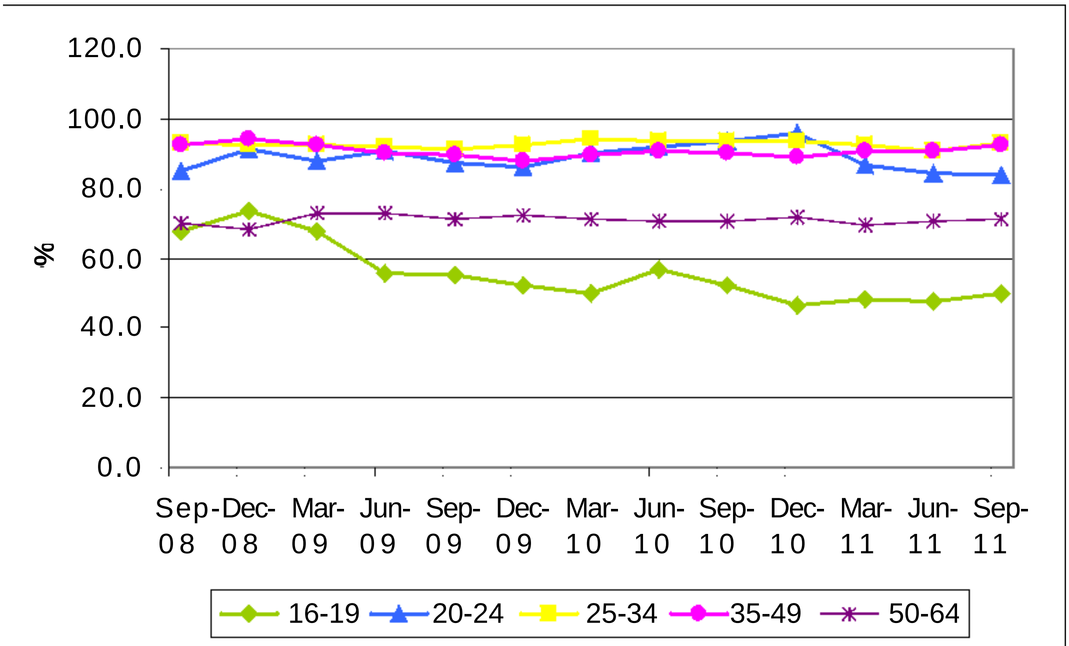
Economic activity rate by gender over time in Central Bedfordshire



Source: Annual Population Survey September 2011, ONS via Nomis

5.9 The economic activity rate of individual age groups in Central Bedfordshire shows further variations between groups. Having witnessed a rise in economic activity post-recession, the 20-24 year old age group witnessed the sharpest fall in economic activity in the three quarters to September 2011. The 16-19 age group appears to have been hit hardest by the recession, with a large fall in economic activity in 2009.

Economic activity rate by age band over time in Central Bedfordshire



Source: Annual Population Survey June 2011, ONS via Nomis

5.10 Despite the relatively high rates of economic activity in Central Bedfordshire, several groups face difficulty entering into and retaining employment. These include disabled people, ethnic minority females and people over 50. In contrast, ethnic minority males have a higher employment rate than the population as a whole.

Employment rates among the most disadvantaged groups in Central Bedfordshire

Group	Employment Rate (%)
All working age people	77.3
All people 50-64	67.9
Ethnic minorities	74.5[3]
Ethnic minority males	84.3
Ethnic minority females	63.4
All people 16-24	60.6
Disabled[4] people	55.1
Disabled males	71.9
Disabled females	39.6

Source: Annual Population Survey September 2011, ONS via Nomis

Unemployment

5.11 Unemployment levels and rates from the Annual Population Survey are measured according to the internationally agreed definition recommended by the International Labour Organisation (ILO). The ILO definition of unemployment covers people who are:

- Without a job, want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks
- Out of work, have found a job and are waiting to start it in the next two weeks.

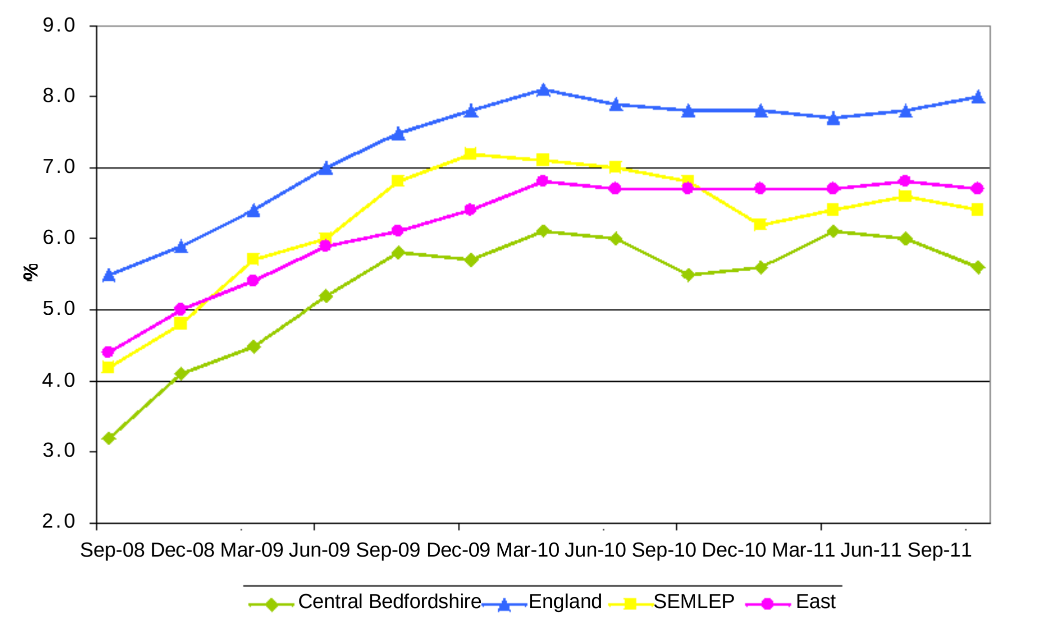
5.12 Unemployment in Central Bedfordshire has consistently been lower than comparator areas, and in September 2011 stood at 5.6% or 7,600 people compared to 8.0% in England, 6.4% in SEMLEP and 6.7% in the East of England. Central Bedfordshire's unemployment rate is, however, above historical levels and the rate is of concern.

[3] Most recent available data on ethnic minority employment is December 2010

[4] The definition of 'disabled' is complex – full details are available from the ONS Labour Force Survey guide: http://www.ons.gov.uk/ons/guide-method/user-guidance/labour-market-statistics/index.html

5.13 Nationally, ONS have suggested that a reason for the growth in the unemployment rate may not be as negative as it appears at face value. As individuals move from 'inactivity', where they are out of work and not looking for work, into 'unemployment', where they have taken the decision to actively look for work, they register as unemployed and push up the figures but also push up the total overall labour market.[5] ONS have also noted that the 2008 recession resulted in much less drift into inactivity than previous recessions, reflecting positively on activity and policy to keep people who are out of work close to and engaged with the labour market.

Unemployment rate over time as a percentage of working age population

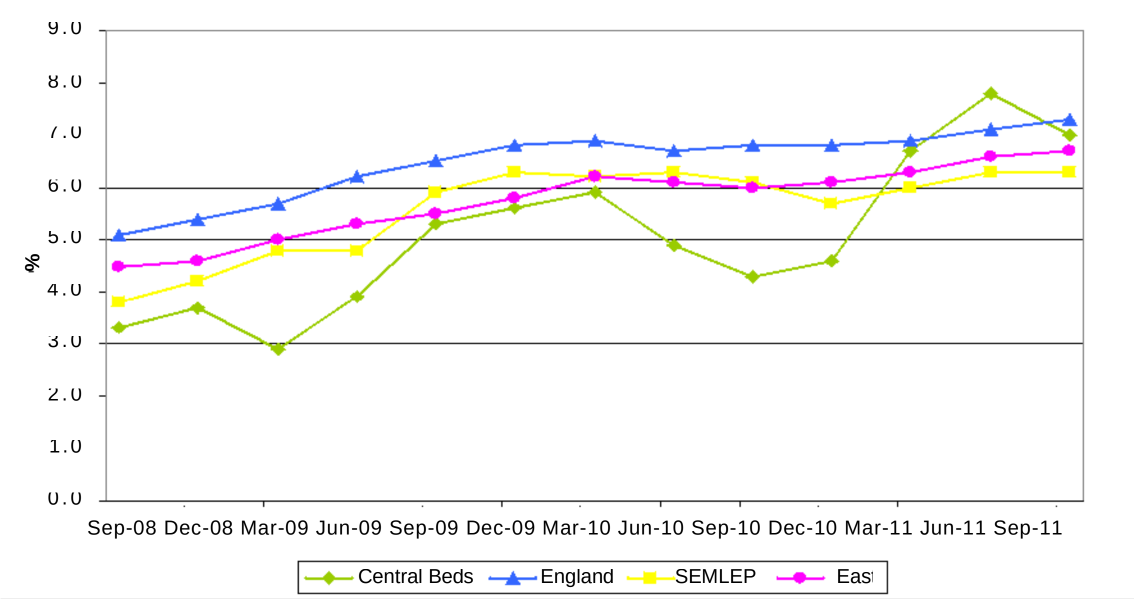


Source: ONS Annual Population Survey, September 2011, via Nomis.

5.14 The unemployment rate varies between males and females in Central Bedfordshire and historically the male rate has been higher than the female rate. The female unemployment rate has, however, been much higher throughout 2011 and stands at 7.0% in September 2011. This is an increase of 63% in the past year to 4,400 of the working age female population. In contrast, the male rate has fallen by 32% in the same time to 3,200 people or 4.5%. The male rate is substantially lower than England (8.6%), SEMLEP (6.4%) and the East of England (6.8%). However, the female rate has experienced more instability than each of these areas, currently standing just below the national rate but above SEMLEP and the East of England.

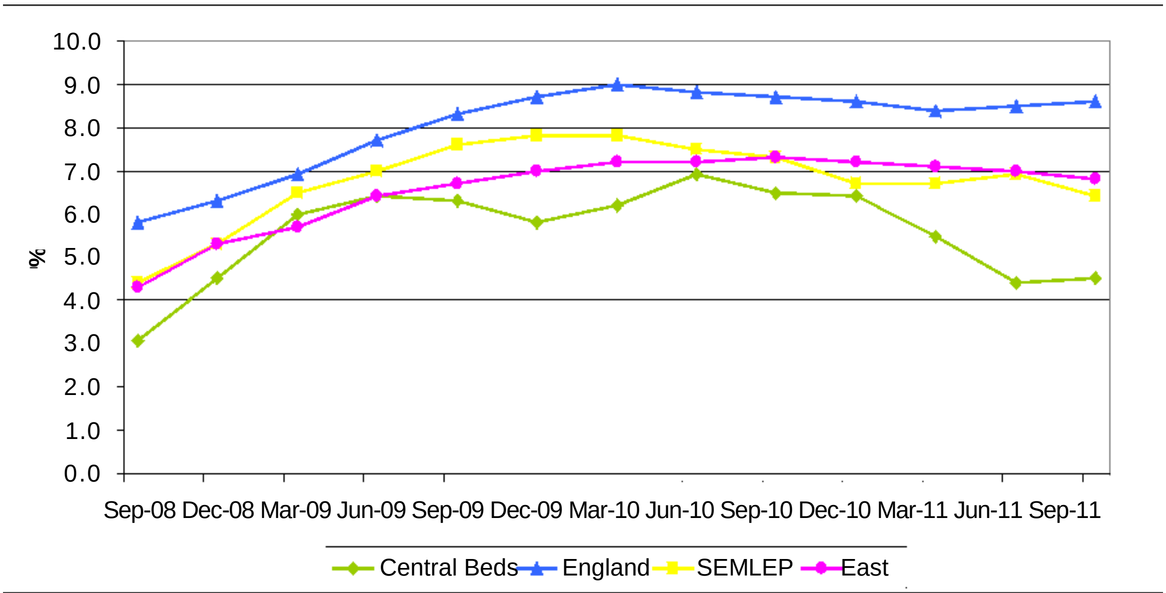
[5] Theory suggested by ONS at Labour Market Statistics User Group Conference, March 2012.

Female unemployment rate as a percentage of female working age population



Source: ONS Annual Population Survey, September 2011, via Nomis.

Male unemployment rate as a percentage of male working age population

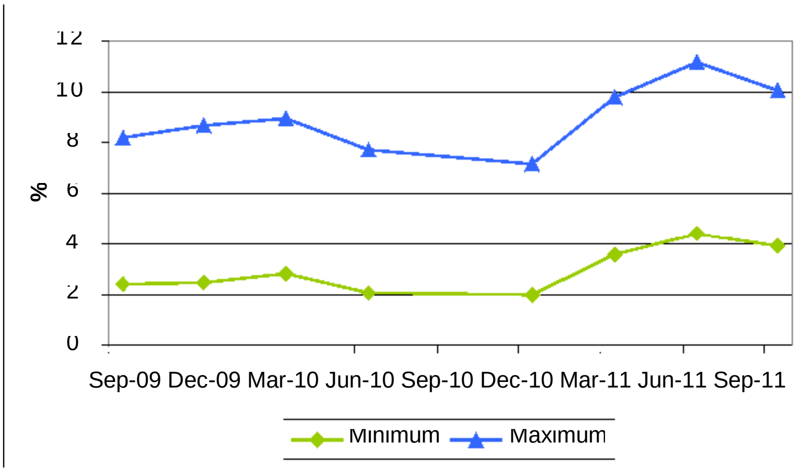


Source: ONS Annual Population Survey, September 2011, via Nomis.

5.15 There have been a number of proposed reasons for the increase in female unemployment, including higher levels of female employment in service sectors witnessing declining employment, high costs of child care disproportionately affecting the female labour market, changes to the benefits system and a possible increase in the female workforce from those who have decided to return to work after taking time out from the labour market.

5.16 A note of caution should be attached to the female unemployment rate as there is a significant degree of statistical variation within Central Bedfordshire female unemployment data. The female unemployment rate may therefore actually fall at some point between the maximum and minimum points in the graph below.

Possible range of female unemployment rate [6]



Source: Annual Population Survey September 2011, ONS via Nomis

5.17 The female unemployment rate can be further broken down into age groups. The sample size of some age groups is so small that data can not be published as it is considered disclosive or statistically insignificant, for example there is no data for females in the 16-19 age group. In spite of some missing data, it is clear from that which is available that the 20-24 age group has been hardest hit in recent months. 22.6% of all females in this age group in June 2011 were classed as unemployed.

Female unemployment as a percentage of all females in an age group (- = no available data)

Age	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
16-19	-	-	-	-	-
20-24	12.9%	17.6%	20.2%	32.9%	22.6%
25-34	7.7%	-	-	-	6.8%
35-49	4.2%	2.8%	3.1%	4.3%	5.1%
50-64	-	-	-	4.5%	5.9%

Source: Annual Population Survey June 2011, ONS via Nomis

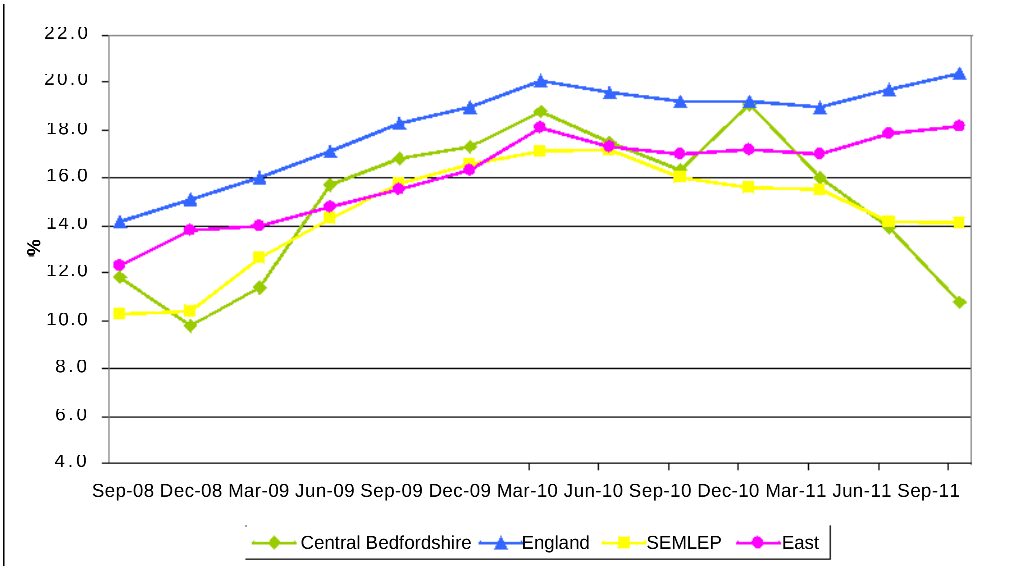
5.18 In September 2011, youth unemployment in Central Bedfordshire fell for the third quarter in a row to 10.8% bringing the rate in Central Bedfordshire back below SEMLEP and East of England levels. England and the East of England have both seen a rise in youth unemployment in this quarter. It should be noted that full time students who say they are looking for work are considered unemployed in the Annual Population Survey, in the same way that full time students in work are considered employed. Movements in youth unemployment rates can also be affected by changes

[6] Note that confidence interval data is not available for September 2010

to the economically active population, which can result from changes in the number of young people who are economically inactive because they are in full-time education.

5.19 As with the female unemployment rate, a note of caution should also be attached to the youth unemployment rate as the confidence interval can be as high as 10 percentage points, meaning that the actual figure could fall anywhere with 10 points either side of the figure reported.

Youth unemployment as a percentage of all aged 16-24



Source: Annual Population Survey September 2011, ONS via Nomis

Worklessness

5.20 Worklessness is used to describe people of working age who are not in work and includes:

- unemployed people actively seeking work
- people who are not working and are not looking for a job - this comprises people who want a job and those who don't want a job.

5.21 In September 2011 worklessness stood at 37,100, or 23% of the working age population. The figure has remained around the 23-24% mark over the last year, but this is the highest it has been since 2007.

5.22 While the majority of those economically inactive do not want a job, 5,500 people not in work and not looking for a job in September 2011 would actually like to work. This figure fell by 800 people, or 12% in the last year. This may be because a number of people who want a job have begun to look for one and would therefore appear as unemployed and part of the economically active group. Between September 2010 and September 2011, the number of people economically inactive and who do not want a job rose by to 900 to 24,000. This group is difficult to target to reduce levels as they are not seeking support to help them into work.

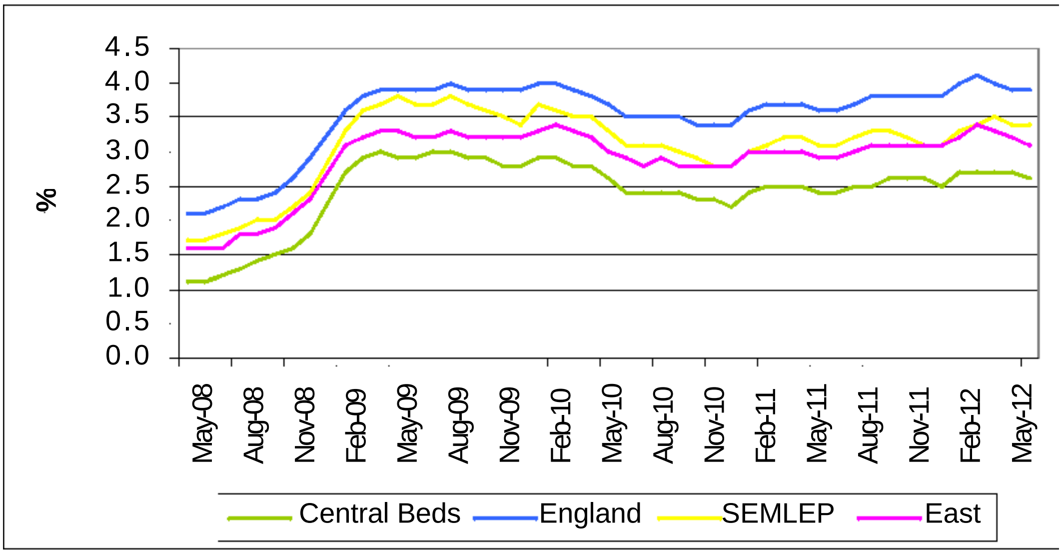
5.23 Central Bedfordshire's worklessness rate remains below England (30%), SEMLEP (25%) and the East of England (27%), however the gap between Central Bedfordshire and these areas has been getting smaller over the course of the last year.

Source: Annual Population Survey, September 2011, ONS via Nomis. Note: the numbers are rounded to the nearest hundred, which is why the total number of economically active and economically inactive does not add up to the total working age population in this diagram.

Claimant Count

5.24 The Jobseeker's Allowance (JSA) claimant count in May 2012 was 4,356 people or 2.6% of the resident working age population and is the highest it has been since April 2010. The rate remains lower than England (3.9%), SEMLEP (3.4%) and the East of England (3.1%). The level of claimants has reduced since the height of the recession – 4,940 people claimed JSA in April 2009 – however it remains above historic low levels in Central Bedfordshire.

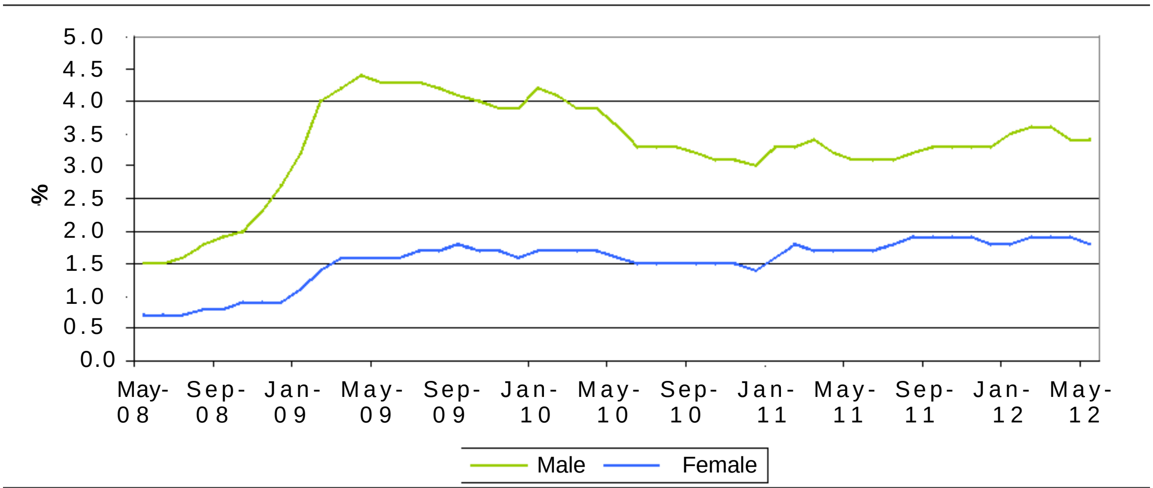
5.25 The claimant count can be affected by changes to the overall benefits system. For example, from late 2008 until mid-2011 changes in eligibility rules for Lone Parent Income Support resulted in fewer lone parents (predominantly women) being able to claim that benefit resulting in more lone parents claiming JSA while they look for work. From April 2011, the Department for Work and Pensions has been re-assessing claimants of Incapacity Benefit (IB) resulting in some people who have been declared ineligible for IB claiming JSA while they look for work. (ONS, Labour Market Statistical Bulletin, March 2012).



JSA claimant count as a % of resident workforce

Source: Office for National Statistics via Nomis, May 2012

5.26 The breakdown of the JSA claimant count by gender has historically shown a higher proportion of male claimants than female. In February 2012 the male claimant count rate stood at 3.4% compared to 1.8% of females. The male claimant count is falling from a high of 4.4% in April 2009 and the gap between the two is narrowing, but remains wider than pre-recession levels. The JSA data corresponds to the drop in wider male unemployment, with a drop in male unemployment benefit claimants. The increase in female unemployment has not, however, been accompanied by a proportionate increase in JSA or other out of work benefit claimants. This would seem to indicate a high number of females seeking employment but not claiming employment related benefits.



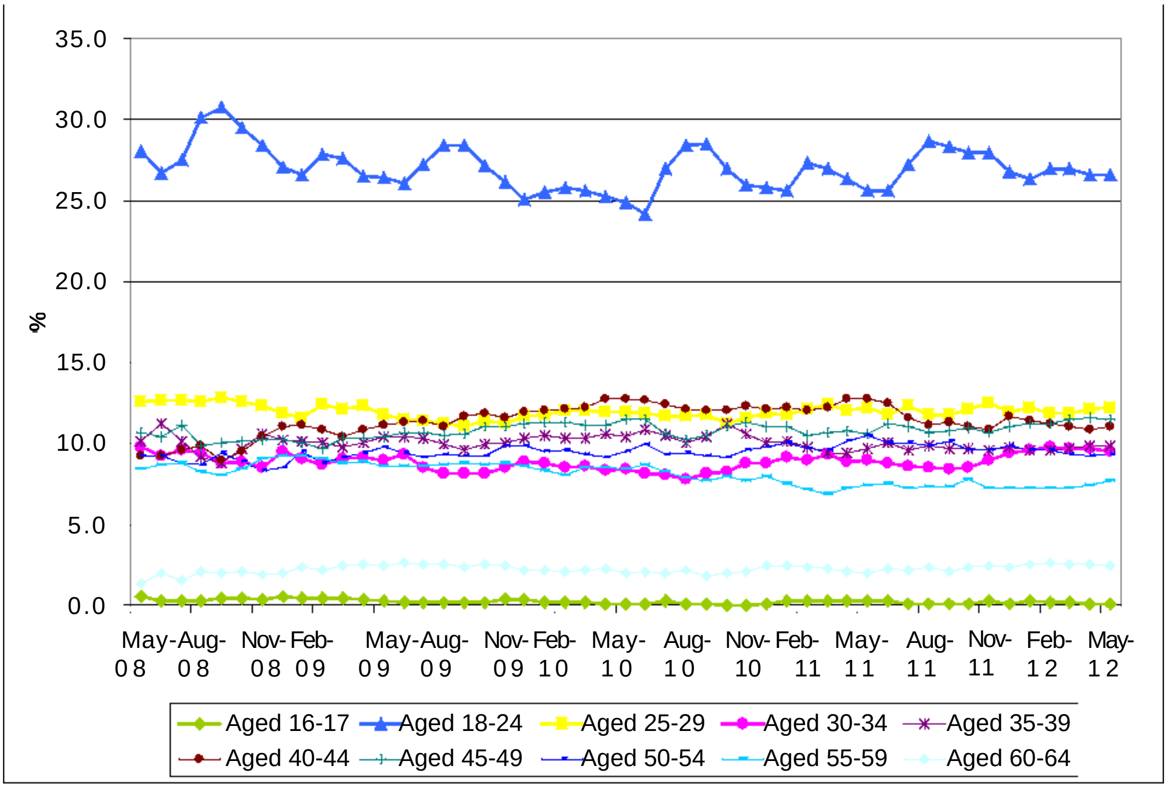
JSA claimant count by gender as a percentage of working age population

Source: Office for National Statistics via Nomis, May 2012

5.27 Figures for JSA claimant count show 1,165 16-24 year olds (4.5%) in receipt of JSA in May 2012, which fell during the previous quarter but is 145 people higher than at the same time in 2011. Again, this is below England (5.9%), SEMLEP (5.3%) and the East of England (5.1%) but is high compared to Central Bedfordshire's historical rate.

5.28 People in the age group 16-24 account for 27% of all people claiming JSA in Central Bedfordshire. A further breakdown of claimants at all ages shows the 18-24 year old age group consistently makes up the largest proportion of all claimants in Central Bedfordshire.

Proportion of JSA claimants by age



Source: Office for National Statistics via Nomis, May 2012

5.29 The distribution of JSA claimants across Central Bedfordshire shows some wards have a higher claimant count than the Central Bedfordshire average. Those in the table below are all equal to or above the average rate.

JSA Claimant Count by ward

Ward	%
Tithe Farm	6.6
Dunstable Manshead	6.5
Parkside	5.9
Houghton Hall	4.7
Dunstable Northfields	4.8
Dunstable Central	4.3
Leighton Buzzard North	3.5
Sandy	3.1
Dunstable Watling	2.8
Dunstable Icknield	2.7
Leighton Buzzard South	2.6
Central Bedfordshire	2.6

Source: Office for National Statistics via Nomis, May 2012

5.30 Within wards not listed in the table above – particularly smaller, rural areas – local charity Bedfordshire Rural Communities Charity have highlighted issues around unemployment and the importance of recognising pockets of deprivation within seemingly less deprived areas. Problems are less concentrated and may be harder to spot. Activities to address unemployment may therefore need to be targeted in different ways to urban and rural areas, particularly as highlighted in other chapters of this LEA there may be issues around access to public transport or the internet.

5.31 JSA claimant count can also be looked at according to the ethnicity of the claimant. In December 2011 the majority of claimants (88.4%) in Central Bedfordshire were white. 6.3% of Central Bedfordshire's claimants are from ethnic minority groups, compared to 18.7% in England and 9.3% in the East of England. Further breakdown of these figures can be seen below.

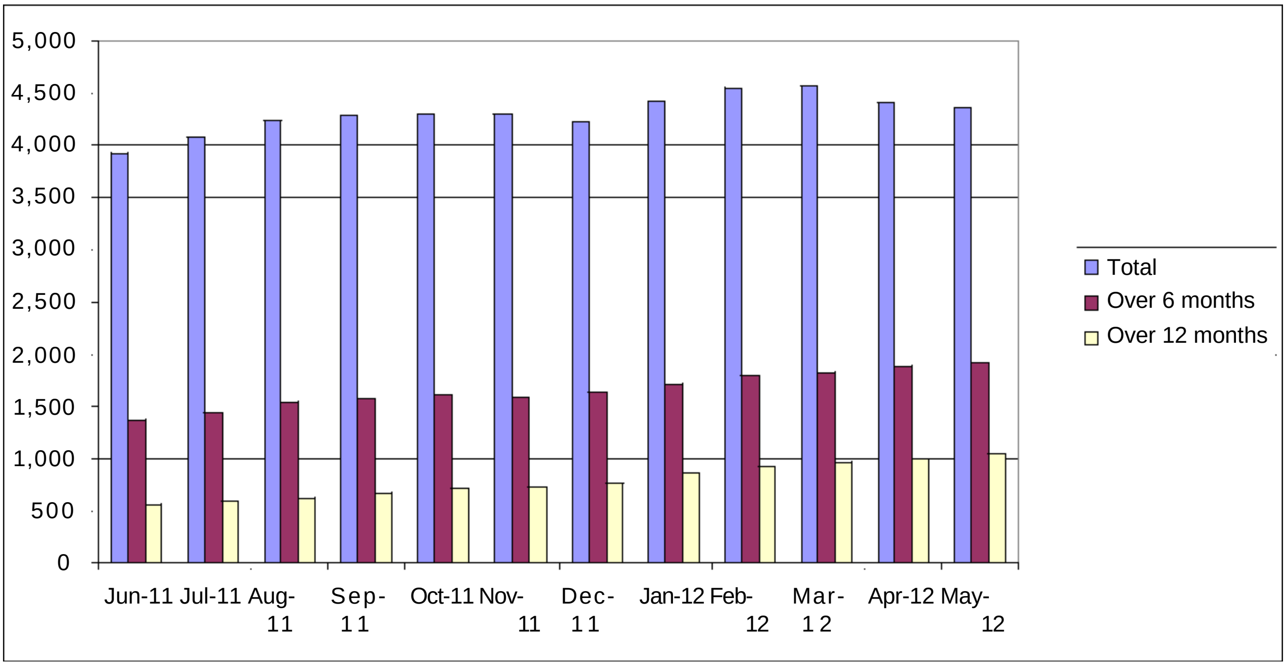
JSA claimant count by ethnicity as % of all claimants

ethnicity	Central Bedfordshire	England	East of England
White	88.4	75.3	84.6
Mixed	1.5	2.2	1.8
Asian or Asian British	1.7	6.5	3.5
Black or Black British	2.6	7.7	3.5
Chinese or Other Ethnic Group	0.5	2.3	1.1
Prefer not to say	4.9	4.7	4.6
Unknown	0.6	1.3	0.9

Source: Annual Population Survey, ONS via Nomis, December 2011

5.32 With regard to the length of time claimants have been claiming JSA, in the past year the percentage of claimants who claim for more than six months has been steadily increasing to 44.1% of all claimants, or 1,920 people, in May 2012 as can be seen in the graph below. Those claiming for over 12 months has also seen an increase to 23.9% of total claimants, or 1,045 people.

Number of all claimants claiming JSA for longer than 6 or 12 months

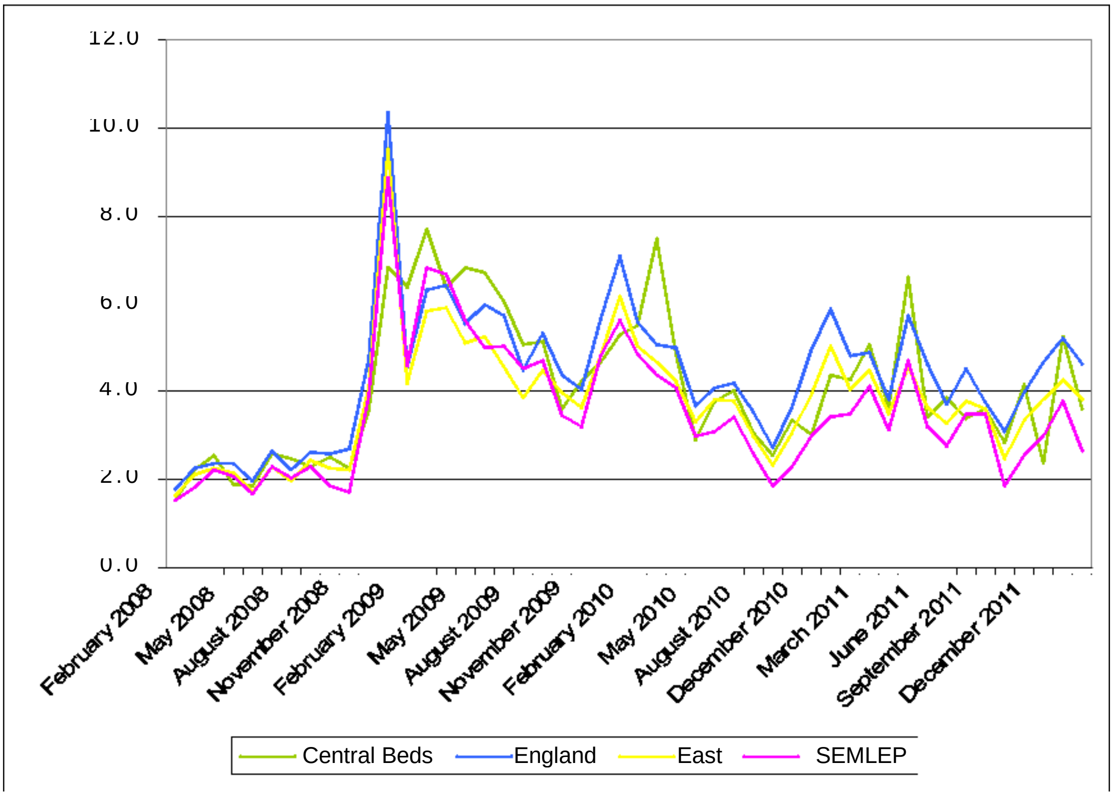


Source: JSA Claimant Count age and duration, ONS via Nomis, May 2012

Job Vacancies

5.33 In February 2012 there were 1,263 vacancies notified by Jobcentre Plus within Central Bedfordshire. This is an increase of 424 vacancies since the previous month and equates to a vacancy ratio of 3.6 people claiming JSA for every job notified. This is below some of the peaks experienced in recent years, but is still above pre-recession levels and currently there are fewer people looking for work per job notified in Central Bedfordshire than in the East of England (3.8) and England (4.6), but more than in SEMLEP (2.7).

Vacancy ratio



Source: Office for National Statistics via Nomis, May 2012 (note: data for September 2010 has been withdrawn due to inaccuracies)

5.34 The ratio of vacancies to those claiming JSA can also be a factor in the level of worklessness, with higher ratios reflecting both increased competition for jobs and potential lower levels of vacancies in an area.

5.35 In terms of the type of jobs sought and those notified by the Jobcentre, in the first three months of 2012 the most frequently sought occupation was ‘sales and retail assistants’, with 1,855 jobseekers across the three offices in Central Bedfordshire (Biggleswade, Dunstable and Leighton Buzzard), but just 55 such jobs were notified in the same time. This was followed by ‘other goods handling and storage occupations’, which were sought by 1,230 people, yet there were only 82 of these positions advertised, and ‘general office assistants/clerks’, 930 jobseekers and 22 jobs. These three occupations are the same most sought as at the end of 2011.

5.36 In contrast, the most frequently notified occupation in Central Bedfordshire in the first three months of 2012 was 'care assistants and home carers'. 207 jobs were advertised and 280 people were seeking this type of work, one of the more positive job to jobseeker ratios in the area. This was followed by 'houseparents and residential wardens', with 198 jobs but no one looking for this type of work, and 'fishing and agriculture related occupations *not else where classified*', with 160 jobs but again no one seeking this work. This differs slightly from the most frequently notified occupations at the end of 2011, which were 'construction operatives n*ot else where classified*', 'care assistants and care workers' and 'sales representatives'.

Most sought occupations in Central Bedfordshire, Jan-Mar 2012

Top 5 most sought occupations	No. of jobseekers	No. of positions
1. Sales and retail assistants	1,855	55
2. Other goods handling and storage occupations n.e.c	1,230	82
3. General office assistants/clerks	930	22
4. Van drivers	475	68
5. Packers, bottlers, canners, fillers	385	121

Source: Jobcentre Plus, April 2012

Most notified occupations in Central Bedfordshire, Jan-Mar 2012

Top 5 most notified occupations	No. of jobseekers	No. of positions
1. Care assistants and home carers	280	207
2. Houseparents and residential wardens	0	198
3. Fishing and agriculture related occupations	0	160
4. Heavy goods vehicle drivers	70	157
5. Sales representatives	65	131

Source: Jobcentre Plus, April 2012

5.37 Further analysis of the data highlights the seasonal nature of some vacancies, e.g. a rise in agricultural jobs early in the year, but also that there are some jobs in which vacancies consistently arise but are not always filled, including care assistants and home carers, HGV drivers and sales representatives. It should be noted that this data only shows those vacancies advertised through Jobcentre Plus and does not therefore provide the full picture of available jobs across the whole of the Central Bedfordshire economy.

5.38 Further data taken from the September 2011 Annual Population Survey provides insight into the methods of job search used by jobseekers. Just 8.2% use Jobcentre Plus, whereas 71.3% use adverts. When coupled with the data on unfilled vacancies, this highlights the importance of ongoing engagement with Jobcentre Plus and other partners to support job search skills and promote as widely as possible the available employment opportunities in Central Bedfordshire.

5.39 The Centre for Economic and Social Inclusion produced a report in 2012 entitled ‘Hidden Talents; Skills mismatch analysis’ which compares Further Education and skills achievements, nationally and across regions, in a range of occupations and sectors with the numbers of estimated new vacancies in those occupations and sectors. The objective is to identify the extent to which there is a match between the supply of new skills and the employer demand for those skills. The report also looked at actual jobs per skills achievement, however limitations of the data mean that this is not available at local authority level.

5.40 For all ages, Central Bedfordshire seems to have above average job vacancies in the automotive and construction industries, however opportunities are lacking in the creative & cultural, hair & beauty, and hospitality, leisure & tourism sectors. It should be noted that the lack of vacancies in the hair and beauty industry is an issue also seen nationally, but CB still appears below average when making comparisons.

5.41 For the under 19s, there are more vacancies than can be filled in the construction, building services & engineering, automotive and security industries. In terms of where there are fewer vacancies, the sectors match the overall sectors listed above.

5.42 In general the total overall vacancies per skills achievement is better in Central Beds than in Bedford, Luton, East of England and England.

Industry	Central Bedfordshire		Bedford		Luton		England		East of England	
	Vacancies per skills achievement (all	Vacancies per skills achievement (under 19)	Vacancies per skills achievement (all	Vacancies per skills achievement (under 19)	Vacancies per skills achievement (all	Vacancies per skills achievement (under 19)	Vacancies per skills achievement (all	Vacancies per skills achievement (under 19)	Vacancies per skills achievement (all	Vacancies per skills achievement (under 19)
Automotive Industries	5.18	7.78	1.42	1.89	1.61	2.42	2.42	3.68	2.74	4.18
Building Services Engineering	1.02	7.50	1.81	5.43	2.68	9.97	1.81	6.83	2.04	6.26
Construction	5.77	24.74	2.64	5.75	2.68	5.82	2.22	6.23	2.66	6.37
Creative & Cultural	0.06	0.07	0.66	0.88	1.26	1.84	0.79	1.06	0.91	1.16
Fashion & Textiles	4.66	no data	2.23	no data	0.15	0.52	10.35	53.58	5.39	26.37
Hair & Beauty	0.03	0.07	0.09	0.12	0.08	0.16	0.19	0.31	0.14	0.21
Health & Safety	0.30	no data	no data	no data	no data	no data	0.21	15.79	0.18	8.00
Hospitality, Leisure, Travel & Tourism	0.00	0.00	0.04	0.06	5.48	9.06	0.44	0.83	0.51	0.83
Land-Based & Environmental Industries	0.63	0.99	0.23	0.42	3.54	7.08	1.86	3.28	2.18	3.52
Marketing & Sales	110.90	no data	109.50	no data	no data	no data	141.96	1034.29	151.25	3024.90
Security Industry	2.85	7.51	1.06	2.01	1.30	2.58	1.90	4.60	2.09	4.25
Supporting Teaching & Learning in Schools	0.52	no data	0.14	no data	0.56	no data	1.23	61.69	1.06	79.07
Total (all skills achievements linked to a sector lead body)	2.85	7.51	1.06	2.01	1.30	2.58	1.90	4.60	2.09	4.25
Total (all skills achievements including 'unknown' sector lead body)	1.33	3.23	0.48	1.06	0.51	0.98	0.61	1.38	0.72	1.40

Source: Centre for Economic and Social Inclusion, 'Hidden Talents: Skills Mismatch Analysis', June 2012

Local considerations

5.43 Information from Jobcentre Plus advisors highlights issues and barriers for unemployed people seeking employment as:

5.44 Jobcentre Plus Biggleswade branch

- Transport remains the biggest barrier for customers. Customers in outer areas are unable to access some childcare or travel to work for a reasonable start time due to the lack of rural transport. This also impacts on customers seeking training as many training facilities are based outside of Biggleswade, for instance in Bedford, Stevenage or Luton
- Lack of general unskilled work in the area.
- Employers tend to advertise for experienced staff and are reluctant to recruit someone with no experience.
- Customers are looking for training in trade roles, e.g. plumbing, electrician, as they see these as positive opportunities in finding work.

5.45 Jobcentre Plus Dunstable branch

- Lack of local jobs. The area no longer has the manufacturing, offices or retail that it used to have due to the decline of the town.
- A number of clients are unskilled and timescales prevent this being addressed in order for them to apply for available vacancies.
- Customers are unwilling to travel to nearby towns for employment and are therefore maybe "comfortable" on benefits.
- Public transport “isn't great” for rural customers, buses can be infrequent and this makes it difficult for those travelling outwith the town to jobs with early starts.

5.46 Jobcentre Plus Leighton Buzzard branch

- Two large employers ceased trading in the area in recent years.
- The town is on the main commuter rail route into London.
- Many residents commute for work into London or into areas within neighbouring Buckinghamshire such as Milton Keynes or Bletchley.
- Many of the commuter occupations are "professional" or "executive" and have been adversely affected by the current financial downturn.
- Good public transport links exist in and around the town centre, but public transport in and around surrounding rural areas is not as effective, presenting a barrier into employment.

These issues are relatively unchanged from those cited in the 2011 LEA.

Work Programme

5.47 On 1 June 2011 The Department for Work and Pensions launched the Work Programme to replace the Flexible New Deal programme. The Work Programme provides tailored support for claimants who need more help to undertake active and effective jobseeking. Between June 2011 and the end of January 2012, 1,320 people in Central Bedfordshire had accessed the Work Programme (Source: DWP Work Programme Local Authority cumulative figures, January 2012)

5.48 At a national level, 518,990 people accessed the scheme in the same time. And for comparison, more locally 1,310 people accessed the scheme in Bedford and 2,170 in Luton.

Occupation

5.49 Within Central Bedfordshire the level of people employed in occupations classified as managerial, professional or skilled is higher than national and regional levels.

5.50 In September 2011, 58.3% of people were employed in these categories, representing a high level of skills and productivity. This is above regional (55.0%), SEMLEP (52.9%) and national levels (54.2%) and is evidence of Central Bedfordshire's strong workforce.

Occupational structure (%)

Industry	Central Beds	England	SEMLEP	East
Managers and senior officials	14.0	10.1	10.4	10.5
Professional occupations	20.0	19.6	18.6	19.5
Associate prof & tech occupations	13.3	14.0	13.5	14.2
Administrative and secretarial occupations	13.9	11.1	11.3	11.7
Skilled trades occupations	11.0	10.5	10.4	10.8
Personal service occupations	8.0	9.0	8.8	9.0
Sales and customer service occupations	8.0	7.9	7.3	7.5
Process, plant and machine operatives	4.7	6.4	6.2	6.2
Elementary occupations	7.0	11.0	13.2	10.3

Source: ONS Annual Population Survey, September 2011

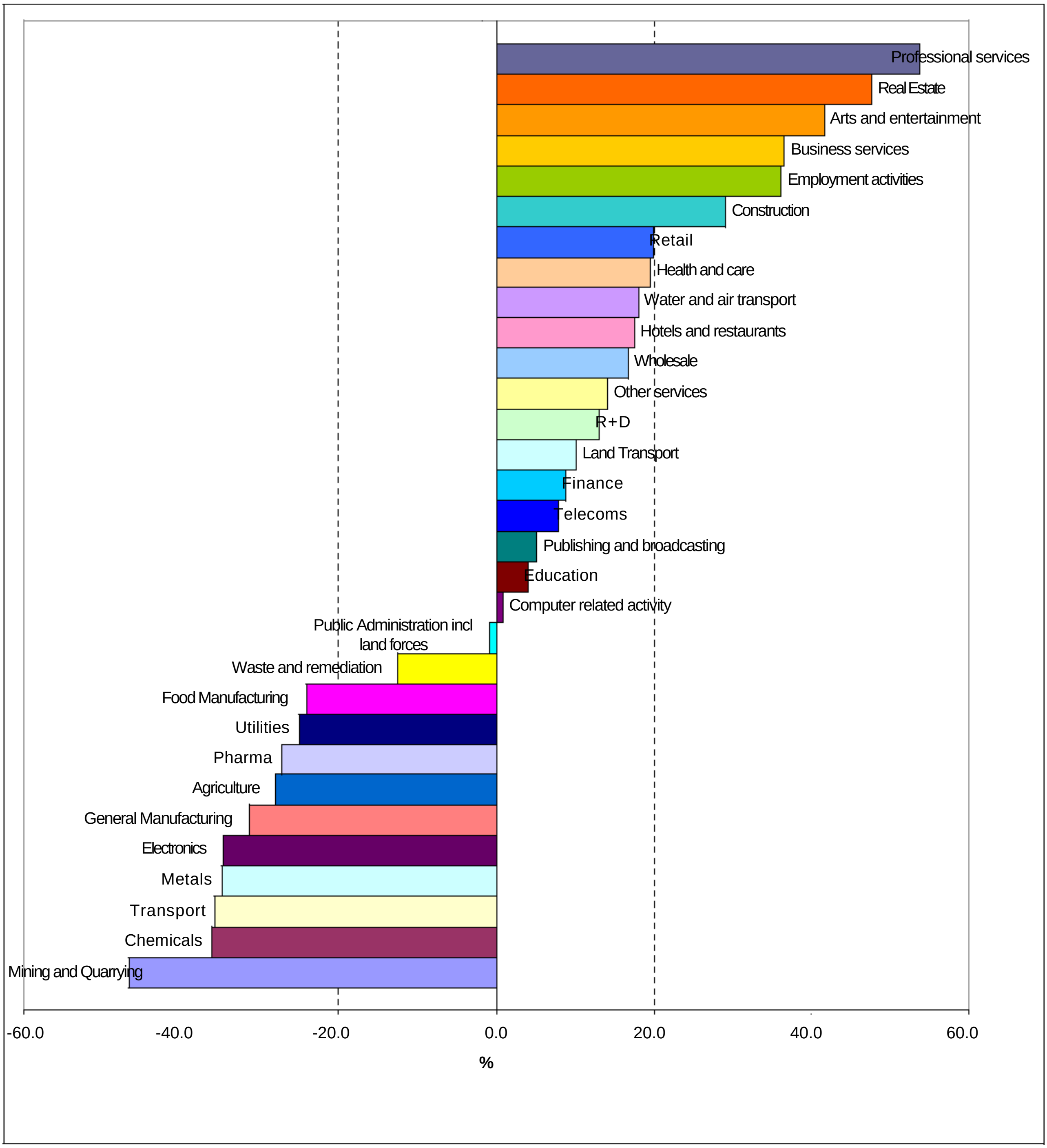
5.51 The East of England Forecasting Model 2012 forecasts job growth in Central Bedfordshire to 2031. The EEFM model is run annually to provide up to date economic forecasts for the area. This is a policy of f forecast reflecting macroeconomic conditions and applying these to local sectors and employment. As such the model provides an effective tool to measure the impact of any policy decisions and initiatives to support economic growth.

5.52 According to the Model, the industries which will see the most growth in jobs between 2012 and 2031 are Professional Services (53.8% growth), Real Estate (47.5% growth) and Arts & Entertainment (41.6% growth). The industries expected to see the largest fall in job numbers are Mining & Quarrying and Chemicals, although it should be noted that these industry sectors employ a relatively small amount of people in Central Bedfordshire.

5.53 In terms of numbers, the EEFM forecasts that the industries with the highest job numbers in 2031 will be:

- Professional Services – 15,300
- Education – 14,400
- Construction – 13,800

Forecasted percentage jobs growth to 2031



Source: East of England Forecasting Model 2012

Job density

5.54 Job density is a measure of the total number of filled jobs in an area compared to the resident working age population. It reflects the degree to which employment opportunities are available locally. In 2010 the job density in Central Bedfordshire was 0.65, meaning there are 0.65 jobs for every working age resident. This has risen from a low of 0.60 in 2009, but remains below all comparator areas, as can be seen in the table below and shows the highly mobile nature of the Central Bedfordshire labour market in terms of out-commuting to high value jobs elsewhere.

Job Density, 2001-2009

Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Central Bedfordshire	0.64	0.63	0.63	0.64	0.65	0.64	0.64	0.65	0.60	0.65
South East Midlands	0.81	0.80	0.81	0.83	0.83	0.80	0.82	0.81	0.78	0.79
England	0.80	0.80	0.80	0.80	0.81	0.80	0.80	0.79	0.78	0.78
East	0.77	0.78	0.78	0.77	0.78	0.78	0.78	0.77	0.76	0.75

Source: Office for National Statistics, Job Density 2001-2010, via Nomis

5.55 No new data on out-commuting has been produced since the publication of our 2011 LEA, but data used in the 2011 LEA found that the level of out-commuting is a weakness in the local economy and is mainly due to Central Bedfordshire's predominantly rural nature, lack of a large urban centre and the close proximity of major employment centres such as Bedford, Milton Keynes, Luton, Stevenage and London.

5.56 Data from the 2001 Labour Force Survey and the 2008 Annual Population Survey, both from Office for National Statistics, show the key issues in relation to out commuting from Central Bedfordshire as:

- 54.5% of local residents commute out of the authority for employment
- Local authorities within Hertfordshire account for some 12.1% of jobs occupied by Mid Bedfordshire residents
- Luton, Milton Keynes and London also draw significant numbers of residents away from Mid Bedfordshire as key sub-regional and national employment centres
- Bedford is the single biggest draw of commuters from Mid Bedfordshire, with almost 1 in 10 residents travelling to Bedford for employment
- Around 1 in 7 South Bedfordshire residents commute to Luton for work, although this has declined from 1 in 5 in recent years
- There is little, if any, commuting from South Bedfordshire to the former Mid Bedfordshire local authority area

Out of work benefit claimants

5.57 There are a significant number of people in Central Bedfordshire who are economically inactive as a result of a work-limiting illness. In November 2011 there were 6,070 people claiming either Incapacity Benefit (IB), Severe Disablement Allowance (SDA) or Employment and Support Allowance (ESA), equating to 3.7% of the area's working age population, a higher level than those claiming Job Seekers Allowance.

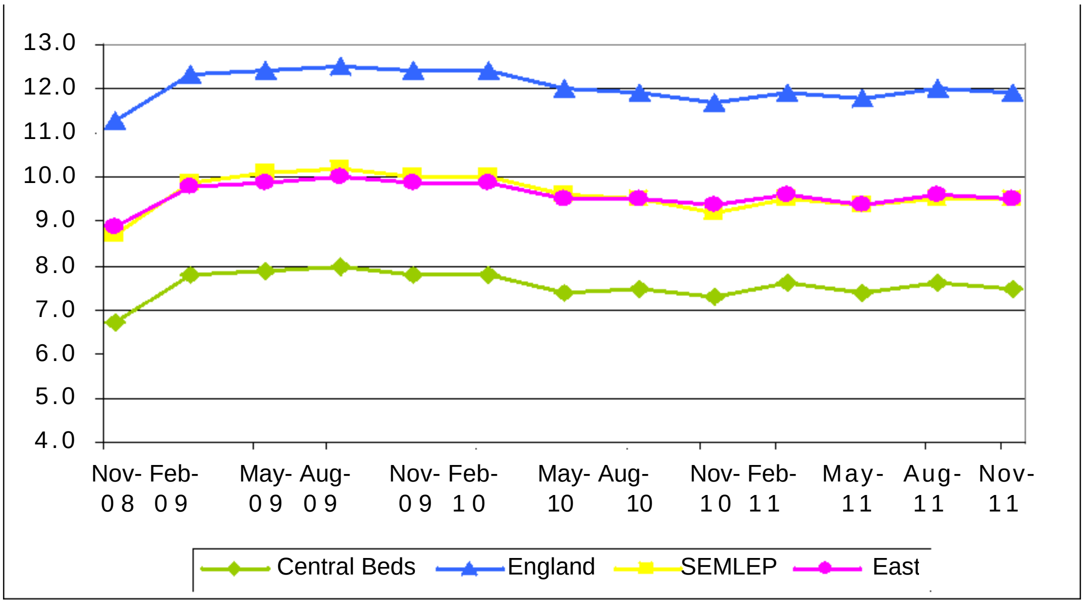
5.58 This level was also high in the 2011 LEA, which highlights that the number of people claiming IB/ESA is consistently an issue in Central Bedfordshire and action could be necessary to target this group.

5.59 The reasons for claiming ESA are not available, however of the 3,860 people claiming IB or SDA, the main reason for doing so is mental and behavioural disorders – 1,490 people or 38.6% of all claimants. This is followed by musculoskeletal disorders–660 people, or 17.1% of all claimants.

5.60 The majority of IB/SDA/ESA claimants are long term claimants, with 57.5% having claimed for over five years and 76.1% having claimed for two years or more. The age group with the highest number of claimants is the 45-54 year old group, which has 1,930 or 31.8% of all claims. (Source: DWP Benefits Claimants, via Nomis, November 2011).

5.61 In terms of all out of work benefits, in November 2011 there were 12,590 people claiming out of work benefits in Central Bedfordshire. This equates to 7.6% of the working age population and higher than before the recession, the level has remained relatively stable for some time, following a similar pattern to other areas. Central Bedfordshire compares well to the national picture of 11.9% claiming out of work benefits, and also to SEMLEP and the East, which both have 9.5% claimant rate.

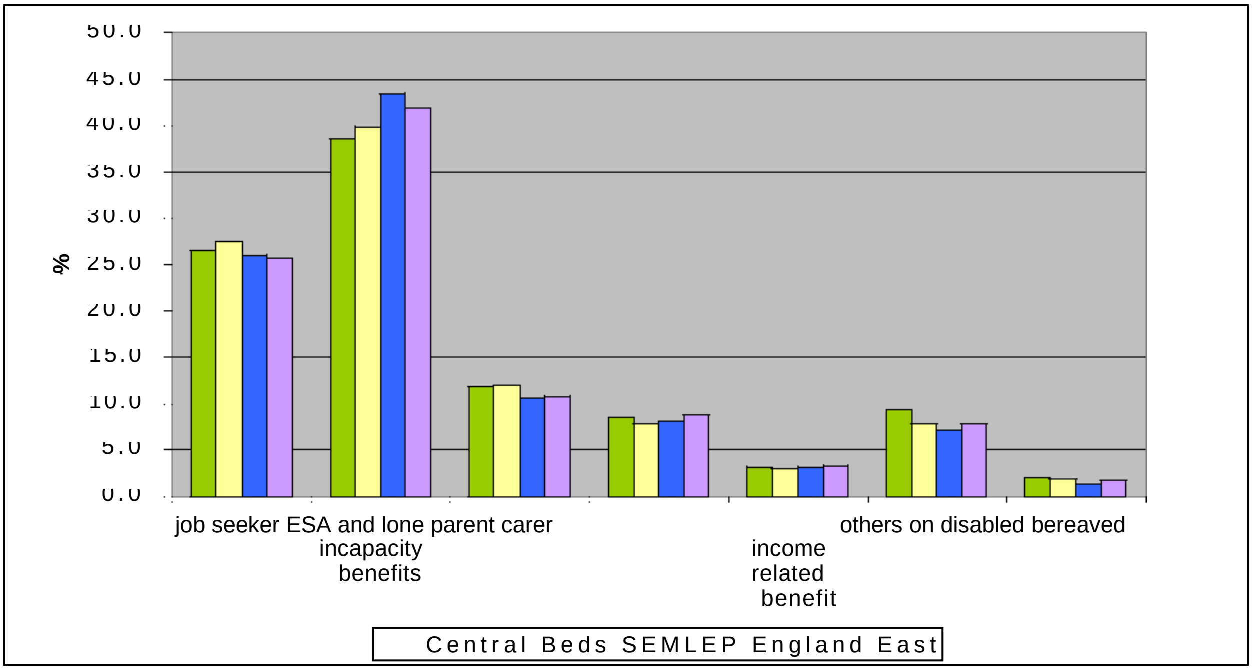
Out of work benefit claimants



Source: Department for Work and Pensions, via Nomis, November 2011

5.62 With regard to all benefits claimed in Central Bedfordshire, there are 15,670 people claiming a benefit from the Department of Work and Pensions. This includes all people in and out of work who are receiving a benefit of any kind and equates to 9.4% of total working age population. This is a lot lower than the national rate of 14.3% and also below SEMLEP (11.6%) and the East of England (11.7%). The benefit most frequently claimed in all areas is Incapacity Benefit/Employment and Support Allowance. The proportion of each type of benefit claimed can be seen in the graph below.

Types and proportion of all benefits claimed (%)



Source: Department for Work and Pensions, via Nomis, November 2011

5.63 With regard to the split between male and female benefit claimants, there is a slightly higher proportion of women claiming benefits, 8,220 or 9.9%, than men, 7,450 or 9.0%, in Central Bedfordshire.

Indices of Deprivation

5.64 The prevalence of worklessness is often concentrated in areas of multiple deprivation and a priority of Central Bedfordshire Council is to target wards considered to be the most affected by the problems of multiple deprivation.

5.65 In overall deprivation terms, Central Bedfordshire ranks as 296 out of 326 authorities in England and is considered one of the least deprived authorities in the country. Deprivation is also measured below local authority level for small areas known as Lower Super Output Areas (LSOAs). Using the 2010 Indices of Multiple Deprivation (published by the Department for Communities and Local Government) smaller areas of need can be identified in Central Bedfordshire that are 'hidden' when looking at data at the broader local authority level. Nine small areas in Central Bedfordshire are in the 30% most deprived in England, with three of them in the most deprived 10-20% of area in England.

Central Bedfordshire LSOAs in the most deprived 30% in England

LSOA name	Central Bedfordshire rank	England rank	England decile*
Dunstable Manshead 594	1	4,417	10-20%
Parkside 602	2	5,632	10-20%
Tithe Farm / Houghton Hall 618	3	6,333	10-20%
Parkside 601	4	7,903	20-30%
Leighton Buzzard North 609	5	8,128	20-30%
Tithe Farm 619	6	8,246	20-30%
Dunstable Northfields 596	7	8,394	20-30%
Sandy 433	8	8,501	20-30%
Flitwick 400	9	9,679	20-30%

* Note: this shows how deprived each LSOA is compared to all LSOAs in England – '10-20%' means that the LSOA is in the most deprived 10-20% of areas in England.

5.66 Alongside analysis of overall levels of deprivation in Central Bedfordshire, there are seven 'domains' of deprivation that make up the DCLG Index of Multiple Deprivation. Central Bedfordshire LSOAs appear in the most deprived 20% of LSOAs in England in all but one of the domains. The number of LSOAs in the most deprived 20% has increased for most domains since 2007. It should be noted here that because an area's score is affected by the scores of every other area; so it is impossible to tell whether a change in score is a real change in the deprivation level of an area, or whether it is due to the scores of other areas going up or down.

Number of LSOAs in the most deprived 20% in England, by domain

Domain	2007	2010	Change 2007-10
Barriers to housing and services	10	21	▯
Crime	5	18	▯
Education, skills and training	11	12	▯
Employment	2	2	=
Health and disability	0	1	▯
Income	3	7	▯
Living environment	0	0	=

Source: DCLG Indices of Multiple Deprivation 2010

Income

5.67 The gross average weekly income of Central Bedfordshire residents in 2011 was £560, a 1.8% increase on the 2010 figure. This was greater than England (0.3% increase) and the East of England (1.0%) but slightly below SEMLEP (2.2%). The total average earnings are above all comparator areas: England is £508, the East of England is £529 and SEMLEP is £514.

5.68 The earnings for people working in Central Bedfordshire, but who may be resident elsewhere, are significantly lower (£475 per week), reflecting the higher paying jobs outside of the area. Earnings for workers have, however, increased by 4% since 2010, at a faster rate than the earnings of residents, and the gap between the two has fallen from £110 in 2009 to £85 in 2011. This remains of concern though as the difference between the two at a regional level is just £34 per week and just £32 across SEMLEP.

5.69 While the median earnings of Central Bedfordshire residents may compare favourably with other authorities in the region, many earn well below the average and might be categorised as 'working poor'. For example, of male full-time workers resident in Central Bedfordshire, 20% have gross weekly pay of under £387, and 20% of female full-time workers earn under £320 per week. There is a higher proportion of people in Central Bedfordshire earning lower wages in 2011 than there was in 2010 when 20% of males earned below £422 per week and 20% of females below £322. Men earn more than women at every earnings level in Central Bedfordshire.

Gross weekly earnings of Central Bedfordshire residents, 2011, full-time workers only (includes overtime), £GBP

Percentile	Male	Female	All
10 percentile	328	265	300
20 percentile	387	320	362
30 percentile	466	369	417
40 percentile	548	421	477
50 percentile	636	462	560
60 percentile	729	531	640
70 percentile	841	612	729
80 percentile	971	671	880
90 percentile	Not available	Not available	1,062

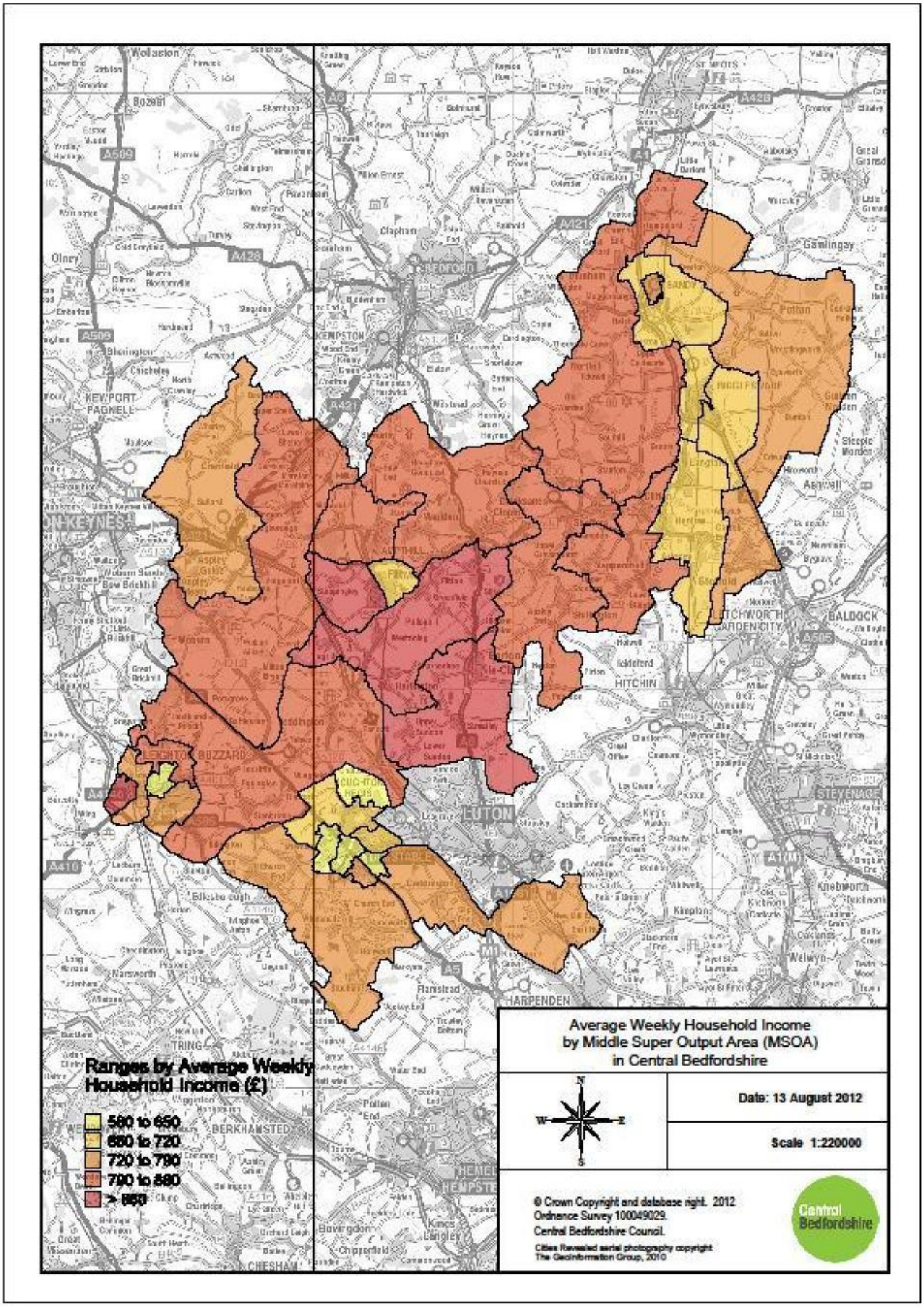
Source: Annual survey of hours and earnings 2010, ONS via Nomis. Earnings by percentile (10%, 20% etc) show the earnings figure below which that proportion of employees falls. For example, 40% of all full-time workers earn less than £477 per week

5.70 It is also possible to measure the gross weekly income of households in smaller areas in Central Bedfordshire (Middle Super Output Areas – MSOAs) which can be seen on the map below and which further highlights the disparities, particularly in the South of Central Bedfordshire. The areas with the lowest gross weekly household income are:

- SB 013, covering part of Dunstable: £580
- SB 007, covering part of Houghton Regis: £590
- SB 004, covering part of Leighton Linslade: £610

5.71 In contrast, the areas with the highest gross weekly household income are:

- MB 017, covering Pulloxhill, Westoning, Harlington and Silsoe: £930
- SB 006, to the West of Leighton Linslade: £910
- MB 016, covering Steppingly and Flitwick: £860
- SB 001, covering Sundon, Streatley and Barton-le-Clay: £860 (Source: Office for National Statistics, Income: Model-Based Estimates at MSOA Level, 2007/08)


Average Weekly Household Income
by Middle Super Output Area (MSOA)
in Central Bedfordshire
Date: 13 August 2012
Scale 1:220000
N
S
E
W
© Crown Copyright and database right. 2012
Ordnance Survey 100049029.
Central Bedfordshire Council.
Cities Revealed aerial photography copyright
The GeoInformation Group, 2010
Central Bedfordshire
Ranges by Average Weekly
Household Income (£)
580 to 650
650 to 720
720 to 790
790 to 860
> 860
LUTON
HITCHIN
HARPENDEN
BERKHAMSTED
TRING
CHESHAM
KEMPSTON
BALDOCK
STEVENAGE
Gamlingay
Potton
SANDY
Clapham
Olney

5.72 Another measure of income is gross disposable household income (GDHI). This is a measure of the amount of money that individual households have available to spend or save after expenditure associated with income, e.g. taxes and social contributions, property ownership and provision for future pension income. It is calculated gross of any deductions for capital consumption and does not take account of reductions in the value of goods, including houses. Data on GDHI is available at NUTS3 level (Bedfordshire only). In 2009 GDHI in Bedfordshire was £15,908 per head. This fell below regional levels in 2009 (£15,939) but remained above national levels (£15,545). The level of GDHI has increased by 23% since 2001 in Bedfordshire, below regional (25%) and national (29%) increases.

5.73 The Indices of Multiple Deprivation monitors the most deprived wards by income. Although Central Bedfordshire generally performs well in terms of deprivation, there are pockets of higher deprivation in some wards. In 2010, 12 LSOAs were in the most deprived 30% for income in England. These are shown in the table below. The level of income deprivation in these areas ranged from 31% of all people in Dunstable Manshead 594 to 20% in Dunstable Central / Northfields 568.

Income domain: Central Bedfordshire LSOAs in the most deprived 30% in England

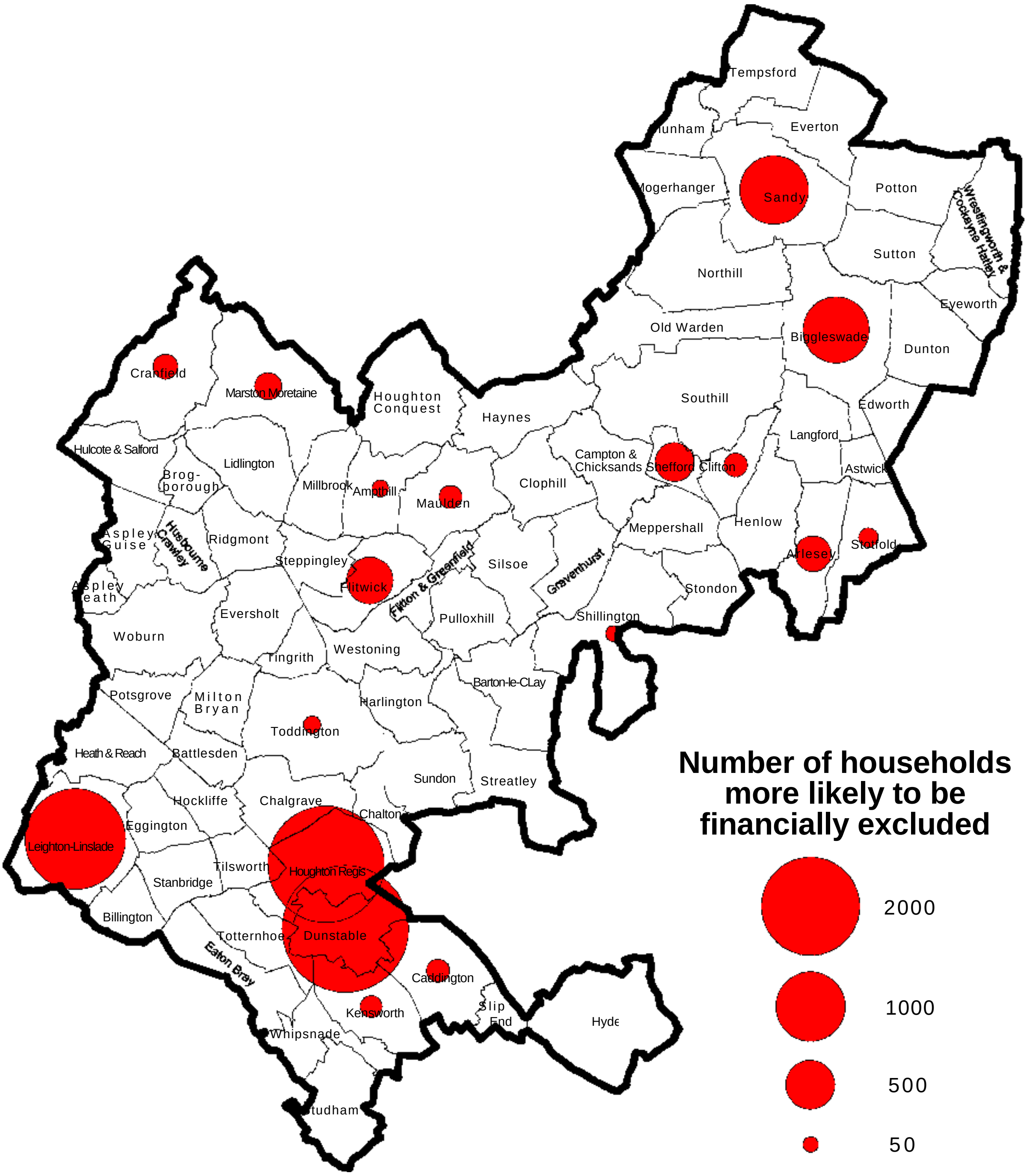
10-20% in England	20-30% in England
Dunstable Manshead 594	Tithe Farm 619
Tithe Farm / Houghton Hall 618	Flitwick 400
Sandy 433	Leighton Buzzard North 605
Parkside 601	Houghton Hall 580
Leighton Buzzard North 609	Dunstable Central / Dunstable Northfields 568
Dunstable Northfields 596	
Parkside 602	

Source: Indices of Multiple Deprivation 2010

5.74 The index of income deprivation is closely correlated to data on the level of financial exclusion in Central Bedfordshire. Financial exclusion can be defined as the inability of individuals to access mainstream financial products such as bank accounts and low cost loans. Financial exclusion hotspots are those areas which have:

- No savings
- No current account
- Difficulty in accessing affordable credit
- No home contents insurance
- No credit card

Using Mosaic software the areas in Central Bedfordshire considered financial exclusion hotspots can be plotted on a map.



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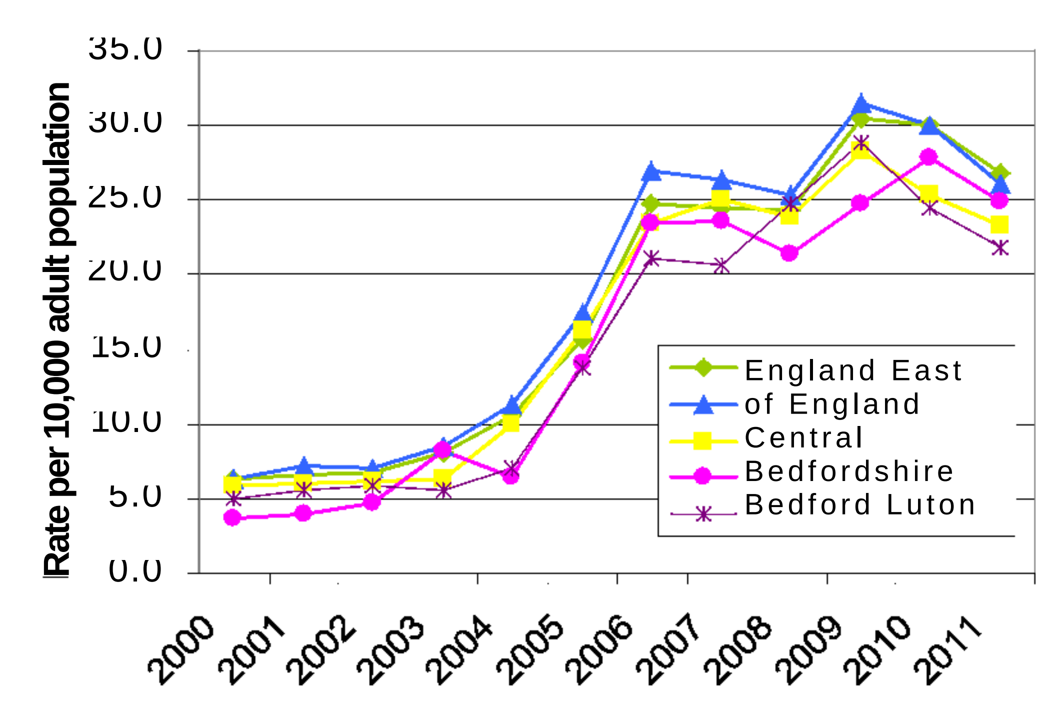
Central Bedfordshire Council

5.75 The largest amounts of financially excluded people can be found in Dunstable and Houghton Regis, although Sandy, Biggleswade and Flitwick also have high levels relative to their population.

Insolvency and bankruptcy

5.76 The level of insolvency in an area is another indicator of financial exclusion and potential poverty. Within Central Bedfordshire the level of new personal insolvency cases, including Bankruptcy Orders, Individual Voluntary Arrangements and Debt Relief Orders reached a peak in 2009 of 28.3 new cases per 10,000 residents. In 2011 this had fallen to 23.3 cases per 10,000 residents; however this still represents a 295% increase from 2000 when the level of insolvencies was just 5.9% per 10,000 residents. (Source: the Insolvency Service). Despite this significant increase, the level of new cases in 2011 is below national (26.7 cases per 10,000 residents) and regional levels (26.1 cases per 10,000 residents).

Personal insolvency rates



Source: The Insolvency Service, May 2012

5.77 The Citizens Advice Bureaux (CAB) in Central Bedfordshire provide advice to local residents on financial issues. The CAB cannot give details of how many local people have definitely applied for bankruptcy as they are not involved in the final application process, but they do record the number of clients asking for bankruptcy advice:

- 2009-10: 588
- 2010 -11: 320
- 2011- Jan 2012: 237

5.78 This decrease can possibly be explained by the increased costs of bankruptcy (making it now impractical for most CAB clients to apply) and the introduction of Debt Relief Orders in 2009.

5.79 Leighton-Linslade CAB is an approved intermediary for Debt Relief Orders (DROs) and submit applications on behalf of clients. They also handle referrals from the other two bureaux (Ampthill and Dunstable) where possible. However some clients are also referred to other intermediaries (e.g. National Debtline) and those clients are not included in the numbers below. Leighton Linslade CAB had 7 DROs approved in 2009, 8 approved in 2010, 16 approved in 2011, 2 approved in January 2012 and in February 2012 were dealing with 11 further potential DRO applications.

5.80 The CAB believes that the steady increase in these numbers will continue. Where someone's income is not expected to change in the following twelve months (e.g. pensioners or long-term sick/unemployed) then DROs are considered a practical way of removing a debt burden and allowing someone to re-establish a manageable budget.

5.81 National data on personal debt levels, available via the charity Credit Action in their Debt Statistics report, highlights that Outstanding personal debt stood at £1.460 trillion at the end of May 2012. This is up from £1.451 trillion at the end of May 2011. Individuals owed nearly as much as the entire country produced during the whole of 2011. The average amount owed per UK adult (including mortgages) was £29,722 in May. This was around 122**%** of average earnings.

5.82 In recent years, Central Bedfordshire Council has funded Luton Rights to provide information on debt, welfare advice, employment law and housing. In 2011/12, they provided support to 46 individuals from Central Beds, with the total amount of debt being around £180,000. In 09/10, they assisted 41 clients in South Beds, with total debt of around £266,000

Poverty

5.83 In 2008/9 2.8 million children lived in relative poverty in the U.K. (a reduction of 100,000 over the previous 10 years), of which 1.6 million lived in absolute poverty and 2.2 million in families which suffer low income and material deprivation.

5.84 The Joseph Rowntree Foundation has carried out substantial research into Child Poverty on a long-term basis and recently estimated that Child Poverty costs the UK economy £13 billion per annum. This is estimated as £2 billion in benefits paid out, £3 billion in lost tax and National Insurance paid to the exchequer, and £8 billion in net earnings lost.

5.85 In June 2010, the Child Poverty Act received Royal Assent. This enshrines in legislation the ambition to eradicate Child Poverty by 2020. As part of the Act, local authorities are required to co-operate with partners to produce a local Child Poverty Strategy and a Child Poverty Assessment. Central Bedfordshire Council's Child

Poverty Strategy can be found online at
http://www.centralbedfordshire.gov.uk/Images/CP Strategy tcm6-27012.pdf

5.86 Nationally certain groups have a greater risk of living in relative poverty. These include:

- 59% of families in workless households
- 58% of Pakistani/Bangladeshi origin households
- 34% of lone parent households
- 40% of families with 4 or more children
- 31% of households with one or more disabled adult

(Source: DWP, Households Below Average Income 2008/09)

5.87 In Central Bedfordshire, 13.1% of children were considered to be living in poverty in 2009. (Source: HMRC). This is the lowest of all authorities in the East of England but masks higher levels of poverty within particular areas. The five areas (equating to pre-2009 wards) with the highest levels of poverty are:

- Houghton Regis 28.0%
- Northfields 25.2%
- Dunstable Downs 20.2%
- Sandy 18.6%
- Leighton Linslade Central 18.5%

The ward with the lowest rate of child poverty in 2009 was Ampthill (3.9%).

5.88 The LSOAs with the highest Income Deprivation Affecting Children Index (IDACI) are in the wards of Houghton Regis and Dunstable Downs. These are in the highest 10% of LSOAs in the East England and within the worst 20% in England.

5.89 The levels of older people living in poverty can be measured using the Income Deprivation Affecting Older People Index (IDAOPI) of the IMD to look at the proportion of people aged 60 and over living in income deprived households. This is defined as households that receive pension credits.

5.90 The table below shows those LSOAs that are in the most deprived 30% in England for income deprivation affecting older people, along with the proportion of older people living in income deprived households. For comparison, the average figure for Central Bedfordshire is 13% of older people living in income deprived households, while the average for England is 18%.

Percentage of older people in income deprived households (IDAOPI)

LSOA	%
Sandy 433	37%
Dunstable Central / Dunstable Northfields 568	33%
Dunstable Manshead 594	32%
Dunstable Northfields 596	31%
Parkside 602	30%
Flitwick 400	30%
Biggleswade North 384	30%
Tithe Farm 619	27%
Arlesey 378	26%
Leighton Buzzard North / Leighton Buzzard South 555	26%

Source: DCLG, Indices of Deprivation, 2010

5.91 Poverty can also be measured in terms of those living in fuel poverty. Fuel poverty is said to occur when in order to heat its home to an adequate standard of warmth a household needs to spend more than 10% of its income on total fuel use. According to the Department for Energy and Climate Change in 2010, 12,926 households in Central Bedfordshire (12.6%) were living in fuel poverty. This compares to 14.6% in the whole of Bedfordshire and 16.0% in the East of England.

Central Bedfordshire Council
www.centralbedfordshire.gov.uk

Local Economic Assessment

Chapter Six: Skills

Increasing our supply of skilled people

Skills

Increasing our supply of skilled people

Key Issues

- Achievement at all levels is higher than nationally and regionally and continues to improve.
- Apprenticeship numbers have increased by 58% and although high, this is below neighbouring areas
- With the exception of Hair & Beauty, apprenticeship subjects generally match local vacancies arising and the forecasted occupation demand in future
- Central Bedfordshire's NEET (not in education, employment or training) levels compare well to other areas
- Changes to the statutory participation age and measurement definition of NEETS will have significant impacts on future performance measures
- Positive overall achievement levels mask lower attainment levels in more deprived areas where fewer children achieve 5 or more GCSEs than in more affluent areas
- There has been an increase in the number of people with no qualifications, though Central Bedfordshire still compares favourably to comparator areas
- There has been a fall in work related training, particularly in the private sector, according to the ONS Annual Population Survey. However, a locally conducted Business Survey found that more businesses are providing work related training to their staff
- There has been an increase in the number of skills shortages (shortages in the local labour market) and skills gaps (gaps in current workforce) experienced by local businesses
- Businesses are generally keen to engage with local schools and there has been an increase in the number of businesses who provide work experience placements and those who would consider doing so in future

6.1 To monitor the impact of our Economic Development Plan we will look at a number of indicators on an annual or quarterly basis. To monitor the level of individuals' skills, take up of training and business skill needs in Central Bedfordshire, our Economic Development Plan contains a commitment to monitor the following indicators annually as part of the LEA:

- Number of people in apprenticeships
- % of working age people with level 2,3 and 4 qualifications
- % of people who have received job related training in the last four weeks

6.2The All Age Skills Strategy, adopted by Central Bedfordshire in March 2012, also contains additional monitoring indicators which the LEA looks at. This was developed following the adoption of the EDP to set out the priorities and actions required to deliver a flexible and mobile workforce that meets the needs of employers, is able to respond rapidly to economic shifts and will enable Central Bedfordshire to achieve its full economic potential. Monitoring indicators in the Strategy are:

- Reduced level of reported business skills gaps and shortages
- To maintain the employment rate of Central Bedfordshire, so that it is at least 5% higher than the national average (this is covered in the Labour Market Chapter of this LEA)
- To be in the top 25% nationally of key stage 4 results for 5 A*-C including English and maths GCSE by 2014
- Increase in % of working age people with level 2,3,4 qualifications

The All Age Skills Strategy can be found online at http://www.centralbedfordshire.gov.uk/learning/adult-learning/all-age-skills-strategy.aspx

6.3As a wider evidence base, this chapter of the LEA will look at a number of other areas to give a broader picture of the Central Bedfordshire business landscape:

- Education Deprivation
- NEET data
- Work experience placements
- Future skills demand

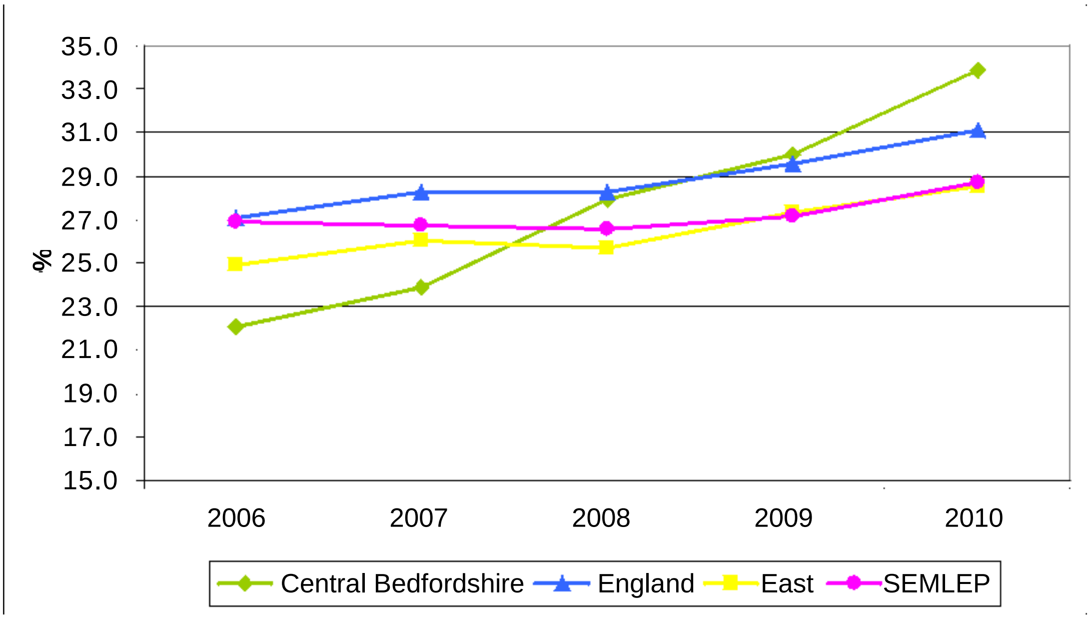
Skills Levels

6.4The level of qualification is often used as a proxy for the level of skills in a workforce. While this data is readily available, it does not necessarily reflect the range of skills an individual may possess, as data reflects academic achievement only. Available data highlights that Central Bedfordshire generally performs well with regard to qualifications.

6.5 Data from 2010 shows that qualification levels in Central Bedfordshire have been rising at all levels over recent years and have remained higher than England, the East of the England and SEMLEP.

6.6 In Central Bedfordshire in 2010 33.9% of the working age population were qualified to NVQ Level 4 (degree equivalent) or above, compared to 30.0% in 2009.

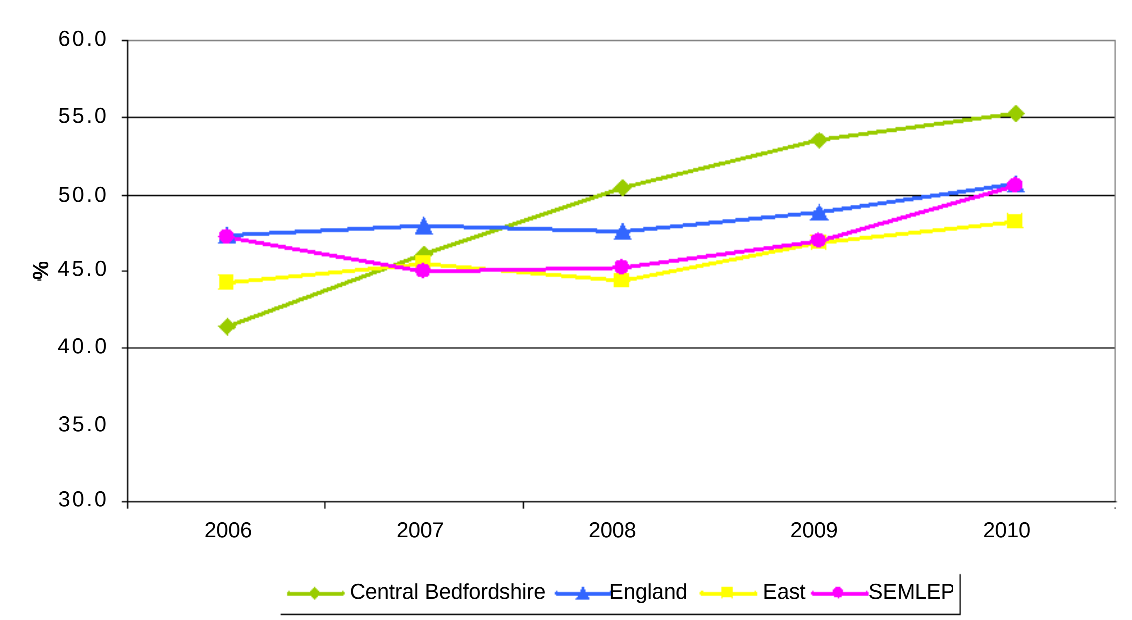
% of working age population with Level 4 qualifications



Source: Annual Population Survey, December 2011, ONS via Nomis

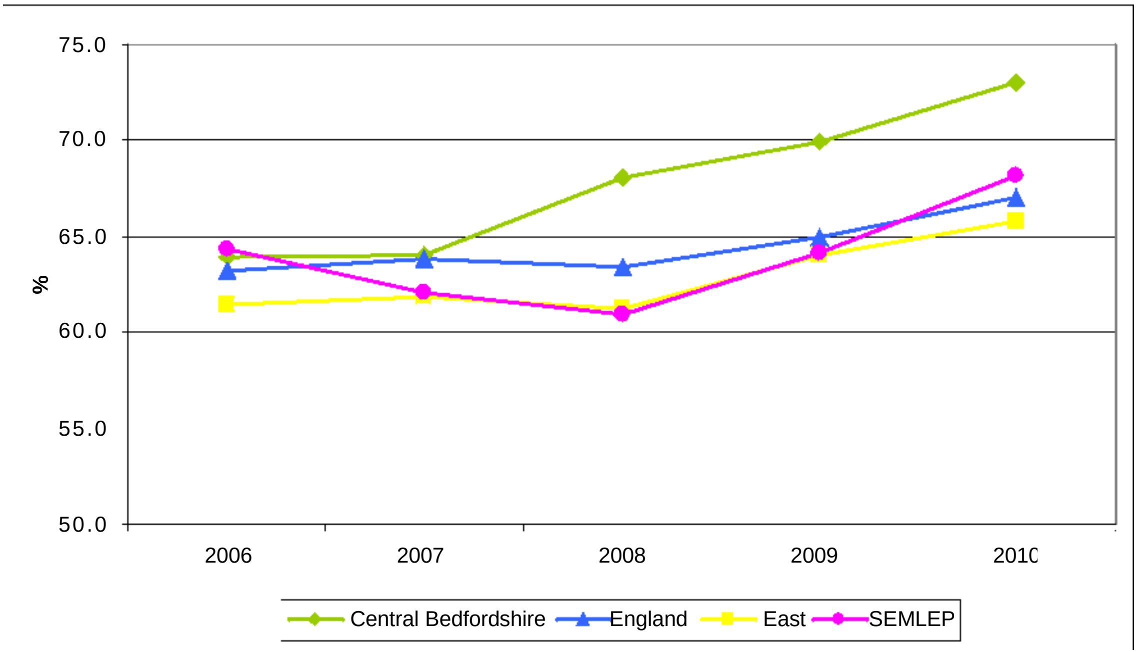
6.7At NVQ Levels 2 and 3, Central Bedfordshire also performs above national, regional and SEMLEP levels and has shown a significant improvement in recent years.

% of working age people with Level 3 qualification



Source: Annual Population Survey, December 2011, ONS via Nomis

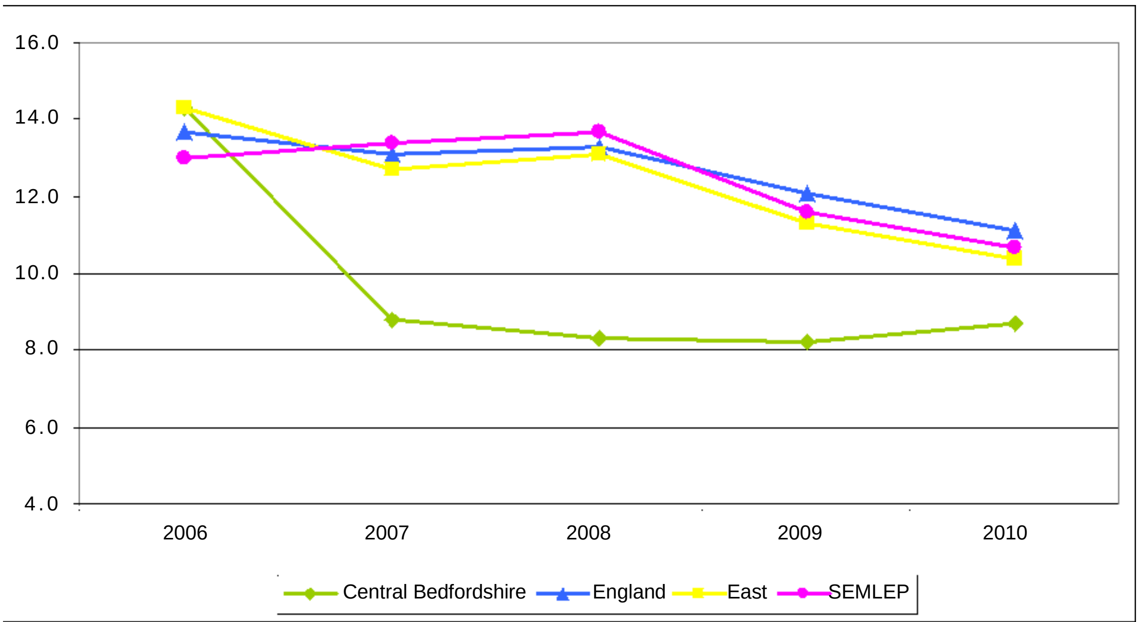
% of working age people with Level 2 qualification



Source: Annual Population Survey, December 2011, ONS via Nomis

6.8 While the number of people with no qualifications has fallen at a faster rate in Central Bedfordshire than comparator areas in the past five years, there has been a recent increase in the number of people with no qualifications, which goes against the trend in other areas.

% of working age people with no qualifications



Source: Annual Population Survey, December 2011, ONS via Nomis

Skills gaps and shortages

6.9 In addition to overall skills levels, data is available on the nature of skills the business community requires. The Central Bedfordshire Business Survey 2012 highlighted that 49% of businesses report skills shortages, a significant increase from 23% in 2011.

6.10 The most commonly cited skills shortages were in technical, practical or job specific skills (cited by 18% of businesses), communication skills (18%), customer service skills (16%) and technical skills (16%).

6.11 While skills shortages involve skills that are difficult to obtain from outside the organisation, skills gaps are those that are lacking in the existing workforce. Respondents were asked if they could identify any of a range of skill gaps within their existing workforce that restrict their business performance.

6.12 Almost 3 in 10 businesses in Central Bedfordshire (29%) reported any such skill gaps, compared to 24% in 2011 and 32% in 2010. Larger businesses are more likely to have skills gaps with 46% of businesses with 50+ employees reporting skills gaps compared to 29% of businesses with 1-9 employees.

6.13 The most commonly cited skills gap was technical, practical or job specific skills (cited by 12% of businesses), followed by communication skills (9%), advanced I.T skills (8%) and managerial skills (8%).

6.14 A report by the Centre for Economic & Social Inclusion for the Local Government Association in June 2012 looked at Further Education and skills achievements, nationally and across regions, in a range of occupations and sectors and compared them with the numbers of jobs currently held in those occupations or sectors, and estimated new vacancies in those occupations and sectors, to identify the extent to which there is a match between the supply of new skills and the employer demand for those skills. There is limited local data on actual jobs, but according to this report, Central Bedfordshire seems to have above average job vacancies in the automotive and construction industries, however we seem to be lacking in opportunities in the creative & cultural, hair & beauty, and hospitality, leisure & tourism sectors. It should be noted that the lack of hair and beauty opportunities is an issue also seen nationally, but Central Bedfordshire still appears below average when making comparisons.

6.15 For the under 19s, there are more job vacancies than can be filled in the construction, building services & engineering, automotive and security industries. In terms of where the area does not perform so well, the sectors match the overall sectors listed above.

6.16 In general the total overall vacancies per skills achievement is better in Central Bedfordshire than in Bedford, Luton, East of England and England.

Work related training

6.17 In the 2012 Central Bedfordshire Business Survey, respondents were asked if their business over the past 12 months has funded or arranged any off-the-job training or development for employees at that site. Off-the-job training was defined as training away from the individual's immediate work position, whether on their premises or elsewhere. About half of businesses in Central Bedfordshire (42%) have funded or arranged any off-the-job training or development in the past 12 months, compared to 31% in 2011 and 37% in 2010.

6.18 The propensity to fund or arrange off-the-job training is most likely to occur in larger organisations, particularly those with 25-49 employees and 50+ employees. It is highest in the arts & other services sector and lowest in agriculture & utilities, although these are not significant due to the small sample bases.

6.19 Central Bedfordshire businesses who reported an improvement in business performance are more likely to have undertaken off-the-job training (38% compared to 31% of those who reported no change and 20% of those who reported a deterioration).

6.20 Respondents were then asked about on-the-job and informal training and development their business has funded or arranged in the last 12 months. This was defined as activities that would be recognised as training by staff but not the sort of learning by experience which could take place all the time. 52% of businesses provided on-the-job training in the last 12 months in 2012, compared to 31% in 2011 and 40% in 2010

6.21 Larger businesses were more likely than smaller businesses to provide training, with 81% of businesses with 50+ employees providing off-the-job training and 99% providing on-the-job training compared to 39% of businesses with 1-9 employees providing off-the-job training and 47% providing on-the-job training.

6.22 Of those businesses that did not provide training, 78% said they did not provide off-the-job training and 85% did not provide on-the-job training because there was no need. The next most commonly cited reason was that training was too expensive or businesses did not have the funds (cited by 13% about not providing off-the-job training and 12% for not providing on-the-job training).

6.23 Businesses were asked whether a workforce development plan was in place within their company. Overall, 29% of businesses have a workforce development plan. 86% of businesses with 50+ employees have a workforce development plan compared to 24% of businesses with 1-9 employees.

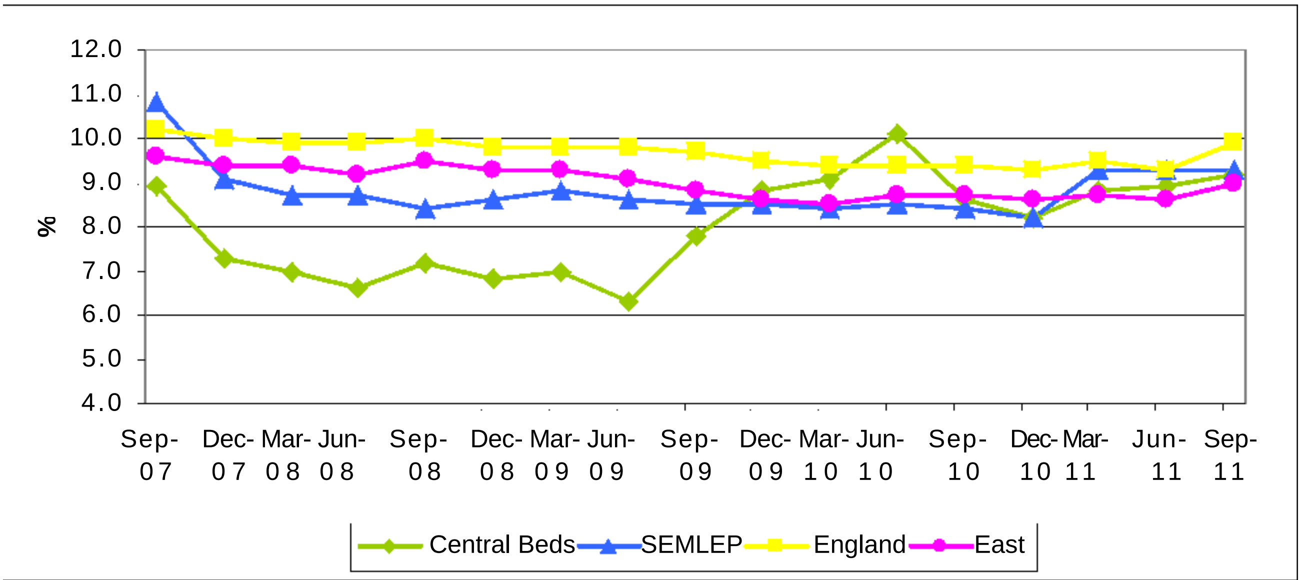
6.24 Those businesses that have a workforce development plan are more likely to have conducted training with their staff. For example, 73% of businesses that have a workforce development plan provided off-site training, compared to 30% of those that do not have a workforce development plan. Similarly, 74% of businesses that have a workforce development plan provided on-site training, compared to 42% of businesses that do not have a plan.

6.25 In terms of a national comparison, first findings from the UK Employer Skills Survey (UKESS), carried out by the UK Commission for Employment and Skills (UKCES) across the whole of the UK for the first time in 2011 (previously surveys were held at national level) found that 57% of UK employers provided staff training in the 12 months prior to the survey. Of those with 25 or more staff, well over 90% had provided training, but this falls to just under half of those with fewer than 5 staff (47%).

6.26 The UKESS found that the main reason for not providing training was that staff are already fully proficient (64%). The next most frequently mentioned reasons were that the employer had no money to train (10%) and that training was not a priority (9%). Some supply-side issues were also raised, with 6% saying that part of the reason they did not provide training was due to a lack of available training in the subject area and 2% that external courses were too expensive.

6.27 The Annual Population Survey is another measure of job related training. This measures the number of people who have had job related training in the past four weeks and in Central Bedfordshire fewer people receive job related training than in SEMLEP or England. In September 2011, 9.2% of working age people report having job related training in the past four weeks, a fall from a high of 10.1% in June 2010. The figure is slightly above regional levels (9.0%) but below both national (9.9%) and SEMLEP (9.3%) levels.

% of working age people who have received job related training in the past 4 weeks

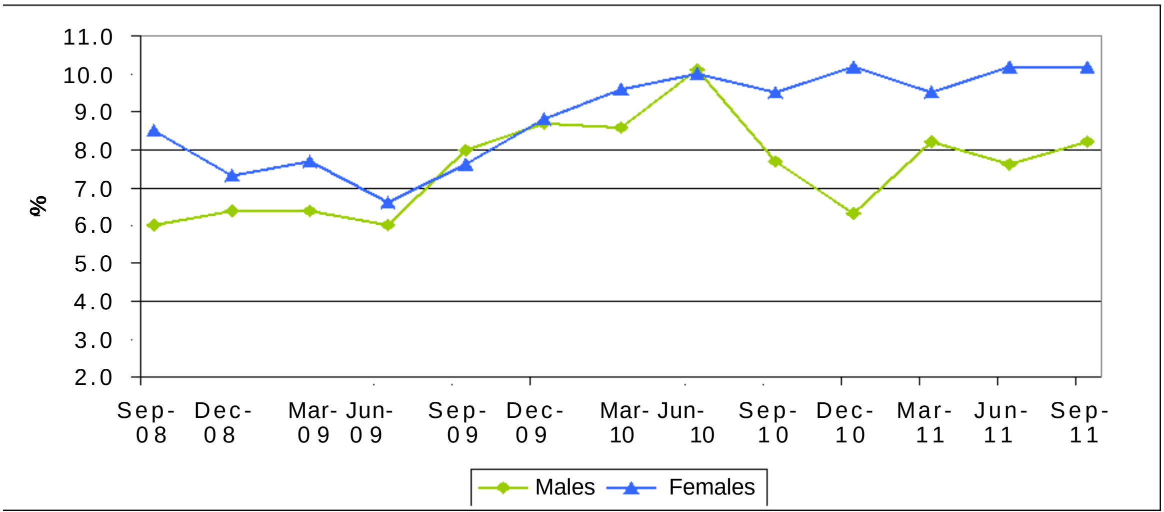


Source: Annual Population Survey, September 2011, ONS via Nomis

6.28 The number of people receiving job related training can be further broken down into gender and sector of employment. Female working age residents in Central

Bedfordshire tend to receive more job related training than males. In September 2011, 10.2% of females said they had received training in the past 4 weeks, compared to 8.2% of males. There was a drop in the female rate in June 2009, however there has been an increase of 54% since then bringing the rate back to pre-recession levels. The trend of more females receiving training than males is one that is also evident at SEMLEP, East of England and national levels; however the gap between the male and female rate is currently greater in Central Bedfordshire.

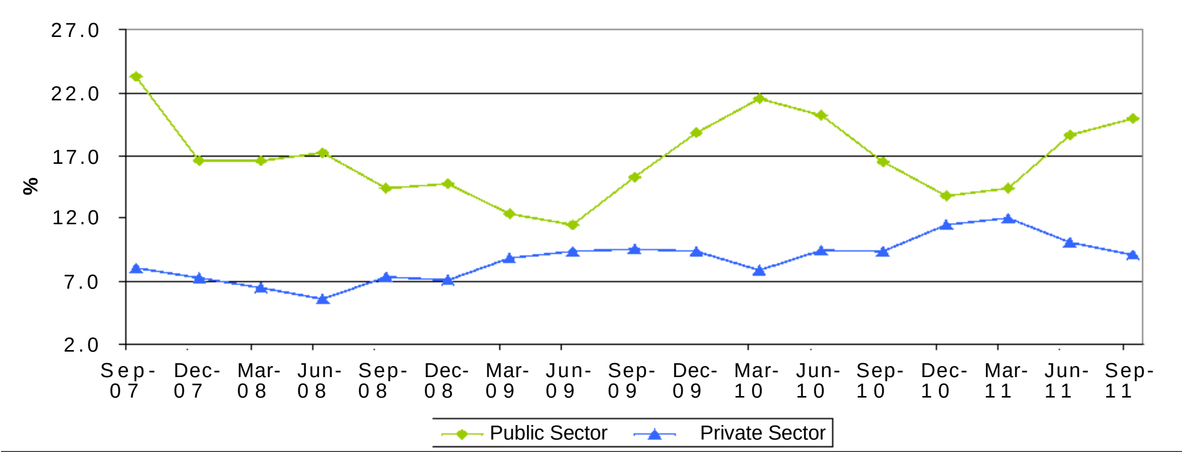
Males and females receiving job related training in the past 4 weeks in Central Bedfordshire



Source: Annual Population Survey September 2011, ONS via Nomis

6.29 There is also a notable difference between the number of people receiving job related training in the public and private sectors. Those in the public sector tend to be more likely to have received training in the past 4 weeks (20.0%) than those in the private sector (9.1%) and the gap is increasing.

% of people in the public and private sector receiving job related training in the last 4 weeks



Source: Annual Population Survey September 2011, ONS via Nomis

6.30 It should be noted that the differences between the results from the Business Survey (showing an increase in work related training) and the Annual Population Survey (showing a fall) could be because of the time frames covered by each survey, The Business Survey asks businesses about any training carried out over a 12 month period, whereas the Annual Population Survey asks individuals whether they have received any training in the four weeks prior to the survey.

GCSEs

6.31 GCSE results in Central Bedfordshire in 2011 increased 5.3 percentage points to 76.8% of pupils gaining 5 A*-C grades at any subject, up from 71.5% the previous year. Although this is slightly below the national (79.5%) and regional levels (78.0%), the improvement in Central Bedfordshire was better than in England (3.4 percentage points) and the East of England, which fell by 4 percentage points.

6.32 The percentage of pupils gaining 5 A*-C grades including English and maths, was 59.4. This has risen from 54.2 the previous year and is above both regional (59.1%) and national levels (58.9%). Central Bedfordshire is in the top 40% of local authorities in the country for attainment at GCSE and is moving towards Central Bedfordshire Council's corporate target of a position in the top 25%.

6.33 The number of children eligible for free school meals[7] is often used in the education sector as a measurement of deprivation. In Central Bedfordshire, GCSE achievement of 5 A*-C grades amongst children receiving free school meals in 2010 was 43.3%. This falls to just 26.1% when looking at those achieving 5 A*-C including English and maths. The East of England has higher achievement rates than Central Bedfordshire, with 51.3% of pupils receiving free school meals gaining 5 A*-C grades, and 28.1% gaining 5 A*-C including English and maths. This rate below a national levels of 58.6% and 31.2% respectively. [Source: Department for Education Statistical First Release, 2011]

6.34 Within Central Bedfordshire, variation can be seen in GCSE results depending on the area where the pupil is studying. Generally, more affluent areas have higher achievement levels. In 2010, 79% of pupils in Barton-le-Clay and Ampthill wards achieved 5 A*-C grades including English and maths, compared to 29% in Tithe Farm and 32% in Dunstable Northfields.

[7] Children from families that receive Income Support, Income-based Job Seeker's Allowance, Income-related Employment and Support Allowance, support under part VI of the Immigration and Asylum Act 1999 or the Guarantee element of the State Pension Credit, are eligible for free school meals.

Skills deprivation

6.35 Related to the data on GCSE achievement in deprived areas, according to the Education, Skills and Training domain of the 2010 Indices of Multiple Deprivation, eight lower super output areas (LSOAs) in Central Bedfordshire fell within the most deprived 10% in England. This includes parts of Houghton Regis, Dunstable, Leighton Buzzard, Sandy and Flitwick. A further four, again in parts of Houghton Regis, Dunstable and Leighton Buzzard, were within the most deprived 10% to 20% in England.

6.36 This domain is calculated using a number of indicators including pupil test scores at Key Stages 2-4, rates of higher education, secondary school absence rate, and adult qualification levels.

6.37 Nineteen LSOAs are in the most deprived 30% in England for this domain. Eight of these were among the most deprived 10% of areas in England.

6.38 With the exception of Dunstable Northfields 595, all of the LSOAs in the 10% most deprived in England for the education and skills domain were also the most deprived LSOAs in Central Bedfordshire overall.

Education, skills and training domain: Central Bedfordshire LSOAs in the most deprived 30% in England

0-10% in England	10-20% in England	20-30% in England
Houghton Hall / Tithe Farm 618	Dunstable Northfields 596	Dunstable Northfields 597
Dunstable Manshead 594	Leighton Buzzard North 605	Biggleswade North / Biggleswade South 390
Leighton Buzzard North 609	Parkside 602	Sandy 430
Tithe Farm 619	Dunstable Northfields 599	Houghton Hall 579
Parkside 601		Arlesey 378
Sandy 433		Houghton Hall 581
Flitwick 400		Caddington 562
Dunstable Northfields 595		

Source: Indices of Multiple Deprivation 2010

6.39 Raising qualification levels is critical to individual employment prospects because there is a strong correlation between the qualification attained and the employment rate. Those with no qualifications are far less likely to be in employment, as shown in the table below.

Employment rate (%) of working age population by highest qualification, 2008

Area	Level 4	Level 3	Level 2	Below Level 2	No qualifications
Mid Bedfordshire	87.9	85.0	85.3	79.9	66.3
South Bedfordshire[8]	93.5	85.6	83.8	83.2	58.5
East of England	86.4	82.3	76.0	74.5	56.3
England	86.2	77.2	74.2	70.9	47.6

Source: Department for Innovation, Universities and Skills, 2009

NEET

6.40 In May 2012 3.9% of young people in the academic year 12-14 cohort were not in education, employment or training (NEET) in Central Bedfordshire. This has fallen from 4.5% since January 2011, however it should be noted that previously the count was taken as a percentage of all 16-18 year olds, whereas from April 2011 NEETs are measured as a percentage of young people in academic years 12-14.

6.41 Central Bedfordshire compares well to its statistical neighbours, falling below the mean average of 5.0%. Central Bedfordshire's NEET count is also below geographical neighbours Bedford (6.8%), Luton (7.1%) and Milton Keynes (5.5%).

6.42 For future LEAs the measurement of NEET will change, reflecting a new requirement to monitor the level of individuals whose classification is not known. In future the level of NEET will be higher to reflect this broader definition. Likewise The Government is increasing the age to which all young people in England must continue in education or training, requiring them to continue until the end of the academic year in which they turn 17 from 2013 and until their 18th birthday from 2015. This will also impact on the monitoring of skills levels and those in training.

Apprenticeships

6.43 Data from The Data Service (January 2012) shows that there were 1,630 apprenticeship starts at all levels in Central Bedfordshire in the 2010/11 academic year. This is an increase of 600 people, or an increase of 58.3% from the previous academic year. Since 2005/06 there has been an 83.1% increase in apprenticeship take up in Central Bedfordshire.

6.44 Although the recent increases in take up are positive, the rate of increase in Central Bedfordshire in the past year is below neighbouring authorities, the region and the country as a whole.

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8 Data not yet available for Central Bedfordshire Council unitary authority area.

% increase in apprenticeship starts since previous academic year

	2006/07	2007/08	2008/09	2009/10	2010/11
Central Bedfordshire	-2.2	12.6	4.1	1.0	58.3
Bedford	-7.3	10.5	26.2	-3.8	66.7
Luton	6.4	26.0	11.1	-5.7	116.7
East of England	5.4	25.2	0.7	12.1	67.6
England	5.3	21.8	7.0	16.8	63.6

Source: The Data Service, January 2012

6.45 Nationally, the highest take up of apprenticeships in 2010/11 can be seen in the following sectors:

- Customer Service
- Health and Social Care
- Retail
- Business Administration
- Hospitality and Catering

6.46 At a local level, data is only available on take up of apprenticeships by sector for under 19s. In Central Bedfordshire, data from the National Apprenticeship Service highlights that the sectors with the highest number of apprenticeships (aged 16-18) in 2010/11 are:

- IT and Telecoms Professionals (including ICT)
- Hairdressing
- Construction
- Business Administration
- Customer Service

6.47 In relation to the information in the Labour Market section of this LEA which outlines the mismatch between skills achievement and job vacancies in Central Bedfordshire, there are currently more construction vacancies than skills achievements, so it is positive to see that these apprenticeships have a high uptake. There are, however, many more achievements than vacancies in the hair and beauty sector, and the implication of this as a popular apprenticeship subject is that the trend of more achievements than vacancies is likely to continue.

6.48 In terms of sectors with growth potential, the East of England Forecasting Model (also in the Labour Market section of this LEA) forecasts that sectors expecting to see high growth by 2031 include Professional Services, Business Services and Construction, all of which will benefit from an increase in individuals qualified in some of the popular apprenticeship subjects above.

6.49 In 2012 the National Apprenticeship Service produced The Apprenticeship Quality Statement which sets out the standards NAS expects for the delivery of a high quality Apprenticeship. It makes clear the key features and expectations of an Apprenticeship and how delivery can support these whilst meeting the employer and learner focus that drives the programme. This applies to all apprenticeships started after 6th April 2012 and stipulates that all apprenticeships for apprentices aged 16 – 18 must last at least 12 months. For those apprentices aged 19 or over the apprenticeship should also last at least 12 months unless relevant prior learning is recorded. Where this is the case the apprenticeship will not be less than 6 months. It is likely this may have an impact on apprenticeship numbers in future as shorter timeframes will not be permitted.

6.50 In the 2012 Central Bedfordshire Business Survey, businesses were asked about apprentices. 8% of businesses in the 2012 survey currently have an apprentice and 42% would consider having an apprentice, this compares to 3% and 32% respectively in the 2011 survey.

6.51 Larger businesses are more likely to have or consider having an apprentice, with 38% of businesses with 25-49 employees and 22% with 50+ employees currently having an apprentice and 62% and 57% respectively that would consider having an apprentice. This compares to 6% of businesses with 1-9 employees that currently have an apprentice and a further 40% that would consider having an apprentice.

6.52 The main reasons for having or considering having an apprentice are to give the individual a chance and to train the individual to the specific needs of the business. An important reason for businesses that would consider having an apprentice is the Government funding available (cited by 17% of businesses that would consider having an apprentice). An important reason for businesses that currently have an apprentice is their positive experience of apprenticeships (cited as a reason by 24% of businesses that currently have an apprentice).

Reasons why businesses would employ an apprentice

Reason	Overall	Have an apprentice	Would consider having an apprentice
To give them a chance/to get them started	53%	51%	54%
Can train the individual to our specific needs	51%	50%	52%
Represents an investment in the business	25%	24%	25%
Government funding available	15%	7%	17%
Ease workload on other workers	12%	12%	13%
Cheap labour/Value for money	11%	7%	12%
It is part of our corporate social responsibility	8%	3%	9%
Positive experience of apprenticeships	7%	24%	4%
Ageing workforce	5%	0%	6%

Source: Central Bedfordshire Business Survey 2012

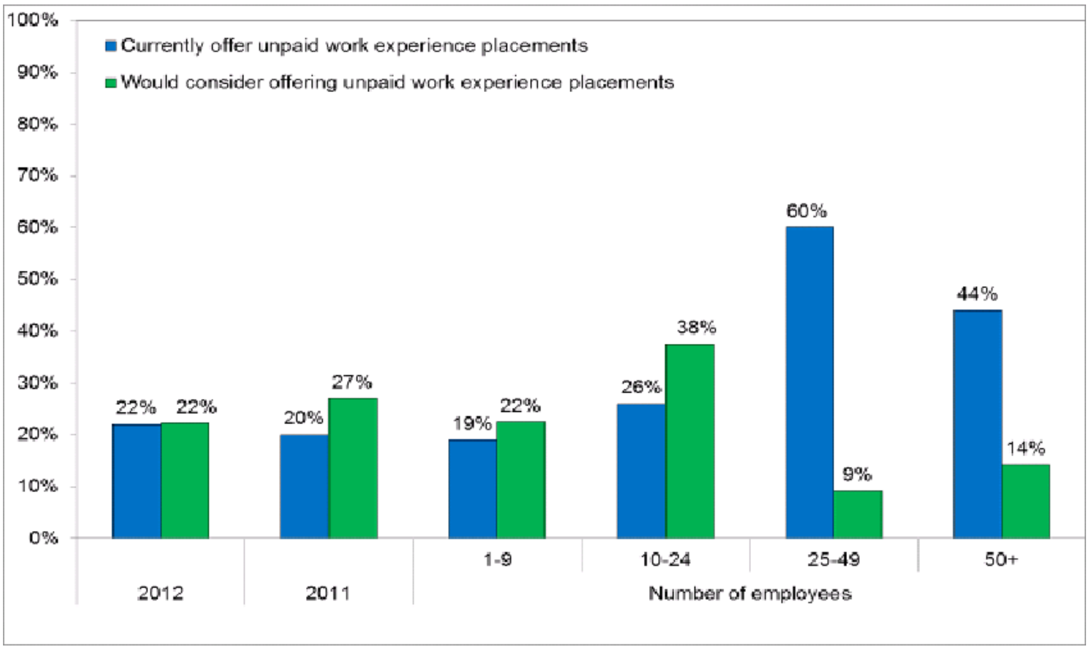
6.53 The main reasons for not having or not considering having an apprentice are the lack of need and that the business is too small for an apprentice position. 53% of businesses do not have or would not consider having an apprentice because they have no current business need. 24% cited that their business is too small to accommodate an apprentice and 7% cited that their business had a bad experience of apprenticeships.

Work experience placements

6.54 The business survey also asked respondents whether they currently offer work placements, or would consider doing so in future. About four in every ten businesses either offer or would consider offering work experience placements, with larger businesses more likely to do so. 22% of businesses currently offer unpaid work experience placements and a further 22% would consider offering such placements.

6.55 Larger businesses are more likely to offer unpaid work experience placements with 60% of businesses with 25-49 employees and 44% of businesses with 50+ employees currently offering unpaid work experience placements. This compares with 19% of businesses with 1-9 employees currently offering unpaid work experience placements.

Proportion of businesses that offer or would consider offering work experience placements



Source: Central Bedfordshire Business Survey 2012

6.56 In terms of wider links with local schools, the Business Survey found that 30% of businesses have links with local schools. Larger businesses are more likely to have links with local schools with 46% of businesses with 25-49 employees and 64% of businesses with 50+ employees having links, compared to 28% of businesses with 1-9 employees. The links businesses mainly had with local schools were through offering school work experience placements.

Future skills demand

6.57 Based on the Autumn 2010 run of the East of England forecasting model, Insight East carried out a study into qualifications and occupations that will be in demand in Central Bedfordshire between 2011 and 2016.

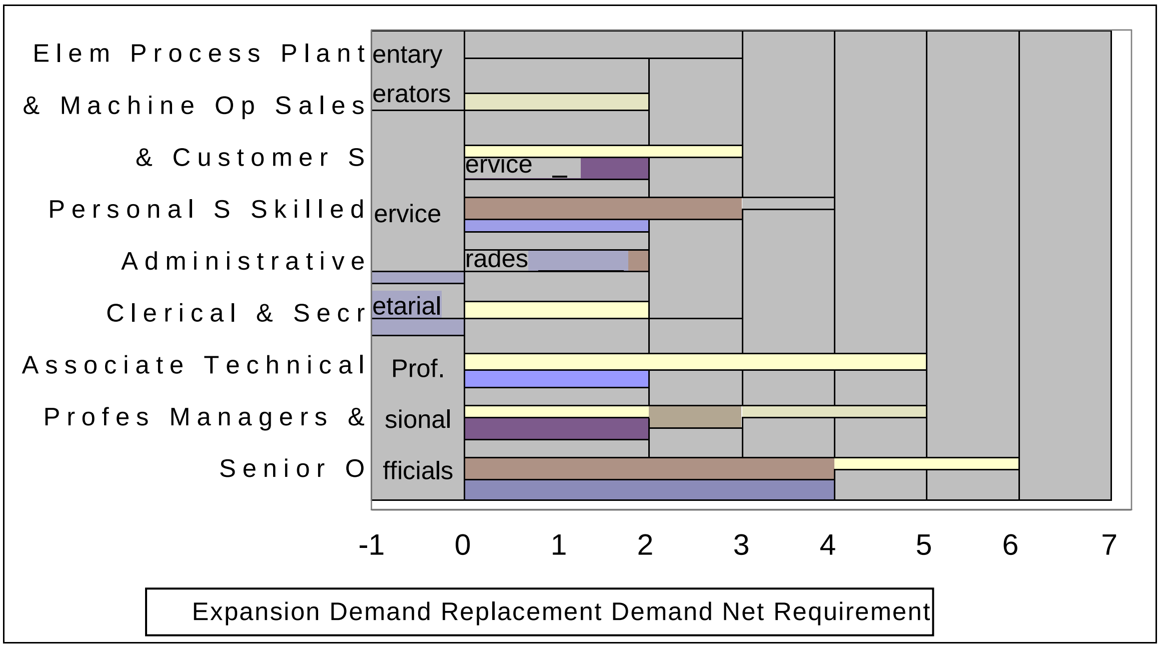
6.58 The biggest growth in jobs in Central Bedfordshire will be seen in managers and senior officials, associate technical & professional occupations, professional occupations, and personal service occupations.

6.59 Administrative, clerical & secretarial occupations, skilled trades, and, to a degree, process plant and machine operators show a decline in terms of expansion demand. However, due to the amount of replacement demand there is a net overall increase.

6.60 Specific occupations forecast to grow most rapidly are corporate managers, teaching/research professionals, caring/personal service professionals and sales occupations.

6.61 In spite of reductions in expansion demand in some sectors, job openings will still be occur in all sectors. A total of 26,900 job openings are forecast between 2011 and 2016, of which almost three quarters (73%) comes from replacement demand.

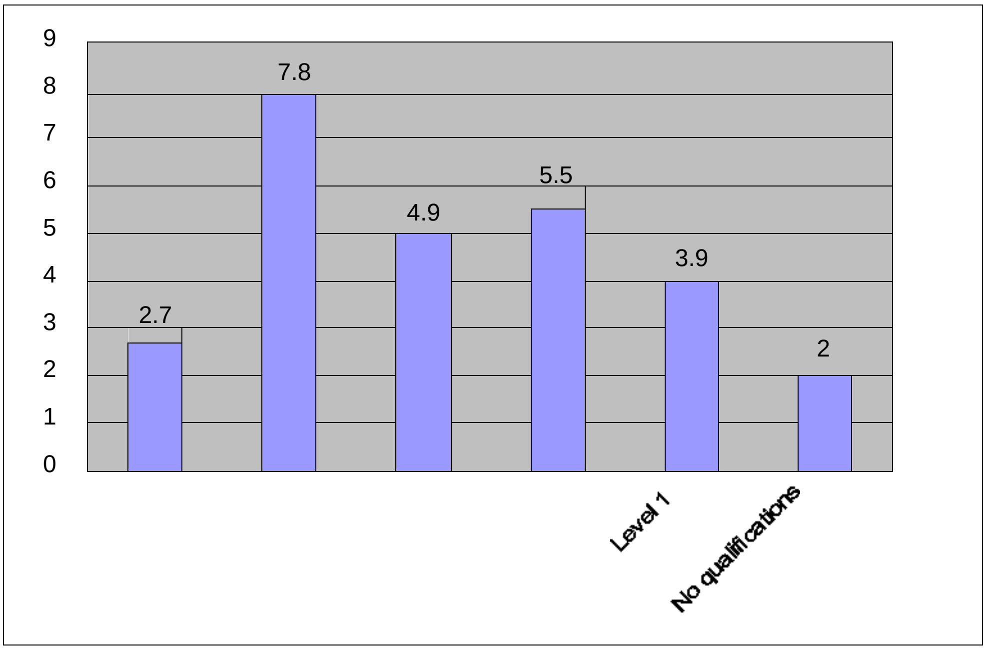
Change in forecasted occupation demand, 2011-16 (000's employed)



Source: Occupation Demand forecasts for the East of England, 2011-16, Insight East

6.62 In terms of qualification demand, as the graph below shows, level 4 or equivalent qualifications are forecast to be most in demand, but there is also substantial need for employees with skills at level 1, 2, and 3. The continued demand for workers with no formal skills may reflect the inclusion of replacement demand in the analysis as older workers leaving the labour market often have no qualifications, but in reality an employer may prefer a new employee to have some qualifications due to competition in the market.

Qualification demand forecasts in Central Bedfordshire, 2011-16 (000's employed)



Source: Qualification Demand Forecasts, 2011-16, Insight East

6.63 This forecast is not a verdict on the likely success of policies designed to raise aspirations and qualifications, more a benchmark of the likely outcome in the absence of such policies.

6.64 Comparing Central Bedfordshire to the region, the area has a higher demand for more highly skilled workers (level 4 and 5) and a lower demand for those with level 1 or no qualifications.

6.65 At a regional level, the UKCES Working Futures 2010-2020 report (December 2011) projects that by 2020 the occupation which will see the largest increase in the East of England is managers, directors and senior officials (21%), compared to 18.4% nationally. This is followed by the assistant professional and technical occupation group, which will see an increase of 15.3% regionally and 14.2% nationally. The occupation group which will see the biggest fall in the region (-10.4%) by 2020 is the administrative, clerical and secretarial group, followed by skilled trades (-6.5%).

6.66 In terms of employment (workplace jobs) by qualification, UKCES Working Futures forecasts that the percentage of the workforce at each qualification level in the East of England 2020 will be:

Qualification level (NVQ equivalent)	0	1	2	3	4-6	7-8
% of all in employment	8.6	17.3	21.8	20.9	22.1	9.3

Source: UKCES, Working Futures 2010-2020, December 2011

Central Bedfordshire Council
www.centralbedfordshire.gov.uk

Local Economic Assessment

Chapter Seven: Place

Providing a range of land and premises

Place

Providing a range of land and premises

Key Issues

- Central Bedfordshire has seen growth in commercial floorspace, with a future need to provide a range and choice of premises to support job growth aspirations
- A need to consider how the growth of non B space jobs (including retail, leisure and education facilities) can be supported, reflecting the growing importance to these areas for future economic growth
- Ongoing high levels of comparison retail spend to surrounding areas (79.8%), highlighting the importance of the continued enhancement of Central Bedfordshire's town centres
- Relatively low levels of retail vacancies in Central Bedfordshire, though Dunstable levels do exceed the national average
- Above or comparable access to and broadband speeds compared to national averages
- Need for enhanced roll out of superfast broadband services to tackle the 29,259 premises who may not receive services by 2015
- House prices rising faster in Central Bedfordshire relative to national levels and income growth
- Reflecting the business survey findings, ongoing need to ensure fast effective transport connectivity

7.1 Reflecting Our Plan for Central Bedfordshire 2012-16 priority for better infrastructure-improved roads, broadband reach and transport a series of targets have been introduced:

- To complete the production of all Town Centre Master Plans and demonstrate progress on all 5.
- To achieve 90% access to superfast broadband by 2015/16.
- To achieve 100% access to at least 2MB broadband by 2015/16.

7.2 Further to this, as set out in the introduction to this LEA, to monitor the impact of our Economic Development Plan we will look at a number of indicators on an annual or quarterly basis. To monitor development activity in Central Bedfordshire with a particular focus on the performance of our town centres the following measures will be monitored annually as part of the LEA:

- Change in commercial floor space stock
- High street vacancy levels

7.3To provide a wider evidence base, this chapter of the LEA will also look at a number of other areas to give a broader picture of the Central Bedfordshire physical landscape:

- Connectivity
- Digital infrastructure
- Commercial property market
- Rental levels
- General vacancy rates
- Retail
- House prices
- Carbon emissions
- Energy consumption
- Renewable energy
- Natural environment

Connectivity

7.4 The M1 motorway runs north-south through Central Bedfordshire, and provides a strategic freight and distribution link. The A1, A6 and A5 also provide north-south connections through the area. Rail connections from London to the north are via the West Coast Mainline, East Coast Mainline and the Midland Mainline.

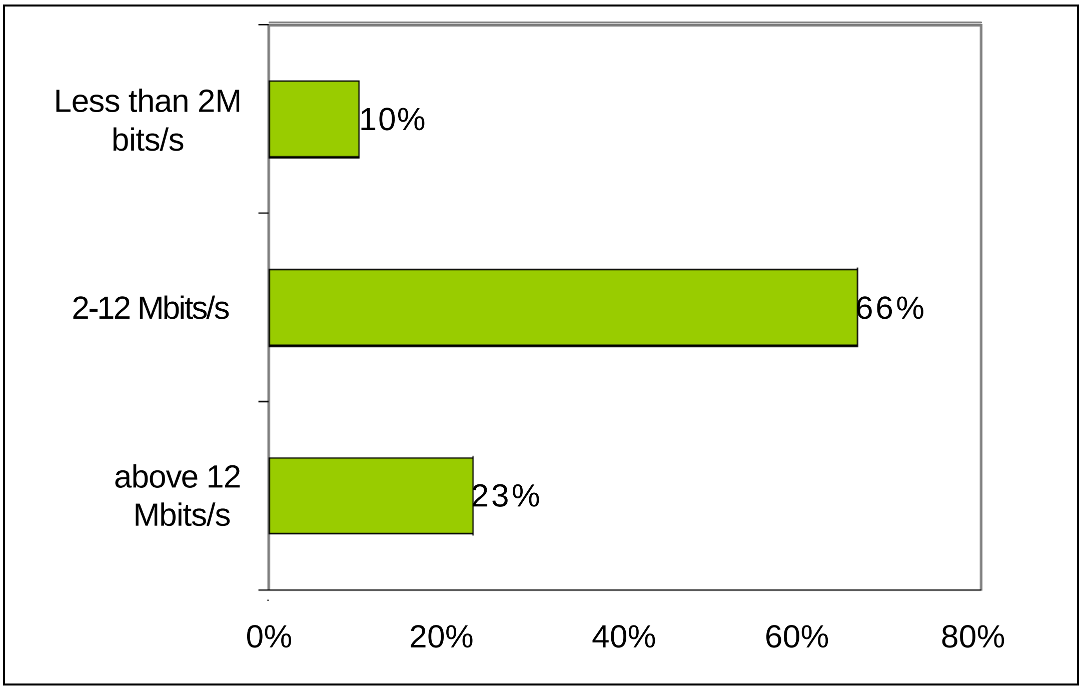
7.5 East-west movements through the area are less well served. The primary road connections across Central Bedfordshire are via the A507 and A421 with other minor A and B roads providing links to the motorway, trunk roads and settlements. The A421 has recently had significant improvements. The Marston Vale Line between Bedford and Bletchley, which is primarily a local passenger service, is the only east-west rail connection. This line is due to be upgraded as part of the Bedford to Oxford East-West rail link.

Digital Infrastructure

7.6 The provision of digital infrastructure, such as broadband connectivity and telecommunications services is a key part of Central Bedfordshire's strength as a prime business location.

7.7The Central Bedfordshire business survey 2012 highlights that there is both a need and support for plans to improve broadband provision locally. 31% of businesses surveyed claim to have their business performance restricted by current broadband provision and speed, with smaller and rural businesses most affected. In addition, 25% said lack of broadband provision was a constraint on their business growth and 13% of businesses that are planning to re-locate cited access to I.T. as a key feature they are looking to find in their new premises.

% Broadband Coverage in Central Bedfordshire



Source Analysis Mason: Local Broadband Plan 2012

7.8 The figure above highlights the majority of services available in Central Bedfordshire are between 2 and 12 Megabits Per Second (Mbits/s). Further data from the Communications Infrastructure Report on fixed broadband in the UK published by Ofcom indicates that the average speed of basic broadband in Central Bedfordshire area is 7.5Mbits/s with 13.8% of the area premises receiving less than 2Mbits/s. This is comparable with the national average of 14% of the total premises not receiving the speed of 2Mbits/s.

7.9 Mobile broadband is used to complement fixed broadband in Central Bedfordshire and currently Central Bedfordshire is served by a number of mobile operators**.** According to a report published by Ofcom on Mobile coverage in the UK (Infrastructure Report- Ofcom 2011), Central Bedfordshire has 97.9% 2G geographical coverage and 99.2% 2G premises coverage compared to 40.1% 3G geographical coverage and 61.1% 3G premises coverage. The 3G mobile coverage is largely confined to the larger towns, with little or no mobile broadband coverage in the rural parts of the Council area.

7.10 In the UK, the regulatory framework encourages competition in the telecoms market by allowing rival operators to compete with BT by unbundling BT's local exchanges known as Local Loop Unbundling (LLU). The operators can then offer their wholesale service over BT's lines. Currently within Central Bedfordshire, there are a total of 43 BT telephone exchanges, with around 24 of them offering some level of infrastructure competition through LLU. 5 of the exchange are located outside the Central Bedfordshire area, within Milton Keynes, Luton, Hertfordshire and Bedford. This indicates that the vast majority of the broadband market in Central Bedfordshire has more than 1 LLU operator, which displays a good level of broadband competition in the area.

7.11 A key consideration in digital connectivity is access to next generation access superfast broadband services (above 24 Mbit/s). This has considerable benefits to homes and business in terms of increased access to services and new business opportunities. Analysis as part of the Council's Local Broadband Plan highlights that 73.8% of the premises in Central Bedfordshire will receive super fast services by 2015. This is above national estimates of around 66%. However this does mean that 26.2% of the total premises in Central Bedfordshire (29,259 premises) consisting of 28,137 residential premises (96%) and 1,122 business premises (4%), would not receive services.

7.12 In line with our priorities, the Council has developed a Local Broadband Plan setting out how the Council intends to work with the Government and industry to ensure that a minimum of 90% of Central Bedfordshire residents and business have access to superfast services by 2015 and that all have access to a minimum of 2 Mbit/s. Further detail on the Local Broadband Plan is available at www.centralbedfordshire.gov.uk/broadband.

Change in Commercial Floorspace

7.13 Another key factor in the success of Central Bedfordshire as a location for business is the availability of employment floorspace, either for offices, industry warehousing (B space planning uses) and, increasingly of importance, non B space floorspace, including retail, leisure and education facilities.

7.14 Data from the Central Bedfordshire Annual Monitoring Report highlights that in the 2010-2011 period a total development of commercial floorspace of 29,857square metres (sqm) (321,378square feet) was completed. This is approximately the equivalent of five international football pitches in size. However this does not consider the full land requirement for development, which will also include a significant additional element of car parking, landscaping and serving land. Over the same period there was a loss of 16,480sqm (177,389 square feet) of commercial floorspace. This leaves a net increase of 12,597 sqm (135,593 square feet).

7.15 Reflecting the need to minimise the impact on the environment of new development, 98.5% of commercial development was on previously developed land. Only three commercial developments in 2010-11 were on greenfield land.

7.16 The largest gains in floorspace were B1 (general office), B1 C (light industry), B8 (warehouse) and mixed use B1, B2 (industrial) and B8 types of commercial floorspace. By comparison the largest losses were in the B1/B8 and B1/ B2 areas.

7.17 In terms of development location some 71% of new development was in the North Central Bedfordshire area (21,149 sqm) compared to 29% (8,707.5 sqm) in South Central Bedfordshire. In comparison 53% of losses were in South Central Bedfordshire.

7.18 Further information on planning within Central Bedfordshire is available through the Council's Annual Monitoring Report, providing information on a range of planning performance measures, including housing. The Annual monitoring report can be found at http://www.centralbedfordshire.gov.uk/planning/strategic-planning/monitoring.aspx

Commercial Property Market

7.19 The Draft Central Bedfordshire Employment Land Study (2012) highlights that the highest number of commercial deals for offices from 2002 and 2012, utilising the FOCUS commercial property database, were for small units below 185sqm (1,990sqft). The total number of deals done for office space during the ten year period was greater than the deals for the other floorspace bands combined (185sqm – 1,850sqm+). This illustrates the predominance of small businesses within Central Bedfordshire. However, in terms of total floorspace these deals represent 10% of total take-up of floorspace with larger less frequently occurring deals (1,850sqm+ units) accounting for 51% of all floorspace. In line with the Draft Development Strategy, the spread of deals reflects the need to ensure a balance and a range of office premises to meet differing business needs.

Office deals in Central Bedfordshire 2002-2012

Floorspace Band	Absolute take up (sq m)	Average annual take up (sq m)
-185 sq m	11,642	1,164
185 - 465 sq m	16,668	1,667
465 - 1,850 sq m	27,250	2,725
1,850 sq m+	58,723	5,872
Total	114,283	11,428

Source: Focus 2012

7.20 With regard to industrial and warehousing commercial floorspace, data from the Draft Central Bedfordshire Employment Land Study (2012) highlights that the majority of deals have been in relation to medium to large units (185sqm – 1,850sqm), with deals for units between 465 sqm and 1,850 sqm being most prevalent. However, reflecting market trends for large scale warehousing units, 72% of floorspace taken up through commercial deals was for larger units.

Industrial and warehouse deals in Central Bedfordshire 2002-2012

Floorspace Band	Absolute Take up(sq m)	Average Annual Take up (sq m)
185 sq m	12,083	1,208
185 - 465 sq m	35,460	3,546
465 - 1,850 sq m	206,451	20,645
1,850 sq m+	654,523	65,452
Total	908,517	90,852

Source: EGI 2012

Rental levels

7.21 The highest achievable office rental values in the area are around £16-18/sqft (£183 – 193/sqm). This is significantly lower than the £20/sqft which was being achieved in 2007 before the recession and property market downturn. There is also significant variation within Central Bedfordshire**.** The table below indicates differing levels of expected rental costs throughout Central Bedfordshire.

Central Bedfordshire rental Rates by Town

Location	Office (£ per sqft)	Industrial (£p per sqft)
Ampthill	£10-£14	£6-7
Flitwick	£10 - £12.50	£6-7
Cranfield Tech Park	£16	-
Biggleswade	£10	£5-6
Sandy	£10	£5-6
Leighton Buzzard	£7.50	£5-6
Dunstable	£6-7*	£5-7

Vacancy Rates

7.22 Data on the level of vacancies for non domestic rates (27.01.12) indicates a vacancy rate for Central Bedfordshire of 12.6% of commercial property. Vacancy rates in South Central Bedfordshire are higher than North Central Bedfordshire – 14% and 8% respectively overall.

Retail

7.23 Due to a change in methodology comparisons between the 2011 Local Economic Assessment and this year can not be made. Data from the Draft Central Bedfordshire Retail study 2012 highlights that Central Bedfordshire centres and stores retain only 19.2% of total spend on comparison goods, meaning 79.8 % of comparison retail spend is spent in centres outside of Central Bedfordshire. The main destinations for spend outside Central Bedfordshire remain Luton, Bedford and Milton Keynes, reflecting the concentration of retail in these areas. This high level of leakage highlights the continued need to enhance and support Central Bedfordshire's town centres.

7.24 When considering convenience spend, 45.9% of total convenience spend by residents in Central Bedfordshire is retained in the area. A large level of leakage is again to Luton, reflecting the close proximity of centres within Luton to major population centres within Dunstable and Houghton Regis.

7.25 As part of the ongoing monitoring of the Economic Development Plan the Council is monitoring the level of high street vacancies in Central Bedfordshire's town centres. The table below highlights that Dustable remains the town with the largest number of vacant retail units and a focus of regeneration activity. For comparison data from the Local Data Company highlights that as of quarter 1 2012, the national high street vacancy rate was 14.6%, indicating the overall relatively low levels of vacancy in Central Bedfordshire, though highlighting the ongoing need to support the regeneration of Dunstable.

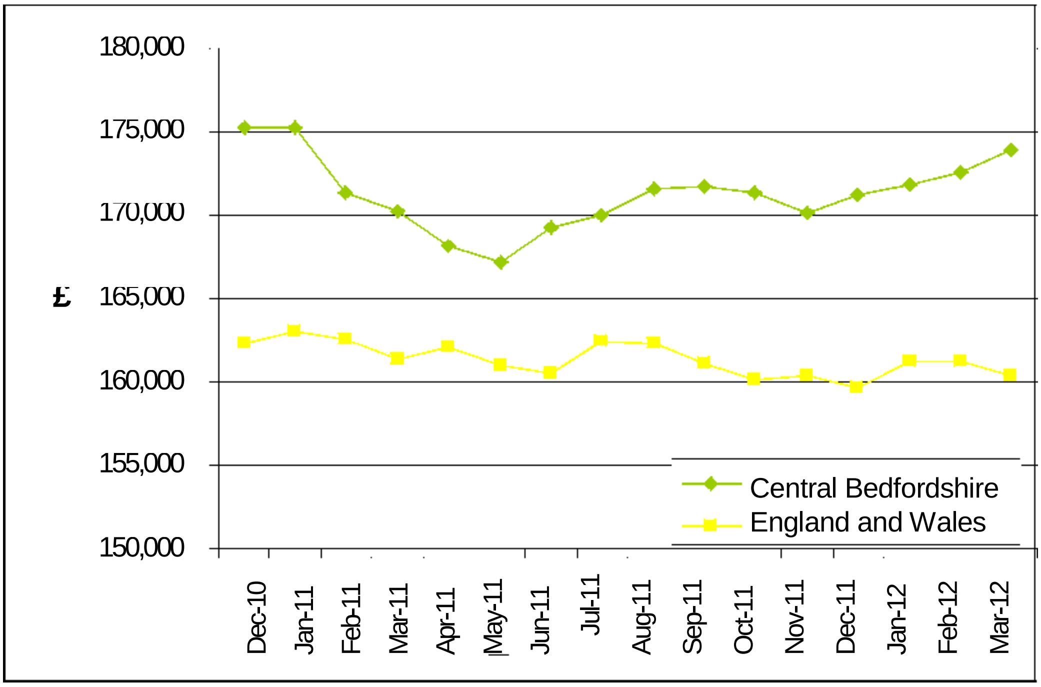
Town centre vacancies in Central Bedfordshire, July 2012

Town	Number of vacant retail units	% of vacant retail units
Ampthill	6	6.7
Arlesey	0	0.0
Biggleswade	10	6.9
Dunstable	45	16.9
Flitwick	2	5.1
Houghton Regis	0	0.0
Leighton Buzzard	14	6.9
Sandy	2	3.1
Shefford	2	5.0
Stotfold	0	0.0
Total	**81**	9.0

House Prices

7.26 The average house price in Central Bedfordshire in March 2012 was £173,931. (Source HM Land Registry). This has fallen by £1,291 (0.7%) since December 2010, in line with wider macroeconomic conditions. The average house price in Central Bedfordshire is some 8.5% higher than the average for England and Wales overall and recent trends in house prices have shown that prices are increasing more rapidly in Central Bedfordshire relative to the national picture. Likewise, over the period December 2010 to March 2012 the drop in house prices was greater at the national level (1.2%).

Change in house prices



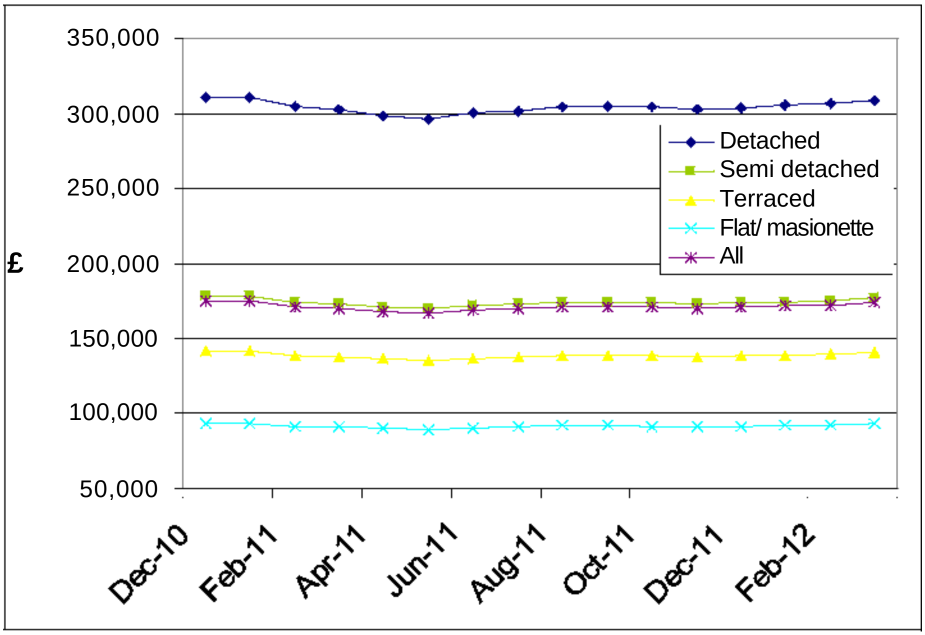
Source: HM Land Registry

7.27 The average price of property type in Central Bedfordshire is shown below.

House type	Price £ In March 2012
Detached	309,050
Semi Detached	176,897
Terraced	140,456
Flat/ Maisonette	92,946

Source: HM Land Registry

House price change over time by property type

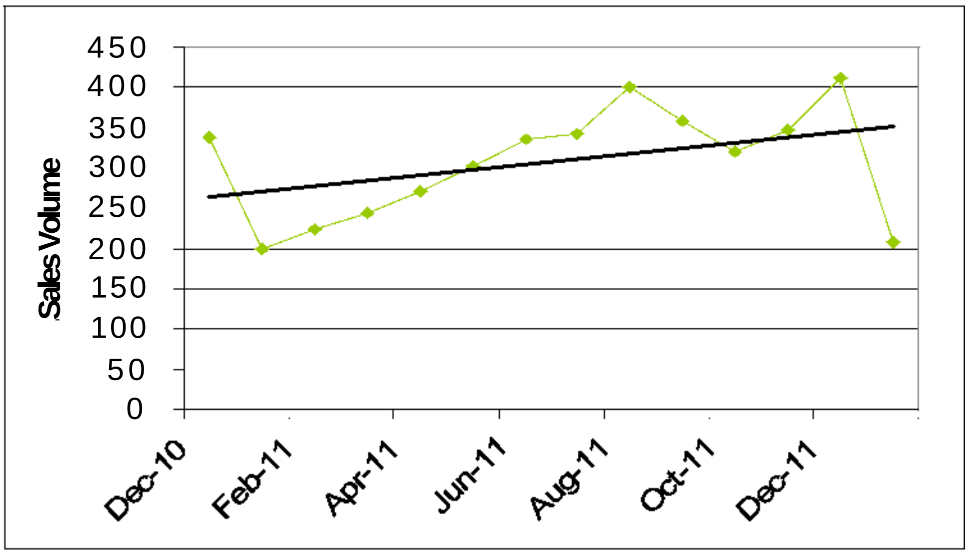


Source: HM Land Registry

7.28 There have been no significant changes relative to the average house price change over the period, with all types witnessing a slight fall over the period, but experiencing recent increases.

7.29 When considering the volume of house sales in Central Bedfordshire, there has been considerable variation in month by month figures, as demonstrated below. However, the underlying trend over the period from December 2010 has been a steady increase.

Volume of house sales



7.30 Further analysis of the Central Bedfordshire housing market, including data on levels of affordability has been undertaken as part of the Central Bedfordshire Development Strategy available at http://www.centralbedfordshire.gov.uk/planning/strategic-planning/development-strategy.aspx

Carbon emissions

7.31 Reducing carbon emissions is an important challenge, but it also presents an economic opportunity in terms of commercial opportunities in new technologies and business processes. Central Bedfordshire's carbon emissions have been falling year on year since 2005 as can be seen in the table below.

Central Bedfordshire's CO2 emissions 2005-2009

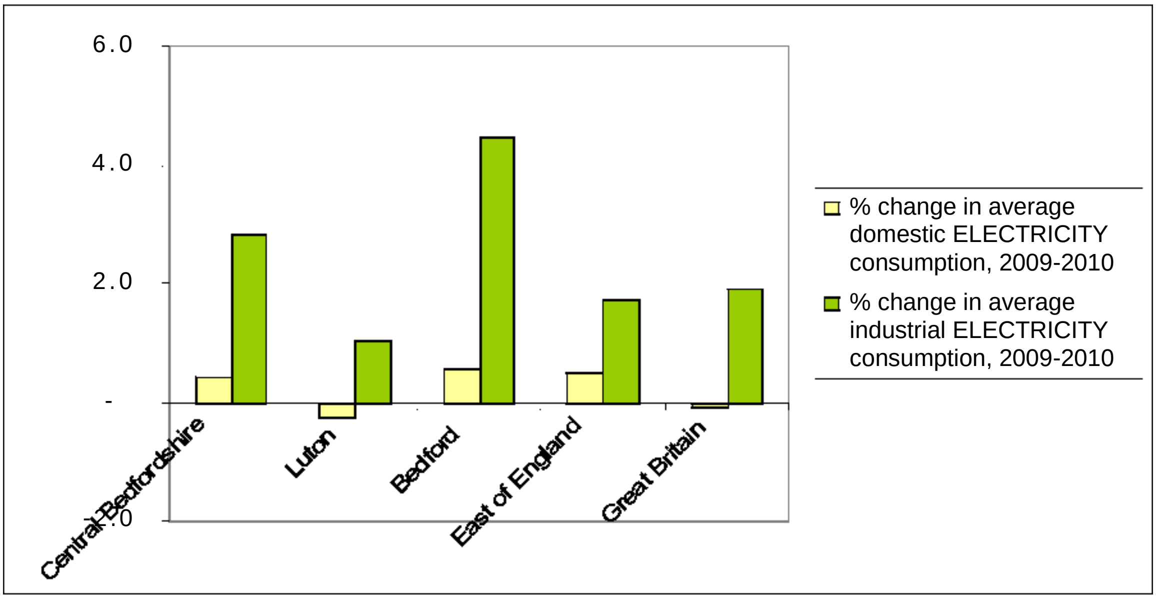
Year	Industry & Commercial (kt of CO_2)	Domestic (kt of CO_2)	Road Transport (kt of CO_2)	Total (kt of CO_2)	Per capita emissions (tonnes)	Change in emissions from 2005 baseline
2005	532	590	789	1,913	7.8	
2006	531	596	751	1,880	7.6	-1.73%
2007	524	587	744	1,857	7.5	-2.93%
2008	540	574	726	1,844	7.3	-3.66%
2009	478	522	704	1,707	6.8	-10.77%

Source: Department for Energy and Climate Change, 2011

Energy consumption

7.32 In the 2012 Central Bedfordshire Business Survey, 49% of businesses identified the high cost of energy as a constraint on business growth. This is not reflected, however, in usage figures which would be expected to reduce as costs increase. Between 2009 and 2010 there was a 2.8% increase in average industrial electricity consumption in Central Bedfordshire. This compares to an increase in industrial electricity consumption of 1.7% in the East of England and 1.9% in Great Britain. In comparison, domestic electricity consumption in Central Bedfordshire increased by just 0.4% in the same time.

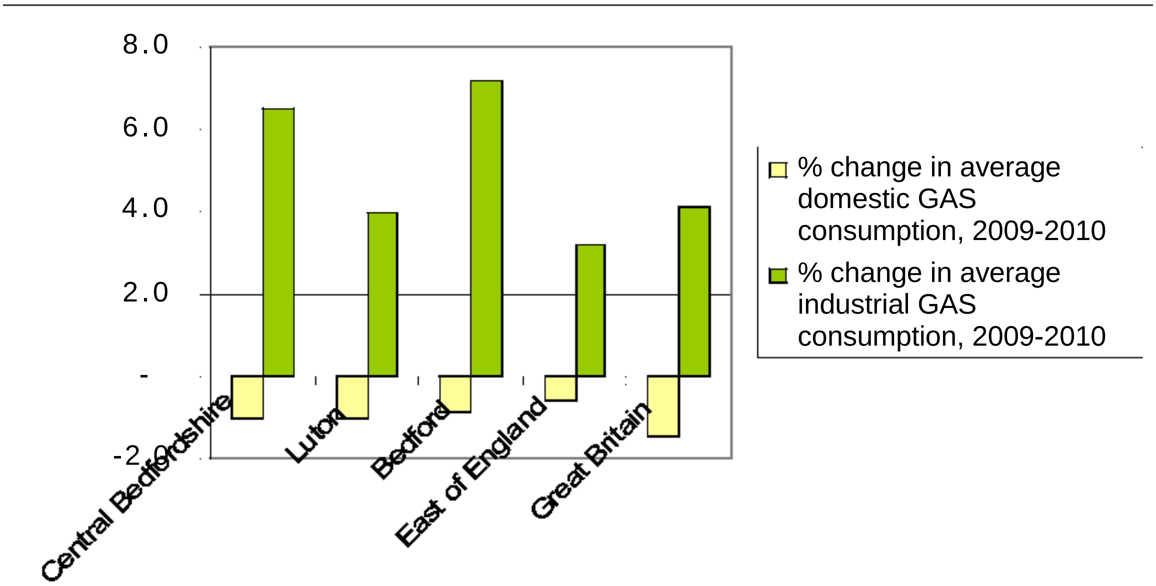
Change in electricity consumption



Source: Department for Energy and Climate Change, 2012

7.33 Industrial gas consumption in Central Bedfordshire has seen a greater increase of 6.5% in the same time. This is higher than nationally (4.1% increase) and regionally (3.2% increase). Again, domestic consumption has not followed the same pattern, with a 1.0% fall in consumption between 2009 and 2010.

Change in gas consumption



Source: Department for Energy and Climate Change, 2012

Renewable Energy

7.34 The East of England is the leading region in the UK for renewable energy generation. A review of recent datasets installations suggests that the current renewable energy output is 2,400 GWh per year, with another 900 GWh either in construction or with planning consent. This is an increase of approximately 10% since RESTATS figures were published in 2009 (Source: East of England Renewable and Low Carbon Energy Capacity Study 2011, Sustainability East). Renewable energy generation data is not available for Central Bedfordshire, however in Bedfordshire the main sources of renewable energy are landfill gas and dedicated biomass.

Renewable energy generation (GWh per year)

	Bedfordshire	East of England
Dedicated biomass	121.2	1,384.7
Landfill gas	212.7	789.4
Sewage gas	20.9	102.3
Wind	0	869.2
Hydro	0.1	0.1
Municipal and industrial waste	0	776.9
Photovoltaics	0	4.4
Total	**354.8**	**3,145.9**

Source: East of England Renewable and Low Carbon Energy Capacity Study 2011, Sustainability East

Natural environment

7.35 Natural England recently produced a report on the Benefits of Investment in the Environment, which highlighted a survey of real estate developers and consultants across Europe that found that 95% of respondents believe that open space adds value to commercial property and would be willing to pay at least 3% more to be in close proximity to open space. Respondents rated access to open space the 5th most important criterion when selecting commercial property, after location, cost, public transport links, amenities but before prestige of address and building aesthetics (Source: Microeconomic Evidence for the Benefits of Investment in the Environment – review, Tim Sunderland, March 2012). There is a more general argument that the attractiveness of cities, towns and whole sub-regions to inward investment is enhanced by environmental quality.

7.36 The Central Bedfordshire Business Survey, an annual survey of local businesses to obtain their views on a variety of issues, has been carried out locally for the past three years. Each year businesses are asked to rate key aspects of the area as a business location. Businesses consistently rank attractive surroundings as good or very good and there has been an improvement in the rankings year on year – 57% in 2010, 63% in 2011 and 64% in 2012.

7.37 Businesses are also asked to list their three best things about the area as a business location. Attractive surroundings and environment again ranks high on lists each year. In 2012 attractive surroundings and environment ranked third, behind good transport links and the accessibility of the area. This underlines the importance of an attractive natural environment to encourage businesses to locate and grow in Central Bedfordshire.